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August 30, 2019

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

RE: AB 1366: Voice over Internet Protocol (VoIP) and Internet Protocol-enabled communications services.

Dear Assemblymember Gonzalez:

I write to express my concerns regarding the challenges posed by Assembly Bill 1366 (AB 1366). AB 1366 seeks to extend the current January 1, 2020 sunset date of California Public Utilities Code Section 710 by another five years, until January 1, 2025. Section 710 prohibits the California Public Utilities Commission (CPUC), as well as any other state department or agency, from regulating Voice over Internet Protocol (VoIP) and Internet Protocol-enabled services unless otherwise expressed in law.

Recent amendments to AB 1366 added the California Attorney General's Office (AGO) in the following ways:

- 1) The CPUC would be required to forward to the AGO any customer complaints received by the CPUC and report annually to the AGO the number and type of complaints received from customers about VoIP service.
- 2) The Attorney General would have the responsibility to enforce certain service quality requirements applied to residential VoIP providers.

In each case the ability of the AGO to enforce these new obligations is severely limited. It is difficult to see how the new complaint reporting provisions will help resolve consumer complaints in a timely and satisfactory manner given the broad enforcement limitations imposed by the bill. Instead, AB 1366 will create an unrealistic expectation in the public of consumer protection by the AGO. In addition, AB 1366 expressly prohibits CPUC, the regulator with appropriate jurisdiction over telecommunication services, from exercising any oversight of these new service quality requirements, therefore all of the enforcement responsibility would fall on the AGO. However, AB 1366 provides no resources to the AGO to carry out these new responsibilities — responsibilities which should reside within an agency that possesses the administrative tools and the subject-matter expertise in utility regulation, an agency such as the CPUC.

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In short, if a goal of your legislation is to protect consumers of VoIP and broadband services, then consumers are best served by a statutory scheme that provides meaningful industry oversight and enforcement by the agencies of proper jurisdiction. AB 1366 raises serious questions about whether it provides meaningful oversight and enforcement of consumer protections, at the same time that it presents serious operational challenges and burdens for my office.

Sincerely,

A handwritten signature in black ink that reads "Anthony Lew". The signature is written in a cursive, flowing style.

ANTHONY LEW
Deputy Attorney General
Office of Legislative Affairs

For XAVIER BECERRA
Attorney General