

# SENATE BILL REPORT

## SB 5860

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As of February 4, 2009

**Title:** An act relating to the early termination of wireless communications device contracts.

**Brief Description:** Concerning the early termination of wireless communications device contracts.

**Sponsors:** Senators Tom, McDermott, Pridemore and Keiser.

**Brief History:**

**Committee Activity:** Labor, Commerce & Consumer Protection: 2/05/09.

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### SENATE COMMITTEE ON LABOR, COMMERCE & CONSUMER PROTECTION

**Staff:** Alison Mendiola (786-7483)

**Background:** Under the Federal Telecommunications Act (47 U.S.C. § 332(c)(3)(A)), the federal government has the exclusive authority to regulate cellular (or wireless) service providers' rates and entry into the market. However, individual states are expressly reserved the right to regulate the terms and conditions of cell phone services.

Authority to regulate wireless service providers on the federal level is delegated to the Federal Communications Commission.

The Washington State Office of the Attorney General receives consumer complaints for a number of issues, including issues related to cell phones and wireless service providers. In 2008 the AG received 1,728 complaints in the communications category, which includes cell phones and wireless service providers. This category received the highest number of complaints during the last eight years.

**Summary of Bill:** A contract for a wireless communications device may be canceled upon the request of the subscriber for any reason up to 30 days after entering into the contract without the subscriber incurring any early termination fees.

Any early termination fees beyond the initial 30-day period must be prorated equally among the remaining term of the wireless communications device contract.

A violation of these provisions is a violation of the Consumer Protection Act.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** None.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.