



## BUSINESS

## FTC suing AT&T over promises of unlimited data

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The Federal Trade Commission is suing AT&T Wireless, saying it is seeking millions of dollars in restitution for customers who were promised unlimited data plans by the wireless carrier, only to have their mobile network speeds slowed in a practice known as data throttling.

According to a [federal complaint](#) filed in San Francisco, in October 2011, AT&T began reducing speeds for customers who surpassed a threshold of monthly data usage, determined by AT&T. Those customers would see their network speeds diminished for the rest of the billing cycle, regardless of whether there was actually any congestion on the network at the time, the FTC alleges.

“The company has misled millions of its mobile customers ... with so-called unlimited data plans that were in reality not unlimited at all,” FTC Chairwoman Edith Ramirez told reporters. Ramirez said the practice of data throttling cut speeds for some unlimited data customers by 90% or more, often making Web browsing or GPS navigation “significantly slower or practically inoperable.”

“We think that millions of customers have been affected, and we hope to put money back in their pockets,” Ramirez said.

In its complaint, the FTC alleges that AT&T began slowing speeds for its unlimited data plan in 2011, and that the company received numerous customer complaints accusing AT&T of “failing to live up to its end of their bargain because its throttling program imposes a limitation on their unlimited data plan.”

The complaint goes on to allege that customers’ download speeds are capped even when they’re using their smartphones at a time when the network has “ample” capacity to carry the data traffic.

According to Evan Rose, a lead FTC attorney on the case, AT&T had approximately 14 million unlimited data customers when it began the practice in 2011. Since then, Rose said, about 3.5 million users, or roughly a quarter, have had their data connections throttled by AT&T at some point, which has used the practice at least 25 million times, according to the FTC.

AT&T is still using the practice today.

When the company [announced the change in 2011](#), it said the program would affect data speeds for only its top 5% of data consumers.

“The top 5% of all of their data users was maybe the anchor,” Rose said, “but this affected a much larger portion of their unlimited data customers.”

AT&T replied to the FTC charges in an email, saying that only 3% of its customers are affected by its data throttling and that those users are informed in advance through text messages.

“The FTC’s allegations are baseless and have nothing to do with the substance of our network management program. It’s baffling as to why the FTC would choose to take this action against a company that, like all major wireless providers, manages its network resources to provide the best possible service to all customers, and does it in a way that is fully transparent and consistent with the law and our contracts,” the company said.

Public Knowledge, a consumer group, sent letters to four major providers, including AT&T, in August saying that the companies aren’t clear about when throttling will kick in.

Verizon Wireless, Sprint and AT&T should also publish real-time information about congestion on their networks because that is the reason carriers say they throttle customers with unlimited data, Public Knowledge said.

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