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JUDICIARY

United States Senate

WASHINGTON, DC 20510

May 14, 2010

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

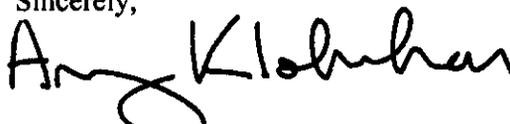
Dear Chairman Genachowski:

This week, the new FCC Consumer Task Force announced its first initiative to help consumers manage their cell phone bills. We have all heard from cell phone users who have been shocked by an unexpectedly high bill. Your proposal to require wireless phone providers to send text message alerts to warn customers when they incur unanticipated charges is a reasonable solution to this widespread consumer complaint. Just like your car gives you a warning when you are running low on gas, your cell phone should give you a warning when you are low on minutes or you have unknowingly racked up data or roaming fees.

This so-called "bill shock" concern is just one aspect of the broader problem of confusing billing practices and poorly outlined terms in cell phone contracts. A similar issue deals with cell phone providers charging outrageous Early Termination Fees (ETFs) to subscribers who end their contracts early. These fees bear little to no relationship to the cost of the device and are little more than anti-consumer, anti-competitive attempts to compel customer loyalty through contracts, rather than earning it through honest, reliable service. That is why I introduced the Cell Phone Early Termination Fee Transparency and Fairness Act of 2009, a bill to link a provider's ETF to the discount received by the consumer. It would also require wireless companies to pro-rate their ETFs down to zero over the life of the contract.

After I introduced this legislation, the FCC Consumer Task Force commenced an investigation into the ETF practices of cell phone providers. In this challenging economy, the last thing consumers need is unexpected charges in their cell phone bills. I remain concerned that ETFs, at any price, are designed to prevent choice, limit competition and unfairly tie consumers to unsatisfactory contracts, and I urge you to carefully examine the contracts for each company. I look forward to the results of the FCC's investigation and hope to continue working with the FCC in advocating for common sense, pro-consumer reforms of the wireless industry.

Sincerely,



Amy Klobuchar
U.S. Senator

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