



## **DRA**

*Division of Ratepayer Advocates  
California Public Utilities Commission*

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**Dana S. Appling, Director**

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April 17, 2007

Honorable Alan Lowenthal  
State Capitol, Room 2032  
Sacramento, CA 95814

### **RE: SB 831 (Lowenthal) Support**

Dear Senator Lowenthal:

The Division of Ratepayer Advocates (DRA) supports your SB 831, as amended on 4/16/07, which would establish specific consumer protection policies for mobile telephony service customers to ensure a minimum level of disclosure and customer service is afforded to them.

SB 831 would require mobile telephony services to:

- Provide a clear and conspicuous statement with each monthly bill specifying customers' rights to contest unauthorized charges on their service bills, and in the event a subscribers telephone is lost or stolen, their liability for phone calls made without their consent would be limited to \$50;
- Extend to new and existing customers, under specified circumstances, a minimum 30-day grace period with reasonable notice during which the customer may terminate their service agreement, without cost or penalty, if the customer finds that the service quality is unsatisfactory and only be responsible for those services used prior to termination;
- Prorate the early termination fee based on the number of months that have elapsed in the agreement term over the total number of months in the agreement term;
- Limit the terms of a service agreement to two years.

SB 831 would protect mobile telephony service customers by codifying critical consumer rights not provided for by current law or regulation. As a result, these customers would be able to make well-informed choices about their mobile services before being locked into a lengthy service contract or face an exorbitant early termination fee. Moreover, and most important, this bill would limit a customer's liability to \$50 in the event their phone was lost or stolen and unauthorized calls were made, providing customers with a better ability to effectively resolve these problems.

DRA also supports this bill because it would have the ancillary effect of enhancing competition by enabling customers to compare and choose a service with the best rates, terms and conditions. Finally, because customers that terminate their service agreement within the 30-day grace period would be responsible for those services used prior to termination, AB 2622 would not disadvantage mobile telephony services.

DRA supports your bill and looks forward to working with you to pass this important pro-consumer legislation.

If you have any questions or would like to discuss this matter further, please call Matthew Marcus our Legislative Director at (916) 327-3455 or me at (415) 703-2544.

Sincerely,

Dana S. Appling, Director  
Division of Ratepayer Advocates