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785 Market Street, Suite 1400  
San Francisco, CA 94103

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Mark W. Toney, Ph.D., Executive Director

November 30, 2017

President Michael Picker  
Commissioner Martha Guzman Aceves  
Commissioner Carla J. Peterman  
Commissioner Liane M. Randolph  
Commissioner Clifford Rechtschaffen  
Executive Director Timothy Sullivan  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102

**RE: AT&T Complaints and The Importance of Reliable and Affordable Phone Service**

Dear President Picker, Commissioners, and Executive Director Sullivan:

We are writing to request decisive action by the Commission to protect California customers. The Commission prohibits AT&T and other Carriers of Last Resort from cancelling basic service, removing basic telephone customers from copper networks, or moving customers to different services without the customer's consent or approval from the Commission. The Commission's rules protect California's most vulnerable customers, including the elderly, those with disabilities, low-income community members, and customers living in rural areas. These rules are also critical to the Commission's universal service policies and are important for all California customers to be able to receive reverse 911 evacuation notification to landline phones when power and cellular service is out or unreliable during natural disasters like the recent wildfires. Without these protections, nearly 14%<sup>1</sup> (approximately 1.9 million<sup>2</sup>) of California households who rely mostly or entirely on landline phones – including 575,000<sup>3</sup> Lifeline wireline customers – may be without access to affordable and reliable telephone service, including 911 and emergency access.

Despite these clear and specific rules, TURN has received numerous customer complaints documented back to 2014 that identify a troubling trend. It appears that basic service providers, AT&T in particular, has been pressuring customers to switch to an IP-based service through deceptive and aggressive marketing practices and threatening customers – including Lifeline customers – with disconnection. These complaints highlight AT&T's failure to disclose information necessary for the customer to give *informed* consent to cancel and/or move services and AT&T's misinformation leading customers to think that basic telephone service is no longer offered. The complaints also indicate that, to further force customers to switch to fiber or cellular services, providers may fail to maintain their copper networks. These carrier practices have dire consequences for customers who rely on and expect their landlines to operate during blackouts and other

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<sup>1</sup> U.S. Department of Health and Human Services, National Center for Health Statistics. National Health Interview Survey Early Release Program. Viewable:

[https://www.cdc.gov/nchs/data/nhis/earlyrelease/wireless\\_state\\_201608.pdf](https://www.cdc.gov/nchs/data/nhis/earlyrelease/wireless_state_201608.pdf). Released August 2016.

<sup>2</sup> U.S. Census Bureau. California Quick Facts. Households, 2011-2015. Viewable:

<https://www.census.gov/quickfacts/CA>.

<sup>3</sup> California Public Utilities Commission. Resolution T-17519, fn. 3. Dated: September 15, 2016.

emergencies, including for reverse 911 evacuation notifications for wildfires and other natural disasters. Therefore, TURN calls on the Commission to:

- (1) Expeditiously investigate AT&T's aggressive and deceptive marketing practices, and impose fines for any violation of Commission rules,
- (2) Ensure all customers who switched their service as a result of aggressive and misleading marketing – including those who recently contacted AT&T about the revised residential service agreement – have an opportunity to request a return to their copper landline service at no cost to the customer,
- (3) Assign a CAB staff person to handle all calls and complaints from customers regarding aggressive marketing and deceptive practices, claims that basic service is discontinued and other attempts to move customers off of basic service,
- (4) Direct CAB to follow up with AT&T customers who ultimately switch service as a result of aggressive marketing to ensure that customers have an opportunity to switch their service back to copper landline for free,
- (5) Complete the study of AT&T's network, and enforce service quality standards so that customers get the reliable services they pay for, and
- (6) Work with state and local emergency authorities to improve communication systems and reporting during wildfires and other public safety crises.

Customers are blindsided by unauthorized changes to their services, or when they do not have full information to give informed consent. For example, TURN received multiple complaints that highlight AT&T's failure to disclose that when a customer accepts a U-verse Internet promotional rate, they are also required to switch their home phone service to IP-U-verse. This switch leaves these customers with higher bills and with service that may not operate during an extended power outage. Customers who are led to believe their phone service would be unaffected by adding U-verse Internet, are livid to find that AT&T changed their basic service without their informed consent. When customers attempt to cancel U-verse Internet and restore copper landline service, AT&T misleadingly tells customers that basic telephone service on copper is no longer available.

TURN has also heard from customers that AT&T uses a deceptive claim that basic telephone service on a copper network is being phased out in an attempt to force customers to switch to fiber networks. One customer from Berkeley said she received “a vaguely worded letter implying that they were stopping traditional landline service to all customers in her neighborhood.” AT&T told another customer “the nodes in his area are full and AT&T needs to get him off of copper.” One woman received constant mailers and phone calls regarding U-verse, and even a U-verse sales pitch when she paid her AT&T bill. Other customers have also been told that they had to switch to U-verse and to “take it or leave it.”

The effects of AT&T's misleading communications are becoming more pervasive. In May 2017, TURN received a surge in complaints centered around a mailing AT&T sent to millions of Californians with a notice and a revised version of its Residential Service Agreement. See *Attachment A*. The revised service agreement was so brazenly confusing for customers that the Communications Division required AT&T to send customers a second notice with clarifications and an opportunity to switch back to their original service, at no charge, if they were misled to believe they were required to change to an IP-based service. AT&T should also be required to offer to restore copper service to customers who AT&T forced to cancel their service because they did not

accept the new terms of the revised service agreement, and who therefore may not have received the notice required by staff.

Exacerbating the customers' experiences with AT&T's deceptive and aggressive marketing practices is AT&T's poor customer service. Out of the complaints to TURN, one stands out, an elderly customer who called AT&T customer service was on hold for over an hour and transferred to multiple customer service representatives without having his questions answered. Based on the complaints we have received, it appears that if a customer did speak to a representative, the representative generally repeated the same misleading information that basic service would no longer be offered.

TURN has also received hundreds of comments from our members confirming the value of their copper landlines. Petitions included as a link, see *Attachment B*. Many TURN members are worried landlines will not be available as a "Plan B" to receive reverse 911 evaluation notifications if natural disasters destroy cell towers, copper landlines are not properly maintained, or the power goes out. These fears appear to have been borne out by the experiences of customers and first responders during the recent, severe fires in Sonoma and Napa counties.<sup>4</sup> Several TURN members noted their landline is simply more reliable than a cell phone and can be used throughout their homes, whereas some cell phones do not work inside their homes at all. One 81 ½ year old TURN member recalled the first 20-person party line in her rural town was "[p]rimitive, maybe, but it did the job – just as [her] landline does now – basic, reliable and most useful in emergency situations as well as every day service – for old ears, the clarity, the auditory sharpness of landlines connections beat out any cell phone [she's] ever had to listen to – and the 'battery' never runs out."

AT&T's deceptive marketing practice appears to be an effort to unilaterally and illegally implement a strategy that AT&T has long been pursuing in the legislative and administrative arenas. Just last year, AT&T sponsored AB 2395, which would have eviscerated the requirements for a carrier to withdraw basic service. In part because TURN and the CPUC both vehemently opposed AB 2395, the bill ultimately died in committee. Yet, AT&T continues to seek forbearance from participating in publicly funded programs that provide service to vulnerable consumers, including Federal Lifeline Broadband.

These business and regulatory strategies – deceptive and aggressive marketing strategies, the bill it sponsored, its failure to maintain its copper network, and its effort to cease participating in publicly funded programs – are evidence of AT&T's attempts to limit the Commission's authority and ignore the obligation to obtain approval before it abandons basic service and its copper network, potentially leaving millions of California households without affordable, reliable, and 911 emergency telephone service. Additionally, multiple Commission dockets have illuminated AT&T's failure to meet its obligations to adequately maintain its copper networks and thereby jeopardize service reliability and the safety of the customers who rely on those networks, especially in emergency situations.<sup>5</sup>

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<sup>4</sup> See, e.g., NBC Bay Area, "*Crystal Court Neighborhood Ravaged by Wildfire*," [http://www.nbcbayarea.com/on-air/as-seen-on/Crystal-Court-Neighborhood-Ravaged-By-Wildfire\\_Bay-Area-450146983.html?\\_osource=SocialFlowTwt\\_BAYBrand](http://www.nbcbayarea.com/on-air/as-seen-on/Crystal-Court-Neighborhood-Ravaged-By-Wildfire_Bay-Area-450146983.html?_osource=SocialFlowTwt_BAYBrand) at 2:32-3:04.

<sup>5</sup> See Competition OII (Investigation 15-11-007), Service Quality (Rulemaking 11-12-001), and Rural Call Competition (Investigation 14-05-012).

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Therefore, TURN urgently requests that the Commission investigate AT&T's aggressive and deceptive marketing strategies to prevent future harm especially to vulnerable California households, take the actions necessary to ensure customers harmed by these practices are made whole, and penalize AT&T for its tactics. TURN looks forward to working with the Commission on this matter, and would welcome a Commission response by January 11, 2018.

Sincerely,

Mark W. Toney, Ph.D.  
Executive Director

Attachments: Revised Service Agreement, TURN Members' Hands Off My Landline Petitions

cc: Advisor Elizabeth Podolinsky  
Advisor John Reynolds  
Advisor Lester Wong  
Advisor Michael Minkus  
Advisor Travis Foss  
Service List for R.11-12-001  
Service List for I.14-05-012

# ATTACHMENT A

AT&T's Revised Service Agreement

# ATTACHMENT B

TURN Members' Hands Off My Landline Petitions

Additional TURN Members' petitions can be found here:

<https://www.dropbox.com/s/u0c670ai7t2o6kh/Attachment%20for%20TURN's%20Letter%20to%20CUC%20102717.pdf?dl=0>