



December 22, 2017

Senator Miguel A. Laureano Correa
President, Commission Innovation, Telecommunications,
Urbanism and Infrastructure
Senate of Puerto Rico
San Juan, PR 00902-2220

Via email: alopez@senado.pr.gov, zvila@senado.pr.gov

Dear President Laureano Correa :

On behalf of CTIA®, the trade association for the wireless communications industry, I write to respectfully oppose Puerto Rico P.S. 687, regarding the cancellation of telecommunications contracts, which would restrict how wireless carriers contract with wireless consumers. In the wake of the terrible destruction caused by Hurricane Maria, CTIA and its member companies stand with our fellow citizens and the Government of Puerto Rico to do our part to return life to normal on the island and are working to address consumers' concerns regarding their service, making passage of this legislation unnecessary.

The wireless industry continues to make changes to its customer facing policies to remain competitive in the marketplace. SB 687 is unnecessary and would work to hamper competition by placing a static set of rules on customer contracts in Puerto Rico, thereby negatively impacting wireless customers on the island.

The wireless industry's competitive nature has spurred rapid wireless development that has witnessed a growth of subscribers to about 378 million nationally, including about 3.2 million Puerto Rico consumers. This rapid development was ushered in by Congress' decision in 1993 to create a national regulatory framework for wireless. This national framework allowed wireless providers to offer innovative service options, which significantly lowered the cost of services and provided more consumers with greater access to wireless. This legislation would threaten this national framework and its resulting benefits by introducing jurisdiction-by-jurisdiction regulation that could limit consumer choice and increase consumer costs.

Since 2003, CTIA's Consumer Code for Wireless Service has been an integral part of delivering superior customer service to wireless consumers. The Code – which is followed



in all 50 states and Puerto Rico – has helped consumers make informed decisions when selecting a wireless plan and has contributed to the continued competitiveness within the wireless industry. The Code affords wireless providers the flexibility to respond to changes in consumer demand. CTIA and its member companies regularly review the Code to ensure it reflects the ever-changing wireless marketplace.

Wireless carriers that are signatories to the Code, including AT&T, T-Mobile and Sprint, have committed to voluntarily adhere to a set of industry standard principles, including allowing a trial period for new service, providing customers the right to terminate services for changes to contract terms, providing ready access to customer service and promptly responding to consumer inquiries and complaints received from government agencies. Wireless consumers already have the ability contact the Puerto Rico Telecommunications Regulatory Board regarding a dispute they may have. Additionally, the industry has evolved to offer no-contract rate options for consumers offering additional consumer choice and flexibility. These efforts are just some examples of the wireless industry's responsiveness to consumer issues without the need for prescriptive legislation like P.S. 687.

Furthermore, carriers understand their customers face significant challenges as Puerto Rico rebuilds after the hurricane. For this reason, wireless carriers are providing service credits to their Puerto Rico customers, which are detailed in footnote 1.¹

In closing, the competitive Puerto Rico wireless market offers consumers numerous providers and options to choose from when selecting wireless service plans. Puerto Rico should not inhibit this competitive market, potentially limit consumer choice and increase consumer costs by passing this bill. It is for these reasons that CTIA opposes P.S. 687.

Sincerely,

Lisa McCabe
Director, State Legislative Affairs

¹ See AT&T: http://about.att.com/inside_connections_blog/hurricane_maria; Sprint: <http://newsroom.sprint.com/sprint-extends-support-for-customers-in-puerto-rico-and-us-virgin-islands-impacted-by-storms.htm>; T-Mobile: <https://newsroom.t-mobile.com/news-and-blogs/hurricane-maria-impacted-customer-update.htm>