

Fall 2013

# Ratewatcher Telecom Guide, Volume 24. 2013

Public Advocate Office

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## Recommended Citation

Public Advocate Office, "Ratewatcher Telecom Guide, Volume 24. 2013" (2013). *Public Advocate Office Documents*. Paper 5.  
[http://digitalmaine.com/meopa\\_docs/5](http://digitalmaine.com/meopa_docs/5)

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# Ratewatcher

## TELECOM GUIDE

VOLUME 24 | FALL 2013

A PUBLICATION OF THE MAINE OFFICE OF THE PUBLIC ADVOCATE  
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## FUNDING FOR NEW BROADBAND IN MAINE

IT'S IRONIC THAT THE UNITED STATES — THE COUNTRY THAT LARGELY INVENTED the Internet — has fallen behind much of the rest of the developed world, with respect to availability, adoption, and speed of Internet service. In terms of the percentage of households that subscribe to a broadband service, the U. S. ranks 15th. To be fair, the U.S. is more geographically challenging for broadband deployment compared to a more compact and technologically-advanced country, such as Switzerland, which ranks number one in terms of the percentage of households with a broadband connection. But the U.S. also remains behind Canada, which ranks 11th and which shares some of the same geographic and cultural challenges faced by the U.S.

Broadband speeds in the U.S. also generally lag behind those of other developed nations. Since speed depends on the technology of the network, it is significant that the U.S. does not have a relatively large amount of fiber-optic cable directly connecting homes and businesses. Fiber-optic cable — strands of glass that carry pulses of light — provides the fastest broadband service. In that respect, the U.S. places 7th in the world at 13.1% while Japan (#1) has connected 86.5% of homes and busi-

nesses with fiber-optic cable. On the other hand, with respect to the total number of wired broadband connections, the U.S. is far ahead of the rest of the world, with over 90 million wired subscriptions — more than double that of our nearest competitor, Japan.

Within the U.S., Maine is a good example of the problem. Factors such as a large land area with sprawling municipalities, sparsely populated rural areas, an elderly population, and varied topography, add greatly to the

cost of building out broadband and getting people to adopt it. In Maine, nearly 10% of households — mostly in rural areas — have no access to wired DSL or cable-modem broadband service, a gap that is frequently referred to as the “digital divide.” The Office of the Public Advocate often hears complaints from customers who are upset because of absence of service at their location, the lack of competitive choices, or the limited speeds available locally. The primary problem is one of economics: it is costly to install the necessary network equipment in rural areas where relatively few customers will pay for the service. Early in the 20th century, federal universal service policies ensured that all Americans would have access to telephones and electricity, but Internet service has, so far, not been deemed essential enough for such a universal guarantee of availability. Since Internet Services

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# broadband

Funding cont'd.

cannot be regulated by the states, even telephone companies cannot be ordered to provide service or to limit their prices. However, various state and federal government initiatives are at work to address the problem of broadband deployment, though progress is slower than we'd like.

## **FAIRPOINT DSL EXPANSION (STATE)**

When FairPoint first acquired Verizon-Maine, the Office of the Public Advocate and Staff of the Public Utilities Commission (PUC) negotiated an aggressive broadband expansion agreement, whereby FairPoint agreed to make DSL available to 90% of the customers connected to its network within 5 years. (Verizon had connected approximately 63% of its lines.) That agreement was subject to modification when FairPoint filed for bankruptcy in 2010 and the target was reduced to 87%. Later, we asked the PUC to investigate the method that FairPoint was using to calculate the required percentage in meeting the targets and eventually, after substantial litigation, the PUC agreed that FairPoint's methodology was exaggerating its actual progress. FairPoint appealed to the Maine Supreme Court which ultimately affirmed the PUC's order and our position. We continue to scrutinize FairPoint's compliance with its broadband obligations. Recently, after much discussion, the Office of the Public Advocate and FairPoint entered into an agreement that will govern FairPoint's remaining broadband build-out obligations. In that agreement, FairPoint

will complete the 87% buildout by a certain date, will maximize federal broadband support, and will also invest millions of additional dollars to upgrade broadband facilities and service in Maine.

## **CONNECTME AUTHORITY (STATE)**

This quasi-state agency collects over \$1 million per year on communications bill surcharges in order to fund individual broadband projects in unserved, mostly rural, areas. Internet service providers apply for the subsidies to fund projects to build out broadband. Without these subsidies, investments to serve in these areas would probably not be made.

## **CONNECT AMERICA FUND (FEDERAL)**

The FCC is gradually phasing out subsidies for high-cost telephone service and transforming the \$4.5 billion high-cost fund of the federal Universal Service Fund (USF) toward support for expansion of broadband throughout the U.S. Currently, larger telephone companies like FairPoint are eligible for a share of \$485 million in immediate support this year, and next year, a share of \$1.8 billion that will be allocated based on a cost model that is currently being developed. The Connect America Fund will also be supporting expansion of mobile broadband (3G/4G) services from cellular companies — currently allocating \$300 million nationally.

## **THREE RING BINDER — MAINE FIBER COMPANY (FEDERAL/PRIVATE)**

In response to a grant request from GWI and the Univer-

sity of Maine, the federal Broadband Technology Opportunities Program awarded \$25.4 million for the construction of 1100 miles of fiber-optic cable passing through some of the most rural areas of Maine. The so-called "Three Ring Binder" was completed in 2012. This is considered "middle mile" infrastructure (between the last mile to the customer and the worldwide Internet backbone) that is expected to facilitate new and advanced Internet connectivity for businesses and hopefully, new expanded retail Internet service providers. Maine Fiber Company contributed private investment dollars and now runs this "dark fiber" network which provides service to businesses and service provider customers.

## **NEW ENGLAND TELEHEALTH CONSORTIUM (FEDERAL)**

An applicant from Maine received a grant of more than \$25 million from the FCC, through the federal Universal Service Fund, to build a broadband network connecting hundreds of large and small health care providers in northern New England. This network is still under construction and will eventually allow high speed connectivity, telemedicine services, and data sharing. The same program also funded the smaller Franklin Community Health Network.

## **UNIVERSAL SERVICE FUND (FEDERAL)**

annually provides about \$3 billion in support for broadband for schools, libraries, and health care networks.

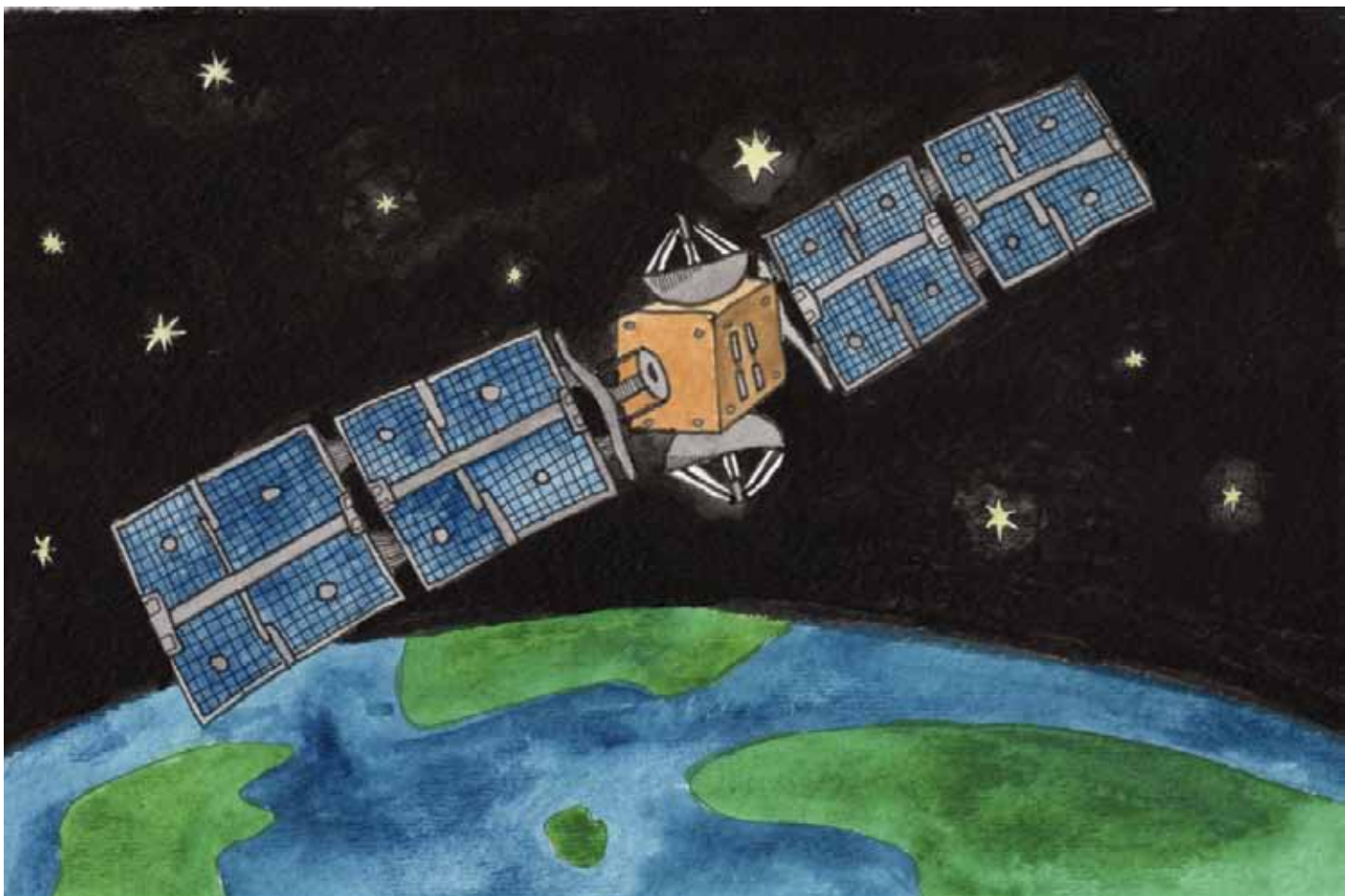


Illustration by Natalie

## LIMITATIONS OF SATELLITE BROADBAND

Despite recent and planned expansion of wired and mobile 3G/4G broadband service, satellite broadband remains the only broadband option for customers in some rural areas in Maine. As the name suggests, this service provides broadband Internet access through a signal sent to and from an orbiting satellite via a dish-shaped outdoor antenna. This antenna is connected to home equipment that connects to your computer or WiFi router.

Satellite broadband is getting better and faster as the number of satellites increases, the technology improves, and more focused signals provide better coverage. Satellite broadband providers now

claim to offer speeds of 12 Mbps downstream and 3 Mbps upstream: speeds that exceed even phone company DSL service, on average, in Maine. At such speeds, it should be no problem to stream video (watch movies or other “streaming” media over the Internet). Still, consumers should be aware of the limitations of satellite broadband.

**LATENCY** Some broadband applications such as voice over internet (VOIP) and gaming can be negatively affected by high latency, or the time it takes a message to traverse the network. Since the data (your voice, for example) transmitted by satellite broadband must make a round trip into outer space of

44,000 miles, there is an inherent delay between when a message is sent and when it is received. This can make it difficult to provide for a smooth real-time voice conversation, or to play certain online games effectively where response time is critical. Some satellite providers have attempted to address these concerns by offering VOIP service that separates voice data from other data, giving it a higher transmission priority. Unfortunately, there is a delay, given the distance that the data must travel.

**EMERGENCY USE** As with other Internet services, satellite broadband relies on electricity. Unless you have a generator or a backup



battery, the service will not function during electrical outages. This is always a concern if you rely on your broadband provider for voice service. (Traditional phone service from local phone companies has its own source of power.) A wireless phone as a backup would be a good idea. Even a \$10 prepaid wireless device is a reliable E911 device if it is kept charged. In addition, bad weather can potentially interfere with the quality of satellite broadband.

**LOCATION** While satellite broadband signals cover nearly all of North America, including the oceans, obtaining satellite service requires a clear view of the southern sky because the satellites orbit above the equator. Obstructions such as trees, buildings or mountains, could prevent adequate service at a home or business location.

**DATA CAPS** As is true with most mobile broadband services, satellite services typically impose relatively low data caps, which may result in substantial additional charges when your total monthly downloaded content exceeds the amount included with the basic monthly rate.

## CONFUSED ABOUT INTERNET SPEEDS? YOU'RE NOT ALONE

Most modern Internet services are measured in megabits per second, or Mbps. A 1 Mbps connection provides speeds of 1 million bits per second, or roughly 100 pages of plain text per second. Typically, broadband services advertise both download and upload speeds. Download speeds refer to the speed at which you can obtain information from the network (such as by downloading a song), and upload speeds describe the speed at which you can send information back out (such as by sending an email with an attachment). In Maine, the download speeds for residential broadband services generally range from 768 Kbps to 15 Mbps. In practical terms, download speed affects how long it takes for a web page to load or to download pictures, or the quality of streaming video. For example, Netflix recommends a broadband connection of at least 1.5 Mbps to stream movies online, at least 3 Mbps to stream DVD quality video, and at least 5 Mbps for HD quality video. You may not always get the full speed advertised by your Internet service provider because of local network conditions or inaccurate advertising. You can check your actual speed at [www.broadband.gov/qualitytest](http://www.broadband.gov/qualitytest).

## WATCH OUT FOR DATA CAPS!

Some broadband services allow you to download only a given amount of total content each month before additional charges apply, potentially leading to higher-than-expected bills. Mobile broadband (3G/4G) and satellite broadband typically impose the most restrictive data caps. For example, a lower-cost wireless plan may offer just 1 gigabit (GB) of data per month, which you can exceed just by streaming a few hours of video. More typically, a given mobile broadband service may impose a 5 GB data cap, but by streaming just one high-definition movie, a customer may use 4 GB of the 5 GB cap. Although DSL from the phone company or cable company broadband may also impose data caps, those are usually set high enough that the vast majority of customers will not be subject to additional charges. Bottom line: in order to avoid unpleasant surprises on your bill, ask about data caps and how they are priced, before signing up for service, and understand which services (such as streaming video) use a lot of data. You can monitor your data usage with a real-time meter, often available on the website of your provider. Or, try searching for a well-reviewed “data usage meter” on the web. Recently, the wireless industry and the FCC agreed to new rules that require carriers to alert customers before caps are exceeded, in order to prevent “bill shock.” Still, it’s best to monitor your own usage rather than rely entirely on such notice.

## PCs for Maine Offers Affordable Computers for Low-Income Mainers

PCs for Maine is a non-profit organization dedicated to providing quality computers, including software, warranty, and a free year of technical support — all at low prices for those who meet federal income guidelines. Prices begin at \$150 for a refurbished but durable

computer, including software such as Microsoft Office and necessary anti-virus and anti-spyware programs. PCs for Maine acquires large numbers of computers (both laptops and desktops) from large organizations that use durable quality machines but replace them at

regular intervals — typically after 3 years. For more information, go to: [www.pcsformaine.org](http://www.pcsformaine.org) or call (207) 338-4233. For those who do not meet income guidelines, affordable used computers can also be found at [www.buyite.com](http://www.buyite.com) which is run by the same organization.



## NEW FCC BROADBAND FUND LIKELY INSUFFICIENT FOR REMOTE AREAS

Improvements in satellite broadband are now especially important because the Federal Communications Commission assumes that the most remote rural customers in the U.S., including many in Maine, cannot be economically served by traditional wired and wireless broadband service providers. The Federal Communications Commission's \$4.5 billion Connect America Fund will eventually subsidize telephone and cellular companies to deploy and maintain broadband services, but currently reserves just \$100 million to subsidize service for the most expensive rural areas — expected to represent less than 1% of the population. We believe that \$100 million nationally will prove to be far too little to connect all remote rural customers to a quality broadband service. Maine has more than its proportional share of high-cost rural areas where subsidies and alternative technologies will be necessary to provide even one broadband choice. Therefore, we will be looking for opportunities to ask the FCC to increase funding for broadband and telephone service in Maine.

## Comcast offers \$10/Month Internet Service to Certain Low-Income Households

If you live in one of the relatively few areas in Maine served by Comcast and you have a child enrolled in the national school lunch program, Comcast will provide a low-cost computer (\$150), high-speed Internet service (5Mbps) at just \$10/month, and free training. If your household may be eligible, contact Comcast and ask for "Internet Essentials." Call 855-846-8376 or log on at: [www.internetessentials.com/how-it-works](http://www.internetessentials.com/how-it-works).

## CHOOSING THE RIGHT BROADBAND SERVICE

In Maine, some households have a few choices for internet service, some have only one choice, and some have no options at all, though satellite broadband is theoretically available at any unobstructed location (see satellite story, p. 3). The chart on the following page provides an overview of broadband services offered in Maine. Where possible, the chart shows geographic areas where services are available but, because service is always expanding, customers are encouraged to call providers.

Assuming broadband is available, affordability is often an obstacle for those looking to get broadband service. Although some Internet services are faster than others, it may not be necessary to pay for the high-

est speeds. If your usage is typically limited to one or two family members surfing the web, exchanging emails, and watching short videos, you may be happy with a speed of 3 Mbps or less (768 Kbps download is generally the minimum available). For a description of what these speeds mean, see "Confused About Internet Speeds," page 4. You can check the actual speed of your current broadband service at [www.broadband.gov/qualitytest](http://www.broadband.gov/qualitytest), which is provided by the FCC. If you have a choice of speed, pay for the lowest speed that meets your needs. If you routinely watch high-definition movies, if you have many simultaneous users in your household, or if you often download very large files, you may want a broadband speed of

over 12 Mbps. Those higher speeds are typically available from cable providers such as Comcast and Time Warner, though DSL over copper lines from the phone company can achieve those speeds if you live close to their electronic equipment or where the phone company has upgraded its technology. Satellite service providers also claim that they are now offering over 10 Mbps. In some rural areas, fixed wireless broadband is available from small companies, offering speeds that are similar to typical DSL speeds (768 Kbps to 7 Mbps). Some lucky customers are getting even faster fiber-optic service from a few very small providers, such as Cornerstone Communications and Pioneer Broadband.

# ➡➡ broadband internet service providers

COMPANY	AREA	PRICES /NOTES
DSL / FIBER HIGH SPEED INTERNET		
<b>Axiom Technologies   866-708-7998</b> axiom-tech.net	Washington & Hancock counties	\$25/mo. Res. Bus. plans available   \$99 Installation & Modem Fee
<b>Chebeague   207-846-4850</b> Chebeague.net	Chebeague Island	\$40–70 Res.   \$350 Installation Fee (2-year payment plan)
<b>Cornerstone   207-564-5000</b> ccmaine.net	Penobscot & Piscataquis Counties, Calais, and Machias	\$40/mo. Res.   \$70 Installation fee    Fiber-to-the-home service   In parts of Hudson and Lincoln   \$45/mo. at 3 Mbps   \$55/mo. at 10 Mbps   \$200 installation fee (Bus. rates higher)  Faster plans and phone bundles available
<b>FairPoint</b> 866-984-2001 Res. 866-984-3001 Bus. fairpoint.com	Available in much of FairPoint telephone territory	W/Voice Line (1-yr. contract \$23 – \$50) — \$26/ mo. 768K, \$40/mo. 3M, \$48/mo. 7M, \$60/mo. 15M  Standalone DSL (1-yr. contract \$32 – \$60) — \$34/mo. 768K, \$50/mo. 3M, \$58/mo. 7M, \$70/mo. 15M  \$99 early termination fee   Installation & Activation Fees may apply   Higher rates in FairPoint “Classic” territory
<b>GWI   866-494-2020</b> gwi.net	Available in much of FairPoint telephone territory	\$47/mo. Res.   \$55/mo. Bus.   \$50 setup fee (waived if self-installed)   Res. Rates \$20 lower with phone bundles
<b>Oxford Networks   800-520-9911</b> oxfordnetworks.com	Various communities throughout state	\$38/mo. Res.   \$40 – \$80/mo. Bus. No setup fee
<b>Pioneer Broadband   866-335-1254</b> pioneerbroadband.net	Throughout most of Northeast Maine from Caribou to Mars Hills	\$45/mo. Res.   \$55/mo. for Bus.   No setup fee
CABLE MODEM HIGH SPEED INTERNET		
<b>Bee Line Cable   800-439-4611</b> beeline.com/packages internet.cfm	Skowhegan, Wilton, Madison, Industry, Anson, Farmington, Millinocket, E. Millinocket	Res. \$30/mo. 512↓/128↑ Kbps w/o cable   \$27 512↓/128↑ Kbps w/cable  Res. & Bus. \$35/mo 1 Mbps↓/256 Kbps↑   \$43/mo 4 Mbps↓/348 Kbps↑   \$63/mo 8 Mbps↓/512 Kbps↑   No installation fee
<b>Comcast   800-266-2278</b> comcast.com	Berwick, So. Berwick, Eliot & Kittery, Brunswick & Freeport areas	Res. \$40/mo. (3 Mbps)   \$50/mo. (6 Mbps)   \$80/mo. (50 Mbps)   \$115 (150 Mbps) Prices are \$15 lower with TV bundles. \$50 – \$100 Installation fee
<b>Metrocast Online   800-695-2545</b> metrocast.com	Acton, Lebanon, Newfield, Sanford, Shapleigh, Springvale & W. Newfield	Res. \$30 – \$70/mo.   \$100 Installation fee  Bus. \$60 – \$350/mo.   \$100 Installation fee (includes modem rental)
<b>Time Warner Cable   800-833-2253</b> rr.com (Roadrunner)	Most of Maine	Res. \$35/mo. 1↓/1↑ Mbps   \$45/mo. 3↓/1↑ Mbps   \$55/mo. 15↓/1↑ Mbps   \$65/mo. 20↓/2↑ Mbps   \$75/mo. 30↓/5↑ Mbps   \$105/mo. 50↓/5↑ Mbps   \$42.50 Installation fee   Lower rates with two or more services.
FIXED WIRELESS HIGH SPEED INTERNET		
<b>Axiom Technologies   866-708-7998</b> axiom-tech.net	Washington & Hancock counties	\$25/mo. Res (\$100 installation fee)   Bus. Plans Available
<b>Bluestreak   877-338-9015</b> bluestreakme.com	Belfast, Freedom, Morrill, Stockton Springs, Waldo & Searsport	\$30 – \$40/mo. Res.   \$50/mo. Bus.   \$100 – 200 Installation fee
<b>Chebeague   207-846-4850</b> Chebeague.net	Chebeague Island	\$40 – \$70/mo. Res.
<b>Pioneer Broadband   866-335-1254</b> pioneerbroadband.net	Much of northeast Maine from Madawaska to Machias to Howland	\$45/mo. Res.   \$55/mo. Bus.   \$150 Installation fee
<b>Premium Choice   207-735-2611</b> premiumchoicebroadband.com	Much of Maine	\$25 – \$99/mo. Res.   \$200   Installation fee   \$100 Equipment   \$25/mo. 384↓/256↑ Kbps   \$35/mo. 768↓/256↑ Kbps   \$45/mo. 1.5 Mbps↓/384 Kbps↑   \$66/mo. 3 Mbps↓/768 Kbps↑   \$99/mo. 5 Mbps↓/768 Kbps↑

# >> broadband internet service providers cont'd

COMPANY	AREA	PRICES /NOTES
<b>Redzone</b>   207-596-5700 redzonewireless.com	Available in Midcoast Maine (Thomaston/Rockland/Camden area), Mount Desert Island, Cranberry Isles, Hermon, and Portland	\$80 – \$130/mo. Bus.   \$200 Installation fee   \$100 Equipment   \$35 – \$66/mo. Res.   \$45 – \$125/mo. Bus.   \$75 Installation fee   \$75 Set-up fee
<b>SATELLITE HIGH SPEED INTERNET</b> (AVAILABLE IN ALL PARTS OF THE STATE BUT REQUIRES CLEAR VIEW OF SOUTHERN SKY)		
<b>HughesNet (formerly Direcway)</b> 888-667-5537   hughesnet.com	All	\$60/mo. (1 Mbps)   \$70/mo. (1.2 Mbs)   \$8/mo. (1.6 Mbps)   \$120/mo. (2 Mbps)   \$190/mo. (3 Mbps)   \$400 equipment cost   \$200 installation cost   2-year contract   \$400 early termination fee after 30 days
<b>Exede (by ViaSat)</b>   855-627-2553 Exede.com	All	\$60/mo. (10 GB)   \$80/mo. (15 GB)   \$130/mo. (25GB) (Speed is 12↓/3↑ Mbps) \$150 Set Up Fee   Early termination is prorated (Exede offers Home Phone Service @ \$20 1st months) (Unmetered data usage midnight – 5:00 a.m.) \$10/mo. lease equip. fee w/2-year contract
<b>Starband</b>   800-478-2722 starband.com	All	\$50/mo./512 Kbps   \$70/mo./1 Mbps   \$100/mo./1.5 Mbps   all plans require 2 yr. contract   \$300 equipment cost   Request estimate installation fee   \$500 termination fee if cancelled w/in 1st yr of contract   Assigned bandwidth usage is for a rolling period of seven days based on the plan purchased. Bandwidth is only monitored between the hours of 6:00 am through midnight.
<b>WildBlue</b>   866-945-3258 wildblue.com	All	\$60/mo. (10 GB)   \$80/mo. (15 GB)   \$130/mo. (25GB) (Speed is 12 Mbps↓ 3 Mbps↑)   \$6/mo. lease equip. fee w/2-year contract   \$150 Activation Fee   Early termination is prorated (Unmetered data usage midnight – 5:00 a.m.)

Note: Mbps = megabits per second Kbps = kilobits per second (1 Mb is approximately 1,000 times greater than 1 Kb)

↓ = Download speed | ↑ = Upload speed

MOBILE BROADBAND (FROM CELLULAR CARRIERS)				
COMPANY	DATA COVERAGE	PRICE/BROADBAND DATA CAP	PRICE OF LAPTOP CARD	SMARTPHONE BROADBAND MONTHLY FEE/DATA CAPS
<b>AT&amp;T</b>   800-888-7600 wireless.att.com	<b>4G So. ME, Downeast, Greenville</b>  Partner 2G provides service to rest of ME	\$15 – \$50 depending on chosen data cap range from 250 MB to 5 GB	\$20 w/2-year contract   \$36 activation fee   \$50 early termination fee	\$20 – \$500 depending on chosen data cap range from 300 MB to 50 GB
<b>Axiom Technologies</b> 866-708-7998 axiom-tech.net	<b>4G So. of Bangor</b>  <b>3G Western ME and beyond Bangor</b>	\$40 – \$300 depending on chosen data cap range from 300 MB to 40 GB	\$30 w/2-year contract   \$35 activation fee   \$150 termination fee applies   will install antenna on roof or internal antenna for better reception (reseller for U.S. Cellular)	Not Applicable
<b>T-Mobile</b> 800-937-8997 tmobile.com	<b>3G &amp; 4G LTE most of ME</b>	\$20 – \$70 depending on chosen data cap range from 500 MB to 10.5 GB	\$48   \$35 activation fee   \$200 early termination fee	\$50 – \$70 depending on chosen data cap range from 500 MB to unlimited
<b>U.S. Cellular</b> 888-944-9400 uscc.com	<b>4G South of Bangor</b>  <b>3G Western ME and beyond Bangor</b>	\$40 – \$300 depending on chosen data cap range from 300 MB to 40 GB	\$30 w/2 yr. contract   \$35 activation fee   \$150 early termination fee pro-rated	\$40 – \$300 depending on chosen data cap range from 300 MB to 40 GB
<b>Verizon</b>   800-256-4646 verizonwireless.com	<b>3G So., Central, and Northern ME</b>  <b>1X Downeast ME</b>	\$30 – \$335 depending on chosen data cap range from 4 GB to 50 GB	Starting at \$30 w/2 yr. contract  \$20 activation fee   \$175 early termination fee	\$40 – \$375 depending on chosen data cap range from 500 MB to 50 GB



# Turn Cellular Service Into a WiFi Hotspot

If you lack wired broadband service from your cable or phone company at home, but have a reliable cell phone signal, you might be able to obtain portable broadband using a WiFi hotspot device that generates WiFi from cellular (3G/4G mobile broadband) service. These services allow you to connect a certain number of WiFi-enabled devices, such as laptops or tablets. The maximum number of devices that can connect simultaneously is typically between 5 and 10 devices, making the hotspot a potential alternative to cable or telephone company-based Internet service at home. The quality of the service depends on the quality of the cellular coverage, including whether there is 3G or 4G service. In our recent spot test, we found that a hotspot device with 3G clocked a speed of about 768 kilobits per second (768 Kbps) — the approximate speed of lowest-cost DSL service from a phone company.

Hotspot devices typically cost between \$75 and \$350, but are often provided for free or at very low cost in connection with a two-year contract from a cellular provider. However, for low-usage customers, (e.g., custom-

ers primarily using email and web surfing, or occasional users) it may be more economical to buy the device and connect to a prepaid service, avoiding a monthly service plan. Since the service is mobile, these devices could provide Internet access anywhere you go in the presence of cellular service. Some prepaid hotspot services charge as little as \$5/month and 4 cents per megabyte of usage. This may be an economical Internet service for very low-volume users, but if you used 1000 megabytes of data (1 gigabyte) you will have paid \$40 for usage that month plus the \$5 monthly fee. Streaming a single movie could exceed 1 gigabyte. At that usage level over a long period, a monthly data plan with a contract may be a better alternative.

See the Internet charts for other alternatives to wired broadband services from your cable or phone company, including options such as fixed wireless service and satellite service. Note that Axiom Technologies now provides WiFi hot-spot mobile broadband in Washington County, in partnership with U.S. Cellular.

## >> wifi hotspot cellular service

	DEVICE COST*	PLAN COST/DATA CAP	DATA COVERAGE
<b>AT&amp;T</b> 888-333-6651 att.com	\$100 to \$170 w/o contract	\$50/mo./300 MB to \$330/mo./300 GB	Much of ME
<b>AXIOM TECHNOLOGIES</b> 866-708-7998 axiom-tech.net	\$200 w/o contract	\$25/mo./2 GB \$90/mo./10 GB	Much of ME
<b>T-MOBILE</b> 800-937-8997 TMOBILE.COM	\$70 to \$110 contract not offered	\$15/15 days/300 MB \$25/mo./1.5 GB \$50/mo./50 GB	Much of ME
<b>U.S. Cellular</b> 888-944-9400 uscellular.com	\$200 w/o contract	\$25/mo./2 GB \$90/mo./10 GB	Much of ME
<b>Verizon</b> 800-256-4646 verizonwireless.com	\$170 to \$270 w/o contract	\$50/mo./2 GB to \$335/mo./50 GB	Much of ME

\*Typically device is substantially less expensive, or free, with two-year contract.

# telephone

## New Legislation Limits Regulation of Telephone Services in Maine

In 2012, legislation was enacted that significantly changed the regulation of telephone service in Maine. The overall purpose of that legislation was to recognize increased competition in telecommunications services and to decrease regulations that affected traditional telephone companies more heavily than their competitors. As a result, today most telephone services are no longer subject to regulation by the Public Utilities Commission (PUC). What remains regulated is what is now called “provider of last resort” (POLR) service — currently, what we know as traditional basic local service from your local telephone company. The PUC may still regulate the rates for that essential service and ensure that adequate service quality is provided. Complaints about basic telephone service, including billing disputes, are still processed

by the PUC’s Consumer Assistance Division (800-452-4699). Customers have the right to obtain basic local service alone, at a regulated rate, with rules that govern disconnection and service quality. However, the new law removes from regulation all services beyond this basic service, including long-distance and bundled service, services from cable companies, and from competitive local phone companies. Customers who purchase bundles are not protected by rate limits for those bundles but their local service connection remains protected. The new law preserves consumer protections such as enforcement against an unauthorized change of carrier, unauthorized billing charges, and the right to block Caller ID.

In this new regulatory environment, the Public Advocate will continue to

advocate for affordable, reliable telephone service throughout Maine. For example, now that FairPoint’s 5-year regulatory plan has ended, FairPoint has filed for a rate increase at the PUC that is expected to raise the price of its standalone basic local (POLR) service. In the next legislative session, we expect FairPoint to renew its request that the PUC be allowed to provide it funding from the Maine Universal Service Fund (MUSF) in order to ensure adequate service and prevent the need for excessive rate increases, given that FairPoint and other local providers are required to serve every customer within their territories. The MUSF is funded by contributions by phone companies, wireless companies, and cable companies that provide VOIP services.

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## FairPoint Withdraws 3 Free Directory Assistance Calls Per Month — All Requests Now Billed at \$1.75 Each

As a result of the Legislature’s reforms to decrease telecommunications regulation in Maine, regulation over the services of FairPoint and other telephone companies is limited to the essential basic local service — now officially referred to as “provider of last resort” (POLR) service. Since directory assistance is not included within the definition of POLR service, FairPoint and other local telephone companies are now free to withdraw the longstanding requirement to offer 3 free directory assistance

calls to its customers. At the same time, FairPoint is taking the opportunity to dramatically increase the cost of each directory assistance call — to \$1.75. At this writing, we have not been advised of new directory assistance policies of other local telephone companies.

If you have access to the web, you may have luck getting free directory assistance from [www.411.com](http://www.411.com). Unfortunately, we have not found any currently reliable and free phone-based directory services.

# Plain Old Telephone Service

As you can see from the many charts and tables in this guide, there are a whole lot of communication choices these days. Still, the majority of households in Maine continue to rely on plain old telephone service, which consists of basic phone service at a home or business with unlimited local calling, and long-distance service that may be purchased as part of a bundle or as a separate service — even from a second phone company. These traditional phone services use the copper wires owned by your local telephone company, which conduct electrical current to support the service even during most electrical power outages.



The charts below show a sampling of the many local and long-distance options available for those who want traditional telephone service. These companies were chosen because they have the lowest prices we've found, or because they are widely marketed in Maine. These prices should

be compared to the offerings of your local telephone company.

For example, standalone local service from FairPoint is currently \$14.69 per month, plus a subscriber line charge of \$6.16 and standard regulatory surcharges, though FairPoint has filed for a rate increase of \$2.00 /month for its residential and business local service.

## LOCAL SERVICE (ALTERNATIVE TO YOUR LOCAL PHONE COMPANY)

NAME/PHONE/WEBSITE	BUSINESS OR RESIDENTIAL	MONTHLY RATES PER LINE* (EXCLUDING SURCHARGES & TAXES)	NOTES
<b>BCN Telecom</b> 888-866-7266 bcntele.com	B	\$27.80 – \$37.80 depending on number of lines & bundle of services	Available throughout FairPoint territory
<b>EarthLink Business</b> 877-355-1501 earthlinkbusiness.com	B	\$36.49 – \$38.39 depending on contract length	Available throughout FairPoint territory
<b>GWI</b> 866-494-2020 gwi.net	B R	B – \$44.43 R – \$39.95	*Phone rate is reduced by \$12.45 when combined with DSL service   Available throughout FairPoint territory   Features package including voicemail: \$5
<b>OTT Communications</b> 877-643-6246 ottcommunications.com	B R	B – \$26.00 – \$35.00 R – \$50.45 local/DSL	Statewide (some limitations apply)
<b>Oxford</b> 800-520-9911 oxfordnetworks.com	B R	B – \$31.28 – \$40.34 R – \$16.63 – \$19.72	Norway/South Paris
	B R	B – \$24 – \$28 depending on number of lines R – \$24.20 – \$24.95	Lewiston/Auburn
<b>Pioneer Telephone</b> 866-329-8700 pioneertelephone.net	B & R	B – \$38.78 depending on calling features R – \$22.19 depending on calling features	Available throughout FairPoint territory
<b>Telrite</b> 866-746-3873 telrite.com	B & R	\$35.49 – \$39.49 depending on contract length	Available throughout FairPoint territory   Optional callings features available at \$5 per feature

\*Compare to Fairpoint's local rate which is the same as those shown for Pioneer Telephone.

## >> standalone long-distance service

Long-distance providers handle the calls that terminate outside of the local calling area that is a part of basic local telephone service. The following chart provides four examples out of many long-distance providers that offer pay-as-you-go service for long-distance calls. These companies were chosen

because they charge low per-minute rates for both instate and interstate calls for customers in Maine. As a general rule of thumb, customers who consistently use more than 600 minutes of outgoing long-distance calls should consider bundles with unlimited U.S./Canada long-distance and other features such as

Caller ID, voicemail, etc. Since pay-as-you-go long-distance is available to many customers at about 3 cents per minute, 600 minutes would cost approximately \$18 above the cost of local service. Those using far more should look at bundles while those using far less should avoid bundles (see chart on page 13).

STANDALONE LONG-DISTANCE SERVICE								
COMPANY	PIONEER pioneertelephone.com		TOUCHTONE touchtone.net		FAIRPOINT fairpoint.com		ONESUITE.COM fairpoint.com	
FEATURED PLAN	Talk Cents		3.9¢ Plan		5¢ Standalone Plan		Onesuite.com (prepaid)	
(RESIDENTIAL)	Instate	Interstate	Instate	Interstate	Instate	Interstate	Instate	Interstate
RESIDENTIAL per minute rate (excluding surcharges & taxes)	2.9¢	2.7¢	2.1¢ to 8.6¢	1.9 to 2.7¢**	5¢	5¢	2.9¢	2.9¢
Monthly Minimum	none		none		none		none	
Monthly Fee	\$1.99*		\$3.00		\$6.00		none	
Hawaii/Alaska	6.9¢		7.9¢/15¢		5¢		4¢	
SAMPLE RESIDENTIAL INTERNATIONAL RATES (per minute)								
Canada	3.9¢		3.9¢		\$1.04*		3.2¢	
Avg. Western European	4.7¢		4.9¢		\$3.25*		6.14¢ to 15¢	
Rate available in rural independent areas?	no		Yes, rates vary		no		yes	
(BUSINESS)	Instate	Interstate	Instate	Interstate	Instate	Interstate		
Business per minute rates (excluding surcharges and taxes)	3.5¢	2.7¢	3.9¢	3.9¢	5.5¢	5.5¢	2.9¢	2.9¢
Monthly Minimum	none		none		\$5.00		none	
Monthly Fee	\$1.99*		\$2.97		none		none	
PICC Charges (per line)	\$4.21		\$3.99		25¢		none	
In-bound 800 Rates	3.5¢**	2.7¢**	3.9¢*	3.9¢*	5.4¢*	5.4¢*	N/A	N/A
TO SUBSCRIBE, CALL:	800-808-9000		Agents in Maine: 888-594-2500, 207-839-8484		800-585-4466, 866-984-2001		866-417-8483	
NOTE: Surcharges are not included in the rates shown \$5 fee to change carrier is often covered by new carrier upon request PICC charges (a per-line access charge) apply to multi-line business customers only 1-minute billing unless otherwise noted *Beware that international calls to mobile phones priced much higher	*\$1.99 fee waived w/online billing or usage over \$15 **99¢/mo. per 800 number Alt. Plans-Rate Buster 2.9¢ instate/2.7¢ interstate with 1-minute billing 6-second billing with listed plan Pioneer is a Maine company 1.9¢/min. to call other Pioneer customers \$10 one-time credit available if you mention Public Advocate's Ratewatcher Guide when requesting new service Pioneer now offers local telephone service bundles		6-second billing Lower rate may be available for high-volume customers Customer service 800-266-4006 *\$1.99/mo. per 800 number **Prices vary by local area.		1-minute billing residential 6-second billing applies to most business plans *\$4/mo. for World Select City Plan for lower international rates **\$12/mo. fee applies to 800 inbound service		Minutes purchased online expire 6 months from activation, last recharge, or usage Voicemail via email attachment Lower rates apply when using VOIP access from your computer	

# SAVING MONEY WITH BUNDLES? PERHAPS.

Your local telephone company and some competitors may offer internet and local and long distance telephone service for residential customers for one price as a so-called “bundled service.” For some customers, the bundled price may be lower than separately purchasing each individual service, and some appreciate the convenience of paying for multiple services on a single bill. Bundled services are not subject to rate regulation so rates are sometimes negotiable. To test the bundle price, it often pays to bargain with each company separately and learn the best price for each individual service outside of a bundle, and then consider whether you need all of the services offered by a bundle. When comparing advertised prices for bundled services, keep in mind that telephone companies almost always add the subscriber line charge rate (\$6.16 to 6.50), an access recovery charge rate (ARC — up to \$1 this year), plus regulatory surcharges, all of which are normally not included in advertised prices. If you purchase bundled service, it pays to call your provider and ask for a lower rate from time to time. Many customers are able to get price breaks when they request them. It is also a good idea to keep tabs on your bundle price, particularly after the expiration of a promotional offer. Some companies have been known to draw in customers with initially low rates and then continually raise them.

In Maine, only cable companies directly provide TV, internet and

telephone services in one bundle over their own network, except for very limited areas where fiber-optic service is available. Nevertheless, through joint marketing, FairPoint also offers a triple play bundle that includes DirecTV’s satellite TV service. How-

ever, because FairPoint does not control the satellite TV service, billing and customer service may not always be seamless and the TV service may be subject to a separate one or two-year contract with early termination penalties.





## >> bundled plans: residential (local, long-distance, and dsl)

COMPANY	FEATURES	UNLIMITED LOCAL AND TOLL	UNLIMITED LOCAL AND INSTATE TOLL	UNLIMITED TOLL* ONLY	DSL & UNLIMITED LOCAL & TOLL	NOTES
<b>FairPoint</b> 866-984-2001 fairpoint.com	Unlimited to U.S., Canada, Puerto Rico, Guam & U.S. Virgin Islands	\$31.14 1 year commitment*	\$37.35 month-to-month  Choice of 3 features (Voicemail not included)	N/A	Starting at \$43.94  \$48.94 with features	12 month introductory bundle rate  *Price valid as of July 2013. Month-to-month plans are available. Not all services available in all areas. Pricing not guaranteed.
<b>GWI</b> 866-494-2020 gwi.net	Unlimited to U.S. & Canada  *5 optional features	\$46*	\$36*	N/A	\$65	Phone rate is \$12.45 less with DSL bundle  Available in most of FairPoint territory  \$5 extra w/features inc. voicemail
<b>IDT Unlimited</b> 800-889-9126 idt.net	Unlimited to U.S. & Canada  *plus variable calling features	\$51.50	\$34*	N/A	N/A	Throughout FairPoint territory  Voicemail \$2.95/mo.
<b>OTT Communications (VOIP)</b> 877-643-6246 ottcommunications.com	Unlimited to U.S. & Canada  *3 features	N/A	N/A	\$20	\$64.95*	Various locations throughout Maine  1-yr. contract required   \$75 early termination fee
<b>Oxford Networks</b> 800-520-9911 oxfordnetworks.com	Unlimited to U.S. & Canada  *plus variable calling features	\$50  (\$43 without features)	N/A	\$18	\$81*	Lewiston/Auburn and Norway/South Paris area only

Note: Prices include approximation of the subscriber line charge, which are not included in advertised rates.

## LIFELINE FOR LOW-INCOME CUSTOMERS NEW CHOICES AND NEW RULES

Lifeline is a federal program that makes phone service more affordable, and in some cases free. You are eligible for Lifeline if you benefit from a federal assistance program such as Medicaid (Mainecare), food stamps (SNAP), SSI, energy assistance (LIHEAP), Temporary Assistance for Needy Families (TANF), or the National School Lunch Program, among others. It is also possible to qualify by showing that your income is less than 135% of the federal poverty guidelines for your household size. Eligible customers choose between a substantial discount on the monthly cost of traditional home phone service, a free mobile phone and 250 (typically) free minutes each month, or a discount from certain plans of U.S. Cellular. In addition, Time Warner Cable may soon offer a Lifeline benefit in connection with its cable-based VOIP telephone service. The chart below shows the prepaid wireless telephone providers that are certified to provide Lifeline service in Maine. Most offer a free phone plus

250 free minutes of wireless service each month, though the service areas and features vary.

After a number of allegations that the Lifeline program had been subject to abuse by carriers and customers, the Federal Communications Commission (FCC) imposed new rules intended to reduce fraud. These new rules ensure that no household has more than one Lifeline benefit, regardless of the number of people in the household. The FCC also now requires that customers complete a form certifying that they are still eligible for Lifeline each year, in order to continue to benefit from Lifeline.

You may apply for Lifeline by directly contacting your local telephone company or one of the qualified wireless providers. For additional assistance, contact your local Community Action Program or call 211. If you are disabled or over 60, you may also contact your Aging and Disability Resource Center at your local Agency on Aging at 877-353-3771.

## Fewer Reasons to Buy Prepaid Calling Cards

While past editions of the *Ratewatcher Guide* have included comparisons of prepaid calling cards, in most cases there are now better alternatives for wireline phone calls. At home, full-service direct-dial long distance services charge as little as 3 cents per minute (for those who don't choose bundles with unlimited calling in the U.S.). For calls made away from home, the widespread use of wireless phones has led to the virtual disappearance of pay phones. In the absence of pay phones, prepaid calling cards lose much of their practical use.

Prepaid phone cards continue to provide a benefit for customers who frequently call a particular country, because certain prepaid cards offer the lowest international rates to certain countries. Given the vast number of such products on the market, it is not possible to review each individually. However, in general, when shopping for a prepaid card, watch out for hidden charges, such as extra minutes deducted for in-state calls, for directory calls, or flat per-call surcharges. Also make sure that the minutes do not expire before you are likely to use them.

Another circumstance in which consumers might find prepaid minutes economical is while traveling abroad. For the equivalent of \$5–10 US, an American abroad can often buy a satisfactory number of prepaid landline minutes in a foreign country to call home several times over a trip of two weeks' duration, whereas buying a wireless phone (or a SIM card necessary for a phone already in one's possession) would probably cost much more.

PREPAID WIRELESS LIFELINE SERVICES AUTHORIZED IN MAINE

COMPANY	SERVICE AREA	PLAN
<b>Assurance Wireless (Virgin Mobile)   888-898-4888</b> <b>Assurancewireless.com</b>	South of Gardiner—Not in Augusta or beyond	Free phone   250 free voice minutes per month (add'l mins. @ 10¢ per min.)   250 free text messages
<b>Budget Mobile Lifeline   888-777-4007   Budgetmobile.com</b>	Most of Fair-Point Territory	Free phone   250 free voice minutes per month
<b>Cintex (Liberty Wireless) 800-826-0337</b> <b>Cintexwireless.com</b>	South of Brunswick	Bring your own phone   100 free voice minutes per month   unlimited international texting
<b>Safelink Wireless (Tracfone) 800-723-3546</b> <b>Safelinkwireless.com</b>	Most of Fair-Point Territory	Free phone   250 free voice minutes per month   1,000 free text messages
<b>YourTel (TerraCom Wireless) 855-299-9990</b> <b>Yourtelwireless.com</b> <b>Yourtelamerica.com</b>	Most of Fair-Point Territory	Free phone   250 free voice minutes per month   text messaging @ 1 minute per text message

# voip

## VOIP Services Come in 3 Basic Flavors

Voice over Internet Protocol (VOIP) services provide telephone service by transmitting voice information digitally over the internet. Most VOIP services have one thing in common: they don't work for more than a few hours in the case of an electrical power interruption. Other than that, quality and reliability varies, mostly depending on the "flavor" of the VOIP product. As shown in the chart on the following page, VOIP services include various types:

- **COMPUTER-BASED FREE OR LOW-COST SERVICES** that offer less convenience for a lower price,
- **MONTHLY-FEE SERVICES** that use an adapter device connecting your phone to the Internet, and
- **PRIVATE-NETWORK INTERCONNECTED VOIP** typically offered by cable providers.

Computer-based VOIP services typically allow you to call other computers using the same service over a broadband connection for free, and call to regular phone numbers for relatively low prices, or sometimes for free. These services generally require a turned-on computer and some familiarity with the VOIP program being used. These services are not considered reliable for E911 service. These services are portable.

Mid-level VOIP services are typically portable services that use an adapter

between your telephone and your broadband connection. Monthly fees apply but they are often lower than the rates for traditional telephone service. Service quality varies, depending on network conditions, but is generally good. These services allow you to bring your local telephone number to any location in the world where you connect the adapter to a broadband connection.

At the high-quality end of the VOIP spectrum are the voice services from cable companies, and other providers under the "Enhanced VOIP" section of the chart, which are generally

priced at about \$45 when sold as a separate product. However, cable companies rarely sell their telephone services as a separate product — the vast majority of their phone customers also take TV service, Internet service, or both. If you already have TV service and Internet service from your cable company, call the cable company and ask for the best "Triple Play" promotion — it may turn out that adding phone service will cost very little — even nothing in some cases — at least for the first year. Note: these services are not portable, but do comply with FCC rules requiring E911 service.

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### CHEAP CALLS — INCLUDING INTERNATIONAL

Many customers have been surprised by high international charges when using their U.S.-based cell phone service from other countries. However, there are some cheap options. First, if you have a smart phone (or an iPad or iPod Touch) that connects to WiFi, you can download a mobile version of Skype or other apps that take you to a local number connected to a voice over Internet (VOIP) service. Then, when you call an international phone number (or call back to the U.S.), your per-minute rate may be about 50 times lower than a typical international rate from a cellular carrier. Other services that can save big money on international mobile calling if compatible with your smartphone (or iPad or iPod Touch) include Fring and Truphone. All of these services include high-end features, such as video chats. Generally, the quality and price is best when you are in the presence of WiFi connectivity as opposed to a cellular 3G service, which is less capable for voice (VOIP) packet transport.

Other services that allow for free or cheap calls from a regular phone, smart phone or from a computer/tablet include Google Voice, Line2, Freephone-2Phone, and Textfree with voice.

## >> sample of residential voip services and plans

	FEATURES	PRICE	NOTES
<b>FREE/LOW COST/PREPAID</b>			
<b>BASIC TALK HOME PHONE</b> Basictalk.com 800-718-4886	Unlimited calling U.S.	\$10/mo.	Connect device to open port on WiFi router
<b>CALLCENTRIC</b> callcentric.com 212-379-4027	Free calling to other CallCentric users or ring phone numbers at low domestic or international rates	Free between CallCentric users 2.7¢/min. for domestic calls and low international rates	Requires software or telephone adapter
<b>GOOGLE VOICE</b> Google.com/voice	Allows free calling from computer and will ring all or any of your landline or wireless telephones	Free except for international calling which is offered at low rates	New telephone number is assigned. You decide which of your phones ring when that number is dialed. Also enables calling directly to and from Gmail.
<b>JAJAH</b> jajah.com 650-967-4357	Dial call on computer—then talk on your regular phone	Free to other Jajah users 3¢/min. for domestic calls	Innovative service requires no software or equipment
<b>SKYPE</b> skype.com	Unlimited worldwide PC to PC and low rates to ring regular phone numbers	Free to other Skype users 2.3¢/min. for domestic calls (some plans include certain international calling) Low international rates Receive calls — starting at \$6/mo. Plus 3.9¢ to 7.9¢ connection fee per call	Requires computer mic/speakers, or headset Automatic refill plans are available including monthly, quarterly or yearly subscriptions Skype unlimited domestic calling starting at \$3/mo.
<b>VOIP SUBSCRIPTION SERVICES WITH PHONE ADAPTER</b>			
<b>AXIOM TECHNOLOGIES LLC</b> axiom-tech.net 866-708-7998	Unlimited to U.S.	\$32.50/month	\$99 Installation w/adapter
<b>BROADVOICE</b> broadvoice.com 212-202-0300	Unlimited in Maine	\$10/month + 3.9¢/min. interstate & Canada Low international rates	Adapter included \$30 activation fee May be used with Android mobile phone Several other calling plans available
	Unlimited World (U.S. + 28 countries)	\$20/month	
<b>FUTURE NINE</b> future-nine.com	Pay-As-You-Go or monthly subscription	1¢/min. \$7/mo. 250 domestic min. \$13.50/mo. 2000 domestic min.	
<b>MAGICJACK PLUS</b> magicjack.com 561-594-2140	Unlimited to U.S., Puerto Rico & U.S. Virgin Islands	\$20/year	Option to connect directly to broadband or computer USB port
	Unlimited to other MagicJack users		\$40 for first year \$20 for each add'l year of service
<b>OOMA</b> ooma.com 866-452-6662	Unlimited to U.S. & Canada	Initial cost for ooma device begins @ \$150 3 International Calling Plans Offered under OOMA Premier	No monthly fees or contracts No per-minute cost for domestic calls \$40 to port telephone number \$5/mo. for voicemail or \$50/yr.

# >> sample of residential voip services and plans

cont'd

	FEATURES	PRICE	NOTES
VOIP SUBSCRIPTION SERVICES WITH PHONE ADAPTER (CONT'D)			
PHONE POWER Phonepower.com 888-607-6937	24 Month Unlimited U.S./Canada + 1 Hour Free International Calling Per Month	\$15/mo. with 2 yr. contract	Free equipment lease
	Month-to-Month Unlimited U.S./Canada + 1 Hour Free International Calling Per Month	\$20/mo. with 1 yr. contract	
SIMPLEPHONE CO. Simplephoneco.com 888-272-8070	Unlimited Minutes Free Local + Long Distance	\$12/mo.	\$10 adapter No activation fees
VIA TALK Viataalk.com 866-626-7150	Unlimited U.S./Canada	\$17/mo. Add'l 1200 International Minutes \$9/mo.	\$30 activation fee No setup fee
VONAGE vonage.com 800-486-6315	Unlimited U.S., Canada & Puerto Rico + 60 countries	\$26/mo. International calls starting at 1¢	No activation fee Adapter included
	500 Minutes	\$18/mo. (3.9¢/min. after 500 included)	
PRIVATE NETWORKS (enhanced VOIP)			
207ME.com 888-229-2411	Unlimited U.S., Canada, Puerto Rico & U.S. Virgin Islands, Guam, Mariana	\$30/mo.	Available only in new FairPoint. May be available in independent areas soon Digital Adapter \$75 \$3/Voicemail \$3/Paper Billing Other plans available, including \$24 plan — unlimited Maine calling plus unlimited calling to top 10 national phone numbers
	Unlimited Maine + Long Distance at 1.9¢/min.	\$20/mo.	
	Unlimited Local + Long Distance/U.S./Canada at 4.9¢/minute	\$15/mo.	
COMCAST Digital Voice (Xfinity) comcast.com 800-266-2278	Unlimited to U.S., Canada and Puerto Rico	\$45/mo.	\$30 activation fee plus installation
	Available in most of Bath, Bowdoin, Bowdoinham, Durham, Freeport, Harpswell, Phippsburg, West Bath and Woolwich	Alternative plan — \$25 unlimited local + 5¢/min. toll	Discounts available with TV/Internet bundle
DIGIPHONE Bee Line Cable www.getbeeline.com 800-439-4611	Unlimited to U.S. and Canada	Residential \$37.75/mo. Business \$44.95/mo.	Bee Line Cable area only Free installation
	Unlimited to U.S., Hawaii, Alaska & Canada	\$35/mo.	
MIDCOAST INTERNET SOLUTIONS midcoast.com 207-594-8277	Unlimited to U.S., Canada, Guam, Puerto Rico & Virgin Islands	\$24/mo. Europe 7¢ – 12¢/min.	Adapter \$40 – \$55 depending on model
	Unlimited Local Calling	\$18/mo.	Available in FairPoint territory area
TIME WARNER CABLE Digital Phone timewarnercable.com 877-410-1440	Unlimited to U.S., Canada, Guam, Puerto Rico & Virgin Islands	\$40/mo. Europe 7¢ – 12¢/min.	Most of Maine Free installation Discounts may be available with TV/Internet bundle

Note: FCC has required full service retail interconnected VOIP providers to comply with E-911. Some services listed here are not required to provide E-911.



# wireless

## Choosing the Right Cellular Service in Maine

The single most important factor in choosing cellular service is whether your provider has strong signal coverage in the places where you expect to use the phone. It's best to investigate which carrier has the strongest service in your area before signing up for a new service, but, if you are not satisfied with the quality of service, return the phone and cancel the contract as soon as possible within the grace period — usually between 15 and 30 days from the start of the contract. After that, choosing the best cellular service for you will depend on how you intend to use your cell phone.

### NEED A PHONE FOR AN OCCASIONAL CALL OR IN CASE OF EMERGENCY?

1. Look at the prepaid options on the following page. You will avoid contracts (with early termination penalties) and pay for only the minutes you use. The best deals provide up to 800 minutes that last a full year for \$100 (Tracfone with double minutes) — and those minutes may last longer if you buy new minutes before the old ones expire.
2. Look at monthly plans that offer low prices for low usage. If your usage is relatively steady, resellers such as Consumer Cellular offer plans that start at \$15/month for a limited number of minutes, and allow you to avoid contracts.
3. If you want a phone strictly for emergency calls, consider buying a prepaid phone (e.g. \$10 Tracfone) which will reach E911 as-

stance even without purchased minutes when the battery is charged and phone is in the range of cellular service.

4. Look at Lifeline options. If you meet low-income qualifications, you can get 250 minutes per month of wireless service at no charge.

### IF YOU CONSISTENTLY USE MORE THAN A FEW HUNDRED MINUTES PER MONTH OR WANT INTERNET ON A SMARTPHONE,

1. Look at the monthly fee plans on page 20. Choose Verizon or U.S. Cellular if the CDMA network is strongest in your area — choose AT&T or T-Mobile if the GSM network is best. If a carrier in your area offers 4G (LTE), you will get faster Internet service. Resellers like Tracfone (which owns StraightTalk) and Consumer Cellular may provide good coverage using those same networks.
2. Many carriers offer lower prices on phones if you sign up for a 2-year contract subject to early termination fees. Some carriers are now offering no-contract plans, usually with the tradeoff of charging a higher price for the phone. Early termination penalties should be avoided, whenever possible, because they can be costly, and because the contract may prevent you from finding better deals that may become available during the next two years.

3. As an alternative to a standard contract plan from one of the facilities-based providers, you may save money and avoid contracts by using a monthly prepaid service of a high-volume reseller with unlimited voice, text and data (Internet) service, such as StraightTalk (a product of Tracfone). However, these services connect a single phone — often, no family sharing is available. See page 21.

### CAN I USE AN OLD PHONE WITH NEW SERVICE?

If you already have a phone and want to use it with a different cell phone provider, you are likely to be disappointed. Devices are usually locked to a particular carrier's service, either intentionally or because of technical incompatibility. For example, the existing 3G technology, prevalent in most of Maine, may use the GSM transmission mode (AT&T and T-Mobile) or the CDMA mode (U.S. Cellular and Verizon), so that AT&T phones (which use GSM) won't work on U.S. Cellular's CDMA network. There are similar interoperability issues with newer 4G LTE technology. While some devices are designed to work with a variety of frequencies or transmission modes, device software may still essentially "lock" the phone to one service. However, your carrier may agree to "unlock" the phone upon request at the end of your contract period.

## >> prepaid wireless plans

	AT&T GO PHONE att.com/gophone.com 800-467-4663	NET 10 (TRACFONE) net10.com 877-836-2368	T-MOBILE tmobile.com 877-387-4324	TRACFONE tracfone.com 800-867-7183
Initial Cost of phone	\$15 – \$450	\$30 – \$650 or bring your own un- locked phone	\$58 – \$739 or bring your own phone, \$10 to activate	\$10 – \$90
Home Area	Most of U.S.	Most of U.S.	Most of U.S.	Most of U.S.
Airtime Rate Per Minute (U.S.)	10¢	10¢ – 15¢	10¢ – 33¢	13¢ – 33¢
Roaming Charge Per Minute	0	0	0	Double airtime rate may apply in certain roam- ing areas with non-GSM phones
To Canada	additional 19¢ per minute	additional 5¢ per minute	additional 50¢ per minute	Airtime rate
From Canada	39¢	No service	69¢ per minute	No service
Minimum Recharge Dollars	\$25	\$20	\$10	\$20
Expiration of Minutes (days) (varies by refill amount chosen)	30–365	30–180	90–365	90–365
Messaging/Texting on compatible phones	20¢/min. to send 20¢/min. to receive	5¢ text sent/received	10¢ text sent/received	1/3 of 1 airtime minute
<b>ESTIMATED ANNUAL COST FOR A CUSTOMER USING 25 OR 100 MINUTES/MONTH (DOES NOT INCLUDE COST OF INITIAL PACKAGE OR ROAMING CALLS)</b>				
<b>25 minutes/month</b>				
Cost	\$100	\$200	\$100	\$100
Minutes purchased	400	3000	1000	400 (800*)
Type of refill	1 x 365 days	2 x 180 days	1 x 365 days	1 x 365 days
<b>100 minutes/month</b>				
Cost	\$300	\$200	\$150	\$200
Minutes purchased	1200	3000	1400	1500
Type of refill	3 x 365 days	2 x 180 days	1 x 365 + 1 x 90	1 x 365 days
NOTE: Customers who use more than 150 minutes per month should consider regular monthly fee cellular plans.	Unlimited Calling Plan nation- wide, \$3/day access charge.  With unlimited AT&T Mobile to Mobile plan— calls 10¢/ min. + \$1/day access fee on days when there is any incom- ing or outgoing use.  Messaging and Data packages available.  Minutes roll over.	May not make or receive calls from locations outside of U.S., Puerto Rico or U.S. Virgin Islands.  Must register to make international calls —Interna- tional calls 15¢/min. to over 60 countries.  Minutes roll over.	Airtime rate depends on num- ber and duration of minutes purchased.  After spending \$100 you may receive 15% more minutes and 365 days duration.  Monthly prepaid unlimited and 10¢/min plans available.	Airtime rate depends on num- ber and duration of minutes purchased.  *Double-minute promotions available.  No extra charge for calls to over 100 international destinations.  Minutes roll over.

## monthly fee wireless plans

	AT&T wireless.att.com 888-333-7055	T-MOBILE tmobile.com 800-866-2453	U.S. CELLULAR uscellular.com 888-944-9400	VERIZON verizon.com 800-256-4646	RESELLERS	
	2 yr Contract Nation 450 Family Talk	No Contract National Indi- vidual	2 yr. Contract Share Data**	2 yr. Contract Share Everything**	CONSUMER CELLULAR consumercellular.com 888-345-5509	STRAIGHTTALK straighttalk.com 877-430-2355
Monthly Fee	\$40	\$50	\$30	\$30*	No Contract Anywhere 2000	No Contract All You Need
Anytime Minutes	450	Unlimited	Unlimited	Unlimited	\$40	\$30 – \$45
Offpeak Minutes	5000	Unlimited	Unlimited	Unlimited	2000	1000 – Unlimited
Cost per extra min.	45¢	N/A	Unlimited	Unlimited	None	N/A
Cost of extra line	N/A	N/A	\$30	\$30	25¢	N/A
Roaming Rate	0	0	0	0	\$10	N/A
From Canada	79¢	79¢	\$3.00/day plus 99¢ per min. & add'l toll varies by province	89¢	Not available	International Plan \$60 (400 min.)
To Canada	39¢	59¢	19¢	29¢	20¢	Not available
Home Area	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.
Text messaging	20¢ per text message sent/ received \$20/mo. – Unlimited text to any mobile number	20¢ per text message sent/ received.	Unlimited	Unlimited	\$2.50/mo. – 100 text \$5/mo. – 500 text \$10/mo. – 1000 text \$20/mo. – 5000 text \$30/mo. – 15,000 text	\$30/mo. – 1000 texts \$45/mo. unlimited texts
Cost of Data	\$20/mo. 300 MB \$50/mo. 5 GB	1st Line – \$50 plan/500 MB \$70 unlimited – 2nd Line Add'l \$30/mo. 500 MB \$50 unlimited	\$50 – 1 GB \$60 – 2 GB \$70 – 4 GB \$90 – 8 GB \$100 – 10 GB and higher	\$50 – 1 GB \$60 – 2 GB \$70 – 4 GB \$90 – 8 GB \$100 – 10 GB and higher	With text plan \$2.50/mo. 10 MB data \$30 2 GB data	With \$30/plan 30 MB data With \$45/plan unlimited
Notes	Unlimited mobile-to-mobile minutes between AT&T users. Min. rollover for up to 1 yr. Up to \$1.25 “regulatory fee” ap- plies to all plans. Push to Talk available on Single and Family Plans. \$30 “Senior Nation” plan with 200 min. and 500 off peak min. Nation with Canada – Individual and Family plans available.	Unlimited mobile-to-mobile min- utes between T-mobile users. Regulatory fee of \$1.61 per line/ mo. Directory Assistance \$1.99 + airtime. Hotspots (VOIP) service avail- able. Family Plans	Unlimited mobile-to-mobile minutes between U.S. Cellular mobile users *Dependent upon choice of phone (Reg. Phone or Smartphone \$40/mo.). **Extra monthly charges for services and devices-e.g. hotspot device \$20/mo., tablet \$10/mo. 411 Directory Assistance – \$1.99 per call. \$1.57/monthly “regulatory fee.” Lifetime plans available 2 Year Contract Pro-rated Termination penalty of \$150	Unlimited mobile-to-mobile min- utes between VZ mobile users *Dependent upon choice of phone (Reg. Phone or Smart- phone \$40/mo.). **Extra monthly charges for add'l services and devices - e.g. hotspot device \$20/mo., tablet \$10/mo. \$1.06/mo. “regulatory fee” Push to talk available \$5/mo. Mobile Broadband available for day, week or month 411 – \$1.99 + airtime Early Termination penalty of \$175	Referral Program – \$10 credit. 5% discount for AARP members. Plans: \$10/mo. – 25 min. \$15/mo. – 150 min. \$20/mo. – 350 min. \$50/mo. – 5000 min. \$60/mo. – 5000 min. Reseller—uses facilities of other carriers.	Minutes do not roll over Free 411 Automatic refills or on demand refills Reseller—uses facilities of other carriers

## >> prepaid high-volume voice/text/data plans

Monthly prepaid unlimited talk/text/data wireless service is a relatively recent addition to the wireless market. It began when StraightTalk (a Tracfone brand) offered such unlimited service, without any contract, for just \$45/month. Since then, as the chart below

shows, a number of other providers have begun to offer this type of service. For high-volume users, these services can save you money compared to traditional monthly fee contract plans.

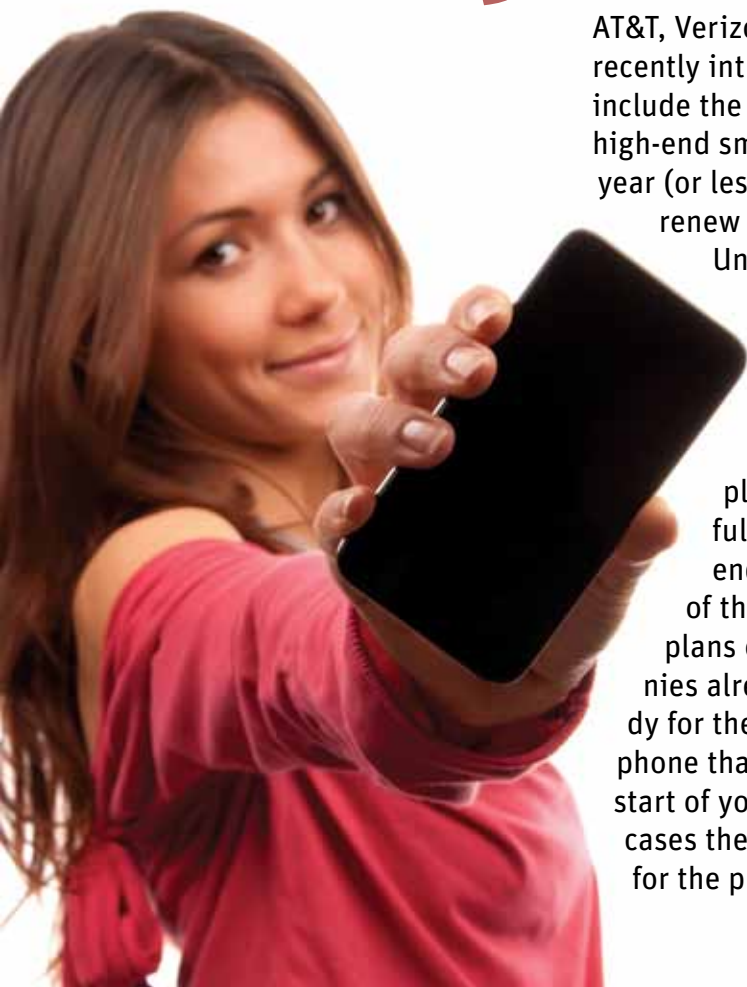
	AT&T GO PHONE att.com/ gophone.com 800-467-4663	NET10 UNLIMITED net10.com 877-836-2368	T-MOBILE UNLIMITED tmobile.com 800-387-4324	STRAIGHTTALK straighttalk.com 877-430-2355	U.S. CELLULAR PREPAID uscellular.com 888-944-9400	VERIZON PREPAID verizonwireless. com 800-256-4646
Monthly Rate	\$50 Basic Phone	\$50 \$45 Auto-Refill	\$50	\$45	\$50 Basic Phone \$60 Smartphone	\$50
Data	Unlimited	Unlimited	500 MB	Unlimited	Unlimited 2 GB	Unlimited

## Early Upgrade Programs May Not Add Up

AT&T, Verizon and T-Mobile recently introduced plans that include the right to get a new high-end smartphone every year (or less) without having to renew a two-year contract.

Unless you absolutely must have the latest phone, these plans are probably not a good deal. In general, these new plans spread out the full retail cost of a high end phone over the life of the plan. But the basic plans of cell phone companies already include a subsidy for the reduced price of the phone that you acquired at the start of your contract. In most cases the higher monthly fee for the plan plus the phone

subsidy that is already embedded in your basic monthly rate adds up over time to as much, or more, than the full retail price of a new unlocked phone. And most plans require you to trade your old phone in to take advantage of the new phone upgrade. If you are considering these plans, you should decide whether the ability to upgrade after 12 months is worth paying significantly more for your phone than you would pay if you waited for your scheduled upgrade. Another option: if you want to pay a monthly service fee that does not include a subsidy for the device, consider one of the prepaid high-volume plans that offer lower rates but require you to choose and purchase the phone separately. See chart above.



# HOW TO IMPROVE CELL PHONE RECEPTION AT HOME

We generally expect new technologies to represent an improvement over older ones. However, when it comes to talking on the phone in your home, we seem to be moving in the opposite direction. Compare the highly reliable and clear landline connections that we've enjoyed for many decades with the average connection quality we experience with cell phones. Excessive noise, dropped bits of conversation and entirely dropped calls are familiar to most wireless voice customers. Of course, for many consumers, the benefits of mobility and smartphone features have overwhelmed this decrease in quality. Poor coverage can be especially troublesome for those who have decided to use their cell phone as their only home phone. However, there are devices that can improve cell phone coverage at home, including femtocells and signal boosters. Femtocells generally depend on your wireless company's policies about providing and activating that extension of their service. Signal boosters are less dependent on the company's involvement. Sometimes, a provider will offer such devices for free, or at low cost, to avoid losing a customer because of poor service quality.

## FEMTOCELL (PERSONAL CELL TOWER)

One type of device is called a femtocell which is available from some cellular providers — they look something like a wireless router. For example, AT&T calls its product a “3G MicroCell” and Verizon calls its product the “Network Extender.” These devices are essentially mini cell towers that provides coverage inside your house, and have the ability to

connect multiple registered phones within your household. They work by connecting to your broadband internet connection and routing your voice or data through a secure VOIP connection, back to the carrier, where it is then sent to the destination. Some carriers may subsidize the cost of these devices, which range in price from \$150 to \$250.

**SIGNAL BOOSTER** Another type of device is an amplifier or booster. These devices simply receive and amplify the 3G or 4G signal from an outdoor antenna and transmit an amplified signal from a small indoor antenna. These devices are compatible with any provider's service. They do not require activation from the provider, as femtocells do, but the devices are regulated by the FCC in order to prevent radio interference. Depending on your circumstances, these may be more or less effective than femtocells, while costs are generally in the same range. U.S. Cellular says that it plans to support signal boosters by March, 2014.

**HYBRID WIFI/CELL SERVICE** Some carriers (notably T-Mobile) offer service that allows your phone to switch to WiFi mode when in the presence of broadband WiFi coverage. If you have a compatible handset and home broadband, this can improve the quality of the connection and allow you to conserve airtime minutes from your 3G/4G provider.

**CALL FORWARDING** If you have landline service at home, there is always the option of having your wireless calls forwarded to your landline number when you are at home, in order to improve the quality of your conversations.

**THE BOTTOM LINE** It doesn't hurt to ask your provider if they offer such devices to improve your service. Letting your carrier know about poor service that may cause you to shop for a new provider could provide them an added incentive to assist you, especially when your contract, if any, is up for renewal. Arguably, a provider should not charge extra for good service. If one of these solutions has worked for you, please send us an email to let us know.





# A NEW WAY TO GET INEXPENSIVE, UNLIMITED PHONE SERVICE

## The Pros and Cons of New Services that Combine Wireless Service with Ordinary Home Phones

If you have reliable wireless coverage at your residence, there are several new services offered by cellular providers that may allow you to reduce your monthly phone bill while still using all of your ordinary telephones. When you sign up for any of these

plans, you receive a device that receives a wireless signal at its antenna, and connects via a traditional telephone cord to ordinary corded or cordless phones, or to your entire inside telephone wiring in order to activate all extension phones through-

out your house. These plans start at a modest \$15/month. It is also possible to connect a modern smartphone (via bluetooth) to a cordless phone system and incur no extra monthly charges.

### Pros

- Low cost
- Can port existing phone number
- Service can be moved to any location with ac power and provider's wireless coverage
- Uses ordinary telephone handsets
- Free features like Caller ID, Call Waiting, and voicemail
- Unlimited nationwide calling (international available at extra charge)
- E911 approved
- Device is often free with service
- No substantial added surcharges

### Cons

- Not compatible with fax, security alarm, or medical alert services
- Requires electric power (comes with battery that backs up service for a few hours)
- Quality depends on wireless coverage at location
- E911 location data may be less accurate than with traditional phone service

WIRELESS-BASED HOME PHONE SERVICE		
COMPANY	PRICE: DEVICE/MONTHLY	OTHER DETAILS
Home Phone—AT&T 888-333-6651 att.com	*\$99   \$20/mo.	Early termination \$150   Activation \$36   \$10/mo. Family Talk Plan
Straight Talk Home Phone 800-299-7784 straighttalkhomephone.com	\$99   \$15/mo. **	No contract   **\$30/mo. w/international calling
Home Phone Connect—Verizon 800-922-0204 verizonwireless.com	*\$99   \$20/mo.	Activation \$35   Early termination \$175
U.S. Cellular Home Phone 888-944-9400 uscellular.com	*\$130   \$20/mo.	Activation \$35   Early Termination \$150 (Prorated)

Note: Devices not compatible with fax machines, DSL or Dial-up, Dish Network, DirecTV, DVR, Credit Card Machines, or Medical Alerts.

\*Typically, device is provided free of charge with two-year contract.

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## About the Office of the Public Advocate

The *Ratewatcher Telecom Guide* is published by the Office of the Public Advocate, the state agency created to represent public utility consumers. In addition, the Office of the Public Advocate provides information to consumers about unregulated communications services such as Internet and cellular services that are available to Maine consumers.

**PAPERLESS OPTION** An electronic version of the *Ratewatcher Telecom Guide* is available free of charge to all Maine residents on the Office of the Public Advocate's web page ([www.maine.gov/meopa](http://www.maine.gov/meopa)) or upon request by emailing [opa@maine.gov](mailto:opa@maine.gov). If you would like to receive future editions of the *Ratewatcher* electronically, please let us know.



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