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FCC PROPOSES RULES TO HELP MOBILE PHONE USERS AVOID "BILL SHOCK"

New Rules Would Require Companies to Notify Customers When They Are About to Exceed Their Plan Limits and Incur Extra Charges

Washington, DC -- The Federal Communications Commission (FCC) has proposed new rules that would require mobile service providers to provide usage alerts and related information that will assist consumers in avoiding unexpected charges on their bills. The proposed rules would empower consumers with simple alerts and easy-to-find tools and information so they can make smart decisions about their mobile plans.

The record thus far indicates that mobile "bill shock" -- an unexpected increase in the monthly mobile bill -- is a growing challenge for the surveyed consumers, and that current tools could be improved. According to an April-May 2010 FCC survey, 30 million Americans -- one in six mobile users -- have experienced bill shock. More than half those consumers saw an increase of \$50 or more, but many were not alerted by their provider before they incurred the charges. The tools in place to eliminate bill shock vary widely between service providers and type of service, and can be difficult to find. Most of the alerts that are offered do not cover all services or are not sent before the overage charges are incurred.

To address this challenge the FCC is proposing and seeking comment on rules that would prevent bill shock. The proposed rules would require mobile companies to provide consumers with simple alerts before and when they incur overages, using technology widely available today.

In today's Notice of Proposed Rulemaking, the Commission proposes that consumers be provided with baseline information that would allow them to control their mobile costs, including:

- **Over-the-Limit Alerts:** The FCC's proposed rules would require customer notification, such as voice or text alerts, when the customer approaches and reaches monthly limits that will result in overage charges.
- *Out-of-the-Country Alerts:* The FCC's proposed rules would require mobile providers to notify customers when they are about to incur international or other roaming charges that are not covered by their monthly plans, and if they will be charged at higher-than-normal rates.

• *Easy-to-Find Tools*: The FCC's proposed rules would require clear disclosure of any tools offered by mobile providers to set usage limits or review usage balances. The FCC is also asking for comment on whether all carriers should be required to offer the option of capping usage based on limits set by the consumer.

The Notice also seeks comment on whether smaller providers and/or prepaid services should be exempted from these requirements or allowed extra time to implement them.

Comments are due 30 days after publication of the NPRM in the Federal Register and reply comments 30 days thereafter.

Action by the Commission October 14, 2010, by Notice of Proposed Rulemaking (FCC 10-180). Chairman Genachowski, Commissioners Copps, McDowell, Clyburn, and Baker. Separate statements issued by Chairman Genachowski, Commissioners Copps, McDowell, Clyburn, and Baker.

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