



SB 1161 Threatens California Phone Customers

Vital Protections in Danger



As the telephone came into widespread use over a century ago, phone service quickly became a necessity, something most people literally can't do without. This led the California Public Utilities Commission (CPUC) to establish a series of critical consumer protections to guarantee that virtually all Californians have access to telephone service. These include the LifeLine program, which guarantees service to low-income consumers, subsidization of rural telephone networks, and vital services like the 911 emergency number.

Today, more and more consumers are moving to newer phone technologies, such as phone services over the internet (Voice over Internet Protocol, or VoIP). In 2011, over a quarter of California's 10.4 million residential telephone subscriptions were VoIP-based – a number that increased 26 percent from 2008 to 2010. Legislation being pushed by major telecom companies would take away critical consumer protections from these customers – even though their phone service is as important now as ever.

The CPUC and Broadband

The CPUC now has the ability to protect consumers against unfair business practices or other abusive behavior by providers of broadband services. While the CPUC has been cautious about using these powers, maintaining this ability is critical for consumers. First, the CPUC has the expertise and the ability to move quickly when a problem does arise. Second, consumers need an agency that will receive their complaints about phone service, and take action when necessary.

SB 1161 Threatens Consumers

SB 1161 could eliminate the CPUC's ability to protect consumers of broadband services, including customers of Internet-based phone services. SB 1161 could:

- **Eliminate enforcement of basic consumer protections, by**
 - Eliminating or diminishing vital consumer protections from abuse by phone companies.
 - Eliminating the right to affordable, quality, and reliable phone service. Limited access to affordable, quality, and reliable phone service could also threaten access to emergency 911 services, putting public safety at risk.
 - Eliminating protections against third party billing (cramming), a common source of fraud and consumer abuse.

- Eliminating the CPUC's role in tracking and resolving customer complaints.

- **Eliminate protections for low-income and rural consumers, by**

- Partially or wholly eliminating LifeLine and other programs to assist low-income customers.
- Partially or wholly eliminating low-cost service to rural customers.
- Eliminating rules that govern fair billing and collection practices.

- **Eliminate universal telephone access for unserved and underserved communities, by**

- Eliminating rules requiring carriers to provide customer service in the same languages in which they market.
- Eliminating the Commission's ability to monitor carriers' contracts with women-, minority-, and disabled veteran-owned businesses.
- Eliminating accommodations and programs to serve customers with disabilities.

SB 1161 would remove the CPUC's authority over VoIP telephone carriers and broadband providers. The CPUC would retain its authority over conventional phones, leaving Californians with separate but unequal phone systems: one system which is regulated, and one system (VoIP/IP) in which consumers are left to fend for themselves.

Whose Side Are You On?

SB 1161's supporters include: AT&T, Charter Communications, Cisco Systems, Comcast, Frontier Communications, Microsoft, Qualcomm, Time Warner Cable and Verizon, among others.

SB 1161's opponents include: The Greenlining Institute, AARP, the Center for Accessible Technology, the Center for Media Justice, Communications Workers of America, Consumers Union, Division of Ratepayer Advocates, Media Alliance, National Hispanic Media Coalition, Santa Clara University School of Law, The Utility Reform Network, and Utility Consumers' Action Network, among others.



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