



TELECOMMUNICATIONS

SNAP UPSMdate

November 1, 2010

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Mobile Service Alerts: Bill or Regulation Shock?

The FCC recently proposed rules that would require mobile service providers to provide usage alerts and information to assist consumers in avoiding unexpected charges on their bills. Specifically, the FCC's proposed rules would require mobile service providers to inform their customers about their usage, such as by voice or text alerts when a subscriber is approaching or begins incurring overage or roaming charges, and provide clear disclosure of the available tools subscribers can use to limit usage and review their usage history. The FCC's recent *Bill Shock Survey* found that 30 million Americans have experienced unexpected increases in their monthly bills that are not caused by changes in their service plans.

Predictably, industry commenters contend that mandatory usage alerts and cut-off mechanisms are unnecessary because 1) the wireless industry currently provides consumers with usage controls and alerts, text messages, and dialing shortcuts to check account balances to avoid bill shock, 2) an industry-wide regulation will harm consumers by limiting choice and diminishing incentives to develop additional tools, and 3) it would be costly to adjust existing billing systems to implement any new usage alert requirements. State and consumer commenters contend, however, that mandatory requirements are necessary because currently available tools are limited by additional fees, self-enrollment requirements, active monitoring requirements, and they are applied inconsistently.

The FCC seeks comments on the scope and limits of the proposed rules. For example, should prepaid mobile services, in which customers pay in advance, be exempt from any usage alert requirements? Should the rules apply to all communications services provided by mobile

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wireless providers, including voice, text, and data services? Should exclusively mobile data service providers be exempt? Does the FCC have the authority to establish the proposed rules? For example, several Title III provisions of the Telecommunications Act authorize the FCC to establish license conditions in the public interest. Even if the FCC does have the authority to implement such regulations, should it do so? Are such regulations appropriate or even necessary for competitive mobile services? Will they avoid mobile service bill shock or just shock the competitive mobile service industry with costly regulation?

We welcome your thoughts! Please feel free to comment at our interactive blog at blog.tlgdc.com.

If you have questions about this issue, or if we may be of assistance to you, please feel free to contact us.

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