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## **CALIFORNIA PUBLIC UTILITIES COMMISSION PASSES FIRST BILL OF RIGHTS FOR CELL PHONE USERS**

### **New Rules Offer Important Protections, But Fall Short of Needed Safeguards**

(SAN FRANCISCO, CA) – More than four years after it was first proposed, the California Public Utilities Commission (CPUC) adopted a Telecommunications Consumer Bill of Rights to provide updated basic protections for telephone customers, including for the first time millions of cell phone users throughout the state. But the new rules, which were aggressively opposed by the politically powerful wireless industry, fall short of what consumer groups maintain are necessary to counter common marketplace abuses.

“Although the Commission could have done much more, the decision today is nonetheless a victory for 19 million cell phone customers in California who are often in a “cell hell” of poor service and billing nightmares,” said Janee Briesemeister, of Consumers Union’s *EscapeCellHell.org* campaign. “We commend the CPUC for taking a significant step forward in improving market conditions for cell phone customers.”

Consumer groups had urged the CPUC to support a set of safeguards proposed by Commissioner Carl Wood that tried to balance industry concerns with the need for meaningful consumer protections. Instead, the CPUC passed an alternate by Commissioner Brown that left some of the Wood safeguards intact, but eliminated others that are critical for consumers. Some of the rules will take effect late this year; others not until later in 2005.

For example, the new rules offer fewer safeguards against deceptive marketing and advertising than Wood proposed and also allow wireless providers will be able to make unilateral changes to terms of contracts, even if the carrier originally claimed those terms were locked-in.

“The industry’s big money lobbying campaign paid off,” said TURN attorney Christine Mailloux. “Important provisions affecting advertising, contracts and privacy have been weakened or stripped out. The contract provision is especially troublesome. In other words, a “deal is a deal” only for the consumer—the company is free to lure consumers into a contract and then change the terms a month later.”

Even though the rules fail to fully address the scope of problems encountered by cell phone customers, they are nonetheless precedent-setting because they exert state oversight over the wireless industry for the first time. The wireless industry launched a full court press against the rules because action in California is likely to inspire other states to follow suit.

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Among its most significant protections is a provision that gives consumers a 30-day right to cancel a contract without penalty. This will allow a consumer to be sure the service works where they need it to work and where the cell phone company said it would work.

Another provision requires phone companies to clearly delineate government mandated charges from discretionary fees and charges added to bills by the company. And the new rules require clear, legible disclosure of all key rates, terms, and conditions in writing at the point of sale or in the contract, and on the company's web site.

"Unfortunately, today's vote probably won't mark the end of the wireless industry's campaign to derail these consumer safeguards," said Briesemeister. "The wireless industry has made it clear that they'd rather spend millions on lobbyists and public relation campaigns than on implementing a few common sense rights that would ultimately keep their customers happy."

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*Consumers Union, publisher of Consumer Reports, is an independent, nonprofit testing and information organization serving only the consumer. We are a comprehensive source of unbiased advice about products and services, personal finance, health nutrition, and other consumer concerns. Since 1936, our mission has been to test products, inform the public, and protect consumers.*

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