



March 6, 2018

Representative Elizabeth Hernandez
Chair, House Consumer Protection Committee
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Re: Opposition to HB 4767, Cell Phone Lemon Law

Dear Chair Hernandez and Committee Members:

On behalf of CTIA, the trade association for the wireless communications industry, I write in opposition to HB 4767, entitled the Cell Phone Lemon Law. This bill is not necessary as consumers have options regarding devices, insurance, and contracts, including no contract offerings. Additionally, this bill would restrict how wireless carriers contract with wireless consumers and would be harmful to businesses operating in Illinois.

The wireless industry's competitive nature has spurred rapid wireless development that has witnessed a growth of subscribers to over 377.9 million nationally, including over 13 million Illinois consumers. This rapid development was ushered in by Congress' decision in 1993 to create a national regulatory framework for wireless. This national framework allowed wireless providers to offer innovative service options, which significantly lowered the cost of services and provided more consumers with greater access to wireless. This legislation would threaten this national framework and its resulting benefits by introducing jurisdiction-by-jurisdiction regulation that could limit consumer choice and increase consumer costs.

Since 2003, CTIA's Consumer Code for Wireless Service has been an integral part of delivering superior customer service to wireless consumers. The Code – which is followed in all 50 states – has helped consumers make informed decisions when selecting a wireless plan and has contributed to the continued competitiveness within the wireless industry.



Wireless carriers that are signatories to the Code have committed to voluntarily adhere to the following 12 points: (1) Disclose Rates and Terms of Service to Consumers; (2) Make Available Maps Showing Where Service is Generally Available; (3) Provide Contract Terms to Customers and Confirm Changes in Service; (4) Allow a Trial Period for New Service; (5) Provide Specific Disclosures in Advertising; (6) Separately Identify Carrier Charges from Taxes and Billing Statements; (7) Provide Customers the Right to Terminate Services for Changes to Contract Terms; (8) Provide Ready Access to Customer Service; (9) Promptly Respond to Consumer Inquiries and Complaints Received from Government Agencies; (10) Abide by Policies for Protection of Customer Privacy; (11) Provide Consumers with Free Notifications for Voice, Data and Messaging Usage and International Roaming; and (12) Provide for Mobile Wireless Device Unlocking.

The wireless industry continues make changes to its customer facing policies to remain competitive in the marketplace. HB 46767 would restrict how carriers can contract with their consumers. These restrictions could negatively impact Illinois consumers. Wireless carriers provide services and contracts to customers on a nationwide basis; bills such as this would create a patchwork of regulation across the country, the cost of which would be borne by all customers, including those in Illinois.

Additionally, it is important to note that many consumers opt to purchase their own device and take advantage of no-contract offerings. Furthermore, the marketplace also offers insurance plans to cover devices which of customers can take advantage. Consumers have options when it comes to purchasing a wireless device and service without the need for a static set of state regulations.

HB 4767 would work to hamper competition by placing a static set of rules on customer contracts in Illinois, thereby negatively impacting wireless customers in the state. We respectfully request that you not move HB 4767.

Sincerely,

Director, State Legislative Affairs