

# ALASKA STATE LEGISLATURE

## Session

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## SENATOR BILL WIELECHOWSKI

### **Protecting Alaskans From Unethical Telephone Billing Practices SPONSOR STATEMENT**

Senate Bill 138 would prohibit the practice of third-party telephone bill cramming in the state of Alaska. Cramming is the practice of third-party businesses charging customers on their telephone bills without properly obtaining prior authorization. The charges are included in monthly telephone bills, and the payments are relayed from the telecommunications provider to the third-party company.

Unlike normal businesses where a customer agrees to pay for services and is billed directly from the company, cramming charges consumers through an unlikely mechanism for unauthorized services. Customers do not expect to pay for groceries at the airport or gasoline at a restaurant, and customers expect the same treatment for monthly telephone bills. SB 138 would make sure consumers get what they expect, telephone bills that only contain charges related to telecommunication services. Cramming is a multi-billion dollar industry in the United States and occurs in Alaska on a smaller scale. This bill would stop third party telephone bill cramming in Alaska in its infancy and keep more money in consumer's pockets to spend on legitimate goods and services.

In the absence of congressional action, Vermont enacted popular legislation in 2011 to ban cramming. The State of Alaska has regulatory authority over landlines and wireless service providers in rural Alaska that are carriers of last resort, so this bill would target cramming as it relates to those services.

I ask that you support SB 138 to protect Alaska consumers from this deceptive and unethical practice.