



NEWS

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This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action.
See MCI v. FCC, 515 F 2d 385 (D.C. Circ 1974).

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FCC ADOPTS RULES TO HELP CONSUMERS IDENTIFY AND PREVENT UNAUTHORIZED MYSTERY FEES, KNOWN AS "CRAMMING," ON PHONE BILLS

Washington, D.C. – The Federal Communications Commission (FCC) today took steps to protect Americans from difficult-to-detect fraudulent charges on their landline phone bills. The new rules combat “cramming,” the illegal placement of unauthorized charges on a consumer’s monthly phone bill. The Commission also asked for comment on additional ways consumers can protect themselves against this troubling activity.

Specifically, the new rules:

- Require telephone companies to notify subscribers at the point of sale, on each bill, and on their websites of the option to block third-party charges from their landline telephone bills, if the carrier offers that option;
- Strengthen the Commission’s requirement that third-party charges be separated from the landline telephone company’s charges on phone bills; and
- Ask whether the Commission should adopt additional protections, such as requiring landline telephone companies to get consumer consent before placing those charges on their telephone bills if the company already offers to block those charges.

Most consumers don’t know when there are crammed charges on their bills. Crammers often avoid detection by charging a small amount to each consumer — as little as \$1.99 per month — or describing charges in a manner that make them appear to be for services from the phone company, such as voicemail or web services. Unauthorized charges often go undetected for months or even years. A recent expert survey showed that only five percent of consumers who were impacted by a particular cramming company were aware of the monthly charges. The same survey and state data estimates that 15 to 20 million American households a year potentially have these mystery fees on their monthly landline phone bills.

The Report and Order is part of the FCC’s Consumer Empowerment Agenda, which focuses on harnessing technology and information to help consumers make informed decisions in the communications marketplace. Consumers can play a critical role in fighting cramming by regularly checking their telephone bills for unauthorized charges, disputing unauthorized charges with their telephone company, reporting instances of cramming to the FCC, and using the blocking service offered by their telephone company. Consumers also can urge their telephone companies to provide blocking if it is not already available.

The new rules do not apply to providers of Commercial Mobile Radio Service, such as wireless telephone companies, or providers of Voice over Internet Protocol service, but the Commission will monitor complaints from consumers of these services.

Action by the Commission April 27, 2012 by Report and Order and Further Notice of Proposed Rulemaking (FCC 12-42). Chairman Genachowski, Commissioners McDowell and Clyburn. Separate Statements issued by Chairman Genachowski, Commissioners McDowell and Clyburn.

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FCC CONSUMER TIP SHEET: <http://fcc.us/crammingfacts>
ONE-PAGE BACKGROUND SHEET: <http://fcc.us/cramming1pgr>

For news and information about the FCC, please visit: www.fcc.gov