

Opening Remarks
Chairwoman Edith Ramirez
AT&T Mobility Complaint Press Call
October 28, 2014

Good afternoon and thank you for joining on this call. Today, we are announcing the latest in a series of law enforcement actions the Federal Trade Commission has taken to protect American consumers in the expanding mobile marketplace.

The FTC has filed a complaint in federal court against AT&T Mobility, Inc., charging that the company has misled millions of its mobile customers by charging them for so-called “unlimited” data plans that were, in reality, not unlimited at all. As we assert in our complaint, after selling these customers what it described as an “unlimited” plan, in 2011 AT&T began cutting the data speeds of customers who used more than a set amount in a given month.

This practice is known as “throttling,” and we allege that in some cases customers had their data speeds throttled by 90 percent or more, making many everyday applications, such as web browsing, GPS navigation, and streaming video significantly slower or practically inoperable. For some customers, AT&T throttled data speeds after they used as little as 2 gigabytes of data in a billing period.

We allege that AT&T has never adequately disclosed the throttling program to its unlimited plan customers. In our investigation, we also found that the company received thousands of complaints from its customers about the slow data speeds under the program. Some customers called it a “bait and switch.” Others noted that “unlimited should mean unlimited.”

The FTC has brought dozens of actions in the mobile marketplace, including its cases against Apple, Google and Amazon related to kids’ in-app purchases, the agency’s recent mobile cramming cases against AT&T and T-Mobile, and its privacy action against Snapchat. As

mobile commerce continues to grow at a rapid pace, the Commission's action today should leave no doubt that our commitment to protecting consumers fully extends to the mobile world.

With me today is Evan Rose, the lead FTC attorney in this matter. I want to thank Evan, Matthew Gold, Mike Tankersley, Mary Sullivan and the rest of the FTC case team, as well as Jessica Rich, the Director of the FTC's Bureau of Consumer Protection for their work on this matter. We will now open the call to your questions.