Cell-phone rules

Once a luxury, cell-phone service has become the No. 1 service in consumer convenience and economy. But not content to leave well enough alone, politicians are promoting regulations that will turn a luxury into the convenience right out of the service and make us pay more for the privilege to boot. Or at least that's what the House Joint Committee on Law Enforcement and Consumer Protection was hearing during a recent hearing on House Bill 4143. Guest, the president of Consumer Union, pointed out that the bill would "place an enormous burden on the standing cell-phone bill," finally (Commentary, Feb. 27), but it's likely what could come to pass if the General Assembly passes House Bill 4143.

Chicagoans today can choose from about eight wire-free carriers. This vigorous competition has resulted in average monthly wireless bills falling from $99 per month in 1999 to about $40 per month in 2003. Politicians and self-styled consumer advocates are at war to prevent these regulations that will displace free-market control over many of the terms and conditions of wireless service. Implementation costs of rules like those contained in HB 4143 may translate into an increase in the average wireless carrier's bill of about $5 to $7 a month. Customers of smaller carriers may see an increase of $10 to $12 a month. The popularity of wireless communication rests in its mobility and convenience.

If you want, you can go to the nearby Best Buy or Circuit City, buy a phone in-house, then go home and activate it online or over the phone. Under HB 4143 you can pretty much say goodbye to the local carrier, because the bill would require a written authorization from the customer before service can be started. The same goes for any changes in service the customer may want to make. To make matters worse, carriers will make almost instantaneous service changes online and over the phone. That won't happen if the customer has a signed change authorization. Also at risk is the dynamic innovation that is the hallmark of wireless service. Service providers compete on being first to market new services.

That requiring carriers post the terms of new services guarantees delay and ensures any new service will never be as competitive as it should be, because competitors will get a peek at it too. You could not dream of a more likely to stiff competition.

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