

Suit against TCI now class action Cable late-fee charge called excessive

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If you have ever paid a late fee on your Tele-Communications Inc. bill, you are suing the cable TV giant to get a refund. On Wednesday, Cook County Circuit Judge Aaron Jaffe certified a class-action suit against TCI, a legal step allowing lawyers to pursue their case against the company. A trial could come as soon as late summer.

Attorney Peter Lubin and others are suing TCI alleging that the \$5 the company charges is far in excess of what it actually costs to recover late payments. In a similar case in Baltimore, a judge found TCI spent 38 cents to cover its cost of bills paid late.

TCI disputes that, saying it costs the company \$11 every time a subscriber pays late. Under the law, the fees are intended to recover costs directly attributable to late payments, not to serve as a penalty or to increase a company's revenue.

Lubin said it is not yet clear how many people are included in the class. He said TCI has about 1 million subscribers in Illinois.

"In other parts of the country, it ranges from 10 (percent) to 25 percent of the customer base," Lubin said, meaning it is possible that more than 100,000 people are represented in the suit. Terry Pfister, spokeswoman for TCI, said Lubin is obscuring the issue.

"The late fees are only charged to customers who pay late," Pfister said. "We believe it is fair to place the cost of late payment on those who pay late, instead of placing it on customers who pay on time. It all comes down to fairness."

Lubin said the late payment fees charged by TCI, Prime and other cable companies are far higher than those allowed for utility companies. In Illinois, utilities can charge 1.5 percent of the outstanding bill. TCI's fee equals almost 39 percent of the bill for basic service.

The cable industry's late fees have come under attack from several directions in recent months. The Citizens Utility Board is supporting a bill in the Illinois Legislature that would limit the fees to 1.5 percent; the state attorney general's consumer fraud division is investigating the fees, and Chicago's cable communications administration is putting pressure on cable companies to lower their charges.

Joyce Gallagher, the city cable administrator, said her office will consider supporting the CUB bill. "We are going to take a look at the proposed legislation," Gallagher said. "We would like to see a very small late charge."