



**Testimony of
Mike Blank
CTIA**

**Seeking Amendment to
SB 49 – Automatic Renewal**

**Before the
Maryland Senate Finance Committee**

January 23, 2025

On behalf of CTIA, the trade association for the wireless communications industry, I write to you to outline concerns and request clarifying language related to SB 49, regarding cancellation of subscriptions and automatic renewal. Because we do not believe wireless service providers are the intended target of this legislation, CTIA respectfully requests clarifying language, so the bill does not inadvertently impact wireless providers which offer services that renew on a month-to-month basis.

Our main concern is that the bill includes a requirement to allow customers to cancel a subscription online. This requirement could lead to customers inadvertently cancelling their phone service, resulting in the loss of service and even their phone number. Instead, cancellations for wireless service should be done through interaction with a customer service representative to ensure these risks are understood. Too, mobile service is unique in that customers generally do not cancel their wireless service entirely but typically choose to move to another carrier. Customers may move their mobile service to a new carrier by “porting” their number and beginning service with a new wireless provider at any time without ever having to speak with their current provider. As a result, our customers do not encounter the kinds of obstacles to cancellation this legislation seeks to address.



Importantly, the Federal Communications Commission (FCC) is the primary regulator of wireless carriers. Our members are not only subject to FCC regulations governing number porting, but transparency in wireless carriers' billing and terms of service. Other states, including Oregon¹ and Minnesota², have acknowledged the need to ensure that wireless service is not impacted when they have passed its law regarding automatic renewals. Accordingly, CTIA respectfully requests that Maryland follow this sound policy and specifically exempt wireless service.

Since 2003, CTIA's Consumer Code for Wireless Service has been an integral part of delivering superior customer service to wireless consumers. The Code – which is followed in all 50 states – has helped consumers make informed decisions when selecting a wireless plan and has contributed to the continued competitiveness within the wireless industry. The Code affords wireless providers the flexibility to respond to changes in consumer demand.

Wireless carriers that are signatories to the Code have committed to voluntarily adhere to a set of industry standard principles. These principles include agreeing to disclose to consumers at point of sale and on their web sites whether a fixed-term contract is required and its duration; the amount and nature of any early termination fee that may apply; and the trial period during which a consumer may cancel service without any early termination fee, as long as the consumer complies with any applicable return policy, in addition to providing ready access to customer service. The Code has helped consumers make informed decisions when selecting a wireless plan and has contributed to the continued competitiveness within the wireless industry. The wireless industry continues to make changes to its customer facing policies to remain competitive in the marketplace and adding

¹ Or. Rev. Stat. §§ 646A.292 to 646A.295

² Minnesota SF 3920 (2024) Section 9(4)



exemption language like other states will allow continued consumer choice without the potential for additional consumer confusion.

Thank you for your consideration.