



Highlights of [GAO-09-800T](#), a testimony before the Committee on Commerce, Science, and Transportation, United States Senate

Why GAO Did This Study

The use of wireless phone service in the United States has risen dramatically over the last 20 years, with an estimated 270 million subscribers as of December 2008. Americans increasingly rely on wireless phones as their primary or sole means of telephone communication. Concerns have been raised in recent years about the quality of this service, including specific concerns about billing and carriers' contract terms, such as fees charged for terminating service before the end of a contract period. Under federal law, the Federal Communications Commission (FCC) has flexibility in regulating wireless phone service carriers. FCC's rules include procedures for addressing consumer complaints.

This testimony provides preliminary information on (1) consumers' current satisfaction with wireless phone service and problems consumers have experienced with this service (2) FCC's efforts to assist wireless consumers with complaints. The statement is based on related ongoing work that GAO is conducting for this committee and plans to report on later this year. To conduct this work, GAO surveyed 1,143 adult wireless phone users from a nationally representative, randomly selected sample and interviewed and analyzed documents obtained from FCC and various stakeholder organizations representing consumers, state agencies and officials, and industry.

View [GAO-09-800T](#) or key components. For more information, contact Mark Goldstein at (202) 512-6670 or goldsteinm@gao.gov.

TELECOMMUNICATIONS

Preliminary Observations about Consumer Satisfaction and Problems with Wireless Phone Service and FCC's Efforts to Assist Consumers with Complaints

What GAO Found

On the basis of its national survey of adult wireless phone users, GAO estimates that overall, 84 percent of users are very or somewhat satisfied with their wireless phone service. Stakeholders GAO interviewed cited billing, terms of the service contract, carriers' explanation of their service at the point of sale, call quality, and customer service as key aspects of service in which consumers have experienced problems with wireless phone service in recent years. GAO's survey results indicate that while most wireless phone users are very or somewhat satisfied with each of these key aspects of wireless phone service, the percentages of those very or somewhat dissatisfied with these specific aspects ranged from about 9 to 14 percent. GAO's survey results also indicate that some wireless phone service consumers have experienced problems with billing, certain contract terms, and customer service. For example, GAO estimates that about a third of users responsible for paying their bills had problems understanding their bills or had unexpected charges at least some of the time. Additionally, GAO estimates fees for the early termination of a contract were a problem for about 42 percent of users who wanted to switch services but did not, and that about 21 percent of users who contacted customer service with a specific problem were dissatisfied with their carriers' efforts to address the problem. In response to the types of consumer problems noted above, wireless carriers have taken some actions, such as prorating early termination fees, offering noncontract service options, and spending billions of dollars each year on wireless infrastructure, which can improve call quality.

FCC assists wireless consumers by handling thousands of their complaints about carriers' service each year, but consumers may lack awareness of this process and its intended outcomes. FCC reviews consumer complaints submitted through its call centers and Web site, forwards complaints to carriers for response, reviews the carriers' responses, and closes complaints when it finds the responses sufficient. While FCC informs consumers through its Web site and fact sheets that they may submit complaints to it, GAO's survey results suggest that most consumers do not know they can do so and many do not know where they could complain. FCC has not articulated goals that clearly identify intended outcomes of its efforts to address consumer complaints and lacks measures to demonstrate how well it is achieving intended outcomes. For example, FCC has a goal to "improve customer experience" with its call centers and Web site, through which consumers submit complaints, but lacks measures of customer experience. Further, it is not clear if the intended outcome of FCC's complaint handling efforts is resolving consumer problems or fostering communication between consumers and carriers. Consequently, consumers may not understand what to expect from FCC's complaint process, and the effectiveness of FCC's efforts to assist consumers with complaints is unclear. GAO plans to complete its ongoing work in the fall, and expects to make recommendations at that time.