

Wolves in Sheep's Clothing:

**Telecom Industry
Front Groups and Astroturf**



A special report prepared by:
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INTRODUCTION

As consumer demand for high-tech services grows, billions of dollars are at stake for telecommunications companies. Much of the battle is being waged in the halls of Congress right now, where our representatives are considering an overhaul of the 1996 Telecommunications Act.

Cable, telephone and Internet industry giants are fiercely lobbying, using every tool at their disposal to gain a competitive advantage in telecom reform legislation. Some of those tools are easy to spot – campaign contributions, television ads that run only inside the Beltway, and meetings with influential members of Congress. Other tactics are more insidious.

One of the underhanded tactics increasingly being used by telecom companies is “Astroturf lobbying” – creating front groups that try to mimic true grassroots, but that are all about corporate money, not citizen power. Astroturf lobbying is hardly a new approach. Senator Lloyd Bentsen is credited with coining the term in the 1980s to describe corporations’ big-money efforts to put fake grassroots pressure on Congress.¹ Astroturf campaigns generally claim to represent huge numbers of citizens, but in reality their public support is minimal or nonexistent.²

Another industry approach is to fund “think tanks” and nonprofit groups with innocuous sounding names to write reports and policy papers. These groups accept subsidies or grants from corporate interests to lobby or produce research when they normally might not, but too often fail to disclose the connection between their policy positions and their bank accounts. (This is not true of all industry-friendly think tanks; some, like the Progress and Freedom Foundation, disclose supporters on their websites.)

These sorts of campaigns are dangerous for our democracy. They deliberately mislead citizens and they deliberately mislead our lawmakers, who are already charged with the difficult task of making sense of complex telecommunications policies. Corporations that already have significant economic clout and influence are trying to co-opt the voices of everyday citizens and think tanks, and use them to their own advantage. In the end, that practice dilutes the power of true grassroots and nonprofit advocacy.

This report attempts to shine a light on some of the telecom industry’s devious Astroturf campaigns, as well as their funding of think tanks for “research” that supports the industry’s agenda. Because there is so little disclosure in this area, it is difficult to get all the information necessary to issue a comprehensive report. But we have uncovered nine groups that represent a range of Astroturf and front group strategies employed by the telecom giants.

These corporate-backed groups are shamelessly working to convince Congress that there is widespread public and scholarly support for their policy proposals. Unfortunately, almost all of

the debate over telecom reform is happening between telephone, cable and Internet industry interests. But it's not just dollars and cents that are at stake: It's also the ability of citizens to speak, to be heard, to have access to the information they need to govern themselves.

That's why it is so critical that citizens – the real grassroots, not industry Astroturf – have their voices heard on telecom issues. When Congress wrote the 1996 Telecommunications Act, only corporate stakeholders had a seat at the table. The result was a law that gave us less competition, higher prices and more concentrated media. This time around we must make sure that our lawmakers understand that the public interest is more important than telecom companies' bottom lines.

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CONSUMERS FOR CABLE CHOICE

<i>Who They Say They Are:</i>	“A national alliance of consumer advocacy groups, private citizens and others who are committed to promoting maximum choice for consumers in cable, video and broadband services.”
<i>Who They Really Represent:</i>	Telephone companies, including Verizon and AT&T. Executive Director Robert K. Johnson previously headed up Consumers Voice, an AT&T front group.
<i>What They Say They Do:</i>	“Our goal is the creation of an open, diverse, pro-consumer market for cable subscribers that will stimulate price, choice and service options.”
<i>What They Really Want:</i>	National franchising, which would allow telephone companies to enjoy easier access into the cable television market.
<i>On the Web:</i>	http://www.consumers4choice.org/

Consumers for Cable Choice is an Astroturf organization that bills itself as a grassroots organization with “members throughout the United States who are committed to the development of a competitive, vibrant cable communications market.”³ The group claims to represent “one million consumers... from all socioeconomic, ethnic and demographic fabrics.”⁴

Consumers for Cable Choice sounds a lot like a real consumer advocacy group. They support greater competition in the cable television industry in order to provide “more choices, better content, lower prices and better service.”⁵ They lament the rise in cable rates, the unwillingness of the industry to adopt a la carte pricing and abysmal customer service by cable providers. In addition to their main website, www.consumers4choice.org, Consumers for Cable Choice operates www.MyCableNightmare.com, a site dedicated to collecting and disseminating horror stories from consumers about their cable companies. In fact if you’re not careful, you might mistake Consumers for Cable Choice for Consumers Union, the publisher of *Consumer Reports*.

But there’s one key difference between Consumers Union and Consumers for Cable



An ordinary man is transformed into “Kung-Fu Carl” and battles the “Cable Ninja” after being angered by his high cable bills, in an animated video on MyCableNightmare.com, a site run by Consumers for Cable Choice. The group receives financial backing from the telephone industry, which is lobbying for new regulations to compete with cable.

Choice: how they are funded. Consumers Union, as part of their commitment to consumer protection, does not accept funding from any industry.⁶ Consumers for Cable Choice, on the other hand, is financially backed largely by telephone companies, including Verizon and AT&T⁷ – the very companies that would benefit the most if Congress makes it easier for competitors to enter the cable television market. Telephone companies would like to begin offering video service as an alternative to cable, but they don't want to have to negotiate franchising agreements with local cities and towns the way cable companies do. Instead, they are lobbying for Congress to grant them a national franchise.

Robert K. Johnson, the executive director of Consumers for Cable Choice, is not new to the world of Astroturf lobbying. He previously served as the head of Consumers Voice (now defunct), another group purporting to represent consumer interests, but that was actually a front for AT&T.⁸ Johnson also previously worked as a corporate attorney, representing telecommunications clients before state and federal regulators.

Consumers for Cable Choice has disclosed that they accepted \$75,000 from Verizon and “a commensurate amount” from SBC Communications (now AT&T) last summer when the organization began.⁹ Little else is known about its funding, since it was incorporated less than a year ago¹⁰ and therefore has not yet filed any financial reports or tax returns.

FREEDOMWORKS

- Who They Say They Are:* “America’s greatest policy entrepreneurs” combined with “hundreds of thousands of volunteer activists all over the Nation.”
- Who They Really Represent:* Corporate interests, including telephone companies like Verizon and AT&T. Dick Arney, the former House Majority Leader from Texas, serves as Chairman.
- What They Say They Do:* “FreedomWorks fights for lower taxes, less government and more economic freedom for all Americans.”
- What They Really Want:* To put an end to net neutrality, the principle that the Internet should remain fast, affordable and accessible to all.
- On the Web:* <http://www.freedomworks.org/>

FreedomWorks is the result of a 2004 merger between Citizens for a Sound Economy (a conservative think tank with strong ties to major corporations like General Electric and General Motors) and Empower America (an organization that lobbied for tax reform, Social Security reform, etc.).¹¹ FreedomWorks is headed by former House majority leader Dick Arney and claims to have 700,000 grassroots activists nationwide fighting for “less government, lower taxes and more freedom.”¹²

Before the merger, Citizens for a Sound Economy boasted a long history of Astroturf lobbying. *Slate Magazine* reported in 2003 that the majority of the organization’s funding came from corporations or corporate-backed conservative foundations, and that the group was mostly an “extension of Arney’s lobbying work [at Piper Rudnick, a D.C. law firm].”¹³

Post-merger, the Astroturf lobbying continues. FreedomWorks has accepted corporate contributions from telephone giants Verizon and SBC (now AT&T).¹⁴ The group recently launched its “Choose Your Cable” campaign¹⁵ (see print ad, right), the goal of which is to eliminate local franchising agreements that are slowing down the telephone industry’s entry into the cable television market. FreedomWorks is

www.ChooseYourCable.com

Why Can't You Choose Your Cable?

Today, Americans have a wide variety of choices when it comes to purchasing all sorts of goods and services. Yet when it comes to our television sets, outdated laws and regulations block new providers and new technologies from supplying TV programming that competes with cable. As a result, consumers are denied the benefits of real competition: more choices, lower prices, and better service.

There's a Better Way

New options in television service are waiting in the wings. Internet and telephone companies, perhaps even power companies, have the ability to offer TV programming just like cable through high speed networks.

But Congress must act first.

That's why Senators Gordon Smith (R-Ore.) and John Rockefeller (D-W. Va.) and Representatives Marsha Blackburn (R-Tenn.) and Albert Wynn (D-Md.) introduced S. 1349 and H.R. 3146, the "Video Choice Act of 2005." These bipartisan bills significantly advance the "Choose Your Cable" movement by streamlining the franchising process for new entrants in the video and television programming market, increasing competition and giving consumers more choice.

More Choices...Lower Prices...Better Service...CHOOSEYOURCABLE.COM

FREEDOMWORKS
Dick Arney, Co-Chairman

www.freedomworks.org 1-888-564-6273

Paid for by FreedomWorks

lobbying against local franchising not only in Congress, but also in many state legislatures.

FreedomWorks is also on the record supporting the telecommunications industry's position on network neutrality.¹⁶ Broadband Internet companies like Verizon and AT&T would like to create "tiers" or "lanes" on the information superhighway: Their own content and services would be delivered using the fast lane; companies like Google and Amazon would be charged high fees to travel in the middle lane; and the rest of the web would be relegated to the slow lane. That would be dangerous for innovators, small businesses and nonprofits – but beneficial to the telecom and media companies who want to be able to sell their own movies, music and television shows while slowing down their subscribers if they surf over to a competitor's site. It would also radically change our experience of the Internet as our link to democratic discourse and our window onto the world of ideas, with no company blocking or making our access to any web site of our choice more difficult.

Net neutrality legislation would protect the open and democratic nature of the Internet, but FreedomWorks CEO Armey says it would impose "undue regulatory burdens"¹⁷ on the companies who contribute to his organization.

PROGRESS AND FREEDOM FOUNDATION

<i>Who They Say They Are:</i>	“A consistent voice for a market-oriented approach to capturing the opportunities presented by technological progress.”
<i>Who They Really Represent:</i>	Phone companies, broadcasters, technology companies, telecom trade associations – the list goes on and on.
<i>What They Say They Do:</i>	“[Our] mission is to educate policymakers, opinion leaders and the public about issues associated with technological change, based on a philosophy of limited government, free markets and individual sovereignty.”
<i>What They Really Want:</i>	To advance the bottom line interests of their corporate sponsors on a variety of telecom and media issues.
<i>On the Web:</i>	http://www.pff.org/

The Progress and Freedom Foundation (PFF) is a Washington, DC think tank that “studies the digital revolution and its implications for public policy.”¹⁸ PFF supports a deregulatory, market-based approach to communications policy, which isn’t surprising given the number of corporate sponsors PFF has.

The Progress and Freedom Foundation’s list of corporate donors reads like a who’s who list of the telecommunications industry. Telephone companies like AT&T, BellSouth, and Verizon; technology companies like Microsoft and Intel; telecom trade associations like the National Cable & Telecommunications Association and the Entertainment Software Association; cable companies like Comcast and Time Warner; cell phone companies like T-Mobile and Sprint; and broadcasters like Clear Channel Communications and Viacom¹⁹ have all helped fill PFF’s coffers to the tune of a \$3 million per year operating budget.²⁰ To PFF’s credit, they do disclose their list of supporters – but not the donation amounts – publicly on their website.

The companies seem to be getting what they pay for. In recent months, “experts” at the Progress and Freedom Foundation have supported

- The cable industry’s position on a la carte pricing
- The telecom industry’s position on network neutrality
- Elimination of all local franchises for video providers (a proposal that might satisfy both telephone and cable operators, who are generally adversaries on the franchising issue)

One final note: Just about every policy paper authored by a PFF staffer contains some version of the following boilerplate – “The views expressed here are the author’s own and do not necessarily reflect those of The Progress and Freedom Foundation, its officers or Board of Directors.”²¹ Why would PFF be so afraid of taking a policy stance? Do they fear that going on

the record or offering an organizational opinion could cost them corporate dollars down the road?


AMERICAN LEGISLATIVE EXCHANGE COUNCIL

- Who They Say They Are:* “[A] non-partisan, public-private partnership between America’s state legislators and concerned members of the private sector, the federal government and the general public.”
- Who They Really Represent:* Telecom interests like AT&T, BellSouth, and the National Cable & Telecommunications Association, and conservative state lawmakers.
- What They Say They Do:* “[Our] mission is to advance the Jeffersonian principles of free markets, limited government, federalism, and individual liberty.”
- What They Really Want:* To prevent communities from offering broadband Internet service, since that would mean more competition for their corporate backers.
- On the Web:* <http://www.alec.org/>

The American Legislative Exchange Council (ALEC) is one of the best-funded and most prolific industry front groups. With annual revenues in excess of \$5 million,²² ALEC advances the agendas of its corporate backers in state legislatures all across the country.

In 2002, the Defenders of Wildlife teamed up with the National Resources Defense Council to issue a report exposing the shady tactics employed by ALEC. “[W]hile ALEC purports to be a ‘good-government’ group operating in the public interest, its sole mission is to advance special-interest legislation across the nation on behalf of its corporate sponsors and funders,” the groups found. “ALEC is nothing less than a tax-exempt façade for the country’s largest corporations and kindred entities.”²³

Whether the issue is the environment, education or telecommunications, ALEC’s modus operandi is the same. ALEC brings state lawmakers and “their private sector counterparts to the table as equals.”²⁴ Corporate lawyers then assist in drafting “model” legislation that ALEC works to get passed in state legislatures. *Mother Jones* magazine characterized ALEC’s work as “ghostwriting ... business-friendly bills.”²⁵



AMERICAN LEGISLATIVE EXCHANGE COUNCIL

Yes, we will join the American Legislative Exchange Council at the following level:

	Annual Commitment	
<input type="checkbox"/> Member	\$5,000	_____
<input type="checkbox"/> Washington Club	\$10,000	_____
<input type="checkbox"/> Madison Club	\$25,000	_____
<input type="checkbox"/> Jefferson Club	\$50,000	_____

Please enroll our organization in the following Task Force(s):

<input type="checkbox"/> Civil Justice	\$2,500	_____
<input type="checkbox"/> Commerce & Economic Development	\$1,500	_____
<input type="checkbox"/> Criminal Justice	\$2,000	_____
<input type="checkbox"/> Education	\$1,500	_____
<input type="checkbox"/> Energy, Environment, Natural Resources & Agriculture	\$2,000	_____
<input type="checkbox"/> Health & Human Services	\$2,000	_____
<input type="checkbox"/> Tax & Fiscal Policy	\$2,500	_____
<input type="checkbox"/> Telecommunications & Information Technology	\$5,000	_____
<input type="checkbox"/> Trade & Transportation	\$1,500	_____

Primary Contact: _____ Enclosed is our check for \$ _____

Title: _____

Organization: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone: _____ Fax: _____

Email: _____

*ALEC is a 501(c)(3) non-profit organization and contributions are tax deductible.
IRS ID# 520140979.*

AMERICAN LEGISLATIVE EXCHANGE COUNCIL
1129 20TH STREET, N.W. ■ SUITE 500 ■ WASHINGTON, D.C. 20036
TEL. (202) 466-3800 ■ FAX: (202) 466-3801 ■ WWW.ALEC.ORG

A seat on ALEC’s “Telecommunications & Information Technology Task Force” will set you back a mere \$5,000.

ALEC has accepted contributions from many of the top telecom industry players: AT&T, BellSouth, the National Cable and Telecommunications Association, SBC Communications (now merged with AT&T), Sprint, Verizon Communications and more.²⁶

In return, ALEC pushes telecom legislation that bars or makes it difficult for local governments to offer broadband Internet services to their citizens, even in areas where the telecom giants have determined it's not economically worthwhile to offer such service, such as rural and low-income areas (view ALEC's "model" bill online at <http://www.muniwireless.com/reports/docs/antimunicipalbroadband.doc>). ALEC has backed such bills in a number of states, including Louisiana,²⁷ Nebraska,²⁸ and Wisconsin.²⁹

NEW MILLENNIUM RESEARCH COUNCIL

<i>Who They Say They Are:</i>	Scholars and policy experts
<i>Who They Really Represent:</i>	Issue Dynamics, Inc., a consulting firm whose clients include Verizon, Comcast and other telecom players.
<i>What They Say They Do:</i>	“[We] develop workable, real-world solutions to the issues and challenges confronting policy makers ... primarily in the fields of telecommunications and technology.”
<i>What They Really Want:</i>	To prevent communities from developing their own broadband Internet services.
<i>On the Web:</i>	http://www.newmillenniumresearch.org/

The New Millennium Research Council aims to “develop workable, real-world solutions to the issues and challenges confronting policy makers, primarily in the fields of telecommunications and technology.”³⁰ At first glance, the New Millennium Research Council appears to be a think tank.

But the details don’t add up. It lists no staff on its website – only a stable of “contributing scholars and experts,” several of whom are Verizon employees.³¹ Guidestar.org, which maintains a database of nonprofit organizations, has no listing for the New Millennium Research Council³², nor is NMRC listed in the Internal Revenue Service’s Cumulative List of Charitable Organizations.³³

It turns out that New Millennium Research Council is not a nonprofit group, but a “project” of Issue Dynamics, Inc., a for-profit public affairs consulting firm.³⁴ Issue Dynamics lists a number of telecommunications companies on its client list – including Verizon, Comcast, BellSouth, and SBC Communications (now AT&T), as well as the United States Telecom Association – the trade association for the telecom industry.³⁵

Not surprisingly, NMRC’s “research” tends to bolster the arguments put forth by leading telecom companies. For example, NMRC released a report stating that municipal Wi-Fi networks are “not in the public interest.”³⁶ Communities throughout the country are finding that they can provide more efficient, affordable and accessible broadband internet service than the telecom giants, and are setting up Wi-Fi networks in the same way that they provide electricity, gas and water. But the telecom companies see these community networks as a competitive threat, and are working at the state and federal level to prohibit municipalities from offering broadband Internet service. The New Millennium Research Council, with its legitimate sounding name, lends credibility to the telephone and cable companies’ argument. Of course the financial

relationship between the industry interests and the NMRC is not disclosed anywhere in the report.

FRONTIERS OF FREEDOM

<i>Who They Say They Are:</i>	“A cutting-edge, forward-looking policy group” with a national membership.
<i>Who They Really Represent:</i>	Corporate interests.
<i>What They Say They Do:</i>	“[We are] dedicated to protecting the constitutional, economic, political, and legal freedoms of every American by upholding and restoring the principles of the Constitution.”
<i>What They Really Want:</i>	Statewide video franchising that will give telephone companies entry to the cable television business.
<i>On the Web:</i>	http://www.ff.org/

Frontiers of Freedom is a think tank that advocates a free market, deregulatory approach to public policy.³⁷ It operates six policy groups, including a Center for Economic Liberty and Property Rights which handles telecommunications policy.

Frontiers of Freedom does not disclose its financial backers, but the *Wall Street Journal* reported in 2001 that the organization’s main contributors were corporations such as Philip Morris, ExxonMobil and RJ Reynolds Tobacco.³⁸ At the time, Frontiers of Freedom lobbied heavily against environmental regulations designed to reduce global warming³⁹, and also railed against plaintiffs who sued the tobacco companies after contracting lung cancer from smoking.⁴⁰

More recently, the Larstan Business Group accused Frontiers of Freedom of engaging in astroturf lobbying on behalf of the telephone companies.⁴¹ Larstan’s report, it should be noted, was commissioned by the National Cable and Telecommunications Association,⁴² the main trade association for the cable television industry.

The report points out that Frontiers of Freedom has flip-flopped from being a critic of the telephone industry, to being one of its champions. According to Larstan, in 2004, Frontiers of



Frontiers of Freedom has gone from being one of the telephone industry’s biggest detractors to being one of its biggest supporters. The group ran this ad applauding Texas’ statewide franchising law, a major victory for the telephone companies.

Freedom lambasted “the Bell monopolies” for not “do[ing] any of the heavy-lifting normally associated with a free market,”⁴³ and instead relying on government regulation to build their business. But in 2005, the organization praised the merger of AT&T and SBC Communications⁴⁴ – two of the telephone industries biggest players – and also endorsed⁴⁵ the Bell-backed regulations designed to ease their entry into the cable television business. Qwest Communications has alleged that Frontiers of Freedom accepts contributions from AT&T.⁴⁶

KEEP IT LOCAL NEW JERSEY

<i>Who They Say They Are:</i>	“A growing coalition of concerned Garden State citizens.”
<i>Who They Really Represent:</i>	The New Jersey Cable Telecommunications Association and its member companies (Cablevision Systems Corp., Comcast Cable Communications, Service Electric of Sussex, Time Warner Cable, and US Cable of Paramus-Hillsdale).
<i>What They Say They Do:</i>	“Ensure equal access and fairness for all in the delivery of cable television service.”
<i>What They Really Want:</i>	Prevent Verizon and other telephone companies from obtaining statewide franchises to offer video service, which would be in direct competition with cable television.
<i>On the Web:</i>	http://www.keepitlocalnj.com/

Keep It Local NJ says it is “a growing coalition of concerned Garden State citizens” that wants “to ensure equal access and fairness for all in the delivery of cable television service.”⁴⁷ Guess that’s true if you consider Comcast, Time Warner and other cable providers to be part of the New Jersey citizenry.

New Jersey is considering legislation that would eliminate local franchising (the agreements that cable companies reach with individual cities and counties to offer their services) and institute statewide franchising.⁴⁸ That would make it easier for telephone companies that want to start offering video service to enter the market, because they would no longer have to broker deals with local municipalities.

The cable companies, obviously, want to protect their local monopolies. They say changing the law would be the equivalent of giving phone companies a special deal.⁴⁹ So they’ve launched Keep It Local NJ – an Astroturf campaign designed to give the illusion of grassroots support for the cable industry’s position.⁵⁰



The group that runs this website accusing phone companies of being “full of baloney,” is affiliated with Keep It Local New Jersey, itself an Astroturf organization.

Keep It Local NJ is a project of the New Jersey Cable Telecommunications Association, which in turn is affiliated with the National Cable and Telecommunications Association.⁵¹ Keep in mind that the National Cable and Telecommunications Association recently launched a website called “Phone-y Baloney” (www.phoneybaloney.net) accusing the telephone industry of using four front groups to spread their propaganda.⁵² Apparently the phone companies aren’t the only phonies: cable companies are just as willing to engage in sham consumer campaigns. Unfortunately with all this Astroturf, the real grassroots citizens are left out of the discussion over what’s best for their local communities.

INTERNET INNOVATION ALLIANCE

<i>Who They Say They Are:</i>	“[A] broad-based coalition ...committed to more widespread usage and availability of broadband through wise policy decisions.”
<i>Who They Really Represent:</i>	Members include telecom business such as AT&T, and telecom trade associations such as the Information Technology Association of America.
<i>What They Say They Do:</i>	“[A]ssist public policy makers to better understand new technologies and to promulgate smart policies that facilitate their growth.”
<i>What They Really Want:</i>	To create a tiered Internet and allow broadband providers to charge web sites like Google and Yahoo! for the ability to reach their subscribers.
<i>On the Web:</i>	http://www.internetinnovation.org/

The Internet Innovation Alliance runs a slick website dedicated to promoting broadband Internet policies that “will improve Americans’ lives.”⁵³ While the Alliance claims to include “consumer advocates”⁵⁴ in its coalition, no true consumer groups can be found anywhere in its membership list. But AT&T, one of the largest telephone companies in the country, is on the list.⁵⁵

As recently as late 2004, the Internet Innovation Alliance (IIA) did seem to be on consumers’ side on the issue of network neutrality – the principle that your Internet service provider shouldn’t be able to block or interfere with your ability to access any content or use any services on the web. Take a look at IIA’s scathing statement after SBC Communications revealed plans to charge fees to web-based telephone providers (also called Voice-over-Internet-Protocol, or VoIP): “SBC’s charging of higher fees to VoIP providers ...is discriminatory in nature and is a dangerous first step toward eradicating the vast array of benefits services like VoIP will provide to consumers. VoIP promises great consumer benefits provided it remains unburdened by regulations and access fees.... SBC apparently missed the memo or chose to ignore it in the face of larger profits.”⁵⁶

So where was the outrage a year later when SBC head Ed Whitacre told *BusinessWeek* magazine that broadband Internet providers should be allowed to charge fees not only to VoIP companies, but to any web-based company or service? “Now what they would like to do is use my pipes free, but I ain’t going to let them do that because we have spent this capital and we have to have a return on it. ... We [the telephone companies] and the cable companies have made an investment and for a Google or Yahoo! or Vonage or anybody to expect to use these pipes [for] free is nuts!” argued Whitacre.⁵⁷

This time, the Internet Innovation Alliance was nowhere to be found.⁵⁸ Why? Maybe because SBC Communications was in the final stages of a merger with AT&T—one of IIA’s “member”

groups. IIA does not disclose how much its “members” contribute to the organization, but in the case of AT&T, it appears to be enough to have bought IIA’s silence.

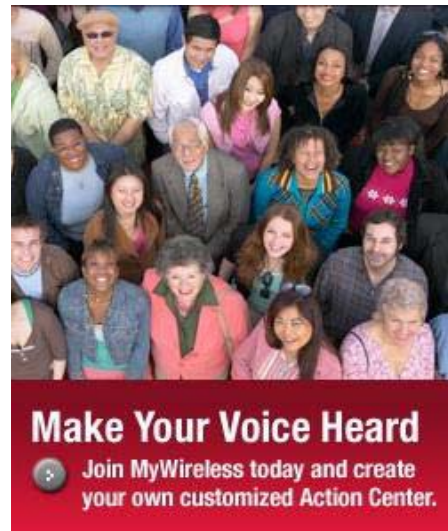
MYWIRELESS.ORG

<i>Who They Say They Are:</i>	“A non-profit advocacy organization” representing the “millions of consumers” who use wireless services.
<i>Who They Really Represent:</i>	The Cellular Telecommunications and Internet Association, a trade association for wireless phone companies.
<i>What They Say They Do:</i>	“MyWireless.org brings consumers together to protect their rights, to keep them connected, and to ensure their voices are heard.”
<i>What They Really Want:</i>	To reduce taxes and regulatory burdens on wireless service providers.
<i>On the Web:</i>	http://www.mywireless.org/

MyWireless.org claims to “bring consumers together to protect their rights, to keep them connected, and to ensure their voices are heard.”⁵⁹ This pseudo-consumer group is actually an offshoot of the powerful Cellular Telecommunications and Internet Association (CTIA). CTIA is a trade association supporting wireless service providers.

Nowhere on the MyWireless.org website is its connection with CTIA disclosed. MyWireless.org describes itself as a “nonprofit advocacy organization”⁶⁰ – but fails to mention that they share office space with the CTIA.⁶¹ Kimberly Kuo’s biography on the MyWireless.org site says “as Executive Director, [she] helped launch MyWireless.org in February 2005. For three years prior to that, she was VP of Communications of CTIA-The Wireless Association.”⁶² But there’s no mention of the fact that CTIA still signs her paychecks, or that she currently acts as their Vice President of Advocacy.⁶³ Also nowhere to be found is the fact that CTIA is spending \$16 million on their MyWireless.org campaign.⁶⁴

MyWireless.org opposes higher taxes on cell phone bills – but not because they are concerned about consumers’ financial well-being. They’re really interested in protecting the bottom lines of the cellular telephone companies that support them, by reducing the taxes that the phone companies themselves pay. Local government officials point out that taxes on local phone service pay for things like “law enforcement, fire protection, street maintenance, parks, libraries and so forth.”⁶⁵ MyWireless.org never notes that cutting phone taxes could cause major cutbacks in essential city services. Instead, they – and another CTIA-



Do these people know that MyWireless.org is an arm of a corporate trade association, and not a consumer group?

run website called StopAddingToMyBill.com – offer citizens slanted information and a chance to email the industry’s talking points to legislators.⁶⁶

MyWireless.org does a great deal of work at the state level. In California, MyWireless.org successfully fought against a Telecommunications Consumer Bill of Rights⁶⁷, which would have:

- Required mobile phone companies to give customers 30 days to evaluate service and cancel without penalty;
- Expanded the toll-free hotline that handled consumer complaints about telecom services;
- Imposed a four-hour window for service calls on telephone companies; and
- Ensured that phone bills were easy to read and understand.⁶⁸

The reform package seemed like something that a group that claims to “protect consumer rights” would support. But MyWireless.org and its phone industry allies worked tirelessly against the Telecommunications Bill of Rights, and eventually the California Public Utilities Commission adopted a weaker set of rules that consumer groups called “toothless.”⁶⁹

ACKNOWLEDGEMENTS

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ABOUT COMMON CAUSE

Common Cause is a nonpartisan, nonprofit advocacy organization founded in 1970 by John Gardner as a vehicle for citizens to make their voices heard in the political process and to hold their elected leaders accountable to the public interest.

Common Cause is financed, in large part, by the dues and contributions of its individual members. Because it is a 501(c)(4) lobbying organization, such contributions to Common Cause are not tax deductible. The Common Cause Education Fund, our 501(c)(3) affiliate, conducts research, education, and outreach activities and is supported by foundation grants and tax-deductible contributions from individuals and institutions. The combined annual operating budget of Common Cause and the Common Cause Education Fund is approximately \$10 million.

End Notes

- ¹ Center for Strategic and International Studies and the Massachusetts Institute of Technology, “Astroturf: Interest Group Lobbying and Corporate Strategy,” *Journal of Economics & Management Strategy*, Winter 2004: 563.
- ² *Ibid*, 573.
- ³ Consumers for Cable Choice, “About Us,” at <http://www.consumers4choice.org/site/PageServer?pagename=About> (last visited 15 Mar 2006).
- ⁴ Testimony submitted to the Senate Commerce Committee, Hearing on Video Franchising, 15 Feb 2006, at <http://www.consumers4choice.org/site/DocServer/JohnsonSenateTestimony31Jan06.pdf?docID=641> (last visited 15 Mar 2006).
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