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Legislation Text

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Committee on Finance

RESOLUTION

WHEREAS, the corporate authorities of the City of Chicago are committed to promoting the health, welfare and prosperity of all Chicago residents; and

WHEREAS, according to a new study released by the Citizens Utility Board (CUB), Illinois cell phone users are overpaying for their data plans by approximately \$1.4 billion a year; and

WHEREAS, the analysis, which measured the difference between the amount of data paid for and the amount actually used, means Illinois users overpay by an average of approximately \$194 on their smartphones and about \$30 a year on traditional wireless phones; and

WHEREAS, the \$1.4 billion in data overpayments is more than four times the combined team salaries of the Chicago Cubs, Chicago White Sox, and the St. Louis Cardinals; and

WHEREAS, using 2012 Census population estimates, CUB quantified that Chicago consumers are overpaying by an estimated \$295.2 million per year; and

WHEREAS, in 2010, the Wall Street Journal cited research that estimated that 70% of all cell phone users are oversubscribed; and

WHEREAS, CUB's analysis reveals that most of the waste is due to oversubscription by consumers who are on plans that give them more data than they will ever use; and

WHEREAS, only a fraction of the overpayments was due to consumers who incur overage penalties because they use more data than their plans allow, and

WHEREAS, CUB features a Cellphone Savings Center, which is a resource designed to help cut wireless costs; and

WHEREAS, CUB's Cellphone Savings Center offers a free online tool, which has instructed AT&T, Sprint and Verizon customers how to save an average of \$300 per year by matching them with better plans with their current carriers; and

WHEREAS, the Pew Research Center recently reported that, for the first time ever, a majority of American adults own smartphones; and

WHEREAS, as smartphone use continues to increase, the corporate authorities of the City of Chicago intend to promote customer education on choosing the right cell phone plan; now therefore

BE IT RESOLVED, that representatives from the Department of Business Affairs and Consumer Protection and the Citizens Utility Board are hereby invited to appear before the Committee of the Committee on Finance to testify at a hearing regarding the oversubscription of cell phone data plans.