

Congress of the United States
Washington, DC 20515

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FCC Mailroom

The Honorable Ajit Pai
Chairman
Federal Communications Commission
445 12th St SW
Washington DC 20554

Dear Chairman Pai,

I write to express my concerns that the Federal Communications Commission (FCC) is failing to act to stop abusive and unwarranted equipment rental fees for broadband service. These unreasonable fees defy common sense and undermine the FCC's stated "number one priority" of closing the digital divide. As the Chairman of the Appropriations Subcommittee on Financial Services and General Government—which provides funding to the FCC—I find the lack of action to protect consumers troubling.

As reported recently, a consumer in Texas was charged a \$10 "rental" fee by Frontier Communications for a router that they neither asked for nor ever received. According to the company, "Frontier charges you a monthly lease fee for your Frontier router or modem—whether you use it or not." As justification, Frontier says that it costs more to serve customers that use their own equipment, because these customers call with more complaints and require more resources for troubleshooting.

Frontier's justifications are difficult to follow. Routers are common equipment, and millions of Americans use their own devices to access broadband and television communications services. Ample troubleshooting resources exist online. I find it difficult to see how this fee serves as anything other than a way for Frontier to disguise the true cost of its service to customers.

This practice undercuts long-standing, hard-fought precedent that consumers should be able to use their own devices with communications networks. In addition, it reveals just how harmful the Commission's Restoring Internet Freedom order has been to Americans. The FCC's mission is "to make available, so far as possible, to all the people of the United States ... a rapid, efficient, Nation-wide, and world-wide wire and radio communication service with adequate facilities at reasonable charges" The FCC continues to provide billions of dollars annually to help build out broadband services in unserved areas. Consumers have a natural and reasonable expectation that the FCC is the right agency to contact when they have issues with broadband service or billing practices, and they are right to expect prompt action.

Indeed, my understanding is that the FCC has received correspondence about this issue—but that the Commission took no action in response to the customer complaint other than acknowledging that Frontier had sent a response back to the consumer.

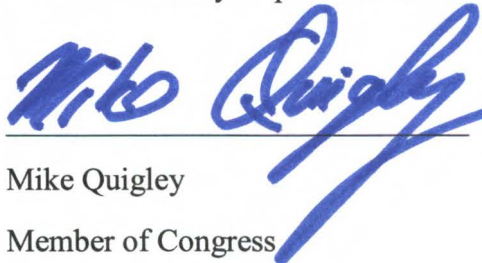
You have stated that, “since my first day as Chairman ... my number one priority has been closing the digital divide and bringing the benefits of the Internet age to all Americans.” Yet policies like these—apparently unchallenged by the FCC—create consumer confusion and make broadband service more difficult and expensive to obtain.

Given these concerns, I request that the FCC provide responses to the following questions no later than September 1, 2019:

1. How many complaints has the FCC received about broadband equipment rental fees in the past year? Has it conducted an analysis of any of these complaints? If so, what did the FCC find? If not, why not? How did the FCC respond to these complaints? Does the FCC plan to make a substantive response to these types of complaints?
2. The Restoring Internet Freedom Order became effective in May of last year. What jurisdiction does the FCC now have over router, modem, or other fees charged by broadband providers, or by multichannel video programming distributors that provide broadband service either on a combined or a standalone basis?
3. The Restoring Internet Freedom Order stated that “In the unlikely event that ISPs engage in conduct that harms Internet openness ... [o]ther legal regimes—particularly antitrust law and the [Federal Trade Commission’s] authority under Section 5 of the FTC Act to prohibit unfair and deceptive practices—provide protection for consumers.” In addition, the FCC and FTC signed a Memorandum of Understanding (MOU) in December 2017 that, among other obligations, states that the two agencies will discuss potential investigations, coordinate investigatory activities, and securely share consumer complaints.

Accordingly, has the FCC referred or shared any complaints about potentially unfair or deceptive billing practices by broadband providers to the FTC for investigation since the MOU went into effect? If so, how does the FCC monitor the progress and resolution of such referrals? If not, why not? Has the FCC assisted the FTC with any investigations in broadband provider billing practices since the MOU went into effect? If not, why not?

Thank you for your cooperation and I look forward to a timely response on these important questions.


Mike Quigley
Member of Congress