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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%¹ (approximately 1.9 million²) of California households who rely mostly or entirely on landline phones – including 575,000³ 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

¹ 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. Released August 2016.

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

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

³ 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.⁴ 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 marking 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.⁵

⁴ 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 at 2:32-3:04.

⁵ 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



We've made some changes to your residential service agreement

Hello,

We're writing to let you know that we're making some changes to the Residential Service Agreement (RSA) that covers your local and/or long-distance service. The changes, described below, will happen 30 days after you receive this notice, or July 1, 2017, whichever is later.

Don't worry. These are the only changes we're making to the Agreement. The prices, service descriptions, and other terms and conditions of your service will remain the same. Tariffs with certain basic terms and conditions, like bill payment, will still be on file with your state commissions.

What do you need to do?

Please read the terms of the amendments carefully. If you agree with them, you don't have to do anything. The amendments will automatically begin 30 days after

receiving this notice, or on July 1, whichever is later. If you don't agree with the terms of the amendments, call us at 800.288.2020 to cancel your service. If you don't cancel your service, it means you accept the terms of these amendments.

Want more info?

You can find the RSA and our guidebooks/service guides, with the prices and service descriptions for RSA services at att.com/servicepublications. Or, call us at 800.288.2020 to learn more about the RSA.

Thanks for choosing us,

AT&T

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Amendments

For all residential customers

By adding paragraph 4.e

Consent to Contact. You expressly authorize, and specifically consent to allowing, AT&T and/or its outside collection agencies, outside counsel, or any other agents acting by or on behalf of AT&T to contact you with informational messages regarding your account, including but not limited to contact in connection with any and all matters relating to unpaid past due charges billed by AT&T to you. You agree that such contact may be made to any mailing address, telephone number, cellular phone number, e-mail address, or any other electronic address that you have provided, or may in the future provide, to AT&T and to any and all telephone numbers billed on your account. You expressly consent and agree that such contact may be made using, among other methods, pre-recorded or artificial voice messages delivered by an automatic telephone dialing system, text messages delivered by an automated system, pre-set e-mail messages delivered by an automatic e-mailing system, or any other pre-set electronic messages delivered by any other automatic electronic messaging system. You agree to provide true, accurate, current, and complete contact information to

AT&T and its authorized agents and to promptly update your contact information to keep it true, accurate and complete.

By Changing Section 5 to: **5. MODIFYING, SUSPENDING AND/OR CANCELING SERVICES** and adding paragraph 5d:

d. Network Changes.

AT&T reserves the right at any time to temporarily suspend or interrupt Services to make necessary changes in how we provide Services over our network and facilities to your premises. We will provide advance notice of these network changes to the extent required by this Agreement, applicable law and regulation. In some cases, such changes in how we provide Services may require a technician to be dispatched to your home to install new network equipment at your premises and transfer your service to the new network equipment in order to ensure you continue to receive such Services. The network equipment we install at your home may require the use of your electrical power for the operation of our facilities. Where a technician visit is required, **if you do not allow AT&T to install the new network equipment at your premises, your telephone service may be disconnected in compliance with subsection (b) above.**

ATTACHMENT B

TURN Members' Hands Off My Landline Petitions

Credit/Debit Card Information

If you prefer to make your contribution **or** pledge a monthly amount by credit/debit card, please fill out the information on the right:



Card Holder's Name: (please print) _____

Card Type: Visa MasterCard Discover American Express

Card Number _____

Exp. Date _____

Security Code _____

Card Holder's Signature _____

Please make this a one-time gift monthly gift

Your contribution will appear on your statement as The Utility Reform Network.

From time to time, we exchange our mailing list with like-minded organizations. If you prefer not to have your name exchanged, please check here

In earthquake country, Californians depend on copper line phones for emergency calls. After earthquakes fires follow. Calls to evacuate must get thru. Cell phones won't be working as cell phone towers fall and tiny batteries die. The same is true in forest fire areas.

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During the ongoing fires in Sonoma county, my neighbors lost cell service & internet. They all came home to call friends near & far to let them know that they were OK.

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LANDLINES ARE A LIFE LINE! TOO OFTEN WE SENIORS
FORGET TO CHARGE OUR ^{CELL} PHONES OR WE LEAVE THEM
WHERE WE CAN'T FIND THEM. THE LANDLINE IS MORE
DEPENDABLE. PLEASE MAINTAIN THE LINES.
EMERGENCIES LIKE HARVEY + IRMA + EARTHQUAKES
REQUIRE REDUNDANT MEANS OF COMMUNICATION.
HARDER FOR A TERRORIST TO DISRUPT AS WELL.

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During the winter our area often loses power and I depend on my landline for all emergencies. I am a Senior of 77 years and I feel quite secure in my home knowing my land line will work in all conditions.

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Without my landline I'm helpless when the power goes off.



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I was very unhappy to discover that my "land line" was actually VOIP! In severe emergencies cell phones will be useless and I want the land line I thought I was paying for. I stumbled on the info about VOIP, Frontier did not make that clear.

CH
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As a rural ^{phone} ~~customer~~ customer, I can testify to worries about 911 access, cell phone service that is spotty, and the cost of cell service versus a land line. You must not take away our options!

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Some people are willing to give up reliability and quality in exchange for savings or convenience, but this should not be forced on the rest of us.

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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>