



## Summary of Cell Phone Consumer Empowerment Act of 2007 (S. 2033)

On September 7, 2007, Senator Amy Klobuchar (D-MN) introduced the Cell Phone Consumer Empowerment Act of 2007 (S. 2033). The legislation is designed to “provide for greater disclosure to, and empowerment of, consumers who have entered into a contract for cellular telephone service.”

### Major Provisions

Disclosure Requirements:

- **Contract terms**, including length of contract, termination fees, length of any trial period, and start-up fees, would have to be set forth in a “plain and conspicuous” manner
- **Charges**, including calling-from area, monthly base charge, per-minute charges, and method of calculating minutes charged
- **Minutes** included in the plan and how subscriber is charged for various services, such as roaming calls, directory assistance, and so forth
- **Taxes and Surcharges**
- Disclose whether service includes basic wireless **E-911**
- **Other information** the Commission considers appropriate

Information Required to be Provided to Any Purchaser:

- **Customer bill** must be clearly organized, use plain language, itemize taxes and fees, itemize roaming or off-network charges associated with any call

Information Regarding Service Coverage and Quality:

- **Service Area Maps** reflecting the county level of wireless telephone service, updated quarterly, identifying areas where service not available and whether customer will be able to receive service at primary residence
- **Map Available** upon request, at time contract entered into, and as determined by Commission; shall be available online
- **Quality of Service**, including dropped calls, coverage gaps, and dead zones, shall be monitored by the Commission and reported semiannually

Early Termination Fees:

- **Fees** to be prorated over term of contract, reasonably linking fee to recover of the cost of the device or other legitimate business expenses

- **Commission** to establish fees, but at a minimum, termination fee for two-year contract shall be reduced by 1/2 after one year; in setting fees, shall consider effect of such fees on competition, consumer choice, and legitimate business reasons

#### Contract Extension, Modification, or Rescission

- **Validity of extension** dependent upon point-of-sale notice with 30-day no penalty cancellation period
- **Modifications** of rates, terms or conditions of service require 30-day notice period with subscriber right to terminate without penalty if modification would result in increased cost or more restrictions on service
- **Rescission** of contract permitted for any reason within first 30 days with no penalty and prorated refund of any amount paid for handset

#### Report on Handset Locking and Portability:

- **Commission Report** to Congress regarding practice of handset locking in US, Europe and Asian markets, along with effect on competition and consumer choice

#### Termination of Contracts for Armed Forces Personnel (Revises Title III of the Servicemembers Civil Relief Act)

#### Enforcement:

- **Commission** may enforce and penalties imposed
- **States** may enforce and bring civil action in court of competent jurisdiction

#### Preemption:

- **Preempts** state laws to the extent they are inconsistent, except there shall be no preemption if state laws provide additional protection to wireless telephone service subscribers