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JOINT ECONOMIC COMMITTEE
JUDICIARY

United States Senate

WASHINGTON, DC 20510

November 9, 2009

1905

Julius Genachowski
Chairman
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Dear Chairman Genachowski:

As you know, I introduced legislation in the last Congress – the Cell Phone Consumer Empowerment Act – that would encourage transparency, competition, and quality service in the wireless market. Among other pro-consumer measures, this legislation would require wireless carriers to pro-rate their Early Termination Fees (ETFs) so that, at a minimum, a consumer exiting a two-year contract after the end of the first year would have to pay only half of the termination fee.

Since introducing this legislation, I was pleased to see that Verizon Wireless and other wireless carriers implemented modest plans to pro-rate their ETFs. That is why I was so disappointed to learn that Verizon Wireless recently announced that it will soon double its ETFs and charge a \$350 ETF for its new smart phones. Although Verizon Wireless will pro-rate this ETF by \$10 a month, under the company's new plan, the penalty for leaving the contact halfway through a two-year term would be \$230 – still higher than the \$175 ETF Verizon Wireless previously charged for these phones.

Verizon Wireless' decision shows us once again that the wireless industry cannot police itself and will not, on its own, make its practices more competitive and consumer-friendly. To that end, I urge the FCC to review the recent Verizon Wireless decision as well as the competitive and economic impact of ETFs on wireless consumers.

Sincerely,



Amy Klobuchar
U.S. Senator