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STATEMENT OF T-MOBILE, CONNECTICUT

Regarding Raised Bill No. 316

AN ACT CONCERNING NOTIFICATION OF THE EXPIRATION OF TRIAL OFFERS, INTRODUCTORY RATES AND AUTOMATIC CONTRACT RENEWALS

Before the Joint Committee on General Law

March 6, 2012

Proposal:

Raised Bill No. 316 would amend section 42-126b of the Connecticut General Statutes in several significant ways. First, Raised Bill 316 would mandate onerous notice requirements on consumer customers regarding the expiration of trial offers and introductory rates. In addition, Raised Bill No. 316 would impose an affirmative notice obligation on companies to notify consumers of their ability to cancel a contract that contains an automatic renewal provision between 15 and 60 days before the contract renews, regardless of the term of the contract.

Comments:

T-Mobile opposes Raised Bill No. 316 because it is not necessary as applied to the wireless industry. We agree with the testimony being presented by other wireless carriers: that there is no problem with automatic contract renewals among the providers of wireless telecommunications services in Connecticut. T-Mobile's two-year contracts for wireless service automatically roll over to a month-to-month arrangement in order to assure continuity of service. We are not aware of any problems with this process that justifies the creation of this new and costly regulation, and T-Mobile respectfully opposes this bill.

Raised Bill No. 316 would be counterproductive and harmful to our customers as it would likely result in our customers experiencing interruptions in service at the end of their contracts. If this law were to pass and if a customer failed to renew the contract in a timely fashion, that customer would risk losing their phone number, their saved voicemails, e-mails, and other information associated with their account.. T-Mobile requires a contractual relationship with the customer in order for us to maintain our billing and service obligations, and this measure would interfere with that relationship. The month-to-month fallback allows us to continue providing our services uninterrupted while allowing the customer the flexibility to either stay with our company or to choose another service provider.

Other states have passed or considered laws to deal with problems that do exist with automatic contract renewals other than in the wireless industry. In those cases, the states have chosen to either exempt wireless service providers altogether, or to limit regulations to those contracts that renew for periods of longer than 31 days. We urge the committee to amend Raised Bill No. 316 with either of these alternatives.

Conclusion:

T-Mobile opposes Raised Bill No. 316.

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