

Cellphone cos. to warn as plans approach limit

October 17 2011, By PETER SVENSSON , AP Technology Writer

(AP) -- Cellphone companies pledged Monday to warn subscribers before they go over their monthly limits for calling minutes, text messages and data use.

The pledge comes in response to a threat of regulation by the Federal Communications Commission, which wants to curb nasty surprises in the monthly bills of wireless subscribers.

CTIA - The Wireless Association, a trade group representing the major cellphone companies, said they're also promising to warn subscribers that they're paying roaming fees if they travel abroad.

The warnings will arrive as text messages, and subscribers won't need to sign up for them - they'll arrive automatically. CTIA said its member will have warnings in place on at least half their plans in a year and all of them in two years.

AT&T Inc. and Verizon Wireless, the two largest carriers, already provide text-message warnings on their data plans, but not on text messaging or calls. Instead, subscribers have to look up their usage data.

The announcement was made jointly by the CTIA and the FCC, which credited Consumer's Union, the publisher of Consumer Report, for raising awareness of the issue. The magazine had found that many of its subscribers had been startled by high monthly bills.

The alerts are voluntary for the phone companies, but FCC Chairman Genachowski made it clear that the agency would step in if companies fail to police themselves.

Kathleen Grillo, senior vice president for federal regulatory affairs at Verizon Communication Inc., said the voluntary approach was preferable because things change quickly in the wireless world and regulations don't always keep up.

"The result is an industry code that will serve consumers better than rules that would soon be outdated," she said.

Asked at the press conference why it would take two years to fully implement the warnings, CTIA President Steve Largent said phone companies have to reconfigure their systems.

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