

ALASKA STATE LEGISLATURE

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SENATOR BILL WIELECHOWSKI

3rd Party Telephone Bill Cramming

Fact Sheet

- Third party telephone bill cramming is a multi-billion dollar industry in the United States that occurs in Alaska on a smaller scale. Cramming is the practice of third party businesses charging customers on their telephone bills without fairly or clearly obtaining prior permission.
- Consumers do not expect to pay for services other than those related to telecommunications on their monthly telephone bills, and this legislation would make sure consumers get what they expect.
- Telecommunications companies are not affected by this bill; only third party companies that participate in the practice of cramming.
- The new statutes would apply to landlines and carriers of last resort, which are under the jurisdiction of the Regulator Commission of Alaska.
- Over the past five years, telephone companies have placed more than \$10 billion worth of third-party charges on their customers' landline telephone bills.
- Unauthorized third-party charges harm residences, small businesses, nonprofits, corporations, government agencies, and educational institutions.
- The unauthorized charges on crammed onto telephone customer's bills are typically between \$10 and \$50. These charges, although relatively minor if they occur only once, can quickly amount to significant losses for telephone customers.