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For Immediate Release: March 20, 2003

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QUARTERLY REPORT ON INFORMAL CONSUMER INQUIRIES AND COMPLAINTS RELEASED

Washington, DC – The Commission has released the attached report on the inquiries and complaints received by the Consumer & Governmental Affairs Bureau (CGB) during the third quarter of calendar year 2002.

The Commission receives many informal complaints that do not involve violations of the Communications Act, or a rule or order of the Commission. The existence of a complaint does not necessarily indicate wrongdoing by the company at issue.

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CGB contact: Warren O'Hearn at (202) 418-2230.

REPORT ON INFORMAL CONSUMER INQUIRIES AND COMPLAINTS 3rd Quarter Calendar Year 2002 Executive Summary

This report tracks consumer inquiries and complaints processed by the Consumer & Governmental Affairs Bureau (CGB) during the third quarter of calendar year 2002. Inquiries are defined as correspondence or communications received at the Commission from individuals seeking information on matters under the FCC's jurisdiction. Informal consumer complaints are defined as a communication received at CGB's consumer centers either via postal mail, fax, email or telephone from or on behalf of an individual that: (i) identifies a particular entity under the FCC's jurisdiction; (ii) alleges harm or injury; and (iii) seeks relief.

Complaint activity within the top categories as a group rose during the third quarter, spurred by sharp increases in Wireless and Wireline complaints. Wireless complaints increased by 52.5%, while Wireline complaints were 28.2% higher. It should be noted that increases in Billing and Rates complaints accounted for over half of the increases in the Wireless and Wireline categories, and that the subcategories tracked within Billing and Rates were expanded during the third quarter to enhance coverage of evolving trends. Increases in Contract – Early Termination and Service Quality complaints also contributed to the rise in Wireless complaints, while increases in Slamming and TCPA-related complaints also pushed Wireline complaints higher.

Complaint activity within the Cable Services and Radio and Television Broadcasting categories remained relatively modest during the third quarter. Most noteworthy was a 20-fold increase in Radio and Broadcast Disability complaints, attributable to an organized campaign to protest an alleged lack of closed-captioning availability during a flooding emergency in San Antonio, Texas in late July 2002. This caused Radio and Broadcast complaints to more than double despite a decline in Indecency and Obscenity complaints. Cable Services complaints rose by 61%, but on very light volume.

Composite inquiry activity was marginally higher during the quarter due largely to increases in Wireless and Radio and Broadcast inquiries, which increased by 301.8% and 9.7% respectively. Four new categories – Electrical Interference, Amateur License, Land Mobile License and General Mobile Radio Service License – made the top wireless categories for the first time and accounted for the huge increase in wireless inquiries. Increases in General Programming and Content (23.7%) and Madalyn M. O'Hair Broadcast Rumor (95.4%) inquiries led the overall increase in Radio and Broadcast inquiries. Cable Services inquiries were bumped higher by 2.3% due to a 22.0% rise in Service-Related Issues inquiries. Composite Wireline inquiries were virtually unchanged from last quarter despite a 15.7% decrease in inquiries relating to TCPA.

The Commission receives many informal complaints that do not involve violations of the Communications Act, or a rule or order of the Commission. The existence of a complaint does not necessarily indicate wrongdoing by the company at issue.

Top Consumer Issues – Subject Category Reference Guide

CABLE SERVICES

Billing & Rates: Complaints/inquiries concerning billing matters and the rates charged for cable programming service (or expanded basic) tier on a cable system

Connections to Cable Systems: Complaints/inquiries regarding availability or quality of connections to cable systems.

Disability Issues: Complaints/Inquiries regarding video description, closed captioning, and emergency access to video programming.

Over-The-Air-Reception-Devices (OTARD) Issues: Complaints/inquiries regarding the installation, maintenance or use of antennas -- including direct-to-home satellite dishes that are less than one meter (39.37") in diameter (or of any size in Alaska), TV antennas, and wireless cable antennas -- to receive video programming

Programming Issues: Complaints/inquiries regarding program content or the choice of channels or programs available to subscribers.

Satellite Home Viewer Improvement Act (SHVIA) Issues: Complaints/inquiries concerning satellite carriers' provision of television broadcast (including distant or national) programming to subscribers.

Service Related Issues: Complaints/inquiries about the quality of service provided by cable operators.

RADIO & TELEVISION BROADCASTING

General Broadcast Information: Inquiries regarding general broadcast requirements, licenses, and community obligations.

Disability Issues: Complaints/Inquiries regarding video description, closed captioning, and emergency access to video programming.

How to Start Broadcast Station: Inquiries regarding starting a broadcast station.

Low Power Issues: Inquiries regarding low power TV and low power radio

Madalyn M. O'Hair Religious Broadcast Rumor: Inquiries regarding a rumor that Madalyn Murray O'Hair, a widely known, self-proclaimed atheist, proposed that FCC consider limiting or banning religious programming

Programming Issues

- <u>Indecency/Obscenity</u>: Complaints/inquiries regarding broadcast programs that allegedly contain indecent or obscene material
- <u>Loud Commercials</u>: Complaints/inquiries regarding abrupt changes in volume during transition from regular programming to commercials
- Religious: Complaints/inquiries regarding religious programs
- <u>Violence</u>: Complaints/inquiries regarding violence in programs
- <u>General Content Criticism</u>: generalized concerns regarding the content of broadcast programs

WIRELESS TELECOMMUNICATIONS

Amateur License Issues: Inquiries regarding Amateur license acquisition, requirements, eligibility, and replacement.

Billing and Rates-Related – Includes the Following Subcategories:

Billing/Rates - Airtime Charges: Complaints/inquiries regarding charges to subscriber for actual time spent talking on a wireless phone

Billing/Rates-Credit/Refunds/Adjustments: Complaints/inquiries regarding credits, refunds, or bill adjustments

Billing/Rates - Line Items: complaints/inquiries regarding surcharges and taxes appearing on a phone bill

- Access Charge: Complaints/inquiries regarding miscellaneous line items charges
- <u>E-911:</u> Complaints/inquiries regarding provision of automatic location information and automatic number identification via a wireless phone used to contact a 911 call center.
- Taxes: Complaints/inquiries regarding taxes appearing on cellular bill
- <u>Universal Service</u>: Complaints/inquiries about the availability and affordability of phone service for low income consumers in geographic areas where the costs of providing telephone service is high

Billing/Rates – Recurring Charges: Complaints/inquiries over recurring monthly charges that appear on a customer's bill

Billing/Rates – Roaming Rates: Complaints/inquiries about charges assessed to the subscriber for wireless calls made while roaming in another carrier's territory

Billing/Rates – Rounding: Complaints/inquiries about the practice of rounding calls to a full minute

Billing/Rates – Service Plan Rate: Complaints/inquiries about the terms and conditions of service:

- Activation Fee: usually one time charge to initiate service
- Off-Peak: specified time where per-minute rate is lower
- Optional Services: including caller-id, voice mail, road-rescue, etc.
- Peak: specified time where per-minute rate is higher
- Prepaid Service: subscriber pays for service in advance
- <u>Promo Plan:</u> including minute allowances
- <u>Security Deposit:</u> usually one time charge that is held by the carrier for a specified timeframe in order for subscriber to acquire service

Carrier Marketing & Advertising: Complaints/inquiries regarding advertising and marketing practices of carriers including alleged misrepresentations

Contract – Early Termination: Complaints/inquiries regarding termination of a subscriber's service prior to end of specified contract term

- <u>Termination of Service by subscriber:</u> subscriber's liability for terminating service prior to specified contract term
- <u>Termination of Service by carrier:</u> carrier's right to disconnect a subscriber's service prior to end of a specified contract term

Electrical Interference Issue: Inquiries regarding unwanted signals from nearby transmitters to home entertainment electronic equipment

Equipment: Complaints/inquiries about telecommunications equipment used or purchased by a subscriber

- Faulty Equipment: involves technical problems or malfunctioning equipment
- <u>Stolen Equipment:</u> involves the purported misuse of or other problems associated with stolen equipment

General Mobile Radio Service (GMRS) License Issue: Inquiries regarding GMRS license acquisition, requirements, eligibility, and replacement.

Land Mobile (LM) License Issue: Inquiries regarding LM license acquisition, requirements, eligibility, and replacement.

Service – Quality/Coverage: Complaints/inquiries regarding quality of service or the lack of coverage within a geographic area served by a wireless provider:

- Dead Spots: inability to receive service within certain areas
- <u>Dropped Calls:</u> premature termination of calls
- <u>Home Area Service:</u> overall quality of service within the subscriber's local calling area
- <u>Network Busy Signal:</u> involving calls that do not go through because of overcrowding of the service frequencies
- Roaming Availability: availability of service outside the subscriber's local calling area

- Roaming Service: overall quality of service while roaming
- <u>Service Interruption:</u> inability to use cellular phone because service was interrupted by service provider

WIRELINE TELECOMMUNICATIONS

Billing and Rates-Related – Includes the Following Subcategories:

Billing/Rates Credit/Refunds/Adjustments: Complaints/inquiries about credits, refunds, or adjustments allegedly owed to the subscriber

Billing/Rates – Line Item: Complaints/inquiries about the line items appearing on telephone bills:

- <u>Access Subscriber Line Charge</u>: questions regarding subscriber local-loop line charges for maintaining residential and business and telephone access to the network
- <u>Access Universal Service</u>: questions regarding the FCC's universal service fundaffordable access to basic telephone service for low-income consumers and consumers in high-cost areas, and communications services for schools and libraries and health care facilities
- <u>Interstate Directory Assistance</u>: questions about charges assessed for access to directory assistance information
- <u>Taxes on Telephone Bill</u>: questions about local, state, or federal taxes appearing on a telephone bill
- <u>Truth in Billing No Service Provider ID</u>: Complaints/inquiries about whether the name of the service provider and/or contact information for the service provider is easily identifiable on the bill
- <u>Truth in Billing Bundled Charges</u>: Complaints/inquiries about whether bills contain plain language description and breakdown of charges for each carrier when multiple carriers appear on the bill
- <u>Truth in Billing No Payment Solution</u>: Complaints/inquiries about whether a bill clearly distinguishes charges for which nonpayment will result in disconnection from those that will not result in disconnection

Billing/Rates – Rates: Miscellaneous complaints/inquiries about the rates and charges billed by telephone companies:

- <u>Casual Call Billing</u>: rates billed for calls placed from non-public phones through a carrier who is not the presubscribed carrier for the telephone (or which does not recognize a telephone number as that of a subscriber)
- Double Billing: dispute involving alleged double billing for calls or services
- <u>DSL Rate Problem</u>: DSL promotion plan rates allegedly altered or unspecified to consumer

- <u>International Internet Dial-up</u>: international calls (routed to places like Chad, Madagascar or other countries) that were billed to consumers as a result of using local (domestic) Internet service providers to access websites
- <u>International Calls Rates</u>: international calls, rates and/or service that either originate or terminate in the U.S.
- <u>International 809# Billing:</u> 809 area code collect call and consumer dialing scam
- <u>900 Pay-Per-Call Billing</u>: commercially provided interstate 900 number information or entertainment services
- OSP Rates: rates charged for interstate calls placed from public phones
- <u>Rates for Interstate Telecommunications Services Billing</u>: disputes about interstate rates and charges

Billing/Rates – Recurring Charges: Complaints/inquiries about recurring charges that appear on a customer's bill

Calling & Prepaid Card Issues: provision of calling cards issued by carrier; provision of prepaid calling cards issued by carrier

Carrier Marketing & Advertising: Complaints/inquiries regarding the marketing and advertising practices of interexchange carriers

Cramming: Consumer complaints/inquiries about allegedly unauthorized, misleading, or deceptive charges appearing on a telephone bill

Service Quality: Complaints/inquiries regarding the quality of service provided by telephone companies:

- DSL Service Inadequate: poor quality of service or service outage
- <u>Interstate Telecommunications</u>: poor call reception, service outage, service disconnects, or carrier's failure to release telephone line (and no charges are associated)
- <u>Long Distance Service Treatment</u>: inadequate customer service treatment by long distance carrier including, but not limited to, additional services being added without the consumer's knowledge or approval, etc.

Slamming – Complaints/inquiries regarding the practice of changing a subscriber's telecommunications service provider (or a calling plan) without the subscriber's permission

- <u>International slam:</u> changing a subscriber's international long distance service without permission
- <u>Local Service slammed</u>: changing a subscriber's local or regional intrastate long distance service without permission
- <u>Local and Long Distance slammed</u>: changing a subscriber's local and long distance service without permission
- <u>Long Distance slammed</u>: changing a subscriber's interstate telephone company service without permission

• <u>Slamming w/Problem LOA</u>: changing a subscriber's interstate telephone company based on fraudulent signed documents or illegal format, such as sweepstake.

Telephone Consumer Protection Act (TCPA): Complaints/inquiries regarding compliance with the TCPA:

- <u>Artificial or Prerecorded Message and/or ATDS</u>: calls to a residence using an artificial or prerecorded voice to deliver a message without prior consent of the called party prohibited unless an emergency exists
- <u>Do Not Call List Request Not Honored</u>: no person or entity may initiate any telephone solicitation to a residential telephone subscriber-- unless such person or entity has instituted procedures for maintaining a list of persons who have requested not to receive telephone solicitations
- <u>Fax Complaint</u>: unsolicited ("junk") faxes or the use of a computer or other device to send any messages via a telephone facsimile prohibited unless such message clearly contains the date and time it is sent and an identification of the business, other entity or individual sending the message
- <u>TCPA General Solicitations</u>: Complaints/inquiries about the initiation of a call or message for the purpose of encouraging the purchase or rental of, or investment in property, goods, or services
- <u>Time of Day violation</u>: no person or entity may initiate any telephone solicitation to a residential telephone subscriber before 8 a.m. after 9 p.m. (local time based on the called party's location)

Summary of Top Consumer Complaint* Subjects Processed by the FCC's Consumer & Governmental Affairs Bureau (CGB) Third Quarter - Calendar Year 2002

	July	August	September	Quarter Total
Cable Services				
Billing & Rates	6	6	2	14
Connections to Cable TV System	3	2	5	10
Disability Issues	13	6	6	25
Satellite Home Viewer Improvement Act	2	0	0	2
Service Related Issues	1	1	3	5
Totals	25	15	16	56

	July	August	September	Quarter Total
Radio & Television Broadcasting				
Disability Issues**	9	206	30	245
Programming - General Criticism	14	5	7	26
Programming -Indecency/Obscenity***	35	30	28	93
Programming - Religious	1	0	1	2
Other Programming Issues	3	0	0	3
Totals	62	241	66	369

	July	August	September	Quarter Total
Wireless Telecommunications				
Billing & Rates	821	854	896	2,571
Carrier Marketing & Advertising	126	123	151	400
Contract - Early Termination	161	206	188	555
Equipment	47	70	71	188
Service Quality	196	203	192	591
Totals	1,351	1,456	1,498	4,305

	July	August	September	Quarter Total
Wireline Telecommunications				
Billing & Rates	1,344	1,632	1,258	4,234
Carrier Marketing & Advertising	257	232	230	719
Cramming	248	292	303	843
Slamming	505	527	554	1,586
Telephone Consumer Protection Act	611	667	544	1,822
Totals	2,965	3,350	2,889	9,204

NOTES: (1) See attachment for brief description of subject categories.

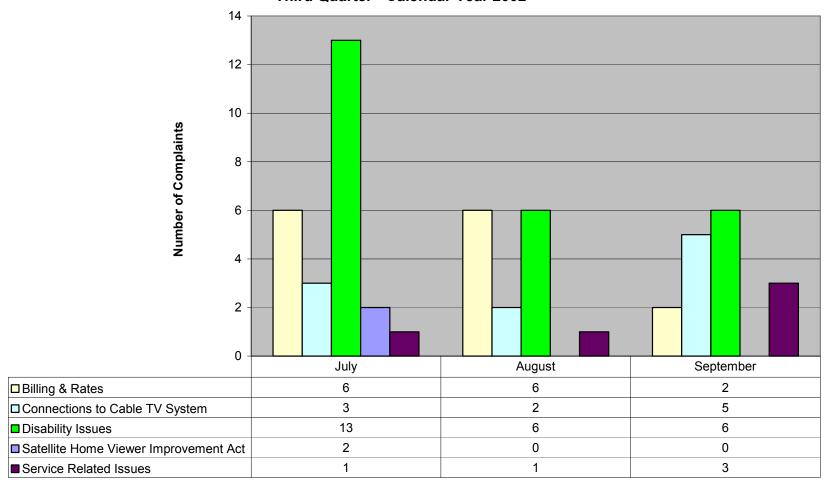
The data within this report account for statistics at the national level as reported to the Commission, and therefore are not necessarily indicative of corresponding state or local trends.

^{*} A complaint is defined as a communication received at CGB's consumer centers either via letter, fax, email or telephone from or on behalf of an individual that: (i) identifies a particular entity under the FCC's jurisdiction; (ii) alleges harm or or injury; and (iii) seeks relief. The FCC receives many complaints that do not involve violations of the Communications Act or a FCC rule or order. The existence of a complaint does not necessarily indicate wrongdoing by the company involved.

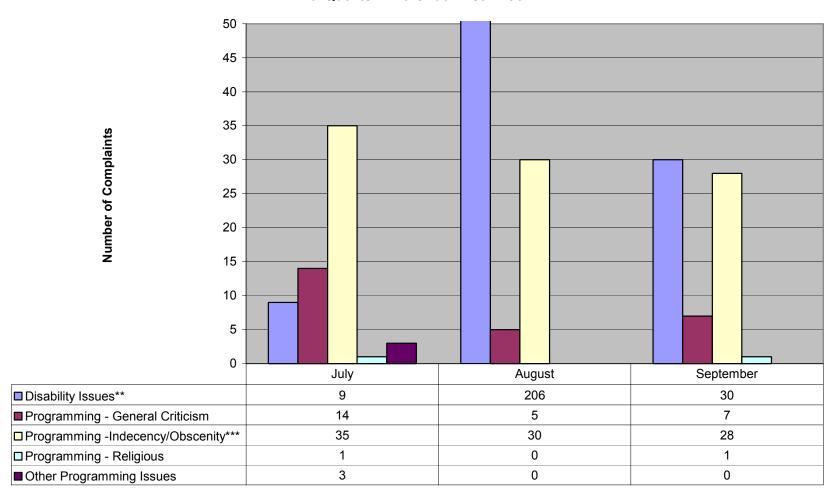
^{**} There was a 20-fold increase in this category, attributable to an organized campaign to protest an alleged lack of closed-captioning availability during a flooding emergency in San Antonio, Texas in July 2002.

^{***} Complaints regarding alleged indecency/obscenity during specific broadcasts are forwarded to the Enforcement Bureau (EB) for appropriate handling. The numbers reported in this category include complaints forwarded to EB as well as complaints received separately by EB. The Commission received thousands of e-mails regarding one specific program The Enforcement Bureau has treated these e-mails as one consolidated complaint which is included in the 73 complaints it received this quarter.

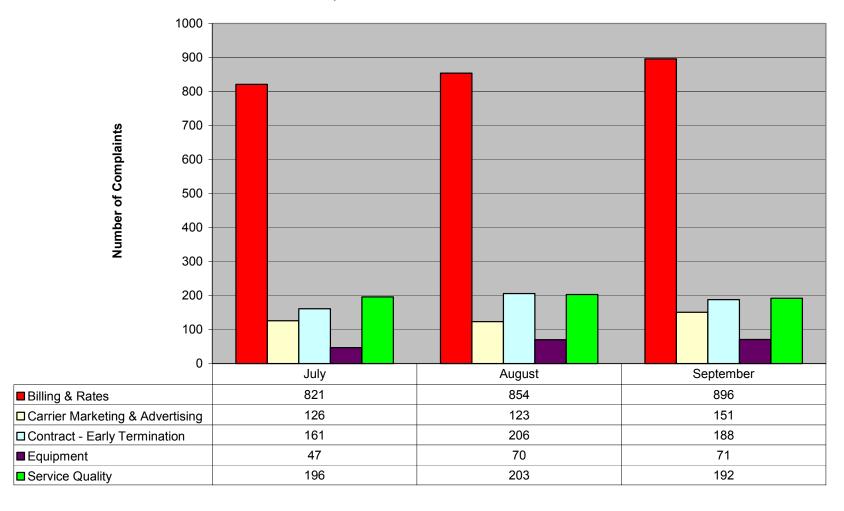
Consumer & Governmental Affairs Bureau Top Cable Service Consumer Complaints Third Quarter - Calendar Year 2002



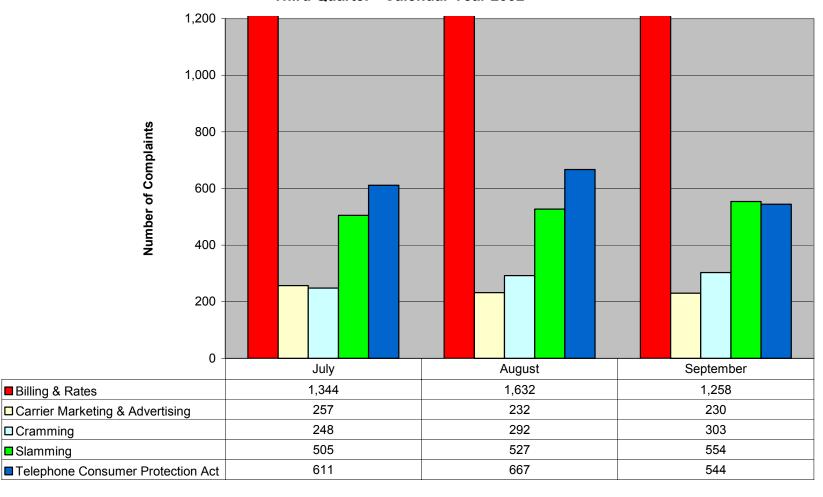
Consumer & Governmental Affairs Bureau Top Radio & Television Broadcasting Consumer Complaints Third Quarter - Calendar Year 2002



Consumer & Governmental Affairs Bureau Top Wireless Telecommunications Consumer Complaints Third Quarter - Calendar Year 2002



Consumer & Governmental Affairs Bureau Top Wireline Telecommunications Consumer Complaints Third Quarter - Calendar Year 2002



Summary of Top Consumer Inquiry* Subjects Processed by the FCC's Consumer & Governmental Affairs Bureau (CGB) Third Quarter - Calendar Year 2002

	July	August	September	Quarter Total
Cable Services				
Over the Air Reception Device Issues	394	386	428	1,208
Programming Issues	146	166	155	467
Rates	126	160	162	448
Satellite Home Viewer Improvement Act	247	274	229	750
Service-Related Issues	564	593	525	1,682
Totals	1,477	1,579	1,499	4,555

	July	August	September	Quarter Total
Radio & Television Broadcasting				
General Broadcast Information	273	282	265	820
How to Start Broadcast Station	225	226	202	653
Low Power Broadcast Information	243	247	216	706
Madalyn M. O'Hair Religious Broadcast Rumor	99	117	81	297
General Programming & Content	447	755	524	1,726
Totals	1,287	1,627	1,288	4,202

	July	August	September	Quarter Total
Wireless Telecommunications				
Amateur License	906	818	743	2,467
Billing & Rates	1,105	1,114	1,013	3,232
Electrical Interference	2,034	2,078	2,009	6,121
General Mobile Radio Service License	495	502	363	1,360
Land Mobile License	576	514	390	1,480
Totals	5,116	5,026	4,518	14,660

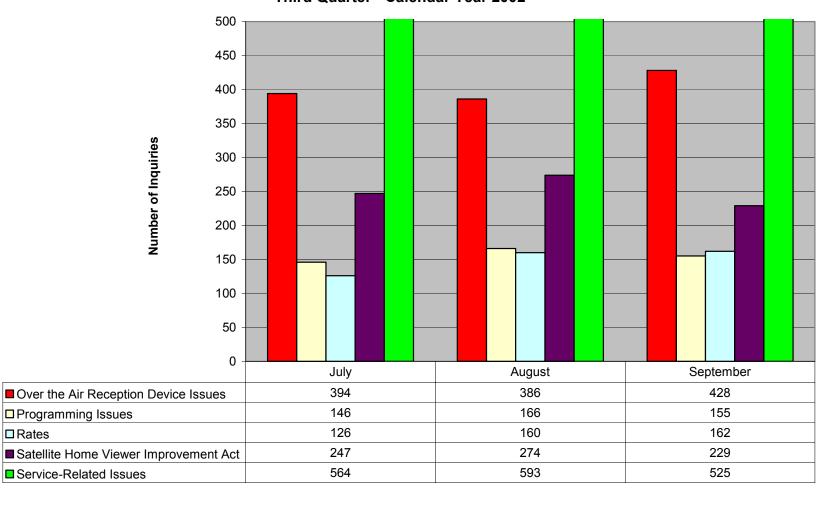
	July	August	September	Quarter Total
Wireline Telecommunications				
Billing & Rates	3,187	3,318	2,414	8,919
Calling & Prepaid Calling Cards	154	139	128	421
Cramming	5,059	5,101	4,942	15,102
Slamming	10,826	10,691	10,630	- ,
Telephone Consumer Protection Act	1,877	2,127	1,892	5,896
Totals	21,103	21,376	20,006	62,485

NOTES:

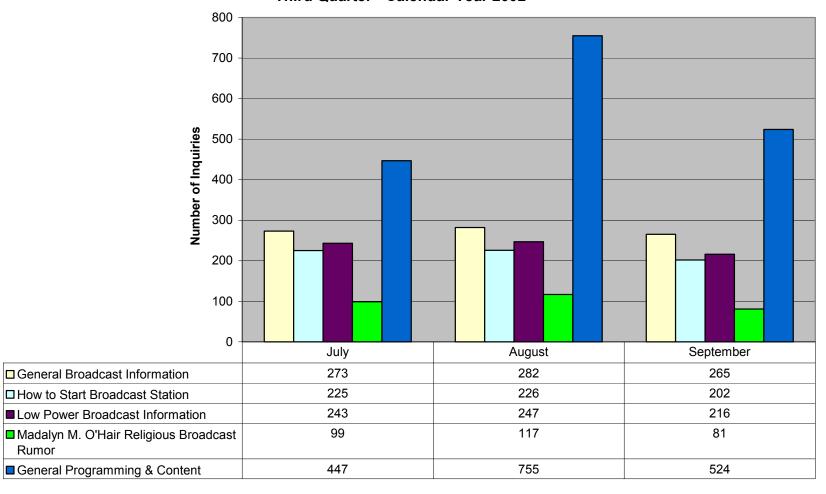
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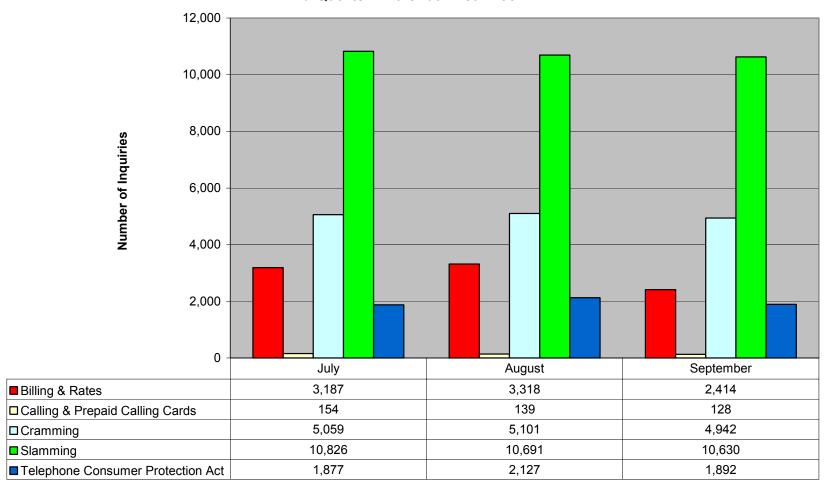
Consumer & Governmental Affairs Bureau Top Cable Service Consumer Inquiries Third Quarter - Calendar Year 2002



Consumer & Governmental Affairs Bureau Top Radio & Television Broadcasting Inquiries Third Quarter - Calendar Year 2002



Consumer & Governmental Affairs Bureau Top WirelineTelecommunications Consumer Inquiries Third Quarter - Calendar Year 2002



Consumer & Governmental Affairs Bureau Top Wireless Telecommunications Consumer Inquiries Third Quarter - Calendar Year 2002

