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DRA Seeks Telephone Rate Relief for California's Working Poor

SAN FRANCISCO, October 26, 2010 – The Division of Ratepayer Advocates (DRA), an independent consumer advocacy division of the California Public Utilities Commission (CPUC), today requested that the CPUC extend price controls on basic residential telephone rates that are set to expire on January 1, 2011.

DRA's request is based on the findings of its report [*The Failure of Consumer Protection*](#), an analysis of the impacts of the CPUC's 2006 decision to remove price caps on various telephone services such as caller ID. In the report, DRA examines the lack of competition in California's telecommunications market in spite of the CPUC using market competition from wireless and other emerging technology as justification for removing landline service price caps.

"The market has not become competitive," DRA acting director Joe Como said. "Lifting the price caps on ancillary services has served only to raise rates for consumers. The same will happen to basic rates on January 1st unless the CPUC acts now to protect consumers who depend on affordable phone service."

The California Senate's Office of Oversight and Outcome recently issued its own report on telecom price regulation, criticizing the CPUC for failing to protect consumers and emphasizing the inefficiency of its competitive market decision.

"DRA proposes that the price controls currently in effect remain in place until the CPUC sets rules that will result in reasonable and affordable rates." acting director Como said.



To download a copy of DRA's telecom rate report *The Failure of Consumer Protection* and other related documents, please visit www.dra.ca.gov/DRA/telecom/consumers/urf.htm. A copy of the report can also be obtained by e-mailing Tom Hall at tbh@cpuc.ca.gov.

For more information on DRA, please visit www.dra.ca.gov.

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