



# Public Advocates Office

*California Public Utilities Commission*

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April 5, 2019

Assemblymember Lorena Gonzalez  
California State Assembly  
State Capitol, Room 2114  
Sacramento, CA 95814

## **Re: AB 1366 (Gonzalez) - Oppose to Protect California Consumers**

Dear Assemblymember Gonzalez,

The Public Advocates Office is the independent consumer advocate at the California Public Utilities Commission (Commission). Our mission is to advocate for the lowest possible rates for customers of California's regulated utilities consistent with safe, reliable service levels and the state's environmental goals.

We oppose AB 1366, as amended on March 25, 2019, which extends indefinitely the prohibition upon the Commission's exercise of regulatory jurisdiction or control over Voice over Internet Protocol (VoIP) and Internet Protocol-enabled services.

Telephone service is an essential service that is especially critical for public safety. In California, 55 percent of wireline customers receive telephone service delivered over VoIP.<sup>1</sup> For most customers, telephone service is telephone service, regardless of how carriers choose to deliver it. Yet, while basic service standards and common-sense customer protections apply to plain old telephone service, VoIP telephone service providers have argued these same standards and protections do not and should not apply to telephone service delivered through VoIP networks. AB 1366 would validate this type of disparate treatment, leave the majority of telephone service customers with no protections, and compromise public safety during emergencies. Given the danger posed by wildfires and other natural disasters in California, now is not the time to continue to unfairly disadvantage VoIP customers. This is particularly true given that in 2017, 53 percent of service outages that occurred during a California wildfire were VoIP outages.<sup>2</sup>

The bill's attempt to address public safety and consumer protection by retaining the Legislature's ability to direct the Commission in the interest of public safety or consumer protections does not timely protect Californians in emergency situations or ensure that Californians receive safe,

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<sup>1</sup> Federal Communications Commission (FCC) Voice Telephone State-Level Subscriptions, as of June 30, 2017.

<sup>2</sup> See FCC Network Outage Report System (NORS) Outage Reports for Jan. 1, 2017--Dec. 31, 2017.

reliable telephone services. It is in the state's interest to advance public safety and ensure basic, common-sense customer protections:

- 1) **Californians need telephone service that works during wildfires and other disasters.**
  - a. VoIP telephones without back-up batteries go offline during blackouts. AB 1366 could block the Commission from requiring VoIP providers to provide back-up batteries, leading to telephone service failures during emergency blackouts.
  - b. The Commission recently required that telephone service providers waive usage fees for service to homes that were evacuated during a state emergency. VoIP providers argue that AB 1366 would make compliance with emergency service rules like these voluntary instead of mandatory.
  
- 2) **Californians need basic telephone service standards.**
  - a. Companies providing traditional, plain old telephone service have to resolve customer service outages in a timely manner. Companies providing telephone service through VoIP networks don't.
  - b. Companies providing telephone service over traditional, plain old telephone service networks have to answer customer calls to their service centers within a certain amount of time. Companies providing telephone service through VoIP networks don't.
  - c. Customer complaints against companies providing telephone service over traditional, plain old telephone service networks can be investigated and resolved by the Commission. Complaints against companies providing telephone service over VoIP networks cannot.
  - d. Traditional, plain old telephone service "carriers of last resort" must offer service to hard-to-reach areas, such as rural residences. AB 1366 attempts to prevent the Commission from designating any VoIP provider as a "carrier of last resort," even in an area where no traditional, plain old telephone service provider remains.

VoIP customers deserve basic public safety and consumer protection standards that ensure that they can rely on their communications services, so they can ask for and receive help when they need it the most. Regardless of the underlying technology, customers deserve reliable telephone service, protection from unreasonable charges, and a Commission that can respond to their concerns about their telephone service. AB 1366 is therefore not in the public interest.

If you have any questions or would like to discuss this matter further, please don't hesitate to contact me at (415) 703-2381 or at [elizabeth.echols@cpuc.ca.gov](mailto:elizabeth.echols@cpuc.ca.gov).

Sincerely,



Elizabeth Echols  
Director