November 16, 2010

The Honorable Tom Udall
United States Senate
110 Hart Senate Office Building
Washington, DC 20510

Dear Senator Udall:

The National Consumers League, the country’s pioneering consumer organization, is pleased to endorse Senate Bill 3872, the Cell Phone Bill Shock Act of 2010. This legislation will do much to protect consumers from unexpected fees and charges on their wireless phone bills.

Multiple studies from the Government Accountability Office, Federal Communications Commission and Consumer Reports magazine have demonstrated that wireless “bill shock” is a pervasive problem for millions of consumers. Media reports are filled with accounts of consumers unexpectedly amassing thousands of dollars in charges. While these “mega-bill” stories are what generate headlines, we fear that millions more consumers are acquiescing to smaller “bill shocks” rather than try to negotiate with an often-frustrating array of customer service options.

In addition, wireless companies are increasingly promoting paperless billing and automatic bill pay. We are concerned that both phenomena may lead to additional cases of “bill shock.” Paper bills may be confusing, but receiving a paper bill in the mail at least creates an incentive to review bills for inaccuracies. Paperless billing and automatic bill pay may reduce that incentive, because they require consumers to proactively log in to an online account to check a wireless bill or review line item charges on a credit card statement.

It is for these reasons that we believe the timing of your legislation is especially auspicious. The requirements proposed in S. 3872 will give consumers the certainty that they will receive an alert when they are in danger or running up high charges. The opt-in mechanism will provide a “fail-safe” that will require consumers to consent to high charges. These rules are sensible, common sense solutions to the problem of wireless “bill shock.”

We look forward to working with your office to move this legislation forward and again thank you for standing up for consumers.
Kind regards,

Sally Greenberg
Executive Director
National Consumers League