State Supreme Court and FCC Side With Phone Customers

Local News

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Olympia, WA - It's taken years in both cases, but the Federal Communications Commission (FCC) and the Washington State Supreme Court have just handed phone customers a couple of victories.

The FCC has approved new rules to prevent "cramming," the practice of phone companies adding bogus charges to monthly landline bills. And the state Supreme Court has ruled that Cingular, now known as AT&T Mobility, was illegally passing along a business tax to its customers from 2002 to 2006.

A lead attorney in that case, Dave Breskin of Seattle, says deciphering the charges on a typical phone bill takes more effort than customers should have to make.

They make them look like they're taxes - or, there's no real connection between what's stated on your bill and anything that makes sense to you. So, for most consumers, I think it's a very difficult task to figure out when they're being cheated. - attorney Dave BreskinThe Washington case began in 2006 with customers who questioned their cell phone bills. Breskin says the amounts billed extra are often so small that it's easier to pay them than fight about it. However, they do not amount to small change to the companies involved.

These added fees can amount to a tremendous amount of money. In one of the earlier cases that we had, the Universal Connectivity charge that involved AT&T Wireless, the company made over $200 million, easily, on that charge.
In the most recent case, *Peck v. AT&T Mobility*, he says the estimate is between $15 million and $20 million. There's no word yet on whether AT&T Mobility will refund the charges. The company contended that it is regulated by federal law, not state, but in an earlier decision, the 9th Circuit Court said that doesn't apply to billing practices. A similar lawsuit against Sprint is pending.

Critics say the FCC rules are at least a decade too late. Breskin says he's seeing less federal oversight to protect consumers - and all manner of businesses, including banks and airlines, pushing the same types of limits as the phone companies.

"These different industries have become very aggressive about trying to recoup overhead through added charges. I mean, they like to present seemingly-low costs for their service, but then tack on these added charges after the fact, which just drives up the cost to the consumer."

The lesson, he adds, is to read the fine print on your bills, at least periodically, and request explanations of what you don't understand.