

**JOINT STATEMENT
OF
AT&T CONNECTICUT,
CELLCO PARTNERSHIP d/b/a VERIZON WIRELESS,
T-MOBILE USA AND SPRINT NEXTEL**

**Regarding Raised House Bill 5227
An Act Prohibiting Penalty Fees in Certain Consumer Contracts
Before the Committee on General Law
February 25, 2010**

Proposal:

Raised House Bill No. 5227 would prohibit a seller from charging a restocking, handling, processing or any other fee associated with the return of goods purchased from the seller's place of business.

Comments:

AT&T Connecticut, Cellco Partnership d/b/a Verizon Wireless, T-Mobile USA and Sprint Nextel oppose Raised House Bill No. 5227.

Customers are offered a generous return policy for equipment purchased through carrier's company-owned retail channels.¹ This policy essentially provides a full refund of the equipment price upon the return of the device for any reason within the two week to 30 day return periods offered by carriers, with the exception of a reasonable restocking fee. This fee, which is clearly communicated, is charged to help cover the cost of making the returned devices suitable and available for use by other consumers.

As a policy, mobile devices returned to the carrier are not simply returned to the shelf and sold as new. In addition to cleaning, the device must be wiped to remove all personal data from the phones and testing must be performed to assure that the device meets the manufacturer's specifications. While the device is placed in "as-new" condition, it is not then re-sold as new. The restocking fee is a reasonable measure to cover some of the costs associated with these activities.

While intended to benefit the consumer, the bill would encourage sellers to greatly restrict equipment returns, as they would be required fully to absorb any resulting costs.

Conclusion:

AT&T opposes Raised House Bill No.5227 and urges the committee to reject it.

¹ Authorized dealers and retailers may have their own equipment return policies.