



NYPIRG SUPPORTS

LEGISLATIVE MEMORANDUM NO: 59-06 CONTACT: Russ Haven PHONE: 518 436-0876

A.8539

IN ASSEMBLY, BILL NUMBER 8539. INTRODUCED BY M. OF A. O'DONNELL, ET AL.

AN ACT to amend the public service law . . . in relation to the provision of residential wireless telephone service

SUMMARY OF PROVISIONS:

This bill would enact the "Wireless Telephone Consumer Protection Act" and require meaningful disclosures and safeguards for cell phone purchasers and subscribers. Among its key provisions:

- A real trial period that allows a consumer to go through a full billing cycle and evaluate whether the plan and provider meet their needs and expectations without incurring an early termination fee.
- Clear, inclusive disclosures of projected costs, fees, taxes, *etc.*, before a contract is signed so there's no "cell phone sticker shock" after the first bill arrives.
- Disclosure of E-911 service.
- Access to detailed service maps to help consumers evaluate a provider's signal strength in the areas where the phone primarily will be used.

STATEMENT OF SUPPORT:

There are some 200 million cell phone subscribers in the U.S. Two of every three adults under the age of 65 have a cell phone. The huge boost in cell phone users has come at the expense of the number of traditional phone lines, which continue to decline.

Comparison shopping for a cell phone provider and plan is maddening. Reviewing the ads and comparing them side-by-side is very difficult, creating consumer confusion that results in fatigue, rather than meaningful competition.

Complicating matters is that consumers cannot buy just any phone—providers have different network technologies and in most cases "lock down" the phones they sell to prevent them from use with another provider. **Anti-competitive early termination fees—ostensibly to recoup the costs of subsidized phones—create a huge financial penalty, a disincentive to leave when there is poor service for a particular consumer's use patterns, a provider or plan that turns out to be more expensive than marketed, or when a company is unresponsive to a consumer's complaints.**

New York suspended regulation of cell phones in 1997 saying then it was "non-basic" service. That is no longer true. Cell phones are essential for the safety, work and private lives of millions of New Yorkers. This legislation will increase competition and create baseline protections for consumers.

NYPIRG urges you to support this important consumer protection legislation.