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

In the Matter of	)	
	)	
Empowering Consumers to Prevent and Detect Billing for Unauthorized Charges ("Cramming")	)	CG Docket No. 11-116
	)	
Consumer Information and Disclosure	)	CG Docket No. 09-158
	)	
Truth-in-Billing and Billing Format	)	CC Docket No. 98-170

REPLY COMMENT OF THE
FEDERAL TRADE COMMISSION

The Federal Trade Commission ("FTC") submits this reply comment to address one issue on which the Federal Communications Commission ("FCC") has sought further input: the growing problem of "cramming" on bills for wireless services ("wireless bills") and potential regulatory or voluntary industry measures to address that problem.[1] The FTC has extensive experience combatting the widespread practice of cramming charges on landline telephone bills. Complaint data from the FTC and other sources indicate that cramming on wireless bills is also a significant problem. Mobile cramming is likely to continue to grow as cramming schemes expand beyond the landline platform and mobile phones are more commonly used for payments. The FTC encourages voluntary industry-led efforts to address mobile cramming, but believes also that wireless providers should be required to include specific protections for consumers using wireless devices – most notably, the ability to block all third-party charges. Additional information must be gathered to determine whether further regulatory or legislative solutions are

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[1] *See Empowering Consumers To Prevent & Detect Billing for Unauthorized Charges ("Cramming"),* Report and Order and Further Notice of Proposed Rulemaking (Apr. 27, 2012) ("Cramming FNPRM" or "Further Notice").

necessary to address this problem. As explained further below, it is ultimately in the interest of all stakeholders here – including regulators, consumer groups, and industry participants – to ensure that consumers are strongly protected against cramming of unauthorized charges on their wireless bills.

I. The FTC's Vigorous Law Enforcement Efforts Against Cramming.

The Federal Trade Commission is an independent administrative agency charged with promoting consumer protection, competition, and the efficient functioning of the marketplace. The keystone of the FTC's law enforcement mission is Section 5 of the FTC Act, which prohibits "unfair or deceptive acts or practices in or affecting commerce."[2] Section 5 encompasses a wide range of business practices, including advertising, marketing, and billing. The practice of placing unauthorized charges on consumers' phone bills is prohibited by Section 5 as both a deceptive and unfair practice.[3]

The FTC has brought more than 25 enforcement actions under Section 5 to halt cramming practices and provide redress to its victims.[4] These cases have resulted in tens of millions of dollars in consumer redress and refunded charges, and stringent court orders to prevent future cramming violations. The FTC works closely with federal and state officials in investigating and bringing cramming enforcement actions, and has engaged in consumer and

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[2] 15 U.S.C. § 45.

[3] *See, e.g.*, *FTC v. Inc21.com Corp.*, 745 F. Supp. 2d 975, 1003, 1005 (N.D. Cal. 2010), *aff'd,* 2012 WL 1065543 (9th Cir. Mar. 30, 2012).

[4] Most recently, the FTC has filed a civil contempt action against the nation's largest third-party billing aggregator, seeking the refund of more than $52.6 million in charges allegedly crammed onto landline phone bills in violation of a court order. *See FTC v. Hold Billing Servs., Ltd.*, No. 98-cv-00629-FB (W.D. Tex.) (filed March 28, 2012); *see also, e.g.*, *Inc21.com*, 745 F. Supp. 2d 975; Stipulated Order, *FTC v. Nationwide Connections, Inc.*, No. 06-80180 (S.D. Fla. Sept. 18, 2008); *FTC v. Mercury Mktg. of Del., Inc.*, No. Civ.A.00-3281, 2004 WL 2677177 (E.D. Pa. Nov. 22, 2004); Stipulated Order, *FTC v. Websource Media, LLC*, No. H-06-1980 (S.D. Tex. July 17, 2007); *FTC v. Cyberspace.com, LLC*, No. C00-1806L, 2002 WL 32060289 (W.D. Wash. July 10, 2002), *aff'd*, 453 F.3d 1196 (9th Cir. 2006); Stipulated Order, *FTC v. Epixtar Corp.*, No. 03-8511 (S.D.N.Y. Nov. 29, 2006); Stipulated Orders, *FTC v. 800 Connect, Inc.*, No. 03-CIV-60150 (S.D. Fla. Feb. 4, 2003); Stipulated Order, *FTC v. Access Resources Servs., Inc.*, No. 02-CIV-60336 (S.D. Fla. Nov. 4, 2002).

business education and outreach programs to raise awareness of the problem. It also has sought input on the issue from stakeholders – industry participants, consumer groups, and state officials – including by seeking comments at a recent workshop dedicated to the topic of cramming.[5]

Based on this extensive experience, the FTC has advocated for reforms that would eliminate landline cramming.[6] In October 2011, the FTC filed a comment in this docket recommending that the FCC implement rules banning or requiring default blocking of some or all third-party billing on landline telephone bills.[7]

In its Further Notice, the FCC seeks input on an issue that was not addressed in detail in the FTC's October 2011 comment, but that is becoming increasingly important: the frequency of cramming on bills to customers of Commercial Mobile Radio Service ("CMRS") providers, and in particular "[w]hat steps has industry taken to date and what steps might it take in the future to protect CMRS consumers."[8] The FTC is focused on this issue, particularly as third-party billing on wireless bills has become more widespread.[9] The FTC devoted a portion of its 2011 cramming workshop to mobile cramming.[10] It also recently held a workshop on mobile

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[5] *See* Examining Phone Bill Cramming: A Discussion, May 11, 2011, *available at* http://www ftc.gov/bcp/workshops/cramming ("Cramming Forum"). The transcript is available at http://www ftc.gov/bcp/workshops/cramming/10511phoneworkshop.pdf ("Cramming Forum Transcript"). Written comments are available at http://www.ftc.gov/os/comments/crammingforum/index.shtm.

[6] "Landline" is used synonymously with "wireline" throughout this comment.

[7] Comment of the Federal Trade Commission in CG Docket No. 11-116 (Oct. 24, 2011), at 5-6, *available at* http://www ftc.gov/os/2011/12/111227crammingcomment.pdf ("FTC Cramming Comment"). Commissioner Rosch dissented in part because he believes that default blocking of some or all third-party billing is preferable to banning it entirely. *See* Cramming Comment at 2, n. 7.

[8] Cramming FNPRM ¶ 146. The FTC's recommendations in its previous comment were limited to landline cramming. *See* FTC Cramming Comment at 2 n.5.

[9] During the last several years, the FTC has significantly ramped up its focus on mobile technologies, including mobile payments, to keep pace with the increasing use of these technologies by consumers. The agency has created a mobile technology unit; developed a mobile lab containing a variety of smartphones, software, and equipment that permit investigators to collect and preserve evidence and conduct research; and engaged in a host of policy, enforcement, and educational initiative to promote consumer protections in mobile technologies. *See* FTC, Mobile Technology and Consumer Protection Issues, *available at* http://www ftc.gov/opa/reporter/privacy/mobile.shtml.

[10] *See* Cramming Forum Transcript at 112-155 (transcript of third session).

payments, which included discussions of the opportunities and challenges associated with placing third-party charges on wireless bills as a payment method.[11]

In response to the FCC's Further Notice, various commenters provided different perspectives on the extent to which mobile cramming is a problem. The National Association of Regulatory Utility Commissioners, for example, noted that "evidence abounds that wireless cramming is a growing problem."[12] A coalition of consumer groups suggested that "wireless cramming is poised to become a major consumer fraud issue."[13] These comments echo the FCC's observation that complaints about cramming on wireless accounts constitute a significant portion of all cramming complaints it has received and that the percentage of all cramming complaints that relate to wireless accounts has nearly doubled in recent years.[14] In contrast, the comments of CTIA - The Wireless Association ("CTIA") suggested that mobile cramming remains a *de minimis* concern.[15] Verizon Wireless further explained the steps it has taken to root

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[11] *See* FTC Mobile Payments Workshop, Paper, Plastic, or Mobile?, Apr. 26, 2012, *available at* http://www ftc.gov/bcp/workshops/mobilepayments. The FTC's interest in mobile payments stems from its broad jurisdiction over many entities in the mobile payments ecosystem. Mobile payments implicate hardware manufacturers, operating system developers, application developers, data brokers, loyalty program administrators, advertising companies, and the many companies that accept mobile payments, just to name a few. The FTC has jurisdiction over all of these entities. The FTC's jurisdiction also extends to telecommunications providers when they are not engaged in common carrier activity. Billing and collection on behalf of a third party is not common carrier activity. *See FTC v. Verity Int'l, Ltd.*, 443 F.3d 48, 59-60 (2d Cir. 2006); *In re Detariffing of Billing and Collection Servs.*, 102 FCC 2d 1150 ¶¶ 30-34 (1986).

[12] Comments of National Association of Regulatory Utility Commissioners in CG Docket No. 11-116 (June 25, 2012), at 6.

[13] Comments of Center for Media Justice *et al.* in CG Docket No. 11-116 (June 25, 2012), at 18. A participant at the FTC's mobile payments workshop also urged greater protections, noting that those who use mobile carrier accounts for payments have relatively few required protections for fraudulent charges to mobile bills. *See* Consumers Union, Comments on the Legal Landscape and Dispute Resolution for *Paper, Plastic…or Mobile?*, May 22, 2012, available at http://www.ftc.gov/os/comments/mobilepayments/00022-83036.pdf (recommending that chargeback and other dispute rights afforded to consumers using credit card and debit cards to fund mobile payments be extended to consumers billing items to post-paid and pre-paid wireless telephone accounts); Consumers Union, "Mobile Pay or Mobile Mess: Closing the Gap Between Mobile Payment Systems and Consumer Protections," at 10-11, 15 (June 2011), available at http://www.consumersunion.org/pdf/Mobile-Pay-or-Mobile-Mess.pdf (same).

[14] FNPRM ¶¶ 20, 21, 47, 146.

[15] Comments of CTIA – The Wireless Association in CG Docket No. 11-116 (June 25, 2012), at 1 ("CTIA Comments").

out and prevent cramming on the wireless platform and suggests that industry standards are working to prevent mobile cramming.[16]

As explained below, the FTC and FCC have reviewed numerous complaints concerning unauthorized third-party charges on bills for wireless services in the past few years. As the FTC has previously noted in the case of landline cramming, the number of complaints almost certainly understates the full extent of cramming by a substantial amount.[17] These complaints show that mobile cramming is a significant and growing problem.

II. Cramming of Unauthorized Charges on Wireless Bills Is a Significant and Growing Problem for Consumers.

The FTC and FCC have reviewed thousands of complaints of mobile cramming, including a substantial number in the last few years. The FTC's review of complaints from the Consumer Sentinel database – which aggregates complaints filed with the FTC, state Attorney General offices, most Better Business Bureaus, and numerous other contributors – shows that consumers have reported over 1800 complaints of unauthorized charges on wireless bills since 2010.[18] Similarly, the FCC has reported nearly two thousand mobile cramming complaints, including a growing number in 2011.[19] Many of the complaints reviewed by the FTC involve recurring charges of just under $10 a month for "premium services" that provide trivia or

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[16] Comments of Verizon and Verizon Wireless in CG Docket No. 11-116 (June 25, 2012), at 10 ("Verizon Comments").

[17] *See* FTC Cramming Comment at 4-5 (explaining that most consumers are unlikely to even notice these unauthorized charges).

[18] For this comment, FTC staff reviewed complaints in the Consumer Sentinel database. The Consumer Sentinel Network is a secure online database of millions of consumer complaints, available only to law enforcement, that provides civil and criminal enforcement organization immediate and secure access to fraud, identity theft, Internet, telemarketing (including Do Not Call), and other consumer-related complaints. *See* www.sentinel.gov. The count is based on unverified complaints reported by consumers, and is not based on a consumer survey. Any investigations of mobile cramming that staff is conducting are nonpublic.

[19] The FCC has noted, that from 2008 to 2010, it received between 2000 and 3000 cramming complaint each year, of which 16% related to wireless consumers. FNPRM ¶ 20. In 2011, it received nearly 1,700 cramming complaints, of which 30% related to wireless communications. *Id.* ¶ 21.

horoscope information by text message (SMS) to a consumer's phone. Consumers often report receiving a text message informing them of a subscription to a service of which they have never heard and that they never requested. And while the consumers who notice the third-party charges on the bill may be able to get refunds from their wireless providers for some of the monthly charges, many report being unable to obtain refunds for prior months in which the recurring charges were undetected. The Consumer Sentinel complaints are consistent in their content with similar consumer complaints in online forums,[20] and they echo the concerns that the United States Senate Committee on Commerce, Science, and Transportation has raised in requesting further information on mobile cramming from the country's major wireless providers.[21]

This number of reported complaints undoubtedly reflects a small fraction of crammed charges on wireless bills.[22] In the context of landline cramming, court-accepted surveys found that only five percent of consumers were even aware of the unauthorized charges from review of their bills.[23] The crammed charges are usually small relative to the overall bill,[24] and as noted at the FTC's Cramming Forum, phone bills are increasingly paid by consumers using automatic bill

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[20] See, for example, the many reports of cramming at www.smswatchdog.com and www.textcomplaints.com.

[21] *See, e.g.*, Letter from Sen. John D. Rockefeller to R. Stephenson, AT&T, Inc., June 12, 2012, available at http://commerce.senate.gov/public/?a=Files.Serve&File_id=5733e657-f32f-4525-9bea-5f9192c513e5. The Staff Report on cramming from the Committee on Commerce, Science, and Transportation from July 2011 also noted consumer reports of mobile cramming. *See* Staff Report, Senate Commerce Committee, Unauthorized Charges on Telephone Bills (July 12, 2011), *available at* http://commerce.senate.gov/public/index.cfm?p=Reports&ContentRecord_id=ea101f28-4df5-4a3f-a63c-0eca043789be&ContentType_id=6a6fef64-34f1-4348-b965-ec03a1dcadfe&Group_id=a89b0b93-3242-4d2a-82da-5e916a62b6a9 ("Senate Commerce Committee Staff Report").

[22] As a reference point, the FCC has received a few thousand landline cramming complaints a year, but as the FNPRM notes, the available evidence shows that at least hundreds of thousands of consumers have been harmed by cramming. *See* FNPRM ¶¶ 20-23; 31-35; Senate Commerce Committee Staff Report at iv.

[23] *Inc21.com*, 745 F. Supp. 2d at 1001.

[24] *See, e.g.*, *Inc21.com*, 745 F. Supp. 2d at 1004; FCC Infographic on Cramming, available at http://transition fcc.gov/cgb/cramminggraphic.jpg.

payment services without line-by-line consumer review.[25] As the FCC also has recognized, "it often takes consumers months or years to detect unauthorized charges on their bills – if they detect them at all – because of the way third parties describe the unauthorized charges or the way carriers present the unauthorized charges on their bills."[26] Many consumers also may be unaware that third-party charges may be placed on their phone bills in the first place. There is little reason to think that the situation is any different for billing to wireless accounts, where these same factors are present. Moreover, of the consumers that do notice, many may not file a complaint with the FTC, FCC, or another government agency.

In light of this data, and the longstanding problems with landline cramming, the FTC believes that additional consumer protections against mobile cramming are needed.

III. Consumers Should be Able to Block Third Party Wireless Charges; More Information Is Needed to Determine Whether Additional Protections are Warranted.

All stakeholders have an interest in adequately protecting consumers from cramming. This is a key concern not only for regulators and consumer groups, but also for industry participants in light of the possibility that consumer dissatisfaction with crammed charges will undermine broader adoption of wireless provider billing as a payment mechanism, which many in industry would like to encourage.[27] As explained below, the FTC recommends that wireless providers be required to offer consumers the ability to block third-party charges and to make this option clear to consumers, so that consumers are empowered to avoid any possibility of unauthorized third-party charges. Whether industry self-regulation in combination with those

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[25] *See* Cramming Forum Transcript at 209-10 (comments of John Breyault, National Consumers League).

[26] FNPRM ¶ 22.

[27] *See, e.g.*, Cramming Forum Transcript at 139 (comments of Jim Manis, Mobile Giving Foundation); Comments of AT&T, Inc. in CG Docket No. 11-116 (June 25, 2012) at 5 ("AT&T Comments"); Verizon Comments at 11-12.

measures will be sufficient to stop mobile cramming, or whether stronger consumer protections are necessary, requires a harder look at the effectiveness of industry standards.

Some commenters have suggested that the wireless billing platform differs significantly from landline billing and is less susceptible to cramming. The CTIA has noted that the wireless industry never developed a practice of charging for various communication services, such as caller ID or voicemail, because they were always included in the packages that wireless providers offered to customers.[28] Thus, many fraudulent practices in the landline context, such a billing for so-called “enhanced” services such as voicemail, have not developed in the wireless billing system.[29] Other commenters note that the wireless billing platform has a variety of legitimate uses not available through landline billing, including purchase of digital content for mobile devices.[30]

Moreover, industry participants regularly cite to the Mobile Marketing Association’s Consumer Best Practices Guidelines for Cross-Carrier Mobile Content Services (the “MMA Best Practices”).[31] The MMA Best Practices, which have been adopted by the major wireless providers,[32] provide standards for commercial marketing and billing of third-party services. According to the MMA Best Practices, in order to bill a service to a consumer’s wireless account, the consumer must affirmatively request the service at two separate steps in the authorization process, a requirement known as “double opt-in” authorization. At least one of the requests must confirm that the consumer is in possession of the mobile device to which the

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[28] Cramming Forum Transcript at 129 (comments of Michael Altschul, CTIA).

[29] *See id.*

[30] Verizon Comments at 9.

[31] *See* U.S. Consumer Best Practices Version 6.1, Mobile Marketing Association (Mar. 1, 2011), available at http://www mmaglobal.com/bestpractice.

[32] CTIA Comments at 4.

charge is billed.[33] As one example, a user may order a subscription to a weather alert service by sending a text to a certain number or by entering her mobile device number on a website; the consumer then receives a text message detailing the charges to be incurred with instructions to reply by text message or by entering a PIN code on the website to complete the order.[34] In this way, the provider of the service – the content provider – can be assured that the consumer in possession of the device actually signed up for the service. As an industry representative described it at the FTC's Cramming Forum, this system requires a "pull" by a consumer – an affirmative action – that is different from the landline context, where third parties often "push" carrier-billed content on consumers, such as through telemarketing calls.[35] Wireless providers require that content providers billing on their platform adhere to the MMA Guidelines.[36]

However, it is not clear whether the double opt-in requirement is being consistently followed or is otherwise effective at stopping cramming. In the Sentinel complaints that FTC staff have reviewed, consumers often report that they have not even subscribed to premium text message services. Charges are simply placed without any authorization. In the landline context, crammers have shown that they are able to fabricate records and thus circumvent requirements that they prove that consumers have authorized particular third-party charges. For example, in *FTC v. Nationwide Connections*, a convicted felon running a cramming operation from his jail cell was able to charge consumers for collect calls that were fabricated;[37] and in *FTC v.*

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[33] *See* MMA Best Practices at 2.6.1; Verizon Comments at 5, 9-10.

[34] *See* MMA Best Practices at 2.6.1, 2.6.2; Verizon Comments at 5. The CTIA, via the Common Short Code Administrator (CSCA), assigns the five- or six-digit "short codes" that content providers use to communicate with the consumer. *See, e.g.*, "About the CSCA," available at http://www.usshortcodes.com/aboutCSCA.html; Cramming Forum Transcript at 131-32 (comments of Michael Altschul, CTIA).

[35] Cramming Forum Transcript at 129-130 (comments of Michael Altschul, CTIA).

[36] Verizon Comments at 4-5; CTIA Comments at 4.

[37] *FTC v. Nationwide Connections*, No. 06-80180, First Amended Complaint at 6-9 (S.D. Fla. filed Feb. 27, 2006), *available at* http://www ftc.gov/os/caselist/0523141/060921ntwideconnectamndcmplt.pdf.

Inc21.com, the defendants altered and falsified verification recordings for telemarketing calls that purported to show consumers' consent to charges.[38] Similar concerns are likely to arise in the wireless context. Indeed, a mobile security firm recently identified malicious software that, when downloaded to a consumer's phone, surreptitiously signed the consumer up for premium services by sending text messages without the users' knowledge.[39] Moreover, not all "double opt-in" procedures for premium services require that a consumer affirmatively respond to a confirmation text message – for example, a user could click through on a website accessed on a mobile device without viewing the full terms and conditions explaining that the user is authorizing a charge to a mobile bill.[40]

Industry comments also point to frequent audits of the content providers whose charges appear on wireless bills. For example, in order for a content provider to send or receive commercial text messages to or from a consumer on a wireless provider network, it must submit details about the commercial campaign it intends to conduct for approval by each wireless provider. Each wireless provider independently approves whether a content provider can operate commercially on its network.[41] Wireless providers and the CTIA also conduct audits of text campaigns to ensure that the content provider is following the pre-approved campaign.[42] However, a recent lawsuit by the State of Texas shows that this process can be circumvented: as

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[38] *Inc21.com,* 745 F. Supp. 2d at 991-92.

[39] The malware would also intercept confirmation messages so that consumers would not know they were being charged. *See* Lookout Mobile Threat Report, Lookout Mobile Security, 16-17 (August 2011), *available at* https://www.mylookout.com/_downloads/lookout-mobile-threat-report-2011.pdf.

[40] Wireless Application Protocol ("WAP") billing enables third-party content to be charged directly to a wireless subscriber account and is used for content purchases via mobile devices. *See* Mobile Marketing Ass'n, "WAP Billing," available at http://www.mmaglobal.com/wiki/wap-billing. WAP billing transactions can be initiated with several screen taps on mobile websites with no reply to a text message to the device linked to that account required for the consumer to opt-in. *See* MMA Guidelines at 2.18.1.

[41] Verizon Comments at 4-5; Cramming Forum Transcript at 133-34 (comments of Michael Altschul, CTIA).

[42] Verizon Comments at 6; Cramming Forum Transcript at 129-130 (comments of Michael Altschul, CTIA).

described in that case, a company was able to sign up consumers for unwanted services through deceptive websites while employing "cloaking" software that displayed different websites to state regulators and wireless providers.[43]

Finally, industry points to voluntary measures to encourage best practices and screen out bad actors. At least one wireless provider reports that it will suspend and terminate content providers that meet certain thresholds for monthly billing adjustments.[44] CTIA notes that many wireless providers have adopted arrangements where providers that have a lower rate of customer complaints receive a larger revenue share than providers that generate more complaints.[45] CTIA also points to arrangements with messaging aggregators – the companies that facilitate the billing and connection between the wireless providers and content providers – to provide incentives for aggregators to work only with "reputable" content providers.[46]

The FTC encourages such voluntary measures and believes that it is premature to recommend the same protections for wireless third-party billing as it has recommended for landline billing (i.e., a ban or default blocking on third-party charges).[47] In contrast to landline third-party billing, which has been used almost exclusively by scam artists, the mobile billing platform has been used for some legitimate charitable activity;[48] it also is a potential platform for

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[43] *See State of Texas v. Eye Level Holdings*, No. D-1-GV-11-000268 (Tex. Dist. Ct.) (pleadings filed Mar. 11, 2011) (agreed final judgment entered May 9, 2012). The company also was sued by Verizon Wireless. *See* Verizon Comments at 6; *see also Cellco Partnership v. Hope*, Order and Preliminary Injunction, No. CV 11-0432-PHX-DOC (D. Az. May 11, 2011), at 4-6 (also describing use of cloaking software).

[44] Verizon Comments at 6.

[45] CTIA Comments at 5.

[46] CTIA Comments at 5.

[47] *See supra* note 7.

[48] Cramming Forum Transcript at 139 (comments of Jim Manis, Mobile Giving Foundation).

consumers to fund mobile payments by placing those payments on their wireless bills.[49] However, in light of the significant number of mobile cramming complaints received, and the potential for expansion of the landline cramming problem to wireless bills, the FTC believes that some basic consumer protections are needed in mobile billing. At a minimum, all wireless providers should offer their customers the ability to block all third-party charges. Wireless providers should clearly and prominently inform their customers that third-party charges may be placed on the consumers' accounts and explain how to block such charges at the time accounts are established and when they are renewed.[50] And wireless providers should provide a clear and consistent process for customers to dispute suspicious charges placed on their accounts and obtain reimbursement. The FTC believes that such measures should be mandated by law or regulation to ensure that consumers have baseline protections.

Additional information is needed, however, to determine whether more extensive regulatory measures are warranted, such as default blocking of all third-party charges for wireless provider accounts. As noted, the Senate Commerce Committee has recently requested information from four major wireless providers to better understand the magnitude of cramming on wireless bills and what is being done to prevent it.[51] Further, following up on its mobile payments workshop, FTC staff is seeking information from industry and consumers groups about the potential need for default blocking of third-party charges in the mobile billing context, as well as additional technical or legal protections that may be necessary to prevent mobile

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[49] FTC staff found 21% of the mobile payment providers it researched for the FTC's Mobile Payments workshop offer mobile carrier billing as a means to fund mobile payments. A Snapshot of Select Mobile Payment Providers' Disclosures -FTC Staff's Preliminary Observations, slide 5, located at http://www ftc.gov/bcp/workshops/mobilepayments.

[50] Persons establishing family accounts also should be notified of the option to place restrictions on some or all of the plan phones, such as mobile devices assigned to minor children.

[51] *See, e.g.*, Letter from Sen. John D. Rockefeller to R. Stephenson, AT&T, Inc., June 12, 2012, available at http://commerce.senate.gov/public/?a=Files.Serve&File_id=5733e657-f32f-4525-9bea-5f9192c513e5.

cramming. FTC staff plans to address this issue further in its upcoming report on mobile payments.

IV. Conclusion.

Landline cramming has become a massive problem over the past two decades, affecting 15-20 million households a year, while supporting a billion-dollar industry for scammers.[52] That situation should not be allowed to develop in the wireless context. The FTC believes that specific consumer protections are needed now – most importantly, the right to block all third-party billing to wireless bills – and that further assessment is necessary to evaluate the effectiveness of industry standards and whether further protections in this area are warranted.

By direction of the Commission, July 20, 2012.

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[52] FCC Infographic on Cramming, available at http://transition fcc.gov/cgb/cramminggraphic.jpg; Senate Commerce Committee Staff Report at ii.