

## **FCC Consumer Advisory Committee**

### **Recommendation: List of Consumer Principles Addressing FCC's Truth in Billing Notice of Inquiry**

On August 28, 2009, the Federal Communications Commission (“FCC” or “Commission”) released a Notice of Inquiry (“NOI”) concerning truth in billing to examine whether there is a need to improve consumers’ understanding of their communications bills and, if necessary, reduce customer confusion through updating the Commission’s truth-in-billing rules.

The Commission previously adopted Truth-in-Billing rules in the wireline and wireless telecommunications markets to improve consumers' understanding of their local telephone bills. Section 64.2401 of the rules requires that a telephone company's bill must: (1) be accompanied by a brief, clear, non-misleading, plain language description of the service or services rendered; (2) identify the service provider associated with each charge; (3) clearly and conspicuously identify any change in service provider; (4) contain full and non-misleading descriptions of charges; (5) identify those charges for which failure to pay will not result in disconnection of the customer's basic local service; and (6) provide a toll-free number for customers to call in order to lodge a complaint or obtain information.

The Commission also determined that all telecommunications providers should use standard labels on bills when referring to line item charges relating to federal regulatory action, such as universal service fees, subscriber line charges, and local number portability charges.

However, notwithstanding the current rules, consumers are still experiencing obstacles in trying to get clear up-front information regarding their wireline and wireless service bills. This has led to continued widespread consumer dissatisfaction.

The following are principles which the FCC’s Consumer Advisory Committee believes are essential to updating and strengthening the effectiveness of the current rules, while at the same time developing additional rules to address emerging communications technologies,

1. **Providers should disclose at the point of sale:**
  - a. **Clearly written, consistent and accurate information in plain language regarding actual costs of service**, including estimated taxes and surcharges, promotional periods, fees for exceeding plan limits, early termination fees and requirements for bundled package services.
  - b. **Clearly written, consistent and accurate information in plain language regarding actual speeds** of internet access services, not just “theoretical” maximum, or “up-to” speeds.

- c. **Clearly written, consistent and accurate information in plain language regarding long-term contracts** so consumers are aware of future changes in promotional price.
- d. **Clearly written, consistent and accurate information in plain language regarding terms and conditions** for Internet access services.
- e. **Clearly written, consistent and accurate information in plain language regarding service changes**, whether or not these involve changes in fees.
- f. **Full disclosure, in plain language, of service limitations** regarding data caps, overage charges, restrictions on the type of applications that can be used, and off-network usage restrictions.
- g. **Full disclosure of information regarding actions by providers that monitor or interfere** with the subscribers' use of services and products.
- h. **Prices and fees:** actual costs of service, including taxes and franchise fees, installation fees, equipment rental and purchase, surcharges, fees for exceeding plan limits, early termination fees and requirements for bundled package services. Include information regarding long-term contracts so consumers can avoid paying higher non-promotional prices.
- I. **Speed of service:** The Commission should consider the most informative manner of advertising internet speeds which may include a statement of actual speed, minimum speed, or a typical speed which can be achieved during a particular time of day or usage load.
- J. Reliability:** minimum reliability/uptime of service backed by credits for any outages or extended periods of under-delivery of service.
- K. Service Limits:** terms and conditions for Internet access services including contract term, service limitations regarding data caps, overage charges, restrictions on the type of applications that can be used, and off-network usage restrictions and disclosure of traffic management techniques. Must include disclosure of information regarding actions by providers that monitor or interfere with the subscriber's use of services and products.
- L. Technology:** information about the technology used to deliver the service.
- M. Clear, easily available information on accessibility features:** If not included in every bill, consumers should at least be directed to websites and company contact persons to obtain information about the extent to which services can meet their accessibility needs.

**N. Legal and Privacy Policies:** If not included in every bill, consumers should at least be directed to clear, easily-understandable legal statements and privacy policies.

**O.** Subscribers should be supplied with their contract both at the point-of-sale, and subsequently upon request. If changes are made to a contract's terms and conditions, the carrier should be required to supply a copy of the amended contract.

## **Truth in Billing Policies, FCC Action:**

1. **Apply the “net impression” policy**,<sup>1</sup> jointly adopted by the Federal Communications Commission (“FCC”) and the Federal Trade Commission (“FTC”), to a communications providers’ billing practices and marketing campaigns that takes into consideration the entire advertisement, transaction, or course of dealing to determine whether information contained therein is misleading or deceptive.
2. **Apply TIB rules and complaint resolution processes uniformly** across all communications providers to level the playing field among all service providers.
3. **Enforce fines and penalties for false and misleading advertising**, as well as terminating or changing service plans and options, including, but not limited to early termination fees.
4. **Establish fines and penalties for continuation of obstacles related to ending or changing service plans and options**, including, but not limited to early termination fees.
5. **Establish remedies for resolution of higher-than-expected bills.**
6. **Investigate aggressive “noisy” marketing, pricing and billing practices** used by communications providers that overwhelm consumers with details making it difficult to conduct apple to apple comparisons in choosing a provider or services offered by the
7. **Conduct investigation regarding aggressive “noisy” marketing**, pricing and billing of communications providers that overwhelm consumers with details to make it difficult to conduct apple to apple comparisons in choosing a providers or services offered by the provider.
8. **Enforce fines and penalties for false and misleading advertising** as well as related to ending or changing service plans and options, including, but not limited to early termination fees.
9. **Establish remedies for resolution of higher-than-expected bills.**
10. **Require the provision of customer service and information that is fully accessible to people with disabilities**, including videos that are closed captioned on television, company websites and otherwise available on the Internet; accessible company websites; accessible telephone customer contacts (including alternatives to interactive voice

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<sup>1</sup> This public policy provides that the entire advertisement, transaction, or course of dealing shall be considered to determine whether information contained therein is misleading or deceptive.

response systems when these are not accessible to people with disabilities), and written information in **accessible formats**.

11. **Create an FCC clearinghouse** that is updated regularly with detailed information about accessible communication products and services.
12. **Adopt a code of conduct** to be used by all communications service providers.
13. The Commission should consider how to apply all of these principles to all technologies as they are applicable.

#### **Truth in Billing Policies - Industry**

14. **Develop industry standards which provide effective protection** to consumers from deceptive industry practices.
15. **Develop industry standards for training** point of sale representatives on accessibility features used by people with disabilities.

Adopted, March 19, 2010 (abstaining Verizon & Dish Network)

Respectfully Submitted:  
Debra R. Berlyn, Chairperson  
Consumer Advisory Committee