

MEMORANDUM

DATE: November 16, 2017

FROM: Lisa Volpe McCabe, CTIA - 1400 16th Street NW, Washington DC 20036

RE: Opposition To A2892a/S2356a (Senator Parker) in Senate Energy & Telecommunications

This bill seeks to amend public service law in relation to the expiration of minutes purchased with prepaid cellular telephone cards outlining specifics of font size regarding expiration notice.

CTIA, the trade association for the wireless communications industry, and its members oppose this bill because it would restrict how wireless carriers contract with wireless consumers and would be harmful to businesses operating in New York. This bill is not practical and not necessary as wireless providers already inform consumers of the expiration of any minutes.

The wireless industry's competitive nature has spurred rapid wireless development that has witnessed a growth of subscribers to over 355.4 million nationally, including over 22.3 million New York 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.

This legislation would restrict how wireless carriers can contract with their consumers. By placing these static restrictions on prepaid wireless cards and specifically outlining a font size, the bill could negatively impact New York consumers. Wireless carriers provide services to customers on a nationwide basis, bills such as this would create a patchwork of regulation across the country, the cost of which would be borne by all customers, including those in New York.

The wireless industry continues make changes to its customer facing policies to remain competitive in the marketplace. This legislation would work to hamper competition by placing a static set of impractical rules on prepaid cards in New York, thereby negatively impacting wireless customers in the state.

Additionally, it is important to note that it is not practical to print an expiration date on prepaid wireless phone cards as many prepaid phone cards are purchased and not immediately used or activated. Therefore, a published expiration date would have no meaning as the use term starts upon activation of the minutes on the card not at the time of purchase of the card. Also, if cards are in stock at a retail outlet for a period of time before they are purchased and they contained an expiration date, that date would be meaningless and the cards would appear to have expired before they were even sold or activated. Additionally, many wireless customers can see the expiration date online when they activate a card and have the ability to set text alerts for expiration dates.

Moreover, the bill seeks to amend public service law which has no jurisdiction of wireless providers in the state. CTIA and its members respectfully urge you to defeat this bill.