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FCC Urged to Reject Industry Proposal to Erode Consumer Protections While Lining the Pockets of Large Phone Companies

A nationwide coalition of advocates is demanding that the Federal Communications Commission (FCC) reject an industry proposal that would erode consumer protections while increasing monthly charges that go to phone companies. The proposal, known as the ABC Plan, would eliminate basic protections against premature or incorrect terminations and unfair billing practices, as well as ending long-standing funding to support telephone service in underserved rural communities. At a time when so many households are struggling to make ends meet, this proposal will harm all consumers.

The coalition today released a [letter to the FCC](#) urging it to reject the ABC Plan submitted by Verizon, AT&T, and other telephone companies that would allow them to receive billions in public funds without providing anything in return. Industry proposes that public funds be directed to build new broadband networks, with no provisions to hold industry accountable. Not only would telephone service to rural areas be jeopardized, but obligations to provide service during emergencies, and to provide reliable service, would also be eliminated. At the same time, mandatory surcharges for all customers would increase. Broadband “improvements” would be at speeds that are obsolete today.

“The ABC Plan will harm seniors who may be less likely to migrate to new technologies, low-income consumers, and others who want to maintain voice services through traditional telephone service said Darlene Wong, a staff attorney at the National Consumer Law Center. “Basic telephone service over VOIP tends to be offered as part of a more expensive package that many consumers simply cannot afford. Consumer protections for traditional landline phone service must be preserved.” Newer Internet-based VOIP phone service would be exempt from regulations, and while the phone companies claim their plan would increase broadband access there are no enforceable requirements for more widespread or affordable broadband deployment.

“This would be an unmitigated disaster for California consumers,” said Regina Costa, telecommunications director of TURN. “Public subsidies should, at the very least, be paired with

public responsibilities. This is free money for the phone companies and degraded service for customers. The phone companies want no obligation to serve customers, no net neutrality requirements, no affordable service requirements and no requirements to ensure increased broadband adoption. From the consumer perspective, it's all pain with no gain.”

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The National Consumer Law Center[®] (NCLC[®]) is a non-profit organization specializing in consumer issues on behalf of low-income and other vulnerable people. Since 1969, NCLC has worked with legal services and organizations as well as government and private attorneys across the United States, to create sound public policy for low-income and elderly individuals on consumer issues.

TURN, The Utility Reform Network, has been the leading advocate for utility customers in California for over 35 years. TURN saves California consumers billions of dollars every year, and advances policies that keep essential services affordable, reliable and sustainable.