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For Immediate Release

FCC PLANS TO FINE AT&T \$100 MILLION FOR MISLEADING CONSUMERS ABOUT UNLIMITED DATA PLANS, VIOLATING TRANSPARENCY OBLIGATIONS

Washington, D.C., June 17, 2015 – The Federal Communications Commission plans to fine AT&T Mobility, LLC \$100,000,000 for misleading its customers about unlimited mobile data plans. The FCC’s investigation alleges that AT&T severely slowed down the data speeds for customers with unlimited data plans and that the company failed to adequately notify its customers that they could receive speeds slower than the normal network speeds AT&T advertised.

AT&T began offering unlimited data plans in 2007, allowing customers to use unrestricted amounts of data. Although the company no longer offers unlimited plans to new customers, it allows current unlimited customers to renew their plans and has sold millions of existing unlimited customers new term contracts for data plans that continue to be labeled as “unlimited”. In 2011, AT&T implemented a “Maximum Bit Rate” policy and capped the maximum data speeds for unlimited customers after they used a set amount of data within a billing cycle. The capped speeds were much slower than the normal network speeds AT&T advertised and significantly impaired the ability of AT&T customers to access the Internet or use data applications for the remainder of the billing cycle.

The Commission charges AT&T with violating the 2010 Open Internet Transparency Rule by falsely labeling these plans as “unlimited” and by failing to sufficiently inform customers of the maximum speed they would receive under the Maximum Bit Rate policy.

“Consumers deserve to get what they pay for,” said FCC Chairman Tom Wheeler. “Broadband providers must be upfront and transparent about the services they provide. The FCC will not stand idly by while consumers are deceived by misleading marketing materials and insufficient disclosure.”

“Unlimited means unlimited,” said FCC Enforcement Bureau Chief Travis LeBlanc. “As today’s action demonstrates, the Commission is committed to holding accountable those broadband providers who fail to be fully transparent about data limits.”

Since 2011, the Commission has received thousands of complaints from AT&T’s unlimited data plan customers stating that they were surprised and felt misled by AT&T’s policy of intentionally reducing their speeds. Consumers also complained about being locked into a long-term AT&T contract, subject to early termination fees, for an unlimited data plan that wasn’t actually unlimited.

The Enforcement Bureau's investigation revealed that millions of AT&T customers were affected. The customers who were subject to speed reductions were slowed for an average of 12 days per billing cycle, significantly impeding their ability to use common data applications such as GPS mapping or streaming video.

In today's action, the Commission found that the notice provided to unlimited data plan customers about the Maximum Bit Rate policy was not sufficient to enable AT&T customers to make informed decisions about their data plans.

The FCC's Open Internet Transparency Rule was adopted in the 2010 *Open Internet Order*. The Transparency Rule requires fixed and mobile broadband providers to publicly disclose sufficient and accurate information about the providers' network management practices, performance, and commercial terms of their services, so that consumers can make informed choices when selecting and using Internet access services. The Transparency Rule went into effect in 2011 and was upheld by the D.C. Circuit in its opinion in *Verizon v. FCC*.

The Notice of Apparent Liability is available here:
https://apps.fcc.gov/edocs_public/attachmatch/FCC-15-63A1.pdf

The July 2014 Open Internet Advisory is available here:
https://apps.fcc.gov/edocs_public/attachmatch/DA-14-1039A1.pdf

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