

STATEMENT OF CHAIRMAN JULIUS GENACHOWSKI
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C.
APRIL 18, 2013

Re: Presentation on the Status of Alerts to Prevent Bill Shock

Two years ago, we announced along with CTIA – The Wireless Association – and Consumers Union a solution to a problem that was costing millions of U.S. consumers hundreds, and sometimes thousands of dollars each – “Bill Shock.”

Specifically, we announced that the wireless industry would provide consumers with timely alerts informing them when they were approaching and exceeding their plan’s limit for text, data, and voice, or when they were about to be billed extra for international roaming usage.

The deadline for full compliance with this agreement was April 17, 2013, also known as yesterday.

Today, I’m pleased to say that all the committed wireless carriers have fulfilled their commitment, and approximately 97% of all wireless customers across the country are protected from bill shock.

Thanks to this public-private collaboration, tens of millions of U.S. wireless consumers will now be empowered with the information they need to avoid overage charges.

As a result of this initiative, consumers will get free alerts without having to do anything; they are sent automatically by mobile companies to their customers.

These alerts harness the power of technology to help consumers save money on their monthly mobile bills.

Empowering consumers with information helps to make the market work.

These money-saving alerts are a big win for consumers. In 2010, the Commission identified bill shock as a growing problem in need of a response.

Consumers Union estimated that one in five consumers were being hit with these unexpected charges each year, and these bills can add up to big money.

At an FCC forum to highlight the problem, I met a woman who incurred \$34,000 in international roaming while visiting her sister in Haiti after the 2009.

Obviously, that’s outrageous, so the Commission went to work with wireless carriers and consumer groups to craft a solution.

We were pleased when the nation's largest mobile carriers committed to providing consumer alerts.

At the time of this commitment, we said we would take a "trust, but verify" approach to ensuring that carriers take these steps to help eliminate bill shock, and we were clear that without compliance we would move forward with a rulemaking to make sure consumers are treated as they deserve.

Even with these final alerts in place, our work is still not done.

The Commission will remain vigilant. We encourage consumers to let us know if they have questions or concerns. Consumers Union has worked with its readers to bring to light and problems that they encounter.

If, after investigating a complaint, we conclude that a carrier is not providing the alerts that it has promised, we will take appropriate action. For now, this is a clear win for consumers.

This is another important step forward in our Consumer Empowerment Agenda.

It comes on the heels of the many consumer wins over the last couple of years – new rules to protect landline consumers from cramming, stronger protection from unwanted robocalls, among many others. And we will continue to work on behalf on consumers in the future.

Another critical issue that we are we're focusing on is: how to preserve consumers' ability to unlock their mobile phones. We've assembled a cross-bureau team and they're moving forward to address this problem.

The agreement between the FCC, CTIA, and Consumers Union shows that public-private partnerships can work to consumers' great benefit, and can serve as a model for solving future consumer problems.

And these alerts will allow consumers to continue to enjoy all the benefits of mobile without fear of unexpected hits to their wallets.