

December 31, 2008

Commissioner John D. Burke
Vermont Public Service Board
112 State Street
Montpelier, VT 05620-2601

**Re: National Association of Regulatory Utility Commissioners
Survey on National Wireless Consumer Protection Standards**

Dear Commissioner Burke:

CTIA hereby responds to the questions submitted by the National Association of Regulatory Utility Commissioners (“NARUC”) regarding its inquiry into the development of consumer protection standards. CTIA and its member companies take consumer protection very seriously. The following letter and attachments detail the current state of pro-consumer standards in the wireless market, as well as some recent advances the industry has introduced in response to consumers’ constantly evolving needs and expectations.

NARUC’s survey asks respondents to choose which of the issues listed are more important in ensuring consumer protection. Because consumers have unique combinations of individual needs, CTIA and its carrier members believe that all of the issues on NARUC’s list, along with many issues that are not listed, are important – and not just to consumer protection, but to insuring a positive customer experience.¹ For example, the priorities and expectations of a hearing impaired consumer will most likely be much different than that of a teen, a corporate “enterprise” user, or a senior citizen. Moreover, there is a difference between issues that may be important to wireless consumers and core consumer protections not already codified into state and/or federal law which may need some oversight in order to guarantee that protection. To address the broad range of wireless consumers, and their even broader range of wants, needs, and choices, the wireless industry has taken a holistic approach to ensuring that all consumers have a baseline set of uniform expectations and access to the information they need to make educated decisions about their wireless service. Starting with their advertising directed towards new, first-time wireless customers to their ongoing billing and customer care relationships, the wireless industry continues to work to meet evolving consumer demands and ensure that U.S. wireless consumers lead the world not only in wireless use, but in satisfaction.

The CTIA Voluntary Consumer Code

¹ CTIA is pleased consumer groups, such as Consumer Union’s Consumer Reports have recognized that consumers’ experience with their wireless service has become significantly better. See, for example, the January 2009 issue of Consumer Reports.

In the wireless industry, where customers can choose from multiple service providers and rate plans, consumer protection is of paramount importance to winning over new customers and meeting the needs and expectations of their existing customers. To better meet these important consumer needs, in 2003 CTIA and its members created a set of guidelines that provide the baseline standards for consumer protection in the wireless industry. The result, the CTIA Voluntary Consumer Code (“the Code”), provides the bedrock protections that U.S. wireless consumers uniformly enjoy in all 50 states.

While adherence to the Code is voluntary, many of CTIA’s carrier members annually certify their compliance.² These carriers, who collectively serve the vast majority of wireless consumers in the U.S., have not only met the strictures of the Code, but have in many ways far exceeded its requirements. CTIA’s Voluntary Consumer Code consists of ten principles:

- Disclose Rates and Terms of Service to Consumers
- Make Available Maps Showing Where Service is Generally Available
- Provide Contract Terms to Customers and Confirm Changes in Service
- Allow a Trial Period for New Service
- Provide Specific Disclosure in Advertising
- Separately Identify Carrier Charges from Taxes on Billing Statements
- Provide Customers the Right to Terminate Service for Changes to Contract Terms
- Provide Ready Access to Customer Service
- Promptly Respond to Consumer Inquiries and Complaints Received from Government Agencies
- Abide by Policies for Protection of Customer Privacy

The code, which is the cooperative product of CTIA and its member companies represents a framework to ensure that the needs of consumers are met in this rapidly changing environment. Through every step of the customer-carrier relationship, U.S. wireless carriers go to great lengths to educate, inform, and ultimately, win over U.S. consumers with the quality of their services.

Potential Customers

Advertising

Because the members of the vibrantly competitive wireless industry are constantly evolving to meet the expectations and demands of consumers, the process of acquiring customers through advertising plays a pivotal role. CTIA’s carrier members who are signatories to the Code must annually show that they have met standards designed to insure transparency to consumers. The standards set forth in CTIA’s code require carriers

² A current list of CTIA members participating in the Voluntary Consumer Code is available at http://www.ctia.org/consumer_info/service/index.cfm/AID/10623.

to outline the following information in advertising (to the extent the medium reasonably allows):

- a) Activation or initiation fees;³
- b) Monthly access fees or base charges;⁴
- c) Any required contract term;⁵
- d) Early termination fees;⁶
- e) Terms and conditions related to receiving a product or service for "free;"⁷
- f) Times of any peak and off-peak calling periods;⁸
- g) Whether different or additional charges apply for calls outside of the carrier's network or outside of designated calling areas;⁹
- h) For any rate plan advertised as "nationwide," (or using similar terms), the carrier will have available substantiation for this claim;¹⁰
- i) Whether prices or benefits apply only for a limited time or promotional period and, if so, any different fees or charges to be paid for the remainder of the contract term;¹¹
- j) Whether any additional taxes, fees or surcharges apply;¹²
- k) Amount or range of any such fees or surcharges collected and retained by the carrier.¹³

³ See e.g., "Verizon Wireless Nationwide Plans," Attachment B at 1; "AT&T FamilyTalk Calling Plans," Attachment G at 3; BestBuy Mobile Guide, Attachment K at 29, 30, 31, 32; "Keep it Simple with Jitterbug," Attachment O at 4; "Net 10," Attachment P at 2 (specifically noting "No activation"); "Sprint Business Service Plans & Rates," Attachment S at 6; "Sprint Service Plans & Rates," Attachment U at 6;

⁴ See e.g., Attachments A, B, F, G, K, M, O, P, Q, S, U, W, X.

⁵ *Id.*

⁶ See e.g., "Verizon Wireless Nationwide Plans," Attachment B at 1; "AT&T FamilyTalk Calling Plans," Attachment G at 3; BestBuy Mobile Guide, Attachment K at 29, 30, 31, 32; "Sprint Business Service Plans & Rates," Attachment S at 6; "T-Mobile Services and Pricing," Attachment W at 5.

⁷ See e.g., "Verizon Wireless Nationwide Plans," Attachment B at 1 (describing Free VZ Navigator).

⁸ See e.g., "Verizon Wireless Nationwide Plans," Attachment B at 1 (describing "night hours"); "AT&T FamilyTalk Calling Plans," Attachment G at 3 (describing "Nights"); "Sprint Business Service Plans & Rates," Attachment S at 6 ("Nights starting at 7 PM"); "T-Mobile Services and Pricing," Attachment W at 5 (describing "Nights and Weekends").

⁹ See e.g., "Verizon Wireless Nationwide Plans," Attachment B at 1 ("No Domestic Roaming"); "AT&T FamilyTalk Calling Plans," Attachment G at 3 ("No Roaming or Long Distance Charges anywhere in the U.S., Puerto Rico or U.S.V.I."); "Sprint Business Service Plans & Rates," Attachment S at 3 ("No Roaming Charges"); "T-Mobile Services and Pricing," Attachment W at 4 ("While in this area, make calls to anyone in the United States and Puerto Rico – withno nationwide roaming").

¹⁰ See generally, Attachments B, F, G, K, O, P, S, V, W.

¹¹ See generally, "Verizon Wireless Nationwide Plans," Attachment B at 1 (describing Free VZ Navigator).

¹² See e.g., Attachments A, B, F, G, K, M, O, P, Q, S, U, W, X.

¹³ See e.g., "Verizon Wireless Nationwide Plans," Attachment B at 1 (describing "Taxes, Surcharges and Fees"); "AT&T FamilyTalk Calling Plans," Attachment G at 2 ("AT&T also imposes a Regulatory Cost Recovery Charge of \$1.25"); "Sprint Business Service Plans & Rates," Attachment S at 3 (detailing charges and fees); "T-Mobile Services and Pricing," Attachment W at 5 (describing "General Terms").

Carriers that complete the recertification process provide sample advertisements, brochures, and web pages that disclose CTIA's required information to wireless customers.¹⁴

Increasing Consumer Choice

U.S. wireless consumers enjoy a breadth of choices unsurpassed worldwide. On the more than 150 wireless carriers in the United States,¹⁵ consumers have their choice of more than 620 unique wireless devices.¹⁶ This incredible level of consumer choice is simply unparalleled anywhere in the world. For example, in the U.K., there are only 180 handsets available for consumers, and only five facilities-based wireless carriers.¹⁷

Additionally, carriers have begun to make the process of switching from one carrier to another even easier by allowing technologically compatible wireless devices to be "brought" to a new network. Announcements by wireless carriers earlier this year to facilitate consumers use of any compatible, non-harmful device on their networks¹⁸ will certainly facilitate the use of unlocked devices, however, unlocked handsets have been available for consumer use since long before these new policies. For example, of the more than 620 wireless devices CTIA has identified, 54 handsets are offered on an unlocked basis by manufacturers or by third-party websites. Some carriers have long held policies of unlocking subsidized handsets. Verizon Wireless does not lock the handsets of consumers in contracts.¹⁹ AT&T unlocks phones when a customer has fulfilled the contract.²⁰ T-Mobile generally unlocks phones after a customer has held an account for 90 days.²¹

¹⁴ See generally, attachments.

¹⁵ See Implementation of Section 6002(b) of the Omnibus Budget Reconciliation Act of 1993, Annual Report and Analysis of Competitive Market Conditions With Respect to Commercial Mobile Services, Twelfth Report, 23 FCC Rcd 2241 (¶ 2) (2008) ("12th Annual Competition Report").

¹⁶ See Letter from Christopher Guttman-McCabe, Vice President, Regulatory Affairs, CTIA – The Wireless Association to Marlene Dortch, Secretary, FCC dated March 20, 2008, WT Docket No. 08-27.

¹⁷ See Letter from Christopher Guttman-McCabe, Vice President, Regulatory Affairs, CTIA – The Wireless Association to Marlene Dortch, Secretary, FCC dated July 24, 2007, RM-11361.

¹⁸ See Press Release, Verizon Wireless, Verizon Wireless To Introduce "Any Apps, Any Device" Option For Customers In 2008 (Nov. 27, 2007) available at <http://news.vzw.com/news/2007/11/pr2007-11-27.html> (last accessed Nov. 30, 2007); see also Leslie Cauley, "AT&T flings cellphone network wide open," USA Today.com, available at http://www.usatoday.com/tech/wireless/phones/2007-12-05-att_N.htm (last accessed Feb. 15, 2008); Press Release, T-Mobile USA, Industry Leaders Announce Open Platform for Mobile Devices (Nov. 5, 2007) available at http://www.t-mobile.com/company/PressReleases_Article.aspx?assetName=Prs_Prs_20071105&title=Industry%20Leaders%20Announce%20Open%20Platform%20for%20Mobile%20Devices (last accessed Nov. 30, 2007); Press Release, Sprint Nextel Corporation, Sprint Joins Open Handset Alliance (Nov. 5, 2007) available at http://newsreleases.sprint.com/phoenix.zhtml?c=127149&p=irol-newsArticle_newsroom&ID=1072575&highlight=handset (last accessed Nov. 30, 2007).

¹⁹ This policy is subject to approval by the handset manufacturer. See Mark Lowenstein, Comparisons Between U.S. and European Markets for Wireless Services and Devices: Myth vs. Reality, at 1 (March 2007).

²⁰ *Id.*

²¹ See "Ask T-Mobile" at http://search.t-mobile.com/inquirapp/ui.jsp?ui_mode=question&question_box=unlock (last accessed Feb. 15, 2008).

Acquiring New Customers at the Point of Sale

While advertising plays an important role in helping consumers choose the carrier that is right for them, the limitations of advertising media prevent wireless carriers from providing all the desired information a consumer needs to make a fully informed decision. For this reason, wireless carriers take very seriously the need to inform consumers at the point of sale – whether in a retail store or on the Internet – of their choices, rights and obligations as a wireless customer.

Consumer Options: Contract or No Contract

Not all wireless consumers want the same things from their wireless service. In recognition of that, wireless carriers offer a vast array of contract and non-contract wireless options. For example, among the nationwide carriers, there are many varying contract plans designed to meet individual consumers' needs. In the Washington, DC area²²:

- AT&T offers 5 individual plans, 7 family plans, 6 prepaid plans, and 5 data plans.²³
- Sprint offers 8 individual plans, 6 family plans, 6 business plans, and a mobile broadband data plan as well as 20 plans that feature the Nextel Direct Connect® feature.²⁴
- T-Mobile offers 13 individual calling plans, 10 family calling plans, 6 Internet and email plans, and 10 plans for businesses.²⁵
- Verizon Wireless offers 17 individual plans, 29 family plans, 18 voice and email plans, and two wireless broadband plans.²⁶

Regional wireless carriers also have designed a number of wireless plans to meet the needs of consumers in their markets:²⁷

- U.S. Cellular offers 7 regional plans, 7 nationwide calling plans, 27 family plans, 6 data plans.²⁸

²² Carrier websites ask for a customer's ZIP code to ensure that the wireless service plans featured on their websites are available in the customer's service area. For the purposes of this letter, CTIA used the ZIP code of its offices in Washington, DC – 20036.

²³ See <http://www.wireless.att.com/cell-phone-service/cell-phone-plans/>.

²⁴ See <http://nextelonline.nextel.com/NASApp/onlinestore/en/Action/SubmitRegionAction>.

²⁵ See <http://www.t-mobile.com/shop/plans/Cell-Phone-Plans-Overview.aspx>.

²⁶ See <http://www.verizonwireless.com/b2c/store/controller?item=planFirst&action=viewPlanOverview&lid=//global//plans>.

²⁷ For regional carriers, because they do not necessarily offer service in Washington, DC, when asked for a ZIP code, CTIA used a ZIP code within the carriers service area.

²⁸ See http://www.uscc.com/uscellular/SilverStream/Pages/b_plan.html?mkt=608830&zip=60601&tm=1&p=5&wrkflow=wrkFlowPlan.

- MetroPCS offers 5 individual plans and a family plan, all featuring unlimited calling.²⁹
- SouthernLINC offers 3 individual plans featuring unlimited regional calling and 5 individual plans that offer nationwide calling, 5 plans featuring push-to-talk, and 3 family plans.³⁰
- Cellular South offers 5 individual voice plans, 2 voice and data plans, and 3 family plans.³¹

While the post-paid term contract has been by far the most popular variety of wireless plan, pre-paid and other non-contract options are also very popular with wireless consumers. Offering consumers the option to purchase minutes as they need them, or to pre-pay for monthly service plans, these options have made wireless service more attractive to low-income and low-use consumers. Some examples of non-contract wireless plans include:

- T-Mobile offers FlexPay plans – pre-paid versions of T-Mobile’s most popular post-paid service plans – with or without a service contract.³²
- AT&T’s GoPhone prepaid service features two pay-as-you-go options with several rate plans including a \$1 per day that charges 10¢ per minute and features unlimited on-network calling.³³
- Verizon Wireless offers its INpulse prepaid service for \$1, \$2 and \$3 daily prices that include varying per-minute prices and unlimited on-network calling. Customers can opt for the month-to-month service plan, which does not require a contract or early termination fees.³⁴
- Sprint’s BoostMobile offers four pre-paid calling plans, one of which is for only 10¢ per minute.³⁵
- TracFone, a Mobile Virtual Network Operator, offers prepaid service nationwide.³⁶
- Leap Wireless’ Cricket brand offers 6 individual no contract wireless service plans and a family plan.³⁷

Contract Terms

As detailed above, U.S. wireless carriers compete vigorously to attract and retain their customers. In addition to price and service coverage, carriers also compete on the

²⁹ See <http://www.metropcs.com/plans/default.aspx>.

³⁰ See http://www.southernlinc.com/consumer/service_plans/.

³¹ See https://www.cellularsouth.com/cscommerce/products/plans/category_plan_landing.jsp?navAction=jump&navCount=0&id=cat320003.

³² <https://support.t-mobile.com/knowledge/root/public/tm22546.htm>

³³ <http://www.wireless.att.com/cell-phone-service/go-phones/gophone-options.jsp?wtSlotClick=1-001J9B-0-2&WT.svl=calltoaction>

³⁴ <http://www.verizonwireless.com/b2c/store/controller?item=prepayItem&action=viewPrepayOverview>

³⁵ <http://plans.boostmobile.com/unlimited.aspx>

³⁶ See <http://www.tracfone.com/index.jsp?lang=en>; see also Attachment W.

³⁷ See <http://www.mycricket.com/cricketplans/pittsburgh>.

terms on which they offer service. The many different terms and conditions of service vary from plan-to-plan and from carrier-to-carrier. Because this level of differentiation is a key component in satisfying the different needs of different customers, consumer education is not only in the consumer's interest but also in the carrier's interest.

During the process of deciding which service plan best fits an individual consumer's needs, accurate and easy to understand information is critical. CTIA's Voluntary Consumer Code requires that carriers "Disclose Rates and Terms of Service to Consumers" but carrier efforts to educate consumers go much further. With so many different and unique service plans available to wireless consumers, U.S. wireless carriers go to great lengths to ensure that consumers are informed of the features included in their service plan, the features available for an extra fee, and the costs associated with both.

Should consumers decide to choose a post-paid term contract plan, carriers have made significant changes to their post-paid term contracts. The Code demands that carriers "Provide Contract Terms to Customers and Confirm Changes in Service," and those terms are increasingly flexible to accommodate consumers' demands. For example, customers are informed of their ability to make changes to their contracts without a concomitant requirement to extend them. AT&T does not require existing customers who change their level of service to extend their current agreement or sign up for a new one.³⁸ Sprint's Right Plan Promise offers customers the opportunity to change elements of their contracts without having to renew their contracts.³⁹ Verizon Wireless customers may also change elements of their contracts without requiring a contract extension.⁴⁰ T-Mobile customers can also change their service plan at any time without fees.⁴¹

Early termination fees are also an area where educating consumers is incredibly important. Early termination fees in post-paid wireless contracts have allowed wireless carriers and consumers to benefit from the lower costs associated with the assurance of a one or two year commitment. To provide the greatest savings to the consumers who honor their side of the agreement, the early termination fee ensures the benefit of the bargain. In response to consumer demand, however, many carriers now prorate the termination fee over the life of the contract. Each of the nationwide wireless carriers, however, has taken a slightly different approach to how it balances consumers' desire for

³⁸ "AT&T changes fee policy for customer contracts," Reuters, (Oct. 16, 2007) *available at* <http://www.reuters.com/article/technologyNews/idUSWEN168820071016?feedType=RSS&feedName=technologyNews>.

³⁹ See Press Release, Sprint Nextel Corp., Verizon Wireless To Introduce "Sprint Announces New Programs to Deliver Better Customer Experience," (Nov. 7, 2007) *available at* http://newsreleases.sprint.com/phoenix.zhtml?c=127149&p=irol-newsArticle_newsroom&ID=1074436&highlight=handset (new prorated early termination fee policy announced) (last accessed Dec. 29, 2008).

⁴⁰ See Press Release, Verizon Wireless, "New Contract Policy Gives Verizon Wireless Customers Added Flexibility In Choosing Calling Plans," (Oct. 1, 2007) *available at* <http://news.vzw.com/news/2007/10/pr2007-10-01a.html> (last accessed Dec. 29, 2008).

⁴¹ See http://search.t-mobile.com/inquireapp/ui.jsp?ui_mode=question&question_box=change+plans (customers with promotional pricing, however, may be required to sign a new service contract when changing plans).

the lowest possible price while minimizing the cost of cancelling the service agreement before its termination date. AT&T, for example, prorates early termination fees on new and renewed one- and two-year consumer contracts for post-paid wireless services. Fees decline by \$5 for each completed month of the contract term.⁴² Similarly, Sprint prorates early termination fees on new and renewed one- and two-year consumer contracts for post-paid wireless services. Sprint's fees decrease \$10 per month, beginning with the sixth month of the contract term.⁴³ T-Mobile also prorates early termination fees on new and renewed one- and two-year consumer contracts for post-paid wireless services. T-Mobile's early termination fees decrease to \$100 when a customer has fewer than 180 days remaining in the contract period, \$50 with fewer than 90 days remaining, and the lesser of \$50 or the customers' standard monthly charge with fewer than 30 days remaining.⁴⁴ Finally, Verizon Wireless offers prorated early termination fees on new and renewed consumer contracts for post-paid wireless services. Fees decline \$5 per month.⁴⁵ As a result, consumers now have yet another criterion on which they can compare and contrast potential wireless service contracts to best meet their unique needs.

What to Expect: Coverage and Service Quality

Prospective consumers have multiple options for finding coverage and service quality information. CTIA's Code, members who have been certified must "Make Available Maps Showing Where Service is Generally Available," however many carriers have far exceeded this standard. Many U.S. wireless carriers offer maps on their websites that allow consumers to check coverage in the locations where they live, work and travel.⁴⁶ These maps are likely the most current representations of carrier coverage. Carrier website maps are carefully maintained and frequently updated to inform

⁴² Press Release, AT&T, "AT&T Adds Two More Customer Friendly Policies," *available at* <http://www.att.com/gen/press-room?pid=4800&cdvn=news&newsarticleid=24559> (last accessed Dec. 29, 2008).

⁴³ Press Release, Sprint Nextel Corporation, "Sprint Launches One of the Industry's Most Customer-Friendly Policies of Pro-Rated Early Termination Fees," *available at* http://newsreleases.sprint.com/phoenix.zhtml?c=127149&p=irol-newsArticle_newsroom&ID=1220442 (last accessed Dec. 29, 2008).

⁴⁴ Press Release, T-Mobile USA, "T-Mobile to Introduce More-Flexible Contract Terms to Customers," *available at* http://www.t-mobile.com/company/PressReleases_Article.aspx?assetName=Prs_Prs_20071107&title=T-Mobile%20to%20Introduce%20More-Flexible%20Contract%20Terms%20for%20Customers (last accessed Dec. 29, 2008).

⁴⁵ Press Release, Verizon Wireless, "From Yankee Group Summit, Verizon Wireless CEO: Verizon Wireless Will Pro-Rate Early Termination Fees, Will Add New Customer Loyalty Benefits," *available at* <http://news.vzw.com/news/2006/06/pr2006-06-28d.html> (last accessed Dec. 29, 2008).

⁴⁶ See AT&T Coverage Viewer, AT&T *available at* <http://www.wireless.att.com/coverageviewer/?zip=20554> (last accessed July 16, 2008); Coverage Locator, Verizon Wireless *available at* <http://www.verizonwireless.com/b2c/CoverageLocatorController?requesttype=NEWREQUEST&lid=//global/plans//coverage+maps> (last accessed July 16, 2008); Sprint Coverage Tool, Sprint Nextel Corp. *available at* <http://coverage.sprint.com/IMPACT.jsp?language=EN> (last accessed July 16, 2008); Personal Coverage Check, T-Mobile USA *available at* <http://www.t-mobile.com/coverage/pcc.aspx> (last accessed July 16, 2008).

prospective customers. In addition, commercial vendors, such as American Roamer, also compile and sell detailed maps of wireless carrier coverage.⁴⁷

Additionally, consumers have a number of options for obtaining call and service quality information. Consumer quality surveys like those published by Consumer Reports, J.D. Power and Associates and others provide consumers with information on call and service quality in order to allow consumers to make informed decisions.⁴⁸

In response to the demands of these informed customers, wireless providers are constantly expanding and upgrading their networks, and over the past several years have deployed high-speed networks to reach more than 256 million people. From June 2006 to 2007, total high speed lines grew 55%, from 65.3 million to 100.9 million lines, and 68% of all new broadband subscriptions were mobile wireless subscriptions.⁴⁹ The UK-based Informa Telecoms & Media group's data showed 60.8 million U.S. 3G subscribers by the first quarter of 2008. And, according to comScore, by mid-2008, 64.2 million users in the U.S. had 3G devices – up 80 percent from mid-2007. In the U.S., 28.4 percent of subscribers now have a 3G device” – equal to more than 20 percent of all Americans.⁵⁰ Wireless is clearly a leader in the efforts to bring more advanced capabilities to consumers.

Additionally, wireless providers are giving consumers the tools they need to leverage existing broadband options to augment their mobile wireless services. For example, Wi-Fi continues to emerge in wireless devices at an accelerating pace.⁵¹ The continued growth of Wi-Fi enabled handsets in the U.S. market and the leadership of the U.S. in the use of Unlicensed Mobile Access⁵² to provide better in-home coverage and

⁴⁷ See <http://www.americanroamer.com>.

⁴⁸ See e.g. “Electronics”, J.D. Power & Associates available at <http://www.jdpower.com/telecom/ratings/wireless/index.asp> (last accessed July 30, 2008); “Cell phone service, Ratings”, ConsumerReports.org available at <http://www.consumerreports.org> (last accessed July 30, 2008); see also Comments of CTIA – The Wireless Association® on Scoping Memo Issues, *In re: Order Instituting Rulemaking on the Commission’s Own Motion into the Service Quality Standards for All Telecommunications Carriers and Revisions to General Order 133-B*, California Public Utilities Commission (filed May 14, 2007) available at http://docs.cpuc.ca.gov/cyberdocs/WebQuickstart.asp?DOC_ID=E4866 (last accessed July 30, 2008) (citing additional sources of consumer information).

⁴⁹ Industry Analysis and Technology Division, FCC, *High-Speed Services for Internet Access: Status as of June 30, 2007*, tbl.1 (March 2008), available at <http://www.fcc.gov/wcb/iatd/comp.html> (last accessed Dec. 29, 2008).

⁵⁰ Press Release, comScore, “Comscore Reports that the U.S. Catches Up with Western Europe in Adoption of 3G Mobile Devices,” available at <http://www.comscore.com/press/release.asp?press=2434> (last accessed Dec. 29, 2008).

⁵¹ See generally, Attachment K at 15-18 (listing devices with Wi-Fi capabilities available at Best Buy).

⁵² Unlicensed Mobile Access technology allow consumers to use Wi-Fi hotspots, both at home and anywhere they have access to Wi-Fi to make calls without using minutes from their wireless plan and to move seamlessly between their mobile provider’s network and Wi-Fi. See e.g., Press Release, T-Mobile USA, “T-Mobile Announces Unlimited Calling Over Wi-Fi With the National Launch of T-Mobile HotSpot @Home,” available at https://www.t-mobile.com/company/PressReleases_Article.aspx?assetName=Prs_Prs_20070627&title=T-

more wireless use. AT&T iPhone users can get free unlimited access to its nationwide Wi-Fi network, which recently partnered with Starbucks.⁵³ Sprint Nextel and Clearwire offer 4G broadband service based on WiMAX technology. Xohm provides consumers with access to the Internet at faster speeds and with fewer restrictions than have previously been possible with wireless data service.⁵⁴ T-Mobile's HotSpot@Home is a service plan that offers customers wireless coverage and unlimited domestic calling over Wi-Fi from home. Customers also can reap the same benefits while still mobile at all of the nearly 10,000 T-Mobile HotSpot locations across the country. Verizon Wireless offers handsets that enable consumers to access their network utilizing Wi-Fi connectivity. The company also offers free Wi-Fi high-speed Internet connectivity for Verizon Online customers at Verizon HotSpots across New York City. More than 150 HotSpots are already up and running, and the company plans to activate 1,000 HotSpots by year-end.⁵⁵

Femtocells are another example of using customers existing broadband connections to supplement mobile wireless service. Femtocells are small, low-power in-home wireless cells that can be used to improve in-building coverage. Sprint now offers its customers unlimited calling with an AIRAVE voice plan, in their homes or offices. The AIRAVE, named one of the 25 Most Innovative Products of the Year by PC World,⁵⁶ is the first commercially available femtocell, a mini cell tower that works with any Sprint phone and a broadband Internet connection to provide enhanced in-home wireless coverage.⁵⁷

What to Expect: Accessibility

The wireless industry is keenly aware of, and continues its efforts to promote, the need to provide consumers not only with accessible services and features, but also with the information to help them choose from the many accessible handsets currently available. Wireless carriers, handset manufacturers and CTIA have made significant efforts to ensure information on accessible devices and services is available to the public in a timely and efficient manner through AccessWireless.org.⁵⁸ CTIA has also worked

Mobile+Introduces+Unlimited+Calling+Over+Wi-Fi+With+the+National+Launch+of+T-Mobile+HotSpot+@Home (last accessed Dec. 29, 2008).

⁵³ Press Release, AT&T, "More than 12 Million AT&T, Starbucks Customers to Get Free Wi-Fi Access for a Rich In-Store Experience," *available at* <http://www.att.com/gen/press-room?pid=4800&cdvn=news&newsarticleid=25152> (last accessed Dec. 29, 2008); *see also* AT&T Wi-Fi Access *at* <http://www.wireless.att.com/learn/internet/wifi.jsp> (last accessed Dec. 29, 2008).

⁵⁴ Press Release, Sprint Nextel Corp., "XOHM WiMAX Broadband Service Debuts in Baltimore, New 4G wireless era dawns as unique business model revolutionizes mobile Internet access," *available at* http://newsreleases.sprint.com/phoenix.zhtml?c=127149&p=irol-newsArticle_newsroom&ID=1203014&highlight= (last accessed Dec. 29, 2008).

⁵⁵ Press Release, Verizon, "Verizon Launches Free High-Speed Wi-Fi Internet Access in New York City for Verizon Online Customers," *available at* <http://newscenter.verizon.com/press-releases/verizon/2003/page.jsp?itemID=29716697> (last accessed Dec. 29, 2008).

⁵⁶ *See* Sprint Airave *at* <http://www.nextel.com/en/services/airave/index.shtml?id9=vanity:airave> (last accessed Dec. 29, 2008).

⁵⁷ *Id.*

⁵⁸ <http://www.accesswireless.org>.

closely with consumer and accessibility advocates to produce a Hearing Aid Compatibility (“HAC”) brochure that describes the utility of HAC ratings.⁵⁹ Similarly, CTIA also provides audiologists with information to provide patients on hearing aid compatibility.⁶⁰ Individually, carriers provide consumers with accessibility information and practical hands-on experience through various “try before you buy” and return/exchange policies, specific accessibility service plans, dedicated accessibility centers, and existing website information.

Trial Periods

Although wireless carriers go to great lengths to educate consumers before they make a decision on a wireless device or plan, there is no substitute for real-world experience. For that reason, U.S. wireless companies provide consumers with a trial period for service during which a consumer can choose to leave the carrier, return the wireless device and cancel their contract without penalty.

T-Mobile offers consumers a fourteen (14) day trial period and thirty (30) days for sales in California for services and equipment.⁶¹ Verizon Wireless offers its customers a thirty (30) day trial period for both services and equipment. Customer service representatives will explain the terms and conditions at least twice during the in-store sales transactions – orally and in writing – before customers commit to any wireless plan.⁶² AT&T and Sprint also offer consumers a thirty (30) day trial period.⁶³

The Ongoing Relationship

Wireless Consumers and their Bills

Wireless carriers continue to maintain the carrier/consumer relationship after a customer has purchased a plan and a phone. All post-paid wireless carriers provide their customers with a monthly statement. Consumers have the ability to access their bills online and via a monthly statement received in the mail. Some pre-paid wireless carriers send monthly account summaries directly to the customer’s wireless device in the form of a free text message.⁶⁴

⁵⁹ See Attachment N.

⁶⁰ See Attachment J.

⁶¹ “Phone Return and replacement policy FAQs,” T-Mobile, USA at <https://support.t-mobile.com/knowledge/root/public/tm21963.htm> (last accessed Dec. 29, 2008).

⁶² “The Customer Experience,” Verizon Wireless at <http://aboutus.vzw.com/customersatisfaction/customerexp.html> (last accessed Dec. 29, 2008).

⁶³ “AT&T Returns Policy,” AT&T at <http://www.wireless.att.com/cell-phone-service/legal/return-policy.jsp?wtSlotClick=1-0017TX-0-1&WT.svl=title> (last accessed Dec. 29, 2008); “Sprint’s 30-day Guarantee,” Sprint Nextel Corp. at <http://www.sprintpcs.com/pages/returninfo.html?PCode=vanity:returns> (last accessed Dec.29, 2008).

⁶⁴ Cricket Wireless “What is paperless billing” at <http://www.mycricket.com/cricketsupport/faqs/details?id=40&fromsearch=0> (last accessed Dec. 29, 2008).

When consumers receive their bills online or through mail, they will find information on various charges they incurred during the previous billing period. Specifically, customers will see their monthly charge, which is generally the set amount of minutes that come with the plan. Listed separately are charges not related to the monthly plan, which may include directory assistance, data usage, and text messaging. An additional section will list local, state, and federal taxes, information on surcharges that carriers pass-through to the consumer to fund mandated government programs, and any fees assessed by the carrier. Many wireless providers provide information about taxes, fees, and surcharges on the bill to better assist the consumer. Consumers who want to receive additional detailed information from the previous billing periods can request that information from the carrier by making a free call to customer service or find it online at the carrier's website.

Provide Ready Access to Customer Service

In addition to information about charges on a consumer's bill, wireless providers often include information on how to contact their customer support division in case there is a question about the consumer's service. This information can appear as an e-mail, a toll-free number or as a mailing address. Other information a consumer may find on the bill includes information on penalties for late payments, information on warranty replacements for handsets, and instructions on how to establish automatic bill payments.

Promptly Respond to Consumer Inquiries and Complaints Received from Government Agencies

Consumers also have the option to contact their state Public Utility Commission, Attorney General's office, or the Federal Communications Commission when a problem develops with their wireless service. The wireless industry is committed to working with state commissions, the FCC and state Attorneys General to improve the quality of service for wireless customers. Since 2002, CTIA annually issues the "Wireless Industry Customer Care Contact Information" to state commissioners and commission staff who have customer care challenges that cannot be appropriately addressed through regular commission/carrier interaction. This document contains specific contact information for individuals or teams dedicated to resolving complaints and inquiries for all national wireless carriers, a few national pre-paid carriers, and other wireless related companies. This is another example of how the wireless industry works to ensure that customers are satisfied with their wireless service and that state regulatory commissions have the tools they need to meet that goal.

Increasing Consumer Choice

Wireless carriers value their customers and recognize the need for more choice. Carriers are responding by evaluating the marketplace and offering both open platforms and open devices. Developers can make their applications available to consumers, and consumers can purchase any handset or device they choose, both regardless of which network they use.

Carriers are putting the choices in the hands of consumers and letting them decide which device to use. AT&T customers can now use any wireless phone, device and software application from any maker and no contract is required.⁶⁵ T-Mobile, a member of the Open Handset Alliance, offers the Android operating system on the G1 handset with Google.⁶⁶ Sprint's Xohm broadband service offers consumers the choice to use any compatible device with its network.⁶⁷ Sprint is also a member of the Open Handset Alliance.⁶⁸ Verizon Wireless recently joined the LiMo Foundation, a global consortium of wireless firms developing open-source Linux for mobile devices.⁶⁹

Carriers are also offering developers the opportunity to develop applications for customer use on any handset or device of the customer's choice. AT&T offers developers a program to certify applications and has recently partnered with Apple to offer a software developers' kit for the iPhone.⁷⁰ The Android Marketplace offers any developer the chance to post a free application for the Android Operating System.⁷¹ Sprint works with application and content developers through its Application Developers Program (ADP), which provides tools and forums for developers to create applications that may be accessible through the open Internet or may reside within the Sprint portal.⁷² Verizon's Open Development Initiative allows customers to use any device and any application on the Verizon Wireless national network.⁷³ Research in Motion's Blackberry will launch a new online application storefront and a new on-device application center in March 2009. Developers can begin submitting their applications

⁶⁵ "AT&T flings cellphone network wide open, Leslie Cauley, *USA Today* (Dec. 6, 2007) at http://www.usatoday.com/tech/wireless/phones/2007-12-05-att_N.htm.

⁶⁶ Press Release, T-Mobile USA, "Industry Leaders Announce Open Platform for Mobile Devices," (Nov. 5, 2007) available at http://www.t-mobile.com/company/PressReleases_Article.aspx?assetName=Prs_Pr_20071105&title=Industry%20Leaders%20Announce%20Open%20Platform%20for%20Mobile%20Devices (last accessed Dec. 29, 2008).

⁶⁷ Press Release, Sprint Nextel Corp., "Sprint and Clearwire to Combine WiMAX Businesses, Creating a New Mobile Broadband Company," (May 7, 2008) available at http://newsreleases.sprint.com/phoenix.zhtml?c=127149&p=irol-newsArticle_newsroom&ID=1141088&highlight=xohm (last accessed Dec. 29, 2008).

⁶⁸ Press Release, Sprint Nextel Corp., "Sprint Joins Open Handset Alliance," (Nov. 5, 2007) available at http://newsreleases.sprint.com/phoenix.zhtml?c=127149&p=irol-newsArticle_newsroom&ID=1072575&highlight=handset (last accessed Dec. 29, 2008).

⁶⁹ Benderoff, Eric, "Verizon joins rival of Google handset group," *Chicago Tribune* (May 15, 2008).

⁷⁰ See <http://developer.apple.com/iPhone/program/>

⁷¹ See <http://android-developers.blogspot.com/2008/10/android-market-now-available-for-users.html>; see also http://www.openhandsetalliance.com/press_102108.html.

⁷² See "Sprint Joins Open Handset Alliance," *supra* note 58.

⁷³ See <http://www.verizonwireless-opendevlopment.com/index.php>; see also Hart, Kim, "Verizon To Open Its Wireless Network; Move Gives Users Increased Choices, Kim Hart, *The Washington Post*, (Nov. 7, 2007) at <http://www.washingtonpost.com/wp-dyn/content/article/2007/11/27/AR2007112701077.html>.

and content for inclusion in the storefront in December 2008.⁷⁴ And, Microsoft's Windows Mobile provides a flexible, open platform for developers.⁷⁵

Wireless for Everyone: Tools and Information on Wireless and Children

Recognizing the power of wireless to keep parents and children connected, as well as provide a crucial means to access emergency services, parents are increasingly providing their children with wireless devices. U.S. wireless carriers offer a variety of family plans designed to provide parents with the ability to provide their children with access to wireless services at a lower-cost than purchasing separate plans.⁷⁶ However, many parents are concerned about their children's use of wireless services. To address these concerns, the wireless industry has developed both education material and tools for parents to control their children's wireless experience.

To help children about safe use of wireless services, The Wireless Foundation has produced *Get Wise About Wireless*.⁷⁷ *Get Wise About Wireless* is a free, educational program developed for middle school students. The program is designed to teach students safe use of wireless services and to encourage home discussions on the role of wireless in their day-to-day lives.

Additionally, wireless carriers offer parents tools to help control and monitor their children's wireless use. For example, AT&T offers parents "Smart Limits for Wireless" which allows parents to control their child's text and instant messages, place limits on downloadable content, restrict the times that the wireless device may be used, restrict both incoming and outgoing calls, and restrict access to content inappropriate for children.⁷⁸ Verizon Wireless offers customers tools to limit content to children's wireless devices,⁷⁹ control their child's wireless use, restrict the times that the wireless device may be used, restrict both incoming and outgoing calls,⁸⁰ and the ability to track your child's location using their wireless devices' GPS capabilities.⁸¹ Sprint offers parents tools that include restricting Internet access, controlling incoming text messages and content

⁷⁴ Press Release, Research In Motion, "RIM to Launch BlackBerry Application Storefront and BlackBerry Application Center," available at <http://na.blackberry.com/eng/newsroom/news/press/release.jsp?id=1869> (last accessed Dec. 29, 2008).

⁷⁵ See "Windows Mobile Development Center," Microsoft Corp. at <http://msdn.microsoft.com/en-us/windowsmobile/default.aspx> (last accessed Dec. 29, 2008).

⁷⁶ See *supra* pp 4-6.

⁷⁷ See "Get Wise About Wireless," available at http://www.ctia.org/media/industry_info/index.cfm/AID/11411 (last accessed Dec. 29, 2008).

⁷⁸ "Smart Limits for Wireless," AT&T at <http://www.wireless.att.com/learn/articles-resources/parental-controls/smart-limits.jsp?wtSlotClick=1-001H8P-0-1&WT.svl=calltoaction> (last accessed Dec. 29, 2008).

⁷⁹ "What is Content Filtering?" Verizon Wireless at http://support.vzw.com/faqs/Features%20and%20Optional%20Services/content_filtering.html#item1 (last accessed Dec. 29, 2008).

⁸⁰ See "Usage Controls," Verizon Wireless at https://wbillpay.verizonwireless.com/vzw/nos/uc/uc_home.jsp (last accessed Dec. 29, 2008).

⁸¹ "What is Chaperone?" Verizon Wireless at http://support.vzw.com/faqs/Chaperone/faq_chaperone.html#item1 (last accessed Dec. 29, 2008).

downloads, restricting incoming and outgoing calls, and restricting use of the wireless devices' camera.⁸² And, T-Mobile also offers parents an array of tools to control their children's wireless use including restricting access to adult content and blocking messaging features.⁸³

To aid parents in effectively managing mobile content that may be inappropriate for children, CTIA and its carrier members have worked to establish "Guidelines for Carrier Content and Classification" and "Wireless Content Guidelines Classification Criteria."⁸⁴ These guidelines provide a common baseline measurement by which wireless carriers can rate content, so that consumers can better judge the suitability of content for their children.

I want to thank NARUC for reaching out to CTIA and giving us this opportunity to provide a factual record in response to your inquiry into the development of consumer protection standards. CTIA and its member companies are proud of their record in providing meaningful consumer protections to wireless customers.

Sincerely,

/s/ Steve Largent

Steve Largent

Attachments

⁸² See "Parental Controls," Sprint Nextel Corp., at http://nextelonline.nextel.com/en/services/safety_security/parental_control.shtml (last accessed Dec. 29, 2008).

⁸³ See "Message Blocking," T-Mobile USA at <http://support.t-mobile.com/knowbase/root/public/tm23533.htm> (last accessed Dec. 29, 2008); see also "What is WebGuard?" T-Mobile USA, at <http://support.t-mobile.com/knowbase/root/public/tm23351.htm#top> (last accessed Dec. 29, 2008).

⁸⁴ See "Voluntary Industry Guidelines," CTIA.org at http://www.ctia.org/consumer_info/service/index.cfm/AID/10673 (last accessed Dec. 29, 2008).