



## **Key Elements for Informed Choice and Consumer Protection in the Wireless Telecommunications Marketplace**

Millions of Americans, including many older consumers, increasingly rely on wireless telephone service. However, the growing popularity of wireless services coincides with increasing problems for consumers who use these services. Policymakers should adopt rules or legislation based on the following key elements to promote informed choice and consumer protection in the market for wireless telecommunications services.

### **1. Competitive markets work best when consumers are unimpeded in their ability to switch among service providers**

- Ensure all consumers have up to 20 days after the date of their first monthly bill for wireless telephone service to void their service contract without penalty and return their wireless telecommunications equipment for a full refund—all consumers remain responsible for any use charges incurred prior to service termination.
- Prohibit wireless telecommunications providers from extending the duration of any service agreement without proper notification and express subscriber authorization.
- Prohibit unreasonable early termination fees that a wireless telecommunications provider may charge for terminating a service contract before it expires; elimination of unreasonable fees will enhance competition in the wireless industry and promote consumer satisfaction.
- Prohibit wireless carriers from using handset-locking software or other techniques that disable otherwise functional cell phones when consumers switch to another wireless service provider.

### **2. Consumers make the best choices when clear, reliable, and meaningful information is easily accessible and comparable across service providers**

- Establish standards for, and publish information regarding, the quality of service associated with each wireless telecommunications provider, including call-center performance, blocked and dropped call rates, and the number of complaints received by regulators for each wireless telecommunications provider per 1,000 subscribers reported quarterly; require all wireless carriers to provide this information to consumers before they sign or renew a service agreement.
- Establish rules for the production and verification of accurate coverage maps by wireless carriers to ensure these maps clearly convey information regarding the quality of service and provide a baseline of information across carriers so consumers can make consistent comparisons of coverage characteristics and service quality.



- Require wireless carriers to begin all sales transactions by providing consumers with clear and conspicuous disclosures of all material terms and conditions of the offer to be purchased so consumers can make accurate comparisons among plans and service providers.
- Require publication of state public utility commission and Federal Communications Commission contact information on each billing statement to inform customers of the appropriate channels for lodging complaints.
- Establish rules to ensure that consumers have clear, accurate, and easily accessible information to facilitate comparisons of the major wireless carriers' E911 performance in their local community. Require thorough testing of the functionality and performance of every wireless carrier's E-911 Phase II systems at a local level and on a semi-annual basis.

### **3. Fair billing practices honor fundamental consumer rights and promote competition**

- Prohibit wireless carriers from imposing any separate monthly line-item charges, surcharges or other fees on customers' bills unless such charges have been expressly mandated by federal, state, or local law.
- Require wireless carriers to notify customers in advance of any changes in rates, charges, terms, and conditions and allow customers 30 days from the date of the notification to terminate their service, without penalty, if the change results in higher rates or more restrictive terms or conditions.
- Prohibit wireless carriers from charging customers for any portion of a month in which they do not receive service.
- Require wireless carriers to ensure that chargeable time for call transmissions will not begin until a connection between the called and calling party has been established.
- Prohibit wireless carriers from holding a subscriber responsible for any unauthorized charges associated with the use of wireless telecommunications equipment and services due to loss or theft if the loss or theft is reported promptly to the wireless carrier.

### **4. Access to effective redress empowers consumers and enhances competition**

- Entitle consumers to have their complaints and inquiries dealt with fairly, inexpensively, expeditiously, and effectively.
- Ensure that the appropriate government agency or commission has sufficient resources to carry out its oversight authority with regard to wireless carriers in a timely and effective manner.
- Authorize the appropriate government agency or commission to impose substantial fines and penalties on any wireless carrier that neglects or knowingly fails to comply with rules or statutes.

Source: These key elements are derived from *The Policy Book: AARP Public Policies 2005* and the *Wireless Telecommunications Consumer Protection Act: A Model State Statute* (2003), AARP Public Policy Institute. ©2005, AARP. Reprint with permission only. AARP, 601 E St., NW, Washington, DC 20049