



FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

September 28, 2010

OFFICE OF  
THE CHAIRMAN

The Honorable Ron Wyden  
United States Senate  
223 Dirksen Senate Office Building  
Washington, D.C. 20510

Dear Senator Wyden:

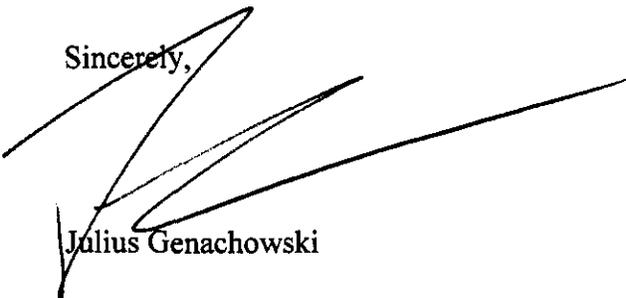
Thank you for your letter sharing your thoughts regarding wireless service providers' use of Early Termination Fees (ETFs), and urging the Commission to conduct an investigation into the use of ETFs for mobile wireless services.

In January 2010, the Commission's Consumer and Governmental Affairs and Wireless Telecommunications Bureaus sent letters to the major wireless carriers to gather facts and data on the consumer experience with ETFs. These letters sought information on the relationship between ETFs, the cost of the handset, and the service rates offered by each wireless provider. The carriers' responses were informative. Verizon's response, among other things, asserts that the company was making two changes to its practices since December 2009: changing the price cards displayed next to devices in its stores to include the amount of the ETF for each device, and reducing the number of devices subject to the \$350 ETF.

Transparency and disclosure are central to the Commission's examination into ways of empowering consumers to make informed decisions at all stages of the purchasing process for communications services. The Commission is working proactively to eradicate consumer confusion surrounding ETFs, unexpected charges ("bill shock"), and other issues facing wireless consumers. Our most recent effort is a *Public Notice* released in May by the Consumer and Governmental Affairs Bureau seeking possible solutions for "bill shock." The Commission also has requested information on ETFs and "bill shock" as part of the 15<sup>th</sup> Report on the State of Mobile Wireless Competition inquiry.

Commission staff is reviewing the comments and information submitted to date in response to these proceedings and initiatives, and we will include your letter as part of that review. I look forward to the recommendations from staff regarding the next steps, and to working with you further on these important matters. Please let me know if you have any additional questions or concerns.

Sincerely,



Julius Genachowski