



**Testimony of
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**In Opposition to
Maine LD 414**

**Before the
Maine Committee on Housing and Economic Development**

February 26, 2025

On behalf of CTIA®, the trade association for the wireless communications industry, I write in opposition to LD 414, relating to deceptive trade practices. We appreciate the goal of protecting consumers from practices that may undermine a consumer's ability to make informed commercial decisions, and our industry is committed to ensuring consumers have accurate and transparent information. However, robust federal regulations and public industry commitments already exist, thereby making any new state-specific law imposed on our industry potentially duplicative and not in the consumer's interest.

Industry is Committed to Keeping Consumers Informed

In the competitive wireless marketplace, CTIA and its members have established the *Consumer Code for Wireless Service*¹—an evolving set of principles designed to help consumers make informed decisions when selecting wireless services. This code has been regularly updated since it was first created nearly 20 years ago. Importantly, more than half of the principles contained in the *Consumer Code for Wireless Service* speak to this important issue, with disclosure of rates and terms of service being the first commitment. Further, Principle 5 *establishes a commitment to “clearly and conspicuously” disclosing material charges*.

¹ CTIA, *Consumer Code for Wireless Service* (2020), <https://api.ctia.org/wp-content/uploads/2020/03/CTIA-Consumer-Code-2020.pdf> (“*Consumer Code for Wireless Service*”).



Wireless services are used every day to connect consumers to school, work, and loved ones, and as of 2023, there are more than 1.6 wireless connections for every person in the United States.² Consumers tend to use their wireless devices throughout the day, which serves as a tangible reminder of the services they are receiving. Wireless services are thus distinguishable from other products and services where consumers may not even be aware that they are being charged for a service, such as services that may renew on an annual basis. Moreover, wireless providers typically have regular engagement with their customers, including through monthly notices regarding plan terms and itemized costs, as well as through alerts that may be sent in accordance with commitments made as part of the *Consumer Code for Wireless Service*.

Robust Federal Regulation of the Wireless Industry Already Exists

The wireless industry is regulated by the FCC, which has its own regulatory regime to protect consumers from surprise or unfair fees and billing practices, including broadband labeling and Truth-in-Billing regulation. The FCC's rules already require the wireless industry to convey relevant information to consumers and prevent unfair or deceptive fees. CTIA's members have for years embraced regulatory efforts already undertaken by the FCC to ensure consumers have clear information about service charges and to help protect consumers from fraud and unauthorized third-party fees. These rules and policies effectively prevent and hold wireless providers responsible for any unfair or deceptive fees.

FCC Broadband Labeling: Implementing a Congressional directive, the FCC adopted requirements for broadband labeling in 2023.³ These requirements will ensure consumers are given clear, accurate, and transparent information to guide their purchasing decisions. Under these new broadband consumer label rules, all wireless consumers will have access to easy-to-understand labels modeled on the nutrition labels that appear on food products. The labels clearly lay out key information about prices (including monthly and one-time fees, and the availability of discounts and bundles), the amount of data included in the base price, typical upload and download speeds that consumers can expect, and a provider's network management and privacy practices. Importantly, in adopting its

² See CTIA, *2023 Annual Survey Highlights*, at 5 (July 25, 2023), <https://www.ctia.org/news/2023-annual-survey-highlights>.

³ See *Empowering Broadband Consumers Through Transparency*, Order, CG Docket No. 22-2, DA 23-617 (CGB rel. July 18, 2023).



directive, Congress clearly intended that the FCC should regulate the advertising of broadband on a *national* level.⁴

FCC's Truth-in-Billing: For nearly two decades, wireless voice providers have abided by the FCC's Truth-in-Billing requirements, which are broad, binding principles that ensure voice providers offer information on customers' bills that is clear and not misleading.⁵ The Truth-in-Billing rules have also served to help protect consumers from fraud and unauthorized third-party charges. Importantly, the FCC created a comprehensive framework that affords providers flexibility in their billing procedures without discouraging the introduction of new pricing plans or impairing the ability of providers to adopt improvements to their billing systems or bill structures.⁶

Therefore, the law should clearly exempt services that are regulated by the FCC.

Title 47 U.S.C.: It is not clear if the requirements in the bill is consistent with federal law, which plainly states that "no State or local government shall have any authority to regulate the entry of or *the rates charged by* any commercial mobile service . . . except that this paragraph shall not prohibit a State from regulating the *other* terms and conditions of commercial mobile services."⁷ It is also not clear if the proposed exceptions in the legislation related to "taxes and fees" would include the wide range of monies wireless providers collect at the behest and with the blessing of government regulators.

Wireless Services are Already Regulated by the FCC

Commitments made by wireless service providers through the *Consumer Code for Wireless Service*, coupled with regulatory protections adopted by the FCC, serve today to provide protection and clarity to consumers regarding their commercial decisions. Given the incentives wireless providers have to ensure their trusted relationship is maintained with consumers, CTIA urges Maine to

⁴ Infrastructure Investment and Jobs Act, Pub. L. No. 117-58, § 60504(a), 135 Stat. 429, 1244 (2021).

⁵ *Truth-in-Billing and Billing Format*, First Report and Order and Further Notice of Proposed Rulemaking, 14 FCC Rcd 7492 (1999) ("FCC Truth-in-Billing R&O"); *Truth-in-Billing and Billing Format*; *National Association of State Utility Consumer Advocates' Petition for Declaratory Ruling Regarding Truth-in-Billing*, Second Report and Order, Declaratory Ruling, and Second Further Notice of Proposed Rulemaking, 20 FCC Rcd 6448 (2005).

⁶ See FCC Truth-in-Billing R&O, 14 FCC Rcd at 7499, ¶ 10.

⁷ 47 U.S.C. § 332(c)(3)(A) (emphasis added); see also, e.g., *MCI Telecommunications Corp. v. FCC*, 822 F.2d 80 (D.C. Cir. 1987).



recognize the dynamics within the competitive wireless marketplace and refrain from imposing a new state law on the wireless industry that would be unnecessary, duplicative, and not in the consumer interest.

If Maine ultimately enacts a law regarding unfair and deceptive fees, any new law should expressly exempt services already regulated by the FCC for the reasons stated above.

Consumer Code for Wireless Service.

CTIA and the carriers that are signatories to the Consumer Code for Wireless Service ("Consumer Code") have voluntarily adopted the principles, disclosures, and practices here for wireless service provided to individual consumers, including voice, messaging, and data services sold either on a postpaid or prepaid basis.

CTIA periodically reviews and updates the Consumer Code to ensure it reflects the industry's innovations and consumers' needs and expectations. For example, in July 2010, the Consumer Code was updated to reflect new and increasingly popular offerings by carriers for consumers; in October 2011, the 11th section of the Consumer Code was added, which called for providers to send postpaid customers free usage alerts to help them avoid unexpected overage charges; and in December 2013, the Consumer Code added section 12 on Mobile Wireless Device Unlocking, which includes voluntary standards to assist consumers by enhancing transparency and disclosure of wireless providers' device unlocking policies.

Wireless carriers that are signatories to the Consumer

1 DISCLOSE RATES AND TERMS OF SERVICE TO

CONSUMERS: For each service plan offered to new consumers, wireless carriers will disclose to consumers at points of sale they own or operate and on their websites at least the following information: (a) the amount of any fee charged to begin a service plan; (b) the monthly access fees or base charges; (c) the amount of any voice, messaging, or data allowances included in the plan; (d) the charges for domestic usage in excess of any included allowances or outside of the coverage area; (e) if prepaid service plans are offered, the period of time during which any balance is available for use; (f) whether there are prohibitions on data service usage and whether there are network management practices that will have a material impact on the customer's wireless data experience; (g) whether any government taxes, fees, or charges apply and their respective amounts or ranges; (h) the amount or range of any additional fees or charges that are collected and retained by the carrier; (i) the amount and conditions of any late payment fee; and (j) whether a fixed-term contract is required and its duration.

2 MAKE AVAILABLE MAPS SHOWING WHERE

SERVICE IS GENERALLY AVAILABLE: Wireless carriers will make available at points of sale they own or operate and, on their websites, maps depicting approximate domestic coverage applicable to each of their service plans currently offered to consumers. To enable consumers to make comparisons among carriers, these maps will be generated using generally accepted methodologies and standards to depict the carrier's outdoor coverage. All such maps will

contain or link to an appropriate legend concerning limitations and/or variations in wireless coverage, including any geographic limitations on the availability of any services included in the plan. Wireless carriers will periodically update such maps as necessary to keep them reasonably current. If necessary, to show the extent of service coverage available to customers from carriers' roaming partners, carriers will request and incorporate coverage maps from roaming partners that are generated using similar industry-accepted criteria, or if such information is not available, incorporate publicly available information regarding roaming partners' coverage

3 PROVIDE CONTRACT TERMS TO CUSTOMERS

AND CONFIRM CHANGES IN SERVICE: When a customer initiates new service or changes existing service, the carrier will provide to or confirm with the customer any new material terms and conditions of the service.

4 PROVIDE A TRIAL PERIOD FOR NEW SERVICE AND DISCLOSE EARLY TERMINATION FEES:

When a customer initiates postpaid service with a wireless carrier, the carrier will at points of sale it owns or operates and on its website inform the customer that they have a trial period of not less than 14 days during which the customer may cancel service without an early termination fee and disclose the amounts and conditions of any early termination fee that may apply subsequently. The carrier will not impose an early termination fee if the customer cancels service within the trial period, provided that the customer complies with applicable return and/or exchange policies. Other charges, including usage charges, may still apply.

5 PROVIDE SPECIFIC DISCLOSURES IN

ADVERTISING: In advertising prices for wireless service plans or devices, wireless carriers will clearly and conspicuously disclose material charges and conditions related to the advertised prices and services as follows, and if applicable do so through the use of links: (a) whether any fee is charged to begin services; (b) monthly access fees or base charges; (c) the amount and limits on any voice, messaging, or data service allowances included in the plan; (d) the charges for any domestic usage in excess of any included allowances or outside of the coverage area; (e) for prepaid service plans, the period of time during which any balance is available for use; (f) whether there are network management practices that will have a material impact on the customer's wireless data experience; (g) whether any additional taxes, fees or surcharges apply; (h) the amount or range of any fees or surcharges that are collected and retained by the carrier; (i) whether a fixed-term contract is required and its duration; (j) early termination fees; (k) the terms and conditions related to receiving a product or service for "free"; (l) for any service plan advertised as "nationwide" (or using similar terms), the carrier will have available substantiation (e.g., a coverage map) for this claim; and (m) whether prices or benefits apply only for a limited time or promotional period and, if so, whether any different fees or charges will apply for the remainder of the contract term.

6 SEPARATELY IDENTIFY CARRIER CHARGES

FROM TAXES ON BILLING STATEMENTS: On customers' bills, carriers will distinguish (a) monthly charges for services, features, and charges collected and retained by the carrier from

(b) taxes, fees, and charges collected by the carrier and remitted to federal, state, or local governments. Carriers will not label cost recovery fees or charges collected and retained by the carrier as taxes.

**7 PROVIDE CUSTOMERS THE RIGHT TO
TERMINATE SERVICE FOR CHANGES TO**

CONTRACT TERMS: Carriers will not modify the material terms of their postpaid customers' contracts in a manner that is materially adverse to those customers without providing a reasonable advance notice of a proposed modification and allowing those customers a time period of not less than 14 days to cancel their contracts with no early termination fee.

8 PROVIDE READY ACCESS TO CUSTOMER

SERVICE: Customers will be provided customer service contact information, including a toll-free telephone number to access a carrier's customer service representatives during normal business hours, both online and on billing statements. Each wireless carrier will also provide customers information about how they can contact the carrier in writing, by toll-free telephone number, via the Internet, or through other means of communication with any inquiries or complaints, and this information will be included, at a minimum, on all billing statements, in written responses to customer inquiries, on carriers' websites, and upon request, to any customer calling the carrier's customer service departments.

**9 PROMPTLY RESPOND TO CONSUMER
INQUIRIES AND COMPLAINTS RECEIVED**

FROM GOVERNMENT AGENCIES: Wireless carriers will respond in writing to state or federal

administrative agencies within 30 days of receiving written consumer complaints from any such agency.

10 ABIDE BY POLICIES FOR PROTECTION OF

CUSTOMER PRIVACY: Each wireless carrier will abide by a policy regarding the privacy of customer information in accordance with applicable federal and state laws, and will make available to the public its privacy policy concerning information collected online. Each wireless carrier will abide by the CTIA Best Practices and Guidelines for Location-Based Services.

11 PROVIDE CONSUMERS WITH FREE

NOTIFICATIONS FOR VOICE, DATA

MESSAGING USAGE, AND INTERNATIONAL

ROAMING: Each wireless carrier will provide, at no charge: (a) a notification to consumers of currently-offered and future domestic wireless plans that include limited data allowances when consumers approach and exceed their allowance for data usage and will incur overage charges; (b) a notification to consumers of currently-offered and future domestic voice and messaging plans that include limited voice and messaging allowances when consumers approach and exceed their allowance for those services and will incur overage charges; and (c) a notification to consumers without an international roaming plan/package whose devices have registered abroad and who may incur charges for international usage. Wireless carriers will generate the notifications described above to postpaid consumers based on information available at the time the notification is sent. Wireless consumers will not have to affirmatively

sign up in order for these notifications to be sent. Wireless carriers will clearly and conspicuously disclose tools or services that enable consumers to track, monitor and/or set limits on voice, messaging and data usage. Carriers agree to provide, at no charge, the notifications noted above.

12 MOBILE WIRELESS DEVICE UNLOCKING: Each wireless carrier will abide by the following standards regarding the ability of customers, former customers, and individual owners of eligible devices to unlock phones and tablets ("mobile wireless devices") that are locked by or at the direction of the carrier. It should be noted that carriers typically use different frequencies and air interface technologies to provide wireless network access. Accordingly, a device that works on one carrier's network may not be technologically compatible with another carrier's network. "Unlocking" a device refers only to disabling software that would prevent a consumer from attempting to activate a device designed for one carrier's network on another carrier's network, even if that network is technologically compatible. In other words, "unlocking" a device will not necessarily make a device interoperable with other networks; a device designed for one network is not made technologically compatible with another network merely by "unlocking" it. Additionally, unlocking a device may enable some functionality of the device but not all (e.g., an unlocked device may support voice services but not data services when activated on a different network). Each wireless carrier agrees to abide by the following six principles:

Disclosure. Carriers will post on their websites

- 1 their clear, concise, and readily accessible policies on postpaid and prepaid mobile wireless device unlocking;
- 2 **Postpaid Unlocking Policy.** Carriers upon request will unlock mobile wireless devices or provide the necessary information to unlock devices for their customers and former customers in good standing and individual owners of eligible devices after the fulfillment of the applicable postpaid service contract, device financing plan, or payment of an applicable early termination fee.
- 3 **Prepaid Unlocking Policy.** Carriers upon request will unlock prepaid mobile wireless devices no later than one year after initial activation, consistent with reasonable time, payment or usage requirements.
- 4 **Notice.** Carriers that lock devices will clearly notify customers that their devices are eligible for unlocking at the time when their devices are eligible for unlocking or automatically unlock devices remotely when devices are eligible for unlocking, without additional fee. Carriers reserve the right to charge non-customers/non-former-customers with a reasonable fee for unlocking requests. Notice to prepaid customers may occur at point of sale, at the time of eligibility, or through a clear and concise statement of policy on the carrier's website.
- 5 **Response Time.** Within two business days after receiving a request, carriers will unlock eligible mobile wireless devices, or initiate a request to the OEM to unlock the eligible device, or provide an explanation of why the device does not qualify for unlocking, or why the carrier reasonably needs

additional time to process the request.

- 6 Deployed Personnel Unlocking Policy. Carriers will unlock mobile wireless devices for deployed military personnel who are customers in good standing upon provision of deployment papers.

Carriers reserve the right to decline an unlock request if they have a reasonable basis to believe the request is fraudulent or the device is stolen.

Carriers agree to implement all six of the principles above.

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