



NEWS

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See MCI v. FCC, 515 F.2d 385 (D.C. Circ 1974).

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STATEMENT OF COMMISSIONER MIGNON CLYBURN REGARDING VERIZON WIRELESS'S DECEMBER 18 LETTER ON ETFs

“I was pleased to see the Commission’s Wireless Bureau pose a series of important questions in early December to Verizon Wireless regarding the company’s recently increased early termination fees (ETFs) and related issues. I was surprised, as many people were, to see that Verizon elected to raise its early termination fees for certain ‘advanced devices.’

“Late Friday, Verizon Wireless responded to the Bureau’s queries. The company’s answers, however, are unsatisfying and, in some cases, troubling. In particular, I am concerned about what appears to be a shifting and tenuous rationale for ETFs. No longer is the claim that ETFs are tied solely to the true cost of the wireless device; rather, they are now also used to foot the bill for ‘advertising costs, commissions for sales personnel, and store costs.’ Consumers already pay high monthly fees for voice and data designed to cover the costs of doing business. So when they are assessed excessive penalties, especially when they are near the end of their contract term, it is hard for me to believe that the public interest is being well served.

“I am also alarmed by the fact that many consumers have been charged phantom fees for inadvertently pressing a key on their phones thereby launching Verizon Wireless’s mobile Internet service. The company asserted in its response to the Bureau that it ‘does not charge users when the browser is launched,’ but recent press reports and consumer complaints strongly suggest otherwise.

“These issues cannot be ignored. Wireless communications are an essential part of our lives, linking us to our places of business, our communities, and our loved ones. The bottom line is that wireless companies can truly earn their desired long-term commitments from consumers by focusing primarily on developing innovative products, maintaining affordable prices, and providing excellent customer service. I look forward to exploring this issue in greater depth with my colleagues in the New Year.

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