



**Testimony of
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CTIA
In Opposition to Connecticut Senate Bill 822
February 21, 2017
Before the Connecticut Joint Committee on General Law**

Chairs, Vice-Chairs, and members of the committee, CTIA®, the trade association for the wireless communications industry, opposes Connecticut Senate Bill , which would require specific font size on consumer bills and would mandate a specific cancellation period for contracts.

We oppose this bill because it would restrict how wireless carriers contract with wireless consumers and would be harmful to businesses operating in Connecticut.

The wireless industry's competitive nature has spurred rapid wireless development that has witnessed a growth of subscribers to over 355.4 million nationally, including about 3,639,000 million Connecticut consumers. This rapid development was ushered in by Congress' decision in 1993 to create a national regulatory framework for wireless. This national framework allowed wireless providers to offer innovative service options, which significantly lowered the cost of services and provided more consumers with greater access to wireless. This legislation would threaten this national framework and its resulting benefits by introducing jurisdiction-by-jurisdiction regulation that could limit consumer choice and increase consumer costs.

Since 2003, CTIA's Consumer Code for Wireless Service has been an integral part of delivering superior customer service to wireless consumers. The Code – which is followed in all 50 states – has helped consumers make informed decisions when selecting a wireless plan and has contributed to the continued competitiveness within the wireless industry.

The Code affords wireless providers the flexibility to respond to changes in consumer demand. CTIA and its member companies regularly review the Code



to ensure it reflects the ever-changing wireless marketplace. For example, a twelfth point was added in December 2013 to include standards regarding the ability of customers, former customers and individual owners of eligible devices to unlock phones and tablets. Additionally, an eleventh point was added in October 2011 that calls for providers to send postpaid customers free notifications for voice, data and messaging usage, and international roaming alerts to help them avoid unexpected overage charges. These efforts are just some examples of the wireless industry's responsiveness to consumer issues without the need for prescriptive legislation like Senate Bill 822.

Specifically addressing contract terms, CTIA Code signatories agree to disclose to consumers at point of sale and on their web sites whether a fixed-term contract is required and its duration; the amount and nature of any early termination fee that may apply; and the trial period during which a consumer may cancel service without any early termination fee, as long as the consumer complies with any applicable return policy. Additionally, the industry has evolved to offer no-contract rate options for consumers as well as installment plan pricing for mobile phones.

This legislation would restrict how wireless carriers can contract with their consumers. By placing these restrictions on cell phone contracts, the bill could negatively impact Connecticut consumers. Wireless carriers provide services and contracts to customers on a nationwide basis, bills such as this would create a patchwork of regulation across the country, the cost of which would be borne by all customers, including those in Connecticut. Additionally, wireless providers already have processes in place that allow contracts to be cancelled upon the death of the consumer, regardless of age.

The wireless industry continues make changes to its customer facing policies to remain competitive in the marketplace. This legislation would work to hamper competition by placing a static set of rules on customer contracts in Connecticut, thereby negatively impacting wireless customers in the state.

CTIA and its members respectfully urge you to defeat this bill.