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Call for wireless regulation gets louder

Service issues prompt push for federal action

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Raised voices, disputes over money, abrupt hang-ups. Asad Baig has experienced all the hallmarks of a stormy relationship with his cell phone company—actually five different ones over the last four years.

Once, he fought with his carrier over charges for text messages that resulted in a \$400 monthly bill despite signing up for an unlimited texting package. Another time, he got socked with an unexpected phone upgrade fee.

Baig said he has encountered customer service representatives ranging from friendly to incompetent to openly hostile.

"The most discouraging thing is that in order to get anything accomplished, I have to get angry," said Baig, 25, a law student at the University of Illinois. "It's such a waste of energy and time."

Consumer discontent with wireless service has been brewing for years, resulting in lawsuits across the country and requests for government intervention. Now there's movement at the federal level to address long-standing concerns such as mandatory contract extensions, early termination fees and confusing billing.

The latest draft legislation is a wireless consumer protection act from Rep. Edward Markey (D-Mass.) who proposes, among other items, requiring operators to offer a service plan with no early termination fee and letting consumers cancel their contracts within 30 days without penalty.

Sen. Mark Pryor (D-Ark.) has also floated legislation to set up uniform requirements for wireless customer service.

High rate of resolution



The cell phone industry, a category that includes service and equipment, generates the most complaints out of the roughly 3,800 industries tracked by the Council of Better Business Bureaus. However, according to BBB data, the wireless industry has a higher rate of resolving consumer complaints than the overall rate for all businesses.

The industry says it's open to light national regulation, though it emphasizes that operators already respond to consumer and competitive pressures.

Carriers have allowed number portability, agreed to prorate early termination fees and introduced prepaid plans that don't require a contract. In February, the major operators all rolled out unlimited voice and data plans.

"We believe regulation is best applied on the federal level so it applies to everyone, and one time in a consistent manner," said Joe Farren, a spokesman for CTIA, the wireless industry trade group. "But [it] is something that should be applied only when necessary—when there's some kind of market failure."

Competition among wireless carriers is intensifying as U.S. penetration rates reach 80 percent, and some companies are feeling the hurt of subscriber mutiny. [Sprint Nextel](#), which has struggled with service complaints, said last month that it expects to lose 1.2 million contract customers in the first quarter alone.

"In general, the prices have been coming down and cell phone service is becoming a more competitive marketplace," said David Kolata, executive director of the Citizens Utility Board. CUB still fields many complaints about wireless service and will hold a clinic on reducing phone bill charges at [Gurnee Mills Mall](#) on March 29. CUB held 50 such seminars across the state last year.

States jump in

Some states have taken individual action against operators. Last month, [Florida's](#) attorney general fined [AT&T Mobility](#) \$3 million and ordered it to reimburse customers billed for third-party ring tones and other content that was misleadingly advertised as free.

In Illinois, Rep. Susana Mendoza (D-Chicago) unsuccessfully tried to pass legislation to free wireless users from their contracts without penalties if their handsets broke repeatedly.

"That one little issue probably got more calls to my office than any other issue I've ever worked on," Mendoza said.

But the proliferation of state regulation is problematic and confusing, not least because the wireless industry is cross-border by nature, said Kimberly Kuo, executive director at the consumer advocacy group [MyWireless.org](#). She favors a national framework and believes the Markey proposal has potential.

"It's really moving backward for us to say that states should micromanage a wireless network because it just hurts consumers," Kuo said.

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