

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the matter of)	
)	
Truth-in-Billing and Billing Format)	CC Docket No. 98-170
)	
IP-Enabled Services)	WC Docket No. 04-36

COMMENTS OF THE VOICE ON THE NET COALITION

The Voice on the Net (“VON”) Coalition¹ hereby submits these comments in response to the *Public Notice* issued in the above-referenced dockets in which the Consumer and Governmental Affairs Bureau (“Bureau”) seeks to refresh the record on the Commission’s truth-in-billing rules.² The VON Coalition opposes applying the truth-in-billing rules to interconnected VoIP providers³ and urges the Commission to maintain the light touch approach to the regulation of VoIP services that has fostered innovation and competition beneficial to consumers. Critically, VON is not aware of any change in circumstances or issues related to VoIP provider billing practices that would now support a change in regulatory approach. The Bureau recognizes that VoIP services offer functionalities that are distinct from traditional voice

¹ The VON Coalition works to advance regulatory policies that enable Americans to take advantage of the promise and potential of IP communications. For more information, see www.von.org.

² *Consumer and Governmental Affairs Bureau Seeks to Refresh the Record on Truth-in-Billing Rules to Ensure Protections for All Consumers of Voice Services*, Public Notice, CC Docket No. 98-170, WC Docket No. 04-36, DA 19-1271 (rel. Dec. 13, 2019) (*Public Notice*). These comments are timely filed. See 85 Fed. Reg. 1798 (January 13, 2020).

³ This proceeding seeks comment on whether the Commission should apply its truth-in-billing rules to interconnected VoIP providers, including one-way and two-way interconnected VoIP services (collectively referred to herein as “VoIP services”).

and has developed a successful regulatory framework for VoIP that reflects this distinction.⁴ VON urges the Commission to continue this approach and refrain from imposing the truth-in-billing rules on VoIP services.

BACKGROUND

The FCC first adopted truth-in-billing requirements in 1999 in response to an increase in complaints concerning consumer confusion regarding bills for telecommunications services.⁵ At the time, as the Commission noted in its *Truth-in-Billing and Billing Format Order and Further Notice*, the telephone bill was the “primary source of information and point of contact [for consumers] with respect to their telecommunications services.” Thus, confusion over billing indicated that consumers were not getting the information necessary to make informed decisions when purchasing services.⁶ Generally, the rules require that carrier bills provide clearly organized information, contain non-misleading descriptions, and provide information on how to contest charges.

The Commission first sought comment on applying the truth-in-billing rules to VoIP providers in 2004.⁷ No rules have been adopted. The Commission has also twice sought comment on whether the cramming rules should apply to VoIP.⁸ Again, no rules have been

⁴ *Public Notice* at 1, note 4. (“To date, the Commission has not classified interconnected VoIP service as either a telecommunications service or an information service.”).

⁵ *Truth-in-Billing and Billing Format*, First Report and Order and Further Notice of Proposed Rulemaking, CC Docket No. 98-170, 14 FCC Rcd 7492 (rel. May 11, 1999).

⁶ *Id.* at 7495, para. 3.

⁷ *In the Matter of IP-Enabled Services*, Notice of Proposed Rulemaking, WC Docket No. 04-36, 19 FCC Rcd 4863, 4910 (2004).

⁸ See *In the Matter of Empowering Consumers to Prevent and Detect Billing for Unauthorized Charges*, Report and Order and Further Notice of Proposed Rulemaking, 27 FCC Rcd 4436 at para 47 (rel. April 27, 2012) (“we find that the record does not demonstrate a need for rules to address cramming for ... VoIP customers at this time.”); see also *Protecting Consumers from Unauthorized Carrier Changes and Related Charges*, Report and Order, CG Docket No. 17-169 (rel. June 8, 2018) (refraining from extending the cramming rules to VoIP).

adopted. Despite (or maybe because of) the absence of rules, the number of VoIP subscribers continues to grow – with now more than 64 million interconnected VoIP subscriptions in the United States.⁹

The *Public Notice* seeks comment, once again, on whether the Commission should extend its truth-in-billing rules to interconnected VoIP providers considering the number of consumers who have replaced their traditional circuit-switched phone with VoIP services.¹⁰ In initiating this inquiry, the Bureau states that its goal, among other things, is to ensure that all voice service consumers fully understand the charges on their bills. As discussed in more detail below, VON urges the Commission to recognize the benefits of current billing innovations and continue to allow the competitive marketplace for VoIP services, rather than top-down rules, drive the ways billing information is provided to VoIP customers.

DISCUSSION

The continued growth of VoIP services has led to a fundamental shift in the voice marketplace. One key measure of this shift has been the range of competitive VoIP service offerings available to consumers and businesses. Such offerings include consumer voice and video platforms, enterprise calling and conferencing services, as well as a variety of mobile VoIP capabilities. As this vibrant marketplace continues to produce robust competition, providers have had to respond with innovative, competitively priced offerings to attract and retain customers.

⁹ *Public Notice* at 2, note 6.

¹⁰ *Public Notice* at 2. The Bureau notes that there were 19,000 billing-related complaints about telephone service but does not provide any detail to determine whether any of these complaints were related to VoIP services. See *Public Notice* at 1, note 2.

Application of the truth-in-billing rules to VoIP services could undermine current pricing innovations and simplicity in billing practices beneficial to consumers. For example, some VoIP providers offer all-inclusive pricing whereby service plans are priced to include taxes and certain regulatory fees, such as the federal Universal Service fee. As a result, customers of such inclusive plans are unaffected by fees subject to fluctuations, such as the Telecommunications Relay Service fee. As these service plans demonstrate, the competitive environment has not only expanded the scope of available pricing structures, but it has also created important competitive pressures to deliver consumers more cost-effective services. Consumers benefit from these innovations and extending onerous requirements to provide line-item amounts in accordance with the federal rules would impose significant costs and burdens on VoIP providers, undermining the simplicity offered by current practices like tax-inclusive and fee-inclusive billing. If adopted, the proposed modifications to the truth-in-billing rules may leave some VoIP customers with more complicated bills than current practices.

VON agrees that consumers deserve clear and informative bills that allow consumers to make informed choices but disagrees that the Commission's truth-in-billing framework is the best means to achieve this goal. VoIP providers generally make easily accessible information about service offerings, terms, and conditions available online. The Bureau in its *Public Notice* specifically seeks comment on whether it should require all voice service providers to separate on consumer bills line-items that are government mandated from those that are not. VON opposes such a requirement as many VoIP providers already maintain informational pages dedicated to billing that link to explanations of the taxes, fees, and other charges, including specific explanations of whether charges are assessed to fund government programs or recover the provider's own costs in delivering certain services. In addition to toll-free numbers, there

are also online messaging tools that serve as resources for consumers to resolve billing or technical problems with company support services. These resources demonstrate that VoIP subscribers, who generally must have broadband access to purchase VoIP services and receive their monthly bills, currently have access to the information necessary to fully understand the charges on their bills via online tools.

To be sure, the Commission has imposed certain traditional telecommunications provider obligations on interconnected VoIP providers.¹¹ However, where the Commission has extended such obligations, distinct social policy goals supported those decisions. For example, the Commission concluded that VoIP providers fall within the definition of “telecommunications carriers” for purposes of obligations to assist with law enforcement electronic surveillance efforts under the Communications Assistance for Law Enforcement Act (“CALEA”).¹² The Commission’s rationale relied, in part, on a weighing of the public interest factors in favor of the expanded rules, including VoIP providers’ unique access to information that could prove critical to law enforcement efforts.¹³ Similarly, in the 911 context, the Commission considered the balance between “allowing . . . [IP-enabled services] to evolve without undue regulation in accord with our nation’s policies for Internet services” while at the same time remaining “aware

¹¹ See, e.g., *In the Matter of Universal Service Contribution Methodology et al*, Report and Order and Notice of Proposed Rulemaking, WC Docket No. 06-122 et al, 21 FCC Rcd 7518, 7536, para. 34 (rel. June. 27, 2006) (requiring providers of interconnected VoIP services to contribute to the federal Universal Service Fund), *order aff’d in part and vacated in part by Vonage Holdings Corp. v. Federal Communications Commission*, 489 F.3d 1232 (D.C. Cir. 2007).

¹² *In the Matter of Communications Assistance for Law Enforcement Act and Broadband Access and Services*, First Report and Further Notice of Proposed Rulemaking, ET Docket No. 04-295, RM-10865, 20 FCC Rcd 14989, 15008, para. 39 (rel. Sept. 23, 2005).

¹³ *Id.* at 15010-11, para 44.

of [its] obligation to promote ‘safety of life and property.’”¹⁴ Balancing these interests, the Commission ultimately found that extending E911 rules to VoIP providers was critical to maintaining an effective nationwide public safety communications framework.¹⁵ Contrary to the CALEA and 911 examples, the truth-in-billing rules are not correlated with broader social policy goals, like national security and public safety, where functioning systems require certain coordinated efforts between government and communications service providers. Instead, the goals underlying the truth-in-billing rules can be satisfied without mandatory obligations. In short, current practices suggest robust competition best ensures that consumers receive accessible and comprehensive billing information, not regulations.

Finally, if the Commission decides to extend its truth-in-billing rules to VoIP services, which VON opposes, it should make clear that business services are exempt from that requirement. Businesses customers tend to have experience with more complex services agreements, and thus concerns in the consumer context about adequate information and misleading billing practices do not apply. Further, there is no evidence that there is any problem in the business services marketplace to warrant changes to current billing practices for business customers.

¹⁴ *In the Matter of IP-Enabled Services; E911 Requirements for IP-Enabled Service Providers*, First Report and Order and Notice of Proposed Rulemaking, WC Docket No. 04-36 et al, 20 FCC Rcd 10245, 10247, para. 4 (rel. Jun. 3, 2005).

¹⁵ *Id.* at 20 FCC Rcd at 10248, para. 5.

CONCLUSION

For the reasons detailed above, VON respectfully requests that the Commission act in accordance with the discussion herein.

Respectfully submitted,

THE VON COALITION

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