

*Protecting Wisconsin Consumers for 75 Years*

## New rule protects consumers on information superhighway

The Wisconsin Department of Agriculture, Trade and Consumer Protection has written a new rule to protect consumers on the information superhighway.

New technology and government deregulation are bringing more competition and more consumer services to the computer, telephone, and cable television industries. This competition is good for consumers because it keeps prices low and services high. But along with the good things on the information superhighway are new ways to mislead consumers.

The telecommunications rule heads off emerging problems by requiring cable television and telecommunications companies to make clear disclosures before billing consumers.

The rule prohibits a marketing tactic called "packing." For

example, a telephone company may "pack" optional services into the customer's phone bill—optional services customers didn't order. In 1989 Wisconsin Bell paid \$1.2 million in civil forfeitures and \$3.5 million in restitution for allegedly "packing" optional services such as call waiting into customer phone bills. Many consumers were not aware they had the services and didn't use them.

Along with packing, the rule also prohibits negative options. A negative option billing occurred in Wisconsin when a cable television company charged its customers for a movie channel they had not ordered. Customers were told to cancel the service if they did not want it.

The rule also makes it illegal to charge a cancellation or disconnection fee for telecommunications or cable

subscriptions unless the fee is disclosed in the subscription.

The rule would stop another billing practice that lures new customers with prizes. For example, you can sign up for a car giveaway without reading the fine print and end up changing your long distance telephone carrier at home and work.

For more information or to report violations of the telecommunications rule—which went into effect January, 1997—contact the Bureau of Consumer Protection at:

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