

FCC Consumer Advisory Committee
Recommendation regarding “No Surprises” Billing

PREAMBLE

UNDERSTANDING, consumer complaints about surprises on telephone, broadband, cable, satellite and wireless service bills are cause for concern for advocates and industry. The Federal Communications Commission (FCC) and industry have taken steps to address and reduce these surprises.¹ Commission actions to date include the 1999 Truth-in-Billing order,² the 2009 Consumer Information and Disclosure NOI,³ and most recently, the 2016 Consumer Broadband Label.⁴

WHEREAS, billing issues continue to be a primary reason consumers complain to the Commission.⁵ The Consumer and Governmental Affairs Bureau advised the Consumer Advisory Committee (CAC) that complaints show some consumers continue to be surprised by the amount of their actual bills after sign-up and consumers reported that estimates of first month’s bills provided by some companies at point of sale may vary significantly from the amount actually billed - often due to taxes, fees, and surcharges which vary by jurisdiction.

WHEREAS, in the spirit of continuing the FCC’s efforts to educate consumers and improve consumer point of sale and billing information, the Commission charged the CAC with studying the causes of consumer surprise and identifying possible “cost effective” solutions that enable service providers to better address the sources of consumer bill surprise.

Recognizing, that providers utilize a variety of billing systems and other technologies for customer communications, the CAC understands that there is not a one size fits all approach to providing the information outlined in these best practices. And while smaller regional and local providers may face particular challenges in implementation, they should also strive to achieve these consumer friendly enhancements to their processes.

WHEREAS, to address the FCC’s charge, the CAC formed the “No Surprises” Task Force, composed of consumer advocates and diverse set of industry representatives. The task force

¹ See, e.g., CTIA Consumer Code for Wireless Service, <http://www.ctia.org/policy-initiatives/voluntary-guidelines/consumer-code-for-wireless-service>.

² FCC. “FCC Adopts Truth-in-Billing Principles and Guidelines To Help Consumers Understand Their Phone Bills and to Deter Slamming and Cramming” April 15, 1999. Web. https://apps.fcc.gov/edocs_public/attachmatch/DOC-158975A1.pdf.

³ FCC. “FCC Seeks Comment On Additional Opportunities To Protect and Empower Consumers in Communications Marketplace.” August 27, 2009. Web. https://apps.fcc.gov/edocs_public/attachmatch/DOC-293117A1.pdf.

⁴ FCC. “FCC Unveils Consumer Broadband Labels to Provide Greater Transparency to Consumers.” April 4, 2016. Web. https://apps.fcc.gov/edocs_public/attachmatch/DOC-338708A1.pdf.

⁵ FCC. “Internet Issues Associated with Complaints - Pie Chart.” Web. <https://opendata.fcc.gov/Consumer-and-Government-Affairs/Internet-Issues-Associated-with-Complaints-Pie-Cha/fb8f-eti7>.

met over three months in an effort to identify potential effective best practices meant to complement federal, state and local regulatory requirements.

THEREFORE BE IT RESOLVED, that the task force and the CAC formally recommend the following best practices:

- Based on service address information provided, companies should provide a consumer with the estimated dollar amount of their total monthly bill that includes all government-imposed taxes and fees, and all company-imposed fees, surcharges, and equipment charges just prior to sign-ups.
- Companies should send customers notification of the total dollar amount of their expected first and subsequent monthly bills within two business days of sign-up. This notification should include a link to or language detailing the cancellation policy and any fees associated with cancellation that apply to the customer.
- Companies should provide consumers notification about changes in their monthly service price no later than the monthly bill sent prior to the change(s) becoming effective. This includes increases due to promotional rate expirations, discounts no longer being applied to the account, or general price increases for the products or services being received. Companies may choose to include this notification on the monthly bill or in a separate communication.

ADOPTED: October 14, 2016

ABSTENTIONS: CenturyLink; Consumer Technology Association; National Association of Broadcasters; National Cable and Telecommunications Association; T-Mobile

Respectfully submitted:

Debra R. Berlyn, Chairperson
FCC Consumer Advisory Committee