



# California Public Utilities Commission

505 Van Ness Avenue, San Francisco, CA 94102

## News Release

FOR IMMEDIATE RELEASE

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### **PROPOSED TELECOMMUNICATIONS BILL OF RIGHTS CALLS FOR EXTENSIVE CONSUMER EDUCATION PROGRAM; CREATION OF ENFORCEMENT UNIT TO PROTECT CONSUMERS AGAINST TELECOMMUNICATIONS FRAUD**

SAN FRANCISCO, December 22, 2005 - California Public Utilities Commission (PUC) President Michael R. Peevey and Commissioner Susan P. Kennedy today issued a new Telecommunications Consumer Bill of Rights to protect consumers from fraud and abuse. The joint Proposed Decision calls for the launch of an extensive consumer education program, creation of a special Telecommunications Consumer Fraud Unit at the PUC, and expansion of the Commission's toll-free consumer hotline for complaints against wireless and other carriers.

"The proposed decision recognizes that the telecommunications market is changing every day and our efforts to protect consumers must adapt to those changes," explained President Peevey. "We must be able to identify fraud and abuse at the speed of today's market and step in quickly where necessary to protect consumers."

Commissioner Kennedy said, "With traditional regulation it takes years to bring a case against a company that is ripping off consumers – that won't work in today's fast-paced telecom world. This proposal gives the PUC the tools to protect consumers against fraud in real-time, and provides consumers with the tools they need to protect themselves."

The new Telecommunications Consumer Fraud Unit at the PUC would be the first of its kind in the nation. The special unit would be devoted to analyzing complaints from consumers about telecommunications fraud and quickly identifying sellers that target consumers with fraudulent information, slam and cram consumers with services they did not wish to purchase, and mislead consumers for whom English is a second language. Investigators would develop a complaint case against sellers within the PUC's jurisdiction for swift prosecution and work with the local District

Attorney or Attorney General's office to bring cases against companies that fall outside the PUC's regulatory reach. The PUC will seek a significant budget augmentation of approximately 30 full-time positions in order to adequately staff the Telecommunications Consumer Fraud Unit and its related consumer education efforts.

### **Consumer Education Campaign**

The new education campaign is designed to arm consumers against fraud and empower them to make informed decisions in a changing marketplace. The PUC-led consumer education campaign would use multiple languages to inform California consumers of their rights, and PUC staff would work closely with community-based organizations to assist consumers in making informed decisions about telecommunications products and service contracts.

In order to ensure that the needs of non-English speaking populations in particular are protected, the decision calls upon PUC staff to draft a report on in-language practices and any special problems faced by consumers with limited English proficiency. The PUC then can issue a future decision that specifically addresses in-language issues if the staff report finds that related regulatory action is warranted.

### **Non-Communications Charges**

The Proposed Decision supports the repeal of the PUC's current rules concerning the placement of non-communications charges on customer bills. The repeal of these rules should allow consumers easier access to new products and services, such as music and videos, and give consumers the ability to use their phones to make small purchases, such as movie tickets (as is done in Japan and other countries).

### **Consumer Rights and Freedom of Choice Principles**

Underlying today's Proposed Decision is its statement of rights and freedom of choice principles that should be enjoyed by all California consumers, regardless of the company or type of service they choose. These rights and principles endorse consumers' right to access information about material terms and conditions for available products and service plans for which they request information; consumers' right to access online content without interference by their broadband provider; and consumers' right to purchase broadband access without obtaining traditional voice service from their broadband provider ("stand-alone DSL"). The PUC required SBC and Verizon to abide by the principle of providing stand-alone DSL to consumers as a condition of the recent mergers with AT&T and MCI.

The Proposed Decision must be voted on by the full Commission after a 30-day public comment period. The vote for the Proposed Decision is scheduled for consideration at the Commission's Jan. 26, 2006 meeting. The President Peevey/Commissioner Kennedy Consumer Bill of Rights Proposed Decision is on our website at <http://www.cpuc.ca.gov/static/telco/consumer+information/billofrights/>.

For more information on the PUC, please visit [www.cpuc.ca.gov](http://www.cpuc.ca.gov).

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