



STATEMENT OF AT&T CONNECTICUT

Regarding Senate Bill No. 98 An Act Prohibiting Spoofing and Cramming Before the Committee on Energy and Technology February 3, 2011

Proposal:

Section One of Senate Bill No. 98 would prohibit people from using a device to alter the caller ID information on a recipient's phone to display a false phone number or name with the intent to cause harm or to defraud and make such an act an unfair trade practices act. Section Two of the proposal would prohibit a telecommunications company as defined in Connecticut General Statutes Section 16-1 from charging a customer for any telecommunications service without their authorization.

Comments:

While AT&T agrees that the proposed bill addresses important consumer privacy and economic interests, AT&T suggests that the bill is not needed as existing federal legislation addresses both issues, making state legislation duplicative and unnecessary. In light of the interstate nature of many of the emerging communications technologies, federal legislation and regulation are the better venue in which these issues should be addressed. Having these issues addressed on a federal level provides consistency between jurisdictions, thus reducing costs of compliance to providers who are able to comply with one uniform set of regulations rather than a patchwork quilt of differing state laws and regulations. This reduction in costs will ultimately benefit consumers. In addition, differing state legislation could inadvertently cause confusion and ambiguity, making protection of these important privacy issues more difficult to achieve.

Section One: Recent federal legislation addresses the issue of "spoofing". In 2010, Congress passed the "Truth in Caller ID Act" or "CID Act" that makes it unlawful for any person within the United States, in connection with any telecommunications service or IP-enabled voice service, to cause any caller identification service to knowingly transmit misleading or inaccurate caller identification information with the intent to defraud, cause harm, or wrongfully obtain anything of value. Like the proposed Section One, the CID Act is technology neutral. In addition, the CID Act provides both civil and criminal penalties, and provides for enforcement by the state, thus making any additional state legislation duplicative and unnecessary.

Section Two: Federal law also protects customers against cramming as well. The existing federal "Truth in Billing" rules, codified at 47 CFR Part 4 provide detailed protections to consumers against unauthorized third-party billing. Indeed, the Federal Trade Commission ("FTC") continues to examine better ways to protect consumers from "cramming" of unauthorized charges on their phone bills. For instance, the FTC is hosting a forum on May 11, 2011 in Washington DC to examine how the government, businesses, and consumer

protection organizations can work together to prevent consumers from being hit with unauthorized third-party charges on their phone bills.

AT&T respectfully suggests that the current Truth in Billing regulations already address these issues and that state legislation would be duplicative and unnecessary.

Moreover, AT&T respectfully opposes Section Two of the proposed bill as drafted since it does not address the underlying problem.

First, as drafted this language would not apply to the largest providers of telecommunications services in the marketplace – that is cable companies offering voice services – or to any other provider of voice services not under the definition found in Connecticut General Statutes Section 16-1. Cable companies offer voice services everywhere in the state of Connecticut today and, in fact, according to their own public financial reports, are among the largest providers in the market and in the industry in general. Respectfully, the General Assembly should not be imposing rules which do not apply to all providers.

Second, as we understand it, the bill's sponsor is mostly concerned about addressing the actions of certain third parties which have the right to bill for their services via AT&T and other providers' bills. The legislation which is before you, however, would do nothing to address the actions by such third parties that have given rise to this legislation. AT&T bills its customers on behalf of various third parties when the third parties indicate to us that a customer has purchased a good or service. We rely on such third parties providing us accurate and true information. If an AT&T customer informs us that they have billed on behalf of a third party erroneously, we credit the customer's bill for that amount. In addition, we offer to our Connecticut customers the ability to place a complete block on all third-party billing, if they so choose. Finally, if we determine that a third party is systematically billing our customers erroneously, we can and do sever our billing relationships with them.

Instead of the language found in Section Two, we would urge the committee to draft legislation which addresses what we understand to be the underlying issue, namely unauthorized billing by third-party providers. That is at the root cause of consumer complaints. We would be happy to work with the committee toward that end.

Conclusion:

AT&T opposes Sections One and Two of the bill as being unnecessary and duplicative in light of existing federal law and regulation. AT&T would welcome the opportunity to work with the committee to craft language which will address the sponsor's concerns.