

California Public Utilities Commission
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PRESS RELEASE

Media Contact: Terrie Prosper, 415.703.1366, news@cpuc.ca.gov

**CPUC DISAPPOINTED WITH SENATE OFFICE OF
OVERSIGHT AND OUTCOMES REPORT**

SAN FRANCISCO, July 19, 2010 - The California Public Utilities Commission (CPUC) today said it was disappointed with the California Senate Office of Oversight and Outcomes report titled, *Gaps Emerge in Telephone Consumer Protections*, prepared for the Rules Committee of the California State Senate.

“I thank the California Senate Office of Oversight and Outcomes for their nearly year-long work in preparing this report and I am happy to see that they share our commitment to consumer protection,” said CPUC Executive Director Paul Clanon. “I am disappointed that the report focuses on only a few parts of the CPUC’s efforts to protect and help consumers instead of recognizing all of our efforts, which are substantial and only getting better.”

The CPUC noted that when discussing telephone rates, the report chooses to zero in on large rate increases for add-on services that not everyone buys, such as unlisted numbers. The inflation-adjusted price of basic telephone service today is less than in 1994. Further, in inflation-adjusted dollars, rates under the CPUC’s low income telephone program, California Lifeline, are currently lower than in 1984.

“The CPUC takes seriously its obligation to ensure affordable rates and operates several programs that provide discounted phone service to low income and rural area customers,” said Communications Director Jack Leutza. “The state no longer has monopolies providing telephone services and most consumers have the option to purchase alternative wireless or cable voice services.”

The CPUC said that the report ignores the broader telephone market by focusing exclusively on wireline telephone rates. Consumers are offered many services beyond what was available when the CPUC designed its rate regulation and economic control mechanisms over 50 years ago. The CPUC now monitors the rates of the largest service providers and is encouraging the deployment of broadband services in California. Further, CPUC policies focus on 21st century technologies to encourage their deployment and bring economic and social benefits to all Californians.

In the area of customer service, the CPUC was disappointed that the report fails to acknowledge the great strides that the CPUC has made in recent years with its internal processes and responsiveness to the thousands of consumers who contact the CPUC's Consumer Affairs Branch (CAB) each month. "The CPUC is dedicated to assisting consumers with questions and issues around utility billing and service issues," said Loreen McMahon, Director of CAB. "Since 2008, we have responded to approximately 45,000 phone calls from consumers and thousands more consumer contacts made via emails and letters. Twice the number of complaints were resolved in favor of the customer, rather than the utility."

The CPUC said after extensive development CAB launched a new paperless operating system that is centered on a state-of-the art database and supported by systematic complaint handling processes, evolving CAB from a paper-driven, loosely organized work-group into an organized branch with dedicated consumer phone representatives. "This enhancement alone has created a more comprehensive and dependable records management system and a quicker response time, which, coupled with our increased phone operating hours, dramatically improved our customer service," said Director McMahon.

Director McMahon also pointed out that as part of the CPUC's efforts to provide information to consumers about fraud prevention and how to manage telephone services in a competitive market, the CPUC operates a consumer telecommunications website, CalPhoneInfo.com, which offers consumers telecommunication tips in 13 languages. Topics include Slamming & Cramming, Tips About Buying Wireless Phone Service, Understanding Your Phone Bill, Take Charge of Your Phone Service, and California LifeLine. The CPUC also oversees a program that supports the efforts of

community based organizations to provide telephone information and dispute resolution services to their constituents.

“Protecting the interests of consumers is what we do, and we do it well and thoughtfully,” said Executive Director Clanon. “We are constantly improving and refining our internal processes to give consumers the best care and assistance possible.”

For more information on communications issues, please visit www.CalPhoneInfo.com.

For more information on the CPUC, please visit www.cpuc.ca.gov.

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