

FCC rules seek to avoid surprise wireless bills

October 13 2010, By JOELLE TESSLER , AP Technology Writer

(AP) -- Federal regulators want to stop cell phone "bill shock" by requiring wireless companies to alert subscribers before they run out of minutes, hit data usage or text messaging caps or start racking up international roaming charges.

The [Federal Communications Commission](#) is expected to vote Thursday to seek public comment on such rules, which are on the table after a flood of consumer complaints about unexpected and costly overage fees.

The proposed regulations would require wireless companies to send voice or text alerts to customers as they approach monthly usage limits on their plans and when they reach those limits. The rules would also mandate that carriers notify customers who travel overseas if they will be charged extra to use their phones outside the U.S. or roam on a foreign carrier's network.

In addition, the FCC wants [wireless carriers](#) to clearly inform customers of any tools they offer to let subscribers set usage limits or review usage balances. And the agency is considering requiring all carriers to give subscribers the option to cap their usage.

"Consumers are being charged real money that they shouldn't be charged for," said FCC Chairman Julius Genachowski. "So this is about harnessing technology to empower consumers and give them information to control their bills."

Consumer watchdogs welcome new rules to curb what they see as predatory wireless charges.

Joel Kelsey, political advisor for the public interest group Free Press, noted that there is often a disconnect between what consumers think they are signing up for and what shows up on their bills.

A recent FCC survey found that one in six [cell phone users](#) had experienced a sudden increase in a monthly bill even though they had not changed their service plan.

But the reaction from CTIA-The Wireless Association was wary. Chris Guttman-McCabe, CTIA's vice president for regulatory affairs for the trade group, said wireless companies are concerned about "prescriptive and costly rules that limit the creative offerings and competitive nature of the industry."

He added that the industry "continues to develop tools to keep customers informed about their level of usage of voice, text or data to ensure positive customer experiences."

Verizon Wireless, for instance, offers customers access to online "usage meters" for voice, data and messaging and sends free text messages to subscribers who are approaching their allowances.

Concerns about wireless bill shock are drawing attention in Congress, too. Sen. Tom Udall, D-N.M., is sponsoring a bill that would require wireless companies to notify subscribers when they have used 80 percent of their voice minutes, text messages or data usage and to obtain customer consent before charging extra for services not included in a plan.

At the FCC, the new rules are part of a broader push to enact consumer

protection measures across the telecommunications industry. Last year, the FCC opened an inquiry into so-called "truth-in-billing" rules, which require phone companies to clearly describe charges on customer bills. As part of that inquiry, the agency has looked into whether the largest wireless companies give customers adequate notice about fees for breaking a service contract early.

The FCC is also investigating complaints that Verizon Wireless charged customers without data plans \$1.99 when they inadvertently pressed the Web access button on their phones. Verizon Wireless recently said it will issue credits or refunds ranging from \$2 to \$6 to 15 million customers who were improperly billed. Jeffrey Nelson, a company spokesman, insisted the matter is unrelated to the issue at the heart of the FCC's proposed bill shock rules.

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