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*Traci McMillan/MEDILL*

*Cell phone users share their stories on bills and surprise charges.*

## FCC initiative aims to protect consumers from cell phone overage charges

by **JESSE YOUNG**  
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While vacationing in California, Estela Tallarico and her family took part in the common practice known as roaming. Data roaming, that is. Unbeknown to them, the Tallaricos, residents of Riverside, were tacking on steep charges to their bill with each call they made on their cell phone.

"We had taken our phone, thinking we were going to use it for a little, like calling a cab to the airport," Tallarico recalled.

In the span of a few days, the Tallaricos amassed some \$300 in charges for using the phone outside their coverage area. That was five years ago, and the family is no longer with Verizon Communications Inc.

In response to such oft-told tales of exorbitant cell phone bills, the Federal Communications Commission's Consumer and Governmental Affairs Bureau issued a public notice in May to solicit ideas for better consumer protection. Of special interest is a system that alerts customers when they are at the risk of running up a high bill.

"We have gotten hundreds of complaints about bill shock," or the experience of getting an unexpectedly high wireless phone bill, said Joel Gurin, chief of the Consumer and Governmental Affairs Bureau.

Of course, bill shock is avoidable now. Customers of the Big Four – Verizon Communications Inc., AT&T Inc., Sprint Nextel Corp. and Deutsche Telekom AG – and many smaller carriers can access their usage information in several ways. By dialing a few shortcut numbers, customers can check their minutes and text count directly from a cell phone. They also can access this information, along with more detailed figures, from a computer or by calling a service representative. However, not everyone thinks this is sufficient.

"The problem arises when people get charged for things they had no idea what the cost is," said Sascha Meinrath, director of the New America Foundation's Open Technology Initiative.

While penalties and fees are spelled out in the contract, few consumers actually read or understand the fine print. Usage information is technically accessible, though it still requires cell phone users to actively seek it. The solution might be found, perhaps, by emulating our European neighbors.

In June 2009, the European Union adopted regulations to bring more transparency to charges incurred by wireless customers. The rules require European carriers to alert customers who are running up roaming charges or nearing voice or data limits. The notification, delivered as a free text message, explains the costs and procedures to continue using the service. United States Cellular Corp., the sixth-largest wireless carrier in the U.S., implemented a similar feature last November.

"We believe that customers should never be surprised," said Derek Estes, U.S. Cellular's director of sales in Chicago. "We responded to their feedback.

U.S. Cellular's overage protection program sends text alerts when customers reach 75 percent and 100 percent of their allotted minutes or text messages. The Big Four, however, have yet to offer a similar notification service.

"I guess the reason is that there is no incentive for them to do that. It's an important source of revenue when people overuse what is stated on their contract," said Dongning Guo, an assistant professor in the engineering department at Northwestern University.

Motives aside, the Big Four carriers face challenges different from those of smaller carriers. So while it makes sense for U.S. Cellular, given its smaller user base, to roll out an overage protection program, larger carriers may bear steeper costs and technological hurdles. But some find these claims dubious.

"The technology is already there," assured Guo, who does research in wireless communications. "It's not difficult."

Shortly after the FCC issued its public notice on bill shock, the CTIA-The Wireless Association, an organization representing the wireless communications industry, released a statement. In it, CEO Steve Largent pointed out that the "hundreds of complaints"