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Ratewatchers In-State Phone Guide Vol. 4 July 1999

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RATE WATCHERS

IN-STATE PHONE GUIDE

Volume 4

July 1999

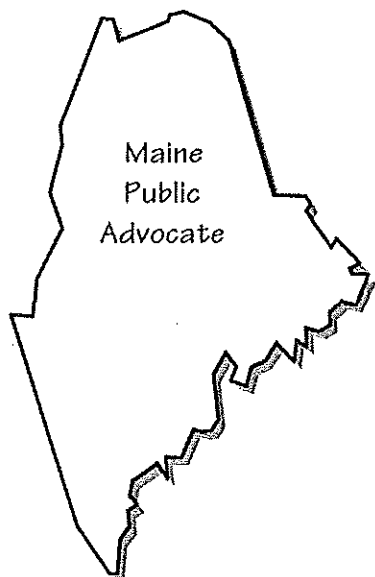
Ratewatchers

THINK IT COSTS MORE TO
CALL PORTLAND, MAINE
THAN
PORTLAND, OREGON?
-- THINK AGAIN --

In response to recent access charge reductions, AT&T reduces its major Maine instate long distance rates to 8¢/min.

Maine's telephone customers may be seeing exactly what the Legislature, Governor King, the PUC, and the Public Advocate hoped when state policy required that access charges be drastically decreased.

Access charges are the costs paid by long distance carriers to complete their calls on the lines owned by local monopoly phone companies such as Bell Atlantic. Access charges were as high as 26¢ per minute in recent years, but since May 31, 1999, the average access cost has been reduced to about 5¢ per minute. The result is that long distance carriers now have a financial incentive to compete in Maine's instate long distance market. It also means that they can cut their prices to gain market share and still make a profit. AT&T has taken the lead by immediately responding to the new access charge reductions with an announcement that their popular "One Rate" and "One Rate Plus" plans will feature a rate of 8¢/minute



- down from 10¢ and 15¢/minute. The combination of 8¢ instate, 10¢ interstate, and 5¢ for weekend interstate calls is an attractive choice for residential customers who make at least a moderate amount of toll calls during day and evening hours. The Public Advocate expects that other carriers will follow AT&T's lead and help to create a vigorous competitive market driving Maine's long distance rates down even further.

Bell Atlantic raises local service rates by \$2

Unfortunately, local service customers must bear some of the burden of the new access rates. Bell Atlantic's local rates have increased a total of \$3.50 per month to compensate the Company for its loss of access revenues. Beginning in June of this year, a \$2 increase in Bell Atlantic's local rates completed that process. Maine's 23 independent local telephone companies are currently in the process of reducing their access charges. In the near future, the Public Utilities Commission will decide whether any of those companies will be allowed to increase their local rates to recover access revenue losses.

-- COMING SOON --
**RATEWATCHER GUIDE FOR
BUSINESS TELEPHONE CUSTOMERS**

As part of our effort to devote more resources to consumer education and in response to many requests from business customers, we plan to publish our first business edition of the Ratewatcher Guide later this year. Please call us at 287-2445 to be put on our Business Edition mailing list, free of charge.

TELEPHONE 101

It's important to remember that most customers use three distinct types of telephone service: Local, state Toll, and Interstate Toll. These services may appear together on one bill from your local company or may be provided on separate bills, at the discretion of each long distance company.

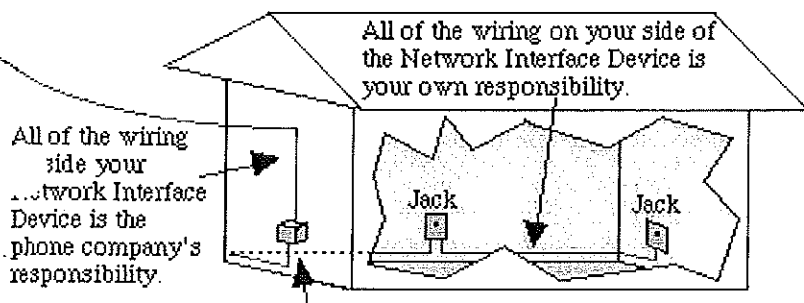
Local service - In Maine, local service is provided by either Bell Atlantic or one of 23 independent rural local phone companies. Local service provides you with unlimited calling within a specific geographic area (the basic service calling area) for a flat monthly charge. In Maine, this charge ranges from \$4.66 per month (Saco River Telephone) to \$17.35 per month (premium service in Bell Atlantic's largest exchanges). Residential customers in Maine currently have no choice concerning the provider of their local service. However, a 1996 landmark federal law is aimed at the creation of a competitive choice in the local service market. Local service rates are regulated by the Maine Public Utilities Commission (PUC).

Instate toll service - Calls that go beyond your basic service calling area, but stay within the state of Maine, fall into this category. For almost two years, most Maine customers have had the option of choosing from a number of competitors to carry their instate long distance calls - the type of calls that we focus on in this guide. While the Maine PUC has jurisdiction over this service, the rates for these services are, in large part, the result of a competitive market. Maine customers should specifically choose an instate long distance carrier and a specific plan. Otherwise, Bell Atlantic will be the default carrier. Peak-time calls that are over 31 miles are 45¢ for the first minute and 32¢ for each additional minute under Bell Atlantic's default rates. Those rates can be more than four times higher than the lowest cost calling plans available in Maine.

Interstate toll service - Calls that go to other states or other countries fall into this category. Customers have had a choice of interstate long distance providers since the early 1980's. Currently, Bell Atlantic is not allowed to offer interstate long distance service within its region. However, that prohibition may end in the near future. When Bell Atlantic demonstrates to the FCC that it has met the legal conditions necessary to open up its local market to competition, it will win the right to provide interstate long distance within its region. This process is the result of the 1996 Telecommunications Act. Recently, interstate long distance companies have been quietly increasing rates by means of surcharges to cover certain underlying costs. These surcharges should be considered when comparing rates of interstate long distance companies.

Municipal Calling Service - Municipal calling is a cross between instate toll and local service. When a call to the same town or city crosses the boundary of the local calling area, it is technically an instate toll call - but it is priced as a local call, as required by the PUC. If you use municipal calling service and you switch to a new instate long distance provider, be sure to ask your new provider if you will need to dial an access code to continue using municipal calling service. If you are a local customer of Bell Atlantic, the access code is 10-10-698.

INSIDE WIRING INSURANCE INCREASE



Bell Atlantic has raised the price of its optional "Telesure Diagnostic & Maintenance Plan" since our last issue. It now costs \$2.35 per line per month to buy insurance against something going wrong with the telephone wiring or jacks inside your house. If this appears on your bill, consider whether insuring against problems with your inside wiring is worth \$28.20 per year.

BASIC SERVICE CALLING AREAS COULD CHANGE

Customers who make many short distance calls generally prefer a flat-rated calling area that covers their "community of interest", i.e., numbers that they frequently call. In Maine, some customers enjoy large calling areas that allow them to call well over 100,000 other customers without any toll charges while, for other customers, only a few hundred other customers in one or two towns can be called toll-free. Five years ago, the Public Utilities Commission adopted the basic service calling area (BSCA) rule that allowed for the expansion of calling areas where 50% or more customers in a given area made 4 or more calls per month to another local exchange area within 30 miles. Most customers have paid slightly higher local rates to pay for these expansions. Now, the PUC and Maine's 24 local exchange companies are conducting a new study to determine if calling patterns justify new expansions of existing calling areas, based on that same criteria. Customers in areas that are not expanded under the BSCA rule may still petition the PUC for a "waiver." A waiver request seeks a calling area expansion based on unusual circumstances even though the rule's criteria are not met. Customers who have further questions about the operation of the BSCA rule may contact this office for assistance.

FCC TO INVESTIGATE PHONE BILL SURCHARGES

As a result of many complaints about monthly surcharges that have been appearing on long distance bills, the Federal Communications Commission will soon investigate those charges in order to determine their legitimacy and how to regulate them. You may make your opinion known by writing to the FCC at: Federal Communications Commission, Common Carrier Bureau, Consumer Complaints, Mail Stop Code 1600A2, Washington, DC 20554.

(SEE PAGE 7 FOR SURCHARGE COMPARISON.)

THE BOTTOM LINE

Always keep in mind that the plans featured in this guide are only a sampling of the many calling plans potentially offering attractive rates for instate long distance service. It pays to be on the lookout for new offers or promotions that can occur at any time.

For high use customers who call mostly on weekends, Sprint's "Sprint 1000" is a best bet. It offers 1000 weekend minutes (instate or interstate) for \$25 (2 ½¢ per minute) and weekday rates are 10¢ per minute. Most other customers who make at least 40 minutes of instate calls during the day will probably do best with one of AT&T's two major plans offering 8¢ per minute instate. One Star continues to offer the lowest calling card rates.

TELEPHONE DO'S AND DON'TS

- ☎ Don't dial 0 for calling card calls, collect calls, or other special services (dial the 1 800 number of the carrier whose service you want)
- ☎ Don't connect to the Internet before ensuring that you're using a local number
- ☎ Don't dial 976 or 900 unless you know what you will pay and what you will get
- ☎ Don't give personal information to (or dial any numbers for) callers you do not know
-
- ☎ Do watch for promotions and switch carriers when you can get a better deal
- ☎ Do examine your phone bill, watching for unauthorized phone or non-phone charges
- ☎ Do examine your phone bill watching for any unnecessary optional services
- ☎ Do examine your phone bill watching for incorrect pricing or charges from unauthorized carriers

SAMPLE 10-10 DEALS

(Use With Caution)

AT&T (Lucky Dog)-----	10-10-345
10¢/min plus 10¢ per call	
Dial & Save* (Excel)-----	10-10-297
Instate - 20¢/min, Interstate - 10¢/min	
MCI (Telecom USA)-----	10-10-220
99¢ for first 20 minutes then 10¢/min	
Qwest*-----	10-10-432
20¢/min, peak, 9¢/min off-peak	
Vartec*-----	10-10-811
10¢/min (3 minute minimum)	

*These services add monthly surcharges for Universal Service Fund contributions. Others may follow suit.

'SAMPLING OF MAINE IN-STATE RESIDENTIAL' TELEPHONE RATES AS OF JULY 1999

COMPANY	AT&T*	Bell Atlantic	Excel	GTE	MCI
FEATURED PLAN	One Rate / One Rate Plus	Sensible Minute Plan*	Simply 7	Total Call	MCI One Extra
PER MINUTE RATE	8¢	15¢	20¢	14¢	12¢
Fee or Minimum	\$3.00 Minimum / \$4.95 Fee	None	\$4.95	\$4.95	\$5.00 Minimum Usage
BILLED (rounded up to)	1 minute	1 minute	1 minute	1 minute	1 minute
TIME CHARGED PER CALL	1 minute	1 minute	1 minute	1 minute	1 minute
CARD RATES					
Per Minute	30¢	5.6¢ to 45¢/minute depending on time and distance plus 25% discount	29¢	35¢	25¢
Additional Charge Per Call	30¢	58¢	89¢	40¢	39¢
DIRECTORY ASSISTANCE CHARGE	80¢ Instate 95¢ Interstate	3 free - 40¢ each additional call	85¢	\$1.10	90¢
MONTHLY USAGES: includes monthly fees, volume discounts, directory assistance and calling card minutes.					
30 mins. per month Calling Card Directory Assistance	\$4.00 / \$8.95	\$4.50	\$12.65	\$11.35	\$6.80
100 mins. per month Calling Card @ 3 min. each Directory Assistance	\$24.00 / \$28.95	\$35.41	\$55.39	\$43.15	\$32.16
500 mins. per month Calling Card @ 6 min. each Directory Assistance	\$65.80 / \$70.75	\$95.93	\$136.35	\$106.55	\$84.30
DO YOU REQUIRE YOU TO ALSO SIGN UP FOR OUT-OF-STATE SERVICE?	Yes	No Interstate Service Offered	Yes	Yes	Yes
For more information, Call:	1(800)222-0300	1(800)585-4466	1(800)875-9235	1(800)483-3737	1(800)444-3333
ADDITIONAL DETAILS	* One Rate* offers no monthly fee and 15¢/min on interstate calls (8¢ Instate rate effective July 26) * One Rate Plus* offers 7¢/min on interstate calls (8¢ Instate - effective immediately) and \$4.95 monthly fee Sun. 5¢/minute promotion available on interstate calls. Customers must call to enroll.	* 15¢ rate plan must be requested. Bell Atlantic's default rates range from 5.6¢ to 45¢/min. plus a 0% to 15% volume discount.			5¢/minute on Sunday applies to interstate calls. Minimum usage includes calling card but not directory assistance. MCI also offers plan with peak rate of 15¢ (7 am - 7 pm) and off-peak rate of 8¢ (7 pm - 7 am).

SAMPLING OF MAINE IN-STATE RESIDENT TELEPHONE RATES AS OF JULY 1999

COMPANY FEATURED PLAN	One Star Family Advantage A	Qwest/LOI	Sprint Sprint Sense Anytime Plan	Sprint Sprint 1000*	Var-Tec New Dime-Line
PER MINUTE RATE	14.25¢	20¢	15¢*	2.5¢ - 10¢*	10¢
Monthly Fee or Minimum	\$3.00 Minimum	None	\$4.95 if usage under \$30	\$25.00	None
TIME UNIT BILLED (rounded up to)	6 second*	1 second	1 minute	1 minute	1 minute
MINIMUM TIME CHARGED PER CALL	18 second*	1 minute	1 minute	1 minute	3 minutes
CALLING CARD RATES					
- Rate Per Minute	13.9¢	30¢	50¢	50¢	choice of 25¢ or \$1.95 monthly fee and 19¢ per min.*
- Additional Charge Per Call	40¢ + 5¢ fee = 45¢	99¢	None	None	None
DIRECTORY ASSISTANCE CHARGE	95¢	\$1.40	95¢	95¢	75¢
SAMPLE MONTHLY USAGES: includes monthly fees, volume discounts, directory assistance and calling card minutes.					
LOW @ 30 mins. per month 0 Calling Card 2 Directory Assistance	\$6.38	\$8.80	\$11.35	not applicable	\$4.50*
MEDIUM @ 200 mins. per month 4 Calling Card @ 3 min. each 4 Directory Assistance	\$35.32	\$53.16	\$39.80	\$34.80 - \$54.80	\$26.00*
HIGH @ 500 mins. per month 10 Calling Card @ 6 min. each 6 Directory Assistance	\$86.83	\$136.30	\$110.70**	\$60.70 - \$110.70	\$67.85*
DOES PLAN REQUIRE YOU TO ALSO SIGN-UP FOR OUT-OF-STATE SERVICE?	No	Yes	Yes	Yes	No
To Subscribe, Call:	1(800)482-0000	1(800)860-2255	1(800)746-3767	1(800)746-3767	1(800)583-8811
ADDITIONAL DETAILS	*Full minute rounding applies if usage is under \$20.00 Totals do not reflect savings from 6 second billing. Volume Discount as follows: \$0-\$25.99 - 0% \$26-\$50.99 - 3% \$51-\$75.99 - 5% \$76-\$100.99 - 7% \$101+ - 10%	Totals do not reflect savings from one-second billing.	*Sprint plans rate reduction - call for new rates. ** Sprint 1000 more economical at this usage level.	*Depends on number of weekend minutes used. \$25 monthly fee buys 1000 "free" minutes of weekend use and 10¢ per minute weekdays. 1,000 minute cap waived for first 2 months.	*Does not include cost of 3 minute minimum per call which implies the cost of a one-minute call.

207 = MAINE -- SAFE FOR AT LEAST ANOTHER 2 1/2

We reported in our last issue that the North American Numbering Plan Administrator (NANPA) had forecast that Maine would run out of numbers under the 207 area code by the middle of year 2000. Now, the current forecast moves that date back to the end of 2001. In the meantime, the Maine Public Utilities Commission, with the support of the Public Advocate, is asking the Federal Communications Commission (FCC) for greater

authority to conserve numbers. Key elements of such new authority would be to allow the PUC to assign numbers in blocks of 1000 instead of 10,000 and to require new means of sharing unused numbers by communications carriers. If the PUC gains that authority, it may be able to take action that will substantially delay the exhaustion of numbers under area code 207. If number exhaust does occur, the two most likely scenarios are that either

Maine will be geographically divided into two area codes (requiring a telephone number change for many customers), or that all new numbers would be assigned a different area code (requiring all calls to be at least 10 digits). We believe we accurately reflect the view of Maine's telephone customers in seeking to avoid both of these options. We invite customers to give us their views.

YET ANOTHER SURCHARGE LIKELY TO APPEAR IN FUTURE PHONE BILLS

One of the key elements required for effective competition in the local telephone market will be the ability of customers to keep the same telephone number even when switching to a new local telephone company. This is called "Local Number Portability" (LNP). Local phone companies such as Bell Atlantic are required to get ready to provide LNP by making technical changes to their network. The FCC is allowing Bell Atlantic to pass their LNP costs on to customers in the form of a surcharge on bills. Bell Atlantic estimates this surcharge to be \$.23 per month for each regular residential or business line. However, Bell Atlantic has stated that it will not begin to bill this surcharge to customers in areas that do not yet have LNP capability. LNP is generally not yet available in Maine, but will be available throughout the state by the end of this year. So, in the year 2000, we will probably see an additional 23¢ charge on Bell Atlantic's bills.

BELL ATLANTIC'S SERVICE QUALITY UNDER INVESTIGATION

A number of telephone customers in limited geographic areas have reported experiencing long waits for a dial tone and, at times, an inability to receive or send calls. Such lapses in service raise important health and safety concerns as well as causing significant harm to businesses. The PUC has recently opened an investigation to determine whether Bell Atlantic has adequately planned to increase its capacity as necessary to meet increasing demand on the network. One issue in the proceeding is whether Bell Atlantic should have foreseen the growth of the Internet in recent years and planned to reduce its effect on the telephone network.

If you experience such serious problems with your telephone service, please call Bill Black or Wayne Jortner at 287-2445.

SLAMMING/GRAMMING SCORECARD

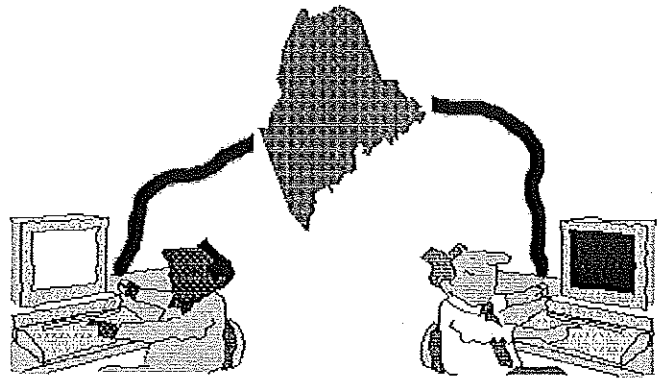
The following are the number of complaints received by the Maine Public Utilities Commission about slamming (unauthorized change of your long distance company) and cramming (unauthorized charges appearing in your phone bill). If the 1999 trend continues, it appears that recent state and federal

legislation aimed at these problems may be having a beneficial effect in Maine. However the FCC has received over 10,000 complaints about cramming in the last two years.

Slamming	Cramming
1997 - 63	1997 - 0
1998 - 268	1998 - 177
1999 - 52	1999 - 43

MINIMUM MONTHLY CHARGES BUG LOW-USE CUSTOMERS

Many customers who try to save money by avoiding toll calling are finding that long distance companies, including AT&T, are charging \$3 or more per month (plus surcharges) even if no long distance calls are made. Some customers have sought to avoid those charges by declining to presubscribe to any long distance company (this usually results in a \$5 fee to remove the connection to the long distance carrier). This is not a perfect solution because your local company may still bill you for an access fee that they normally collect from the long distance company. In addition, should you need to make a long distance call, you may need to dial a 10-10-XXX number. Therefore, customers who decline to presubscribe to a long distance plan should be sure they know a good 10-10-XXX number with low rates. A better solution for customers who make few or no long distance calls may be to connect to a long distance company that doesn't charge a minimum. However, you may still get bills for universal service and access surcharges. In fact, even some 10-10-XXX providers have started charging a Universal Service Fund surcharge.



MAINE'S UTILITIES ARE PREPARING FOR Y2K

Maine's major electric, telephone and gas utilities have attended meetings convened by the Public Utilities Commission to report on their Y2K readiness. All of those utilities have reported that they are undertaking substantial effort and expense to avoid potential problems. Each utility is currently filing its contingency plan with the PUC. All of those utilities have expressed optimism about their Y2K readiness and do not expect any major disruptions in service as we head into the new millennium. Although utilities do depend on third parties to supply necessary goods and services and cannot guarantee the performance of those other parties, Maine's major utilities do not expect major problems from those sources either. As for water utilities, because there are approximately 165 water utilities in Maine (some of them very small operations) and because many of them do not have the resources to fully evaluate their Y2K readiness, it is difficult to determine if Y2K problems are likely. However, water utilities rely less heavily on technology and in many cases can manually override any computer-operated device.

COMPARISON OF INTERSTATE MONTHLY SURCHARGES

	Access	Universal Service
AT&T	\$1.51	99¢
Excel	53¢	54¢
GTE	75¢	3.93%
MCI	\$1.07	6%
One Star	95¢	5.8%
Qwest	\$1.00	93¢
Sprint	85¢	5.8%
Vartec	53¢	4.9%

ARE YOU RECEIVING HARASSING OR ANNOYING CALLS? -- TRACE THEM

If you are being bothered by repeated malicious or harassing telephone calls, you may initiate a trace of an incoming call by hanging up and then dialing *57 or 1157. You will be charged \$3.50 for each activation of Call Trace. After two successful traces of the same number within a 30 day period, your local phone company will process the trace and store it. You will be charged \$5.00 for that processing. If you then file a complaint with the police, the telephone company will provide the trace to the proper authority to investigate or prosecute the offender. If you want to complain about annoying calls, and you do not wish to use Call Trace, you may report the problem to your local phone company. Bell Atlantic customers may call their Annoyance Call Bureau at 1-800-640-2043 for advice or information about harassing calls.



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↓ NEW FREE PUBLICATION FROM THE PUBLIC ADVOCATE ↓

**ELECTRIC COMPETITION IS ON SCHEDULE
FOR MARCH, 2000**

When customers have a choice of electric generation providers beginning March, 2000, the Public Advocate plans to publish a rate comparison and guide to competitive generation services. Although choice of

electric suppliers is not yet available, the Public Advocate is currently distributing free copies of our preview issue of the Electricity Shopping Guide. Please call 287-2445 to be put on our mailing list for free copies of this new publication (preview issue enclosed). If you have questions about competitive electric services or about electric industry restructuring in Maine, please feel free to call our office.

ABOUT THE OFFICE OF THE PUBLIC ADVOCATE

Stephen G. Ward, the Public Advocate, four other attorneys, and two support staff represent Maine's telephone, electric, gas, and water customers before the Maine Public Utilities Commission, the Courts, and federal agencies. Our mission is to work for reasonably priced, safe, and reliable utility services for Maine people. The Office is located at 193 State Street, 112 State House Station, Augusta, Maine 04333-0112, telephone 207-287-2445, fax 207-287-4317. Check for updated rate comparisons at web site: <http://www.state.me.us/ag/advocate/pahome.html>.