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# Ratewatcher Phone Guide Vol. 11 Jan. 2003

Maine Public Advocate Office

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# RATEWATCHER PHONE GUIDE

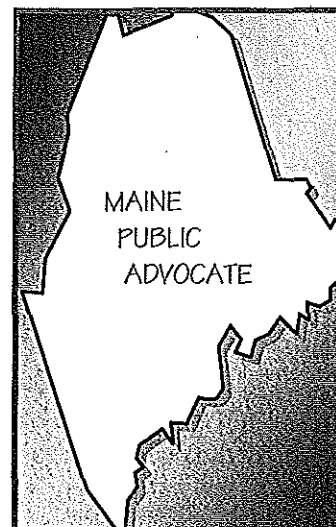
VOLUME 11

JANUARY 2003

## NEW RULE WILL ADD ADJACENT TELEPHONE EXCHANGES TO YOUR LOCAL TOLL-FREE CALLING, BUT RATES WILL INCREASE

The PUC recently announced its decision to adopt a new calling area rule that will affect all telephone customers in Maine. The key provision of the new rule is the addition of adjacent exchanges to all local calling areas. Many customers have been frustrated because they were unable to make toll-free calls to a neighbor across an exchange boundary, sometimes just a short walk from the customer's home. Soon, all adjacent exchanges will be included in all toll-free local calling areas, making those short distance toll calls a thing of the past.

Unfortunately, rates will be increased to fund this expansion. At the outset, customers who choose the "economy area" will see a 25¢ increase in their monthly local rate and those choosing the "premium" area will see a 45¢ increase. In addition, many Verizon customers will see an increase to their local bill because Verizon's rates are increased when the number of lines within your local calling area grow beyond a certain number. *(continued on page 2)*



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### THE BOTTOM LINE

**Long-Distance Plans** — The two winners in this category are Touchtone Communications and Pioneer Telephone. Touchtone is the clear choice for those served by independent local telephone companies and for those who make mostly instate calls. The featured Pioneer plan charges a monthly fee but it results in a lower bill for those who use many interstate minutes and for those who make international calls. Both plans are offered by local agents who have been providing good customer service. Customers who make many interstate calls and few instate calls should also consider Capsule Communications with interstate rates as low as 3¢/minute and a \$3 monthly fee.

**Prepaid Calling** — The clear winner is [www.onesuite.com](http://www.onesuite.com), offering a rate of 2.9¢/minute for all domestic calls, a complete record of calls (via the Internet) and no hidden charges or gimmicks. For those who don't use the Internet, the Sam's Club/AT&T card is second best with a rate of 3.47¢/minute for all calls within the U.S. In addition to low rates, various surcharges and taxes are avoided when using these prepaid services.

**Internet Service** — No clear winner — Ask for assurance that you won't get busy signals when trying to connect and be sure you can access the service without toll charges. Then choose by price. Lowest-cost unlimited dial-up service is Mid-Maine Communications at \$14.95/month with 6 months prepaid. Lowest-cost 10 hour service is Netzero which is free (only in areas where local access numbers are provided). Lowest cost 10 hour plan with toll-free statewide access is GWI at \$8.95 per month.

**Wireless Service** — No shortcut here—choosing the best cell phone plan depends on many factors related to your individual needs.

**Calling Area Rule** (*continued from page 1*) For customers who choose the "economy" option, a call that goes beyond the "economy" area but stays within the new "premium" area will be charged at 5¢ per minute. This feature of the new rule creates a strange circumstance because the best long-distance rates already charge less than this new "local" rate. Therefore, "economy" customers may want to use a prepaid calling card or their regular long-distance service for these special "local calls" when the long-distance rate is less than the local rate.

Another important feature of the new rule is its allowance for petitions signed by 50 or more persons, requesting customized calling area expansions desired by individual communities. The Commission will consider factors such as the desire to make toll-free calls within school districts, the need to call business centers, and the demonstrated demand for the expansion. The Public Advocate is available to work with communities seeking such expansions.

We expect that these new calling areas will be available sometime in the coming year. Watch your phone bills for notices about these changes.

### **STILL NO DECISION IN PUBLIC ADVOCATE'S APPEAL TO THE MAINE SUPREME COURT**

On April 2, 2002, the Maine Supreme Court heard the final arguments in our appeal of a PUC decision that granted rate increases to Verizon for five years. We argued that the PUC was obligated to conduct a proper investigation of Verizon's costs and profits before granting those rate increases. We also sought to present evidence to the PUC suggesting that Verizon's rates might need to be reduced rather than increased. It's unusual for the Maine Supreme Court to take this long to render a decision. However, we remain optimistic that the Court will reverse the Commission's decision and require more protection for Maine's consumers.

### **VERIZON TO REFUND EXCESS TAX COLLECTIONS**

The Public Advocate has been looking into the way that phone companies apply state and federal taxes on phone services and surcharges. One such issue was quickly resolved; Verizon has agreed to refund the taxes it has collected on the Universal Service surcharge on its local bills. Those credits should appear on bills in January 2003.

### **VERIZON-MAINE ENTERS THE INTERSTATE LONG-DISTANCE MARKET -- IS THAT GOOD NEWS FOR CONSUMERS?**

For the first time since 1984 when the national AT&T monopoly was broken up to form the 7 "Baby Bells," Verizon (successor company to the original Baby Bell NYNEX) has gained the legal authority to carry interstate calls from its home territory. Shortly after the FCC granted that authority to Verizon-Maine several months ago, Verizon introduced several new interstate calling plans available for Maine customers. However, not only are Verizon's lowest per-minute rates higher than the best alternatives but Verizon also charges a \$4.95 monthly fee for those plans. Verizon also offers plans with no monthly fees at a rate of 10¢/minute. While Verizon does offer a broad array of services from one company, it is not the only company that can send you one bill for all of your local and long-distance services. We believe there are better alternatives for both instate and interstate long-distance service as shown on pages 6 and 7.

### **MCI CUSTOMERS: WATCH OUT FOR RATE HIKES**

If MCI/Worldcom is your long-distance company, you should read your bills carefully to check for notices about rate increases. As of December 1, 2002, MCI raised its rates for 11 domestic calling plans and nearly 100 international calling plans. For example, some 5¢ rates are going to 9¢ and some \$3.95 monthly fees are going up to \$5.95. Although it's hard to believe that many customers are still paying interstate rates of 20¢ per minute, MCI is raising rates at that level too – to 25¢. MCI's Neighborhood plan (see p.3) is not among the plans subject to rate increases.

Consumers have a simple option in the face of these rate increases: switch to a long-distance plan or prepaid account that charges no more than 5¢ per minute with no monthly fee or minimum. That advice applies whether or not your MCI rate is increasing.

## "THE NEIGHBORHOOD" HAS ARRIVED IN MAINE IS IT A GOOD NEIGHBOR FOR YOU?

**What you get?** — For \$49.99/month (total bill will be about \$64 including surcharges and taxes), you get unlimited local calling, unlimited instate and interstate long-distance calling, call waiting, caller ID, speed dial, 3-way calling, and personal voice mail. MCI may also be offering a "one free month" promotion.

**Is it a good deal?** — It is for some people. The \$64 monthly charge replaces your current Verizon local rate, which ranges from \$14.29 to \$18.69 (depending on where you live) plus applicable surcharges and taxes. It also includes about \$24 worth of optional services (at Verizon prices, plus taxes) that you may or may not want. Assuming that your total current Verizon local bill is \$27.89, then "The Neighborhood," in essence, charges \$36.11 for unlimited long-distance and the "free" optional services (\$64.00 - \$27.89 = \$36.11). If you don't care about the "free" included optional services, you would need to make over 722 minutes of long-distance calls each month before "The Neighborhood" would be more economical than a low-cost regular long-distance plan. (see "The Bottom Line" on page one). However, let's say you already pay Verizon about \$18 for the same optional services (note that Verizon doesn't include voice mail in its \$18 package). In that case, you would be paying \$18.11 for unlimited long-distance, which is the equivalent of about 362 minutes at the rate charged by a low-cost regular calling plan (\$64.00 - \$27.89 - \$18 = \$18.11,  $\$18.11 \div .05 = 362$ ).

**Is It Right For You?** — For a quick comparison, simply add your total Verizon local bill to your typical instate and interstate long distance bill(s). If the sum is always over \$64, you should consider switching to "The Neighborhood. The following chart provides a further illustration of the "break-even" points for various types of residential telephone customers:

### COMPARISON OF "THE NEIGHBORHOOD" WITH SEPARATE LOCAL AND LONG-DISTANCE SERVICES

1. Find the average number of long-distance minutes you use every month on the left.
2. Find what you spend on optional local service on top.
3. If the box where they meet is over \$64, choose the "Neighborhood" (as shaded in yellow).

#### Amount you are willing to pay for optional local services

(those include Caller ID, Call Waiting, 3-Way Calling, Speed Dial, & Voice Mail)

Minutes	\$0.00	\$7.50	\$12.00	\$18.00	\$24.00
300	\$41.97	\$49.47	\$53.97	\$59.97	\$65.97
400	\$46.97	\$54.47	\$58.97	\$64.97	\$70.97
500	\$51.97	\$59.47	\$63.97	\$69.97	\$75.97
600	\$56.97	\$64.47	\$68.97	\$74.97	\$80.97
700	\$61.97	\$69.47	\$73.97	\$79.97	\$85.97
800	\$66.97	\$74.47	\$78.97	\$84.97	\$90.97
900	\$71.97	\$79.47	\$83.97	\$89.97	\$95.97

**ASSUMPTIONS:** Long-distance minutes are priced at 5¢/minute. Total Verizon bill for local service, surcharges and taxes is assumed to be \$26.97, but this varies by exchange. If your basic Verizon bill is higher or lower, add or subtract the difference from the number shown. Assumed total Neighborhood bill of \$64 is an estimate. We calculate that the addition of surcharges and taxes will increase the advertised rate of \$49.99 to about \$64.

**NOTE** - There are too many factors to show an exact comparison for any particular customer - this chart should be used only as a rough guide. *(continued)*

(continued from previous page) — Three caveats for the Neighborhood: 1) International calls are not included and may be at high rates, 2) MCI will charge you additional fees if you use its Neighborhood plan to access the Internet, fax or other data over 5,000 minutes per month, and 3) unlike regular calling plans, you cannot reduce your costs by using fewer minutes in any given month.

## OTHER PLANS FOR THOSE WHO TALK A LOT

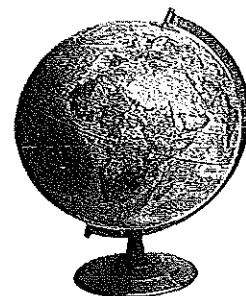
**Reach Out and Annoy Your Friends and Family** — MCI's "Neighborhood Choice" plan at \$31.99 (plus surcharges and taxes) offers unlimited local calling, the same included optional features included with "The Neighborhood," unlimited long-distance only to other "Neighborhood" or MCI *local* customers, and 7¢/minute for all other calls. This plan might benefit someone who wants optional services and frequently calls other MCI "neighborhood" local-service customers.

**AT&T Unlimited** — This plan offers unlimited long-distance calls only to other AT&T residential customers for \$19.95 per month (plus surcharges and taxes) and 7¢/minute for all other calls. AT&T does not offer residential local service or optional calling features in Maine.

**Planning To Make a Long Call?** — USA Datanet (usadatanet.com 1877-499-2368) offers unlimited time on individual calls for a fixed price. If your call is within ME, NH, VT, MA, RI, CT, NY, NJ, PA, MD, DE, VA, WV, or Washington DC, your maximum per-call charge is 99¢. If the call goes to any other state, the maximum charge is \$1.99. Shorter calls are priced at 10¢/minute. However, this dial-around service requires that you dial a local access number. Access numbers are available for most of the larger cities and towns in Maine. If interested, check the web site or call to see if there's an access number within your local calling area.

## CALLING THE U.S. FROM AROUND THE WORLD

If you plan to travel abroad (or even to Canada) and you plan to call home to the U.S., you can save money by planning in advance. Calls to the U.S. from other countries can be extremely expensive if you simply pick up the phone and dial. Even if you decide to plan in advance, you'll find a confusing array of international calling card and callback options. However, we have identified two reasonable choices.



The AT&T/Sam's Club prepaid calling card happens to be a good simple choice for calling the U.S. from other countries. The service simply deducts a certain number of minutes from your card balance for each minute you talk, depending upon the country from which you are calling. For example, if you call from Canada, you'll be charged 5 minutes for each minute or 17.4¢ per minute ( $5 \times 3.47¢ = 17.4¢$ ). Other examples: Japan - 7 minutes, United Kingdom - 4 minutes, France - 7 minutes, Cambodia - 44 minutes. If calling to or from Alaska or Hawaii, you get the domestic single-minute rate of 3.47¢. For rates from other countries, call AT&T at 1-800-530-6744.

An even cheaper alternative can sometimes be had with a callback service. These services allow you to trigger a call back to your location in order to connect you with U.S.-based dial tone. One such service is **Callback World** ([www.callbackworld.com](http://www.callbackworld.com)) which charges the following sample per minute rates: Canada - 8.2¢, France - 8.2¢, Japan - 10.5¢, United Kingdom - 8.2¢, Kenya - 73.6¢, Cambodia - 91.9¢. For a look at the confusing array of callback options, see <http://abtolls.com/compare/telecommunicationsproviders/callbackproviders.html>

## YOU GET WHAT YOU PAY FOR?

The saying "you get what you pay for" is often used to indicate that you get a better product when you pay more. Of course, there usually is a tradeoff between price and quality; what you save on price, you sacrifice in quality. While that concept may fit the market for automobiles, appliances, and hundreds of other products, telephone services are another story. The quality of voice telephone service does not vary by provider because all companies use virtually the same technology and equipment.

## PREPAID CALLING – 2 CLEAR CHOICES

We haven't looked at all of the prepaid offers in existence because there are thousands of them. However, we know that many prepaid offers involve high rates and some engage in deceptive marketing or unreliable service. The good news is that there are two excellent prepaid offers – one available on the Internet and one available at S's Club stores (similar deals are also available at Costco and BJ's). If you don't have Internet access at home, you may access the Internet at any public library in Maine.

	<u>ONESUITE.COM</u> (best)	<u>SAM'S CLUB/AT&amp;T</u> (second best)
US	2.9¢/minute	3.47¢/minute
Canada	3.9¢/minute	6.94¢/minute
Western Europe	3.9¢/minute	10.41¢/minute
Record of Calls	Yes, via Internet	No
Replenish Minutes	Via Internet or Telephone	Via telephone or store
Surcharges/Taxes	None	5% state sales tax
Usable from Other countries	No	Yes (from most countries) (see p.4)
Customer Service	866-417-8483	800-530-6744
Other Features	Register home or cell #, then you won't have to put in your PIN #.	



### LOCAL COMPETITORS IN MAINE

Local service competition is developing rather slowly here in Maine, especially in the residential market. However, residential customers in Verizon territory may find discounts of up to 20% compared to Verizon's local service prices. Prices for competitive local service for business customers depend on a variety of factors. The following local providers offer service in Maine:

#### RESIDENTIAL AND BUSINESS

Direct Line Communications (888-619-4535) (downeastcomm.com)  
MCI Neighborhood (800-395-1926) (theneighborhood.com) (p.3)  
1Com (888-505-3311) (1cominc.com)  
OneStar Long Distance (800-482-0000) (onestarld.com)  
Oxford Networks at (800-520-9911) (oxfordnetworks.com)  
(Norway and South Paris areas only)  
Time Warner (800-833-2253) (twmaine.com)  
USA Telecom (888-872-9400) (savewithusa.com)

#### BUSINESS

Choice One (acquired Fairpoint) (888-832-5801)  
(choiceonecom.com)  
Conversent (800-275-2088) (conversent.com) (only Portland area)  
CTC Communications (800-287-9875) (ctcnet.com)  
Lightship Telecom LLC (877-846-6700) (lightship.net)  
Maine Communications (800-835-5453) (midmaine.com)  
Norcom (Coastal Connections, as agent) (888-262-7864)  
Pine Tree Networks (Greater Portland and Lewiston areas)  
(866-746-3873) (pinetreenetworks.com)

### 6-SECOND BILLING – HOW MIGHT IT AFFECT YOUR PHONE BILL?

Several long-distance companies bill in 6-second increments instead of rounding up to the nearest minute. While our rate comparisons note that feature, we do not factor this into the total sample bills because there are too many variables to consider. However, to illustrate the potential impact of 6-second billing, let's assume you make 25 calls that last ten minutes plus 6 seconds, and 125 calls that last two-minutes plus 6 seconds in a given month. Based on a rate of 10¢ per minute, 6-second billing would result in a bill of \$39 but, most companies with one-minute increments would bill you \$52.50 for those same calls – about a 25% difference. While the impact will not be as great for most customers, those who make many short calls will see a bigger impact than those who make few long calls. As our ratings indicate, Touchtone Communications offers an excellent rate of 4.9¢ per minute for all calls within the U.S., plus the advantage of 6-second billing.

# SAMPLING OF RESIDENTIAL & BUSINESS LONG-DISTANCE TELEPHONE PLANS AS OF JANUARY 2003

COMPANY	AT&T att.com		Capsule capsulecom.com		Excel excel.com		GTC gtctelecom.com		IDT idt.net		MCI mci.com	
FEATURED PLAN (RESIDENTIAL)	One Rate 7¢		Covista 3Kiss		Nickel Nation		5¢ Plan		Plan 2500		One Rate Plan	
	Instate	Interstate	Instate	Interstate	Instate	Interstate	Instate	Interstate	Instate	Interstate	Instate	Interstate
RESIDENTIAL per minute rate (including %-based surcharges)	8¢	7.8¢	8¢	3.3¢	5¢*	5¢*	8¢	5.4¢	9¢	5.5¢	7¢	7.7¢
Monthly Minimum	None		None		None		None		None		None	
Monthly Fee	\$4.38		\$3.30		\$5.00		*		\$4.34		\$6.57	
RESIDENTIAL SAMPLE MONTHLY COSTS	includes 50% instate/50% interstate minutes & monthly fees. Totals do not include directory assistance, calling card calls or international calls.											
LOW @ 10 mins. per month	\$5.17		\$3.86		\$6.94		67¢		\$5.07		\$7.31	
MEDIUM @ 100 mins. per month	\$12.27		\$8.94		\$11.44		\$6.71		\$11.59		\$13.94	
HIGH @ 500 mins. per month	\$43.81		\$31.52		\$31.44		\$33.54		\$40.58		\$43.41	
HIGHEST @ 1,000 mins. per month	\$83.23		\$59.26		\$56.44		\$67.08		\$76.82		\$80.25	
Hawaii/Alaska	9.8¢		16.5¢		5¢		16.2¢		17.8¢ / 16.4¢		7.7¢	
RESIDENTIAL INTERNATIONAL RATES*												
Canada	7.8¢		5.5¢		5¢		9.7¢		5.5¢		7.7¢	
UK	10¢		5.5¢		9¢		10.8¢		7.7¢		11.1¢	
France	15.5¢ \$3.27/mo		7.7¢		15¢ \$3.50/mo**		16.2¢ \$3.25/mo.		7.7¢ \$2.20/mo.		13.3¢	
Cambodia	\$2.66		59¢		\$2.04		\$2.49		\$1.29		\$4.49	
Japan	13.3¢		11¢		13¢		17.3¢		9.9¢		15.5¢	
Kenya	76.6¢		33¢		\$1.06		94.2¢		66.3¢		76.2¢	
UNIVERSAL SERVICE CHARGE (included in rates as shown)	11%		9.8%		\$1.44/mo.		8.3%		9.9%		10.5%	
Available in rural independent areas?	Yes		No		Yes		Yes		Yes*		Yes	
(BUSINESS)	Instate	Interstate	Instate	Interstate	Instate	Interstate	Instate	Interstate	Instate	Interstate	Instate	Interstate
Business per minute rates (including %-based surcharges)	15¢	8.7¢*	15.5¢	4.3¢	13¢	7.5¢***	8¢	5.4¢	9¢	5.5¢	6.9¢	7.6¢
Monthly Minimum	\$25.00**		None		None		None		None		\$20.00	
Monthly Fee	\$11.11		\$4.39		\$12.80****		*		\$4.34		None	
PICC Charges	\$1.70		\$4.31		\$3.86****		\$4.00**		\$2.29		None	
In-bound 800 Rates	8¢***	8.8¢***	15.5¢*	4.3¢*	19¢*****		8¢***	8.7¢***	9.9¢	10.9¢	6.9¢*	7.6¢*
To Subscribe Call:	1-800-222-0300		1-800-545-4141		1-800-875-9235		1-800-486-4030		1-800-889-9126		1-800-444-3333	
NOTE												
\$5 fee to change carrier is often covered by new carrier upon request.	*Interstate business rate drops to 7.7¢ with online billing. Business USF is 9.9%.		* \$2 fee to establish 800 inbound service.		*25¢ per call minimum for both instate and interstate long-distance.		*No monthly fee with credit billing and online statement. \$1.03/mo. fee for paper statement and credit card billing.		*16¢ instate, 5.9¢ interstate applies in independent areas.		* \$5 monthly fee for 800 inbound service.	
Plans indicated as available in non-Verizon territory may not be available in some independent local areas.	**If \$25 business minimum is not met, then a charge of \$13.26 is added.		Business plan is called 4Kiss. \$2 per month extra for paper billing.		**International monthly fee waived is usage exceeds \$30.		\$2.12/mo. fee for check payment/online billing. Business monthly fee is \$5.36 if paper billing is chosen.		6-second billing.		MCI offers a variety of other plans including Neighborhood, 5¢ off-peak rate plans, and bulk minute plans.	
PICC charges (a per-line access charge) apply to multi-line business customers only, unless otherwise noted.	***\$10/mo. fee applies to 800 inbound service.		6-second billing.		***Business USF is 7.13%.		****\$12.80 business monthly fee waived if usage exceeds \$50.		**PICC for first line is \$1.50.			
1-minute billing unless otherwise noted.	AT&T offers an unlimited plan for calls to other residential AT&T customers for \$22.15. Calls to non-AT&T customers are 7¢/min. AT&T also offers 10¢/min. plan with no monthly fee & \$5 minimum.				*****PICC for first line is \$1.38.				***\$10 minimum charge for inbound 800-service.			
*Beware that international calls to mobile phones may be priced much higher.												



# **SAMPLING OF RESIDENTIAL & BUSINESS LONG-DISTANCE TELEPHONE PLANS AS OF JANUARY 1993**

COMPANY	Norcom norcomld.com		OneStar onestarcom.com		Pioneer coastalconnections.com		Touchtone touchtone.net		Vartec vartec.net		Verizon verizon.com	
FEATURED PLAN	5.9¢ Plan		5 Star Advantage		Maine Plan		4.9¢ Plan		Voice		Pine Tree/Timeless	
(RESIDENTIAL)	Instate	Interstate	Instate	Interstate	Instate	Interstate	Instate	Interstate	Instate	Interstate	Instate	Interstate
RESIDENTIAL per minute rate (including %-based surcharges)	5.9¢	5.4¢	6.5¢	7.2¢	5.9¢	3.8¢	4.9¢	5.2¢	7¢	7.5¢	8¢	10.7¢
Monthly Minimum	None		\$3.00		None		None		None		\$5.40	
Monthly Fee	\$4.34*		\$3.26*		1.61*		None		80.5¢		None	
RESIDENTIAL SAMPLE MONTHLY COSTS: includes 50% instate/50% interstate minutes & monthly fees. Totals do not include directory assistance, calling card calls or international calls.												
LOW @ 10 mins. per month	\$4.91		\$6.26		\$2.09		50.7¢		\$1.53		\$8.40	
MEDIUM @ 100 mins. per month	\$9.98		\$10.10		\$6.45		\$5.07		\$8.06		\$10.76	
HIGH @ 500 mins. per month	\$28.21		\$37.47		\$24.20		\$25.33		\$37.08		\$46.82	
HIGHEST @ 1,000 mins. per month	\$56.43		\$71.67		\$48.39		\$50.67		\$73.35		\$93.64	
Hawaii/Alaska	20.9¢		7.2¢		13¢		16¢		7.5¢		10.7¢	
RESIDENTIAL INTERNATIONAL RATES*												
Canada	11¢		6.6¢		8.1¢		6.4¢		7.5¢		7.5¢	
UK	6.6¢		6.6¢		5.3¢		7.5¢		7.5¢		9.7¢	
France	8.8¢		6.6¢		5.3¢		8.5¢		12.9¢		15¢	
Cambodia	\$1.30		71.2¢		60.5¢		\$1.06		\$1.29		\$2.57	
Japan	11¢		8.8¢		8.5¢		12.8¢		12.9¢		12.9¢	
Kenya	56¢		63¢		37.8¢		Not Available		64.4¢		74¢	
UNIVERSAL SERVICE CHARGE (included in rates as shown)	9.9%		10.5%		8%		6.8%		7.3%		7.3%	
Available in rural independent areas?	Yes**		Yes		No		Yes		No		No	
(BUSINESS)	Instate	Interstate	Instate	Interstate	Instate	Interstate	Instate	Interstate	Instate	Interstate	Instate	Interstate
Business per minute rates (including %-based surcharges)	5.9¢***	5.4¢***	6.5¢	7.3¢**	5.9¢	3.8¢	4.9¢	5.2¢	7¢	8.6¢	9¢	9.7¢
Monthly Minimum	None		\$3.00		None		None		None		None	
Monthly Fee	\$4.34*		\$1.34		\$1.61*		None		\$10.67*		None	
PICC Charges	\$4.25		None		\$4.21		None		None		\$3.40	
In-bound 800 Rates	5.9¢	5.4¢	6.5¢	7.3¢	5.9¢**	3.8¢**	4.9¢	5.2¢	5¢	5.4¢	9¢*	9.7¢*
To Subscribe Call:	****		1-800-482-0000		1-888-262-7864		*		1-800-583-8811		1-800-585-4466	
NOTE	*Monthly fee waived when usage is over \$20 or if customer agrees to email billing.		*OneStar's residential monthly fee represents its "primary carrier charge" & "interstate access" charge.		*Monthly fee of \$1.61 is waived with email billing or usage over \$15/mo.		*Plans sold by agents in Maine. Call Hi-Tech Communications at 1-888-594-2500 or H.F. Communications at 1-866-596-2904. Touchtone can also be reached directly at 1-800-266-4006.		*Business (Liberty Line) monthly fee waived during current promotional period.		*International monthly fee waived when usage exceeds \$25.	
Plans indicated as available in non-Verizon territory may not be available in some independent local areas.	**Customers in rural independent exchanges pay 7.9¢/min.		**Business USF is 11.5%.		**Monthly fee of 49¢ applies to inbound business service.		Alternative plan - Rates of 4.25¢/min. available to high volume customers.		Alternative plan - Fiveline Plan offers 5¢/min. for all domestic calls with 50¢ per call minimum.		**\$5 monthly fee waived for first 6 months of 800 inbound service.	
PICC charges (a per-line access charge) apply to multi-line business customers only, unless otherwise noted.	***Local service for businesses up to 15% discount.		OneStar also offers local service for residential & business customers.		Rates for calls to other Pioneer customers is 2.9¢/min. interstate.		Touchtone is now fully licensed in Maine.				Verizon offers a variety of other instate and interstate plans -- Interstate: Best Times Plan with off-peak rates of 5¢ per minute with monthly fee of \$4.95, Talk Time which allows bulk purchase of minutes for as low as 6¢/min. Instate: Sensible Minutes at 10¢/min. for instate calls with no monthly fee.	
1-minute billing unless otherwise noted.	****Norcom is sold through agents. Call Coastal Connections at 888-262-7864 or GTI at 877-484-7283.		6-second billing applies if usage exceeds \$20, if usage is less than \$20 then billing increment is one minute.		Alternative plans - Norcom also offers 4.9¢/interstate and 6.5¢/instate with \$1.07 monthly fee or 3.9¢ interstate with \$2.15 monthly fee.						1-minute billing instate 6-second billing interstate.	
*Beware that international calls to mobile phones may be priced much higher.	Alternative plan 3.9¢ interstate and 6.9¢ instate.				6-second billing.							
	6-second billing.											



## New Laws in Maine Provide For Heavy Penalties -- But Complaints are on the Rise

Currently, the PUC is investigating five telephone companies, which have been the subject of the vast majority of slamming complaints. Based on new Maine laws that provide for substantial penalties against companies that slam, PUC Staff is currently seeking a \$5 million penalty against WebNet Communications. The Public Advocate is an active participant in that proceeding, supporting the prosecution of WebNet. Other companies that are currently under investigation by the Maine PUC for slamming include World Communications Satellite Services (WCSS), Business Options, Optical Telephone Corporation, and UKI Communications.

## HAS YOUR FAVORITE PAY PHONE DISAPPEARED?

In August, the Public Advocate asked the Public Utilities Commission to open an investigation to determine whether there is a need to take action to preserve public pay phones. We requested this proceeding after the Public Advocate received complaints from a variety of organizations and individuals about the removal of public pay phones by Verizon. The Public Advocate and the PUC will be interested in hearing from any customers who have concerns about pay phone availability or about a particular pay phone that has been, or may be, removed. If you have such a concern, please let us know.


[illegible]

# WAS VERIZON SNOOING?



## Ratewatcher Guide



	AT&T att.com 1-800-462-4463						US Cellular uscellular.com (1-888-944-9400)						Unicel unicel.com (1-800-336-4455)						Verizon verizon.com (1-800-256-4646)								
	Local Starter	Digital Advantage		Regional Advantage		National	Local		Regional		National		Local UConnect		Regional Traveler	National Simply USA		Local Digital Choice	National America's Choice								
Monthly Fee	\$20	\$30	\$40	\$30	\$40	\$35	\$25	\$35	\$35	\$40	\$35	\$50	\$25	\$30	\$30**	\$30	\$40	\$35	\$45	\$35	\$45						
Monthly Minutes Included (Peak/ *Off-Peak)	60	300*	550*	200*	375*	300*	125	700*	500*	550*	200*	400*	250*	375*	250*	120*	200*	350*	500*	300*	400*						
Toll Rate (Per Minute)	20¢	0**				0***	0						25¢ beyond 4 state area			0		20¢		0							
Roaming Rate (Per Minute)	69¢					0***	30¢ to 69¢		69¢		0		55¢		50¢		0		69¢		0						
Toll Free/ Roaming Free (Home) Area	Coastal ME & NH	ME, NH, MA, RI, CT, NYC, NJ, DE, MD, DC & 1/2 PA		ME, NH, VT, MA, CT, NY, PA, RI, NJ, MD, DE, DC, & VA		US	ME, NH, Southern VT (Excludes Portland to Portsmouth Area)		ME, NH, VT, MA, RI, CT, NY, NJ, PA		US		Most of ME, excluding Portland Parts of NH, VT, MA, North- east NY		ME, NH, VT, MA, Northeast NY		US		ME, NH, VT		US						
Cost per extra minute	40¢					35¢						30¢		35¢		40¢		35¢		45¢		40¢		40¢		35¢	
Cost of phone	0 to \$150 depending on rebate promotion.					0 to \$310 depending on phone and promotion.						0 to \$230 depending on phone and promotion.						\$50 depending on phone and promotion.									
Notes	*Plus unlimited nights and weekends. **Zero long distance subject to promotion. Otherwise 20¢/minute toll rate could apply. ***Toll and roaming apply to national plan when outside of AT&T's network.					*Unlimited nights and weekends included.  Company reserves right to cancel plan if more than 15% of usage is outside of its licensed area.						*1,000 minutes or unlimited nights/weekends may be included as promotion. Detail billing is \$1/month extra. These plans require two year contract! **Nationwide toll free for \$2.95/month extra.						*Unlimited off-peak for \$5/mo.									

**Roaming charge** applies when calling from outside home area.

**Toll rate** applies when call destination is outside home area.

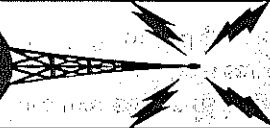
**Important:** call and check websites for latest promotions and always verify coverage quality in area of use.

**Activation fees** (typically \$25 to \$30) often apply but are sometimes waived upon request.

**Cancellation fees** (\$150 to \$175) generally apply.

**NOTE**—These are low to moderate usage plans. If desired, ask about minimum usage, high usage, and multi-line plans that are also available.

Beware that phone offered with wireless plan may not be compatible with other wireless plans when you change service. Beware that many advertised features require two-year contracts which should be avoided if possible. Dial 611 from cellular phones for customer service. 911 emergency calls (not E-911) may work from cell phones even without activation.

	<b>Tracfone</b> (tracfone.com) sold at local retailers 1-800-867-7183	<b>US Cellular</b> TalkTracker (uscc.com) 1-800-944-9400	<b>AT&amp;T</b> Free2Go (att.com) 1-800-888-7600		<b>Verizon</b> Free Up (verizonwireless.com) 1-800-922-0204	<b>Unicel</b> SmartPay (unicel.com) 1-800-244-9979
<b>Initial Cost - Including phone &amp; starting minutes</b>	\$20 to \$80 (includes 10 minutes)	\$129 (includes 70 minutes)	\$95 (includes 20 minutes)		\$100 (includes 50 minutes)	\$130 (no minutes included)
<b>Home Area</b>	Most of Central and Northern Maine	ME, NH except Portland & Portsmouth areas	<u>Local</u>  Coastal ME & NH	<u>National</u>  Most of US	Portland, Maine area and select areas in the US	Most of Central and Northern Maine
<b>Airtime Rate Per Minute</b>	27¢ to 95¢*	30¢ to 35¢	12¢ to 50¢**	22¢ to 85¢**	30¢ day time 15¢ night/weekend	15¢ to 25¢*
<b>Roaming Charge Per Minute</b>	Double the airtime rate	75¢	85¢	0	99¢	95¢
<b>Toll Charge - Per Minute</b>	0	25¢	0		0	85¢
<b>Minimum Recharge Dollars</b>	\$18	\$10	\$10		\$15	\$10
<b>Expiration of Minutes (days)</b>	60 - 365 (depending on card chosen)	60	45		30 - 120 (depending on price of card)	30-60*
<b>Minimum Annual Cost (without roaming)</b>						
<b>10 minutes/month</b>	\$95 (1 - 365-day 150 min. refill)	\$50 (5 - \$10 refills)	*\$70 (7 - \$10 refills)		\$165 (11 - \$15 refills)	\$60 (6 - \$10 60-day refills)
<b>50 minutes/month</b>	\$250 (10 - \$25 60-day refills)	\$200 (8 - \$25 refills)	*\$225 (9 - \$25 refills)		\$165 (11 - \$15 refills)	\$120 (12 - \$10 refills)
<b>100 minutes/month</b>	\$320 (8 - \$40 60-day 150 min. refills)	\$400 (1 - \$15 refill and 11 - \$35 refills)	*\$400 (8 - \$50 refills)		\$345 (1 - \$15 and 11 - \$30 refills)	\$180 (12 - \$15 refills)
<b>NOTES</b> Customers who use more than 100 minutes per month should consider regular monthly fee cellular plans. <b>Watch for and ask about promotions.</b>	*Depending on number and duration of minutes purchased.	\$5/month extra for detailed bill.	*Minimum annual cost based on local plan. ----- **Depending on number of minutes purchased.		Minimum annual cost of minutes calculated at weekday rate. Roaming charges (not included in annual cost shown) would apply in most of Maine.	*Plan A - 15¢ min (30 day refill). *Plan B - 25¢ min (60 day refill). ----- Minimum annual cost of minutes calculated at Plan A.

## HIGH SPEED (BROADBAND) INTERNET SERVICE—WHERE IS IT?

Cable modem, DSL, and a few satellite and wireless Internet Service Providers offer high speed Internet connections that do not use your local telephone line. Unfortunately these services are not available everywhere in Maine, as a result of technology limitations and marketing strategies. It has been reported that approximately 65% of Mainers have Internet access at home and about 27% of those indicate that they have high-speed Internet access.



Generally customers must be within 3 miles of a telephone company's central office in order to get DSL, but the necessary equipment is not available in all central offices. Of course, potential cable modem customers must be served by one of the cable TV companies listed on page 12. However, there may be some good news for customers who cannot currently receive – or afford – high-speed service. The price of the equipment necessary to provide broadband Internet service is falling. For that reason some ISPs are predicting that high-speed service will expand and prices will fall to the \$30 level soon, and perhaps down to the \$20 level within a few years.

In the meantime, if you think there is considerable demand for high speed Internet access in your community, but none is available, it may help to band together with other customers, perhaps with assistance from your town's officials, and make those desires known to ISPs. Depending on the ISP, a showing of 100 to 200 or more ready, willing, and able customers may help bring DSL to your community.

### IS YOUR LOCAL PHONE LINE INCOMPATIBLE WITH INTERNET SERVICE?

Verizon and Maine's 23 independent rural local phone companies are obligated to provide voice-grade service only, and may refuse to upgrade lines even if they can't sustain Internet access. We are trying to determine whether a substantial number of customers in Maine are unable to access 28.8 kbs dial-up Internet speed.

If you believe that the condition of your local telephone line prevents you from having adequate Internet access, please call the Public Advocate's Office. We'd like to seek a remedy if this problem affects a significant number of customers in Maine.

### TOLL-FREE INTERNET PROVIDERS OFFERING SERVICE IN MAINE

The ISPs listed on the following page as "Statewide ISPs" use the 500 HUB service for toll-free Internet access from any point in Maine. Verizon and Maine's 23 independent local telephone companies have completed the implementation of the PRI 500 HUB service that allows statewide toll-free access to participating ISPs. Other ISPs may provide service in your local calling area – see:

[www.maine.gov/msl/mgisp.htm](http://www.maine.gov/msl/mgisp.htm) or [www.thelist.com](http://www.thelist.com) for a more complete list of ISPs in Maine. Always make sure your modem is dialing either the 500 area code or a 3-digit prefix within your local calling area.

# SAMPLE OF RESIDENTIAL INTERNET SERVICES IN MAINE AS OF JANUARY 2003

COMPANY NAME	PHONE #	SERVICE FEATURES	RATES CHARGED Price Range Depends on Payment Method
CABLE TV & SATELLITE ISPs			
Adelphia- Power Link adelphia.net	1-800-336-9988	Cable modem. Ask about special promotions. No equipment cost or activation fee	\$44.95/month
Directwaydi- recttv.directway.com	1-866-556-9658	High-speed satellite dish, 5 email addresses, 10 MB personal web space	\$59.99/month plus one-time hardware and installation cost of \$579 to \$700
MetroCast Online metrocastonline.com	207-324-3700	Cable modem. (Sanford area). 10 MB web space	\$39.95/month (\$5/mo. discount if customer provides cable modem) \$100 installation charge
Susquehanna Comm. suscom.net	1-800-439-2629	Cable modem. (Brunswick area)	\$29.95/month plus equipment purchase
Time Warner twmaine.com	1-800-833-2253	Cable modem	\$44.95/month
STATEWIDE* ISPs (Dial-up, DSL and Wireless)			
DialMaine/Arcus Digital arcusdigital.com dialmaine.com	1-877-750-9327	Web hosting, web development, 5 email addresses, 50 MB personal web space	Unlimited dial-up—\$21.95-\$23.95/month
CC Net clinic.net	1-800-645-9815	2 email addresses, 5 MB personal web space Broadband wireless available in Greater Portland, Bath/Brunswick, Mid-coast area	Unlimited dial-up—\$20.00/month Wireless—\$39.95 and up, plus installation and equipment cost
Great Works Internet gwi.net	1-866-494-2020	Web hosting, domain registration, co-location, 2 email addresses, 10 MB of web space, DSL	Unlimited dial-up—\$19.9/month (\$15 setup fee) \$8.95/month for 10 hours \$15.95/month for 40 hours DSL starting at \$49.95 + \$60 setup fee
hyperMedia hypernet.com	1-800-935-0040	Web design, hosting, and 2 email addresses	Unlimited dial-up—\$19.95 to \$22.95/month
Mid-Maine Communications midmaine.com	1-877-643-6246	Rate applies to both business and residential. Mid-Mail remote email access, 5MB of personal web space & 2 email addresses 24/7 tech support	Unlimited dial-up—\$14.95 to \$19.95/month + \$10 setup fee (\$14.95 requires 6 month commitment)
MPDU mpdu.com	1-866-580-0073	Web design, hosting. DSL for business only	Unlimited dial-up—\$14.95 to \$19.95/month (\$14.95 requires 2-year commitment)
Panax.com panax.com	1-888-452-5100	Web site hosting and design. 3 mailboxes and 5 MB of web space	Unlimited dial-up—\$14.95 to \$18.95/month
Prexar prexar.com	1-800-288-5072	5 email addresses, 5 MB personal web space.DSL	Unlimited dial-up—\$19.95 to \$22.95/month \$9.95/month for 10 hours DSL starting at \$29.95/month
Route 1 wiscasset.net	1-888-682-4488	Business high speed dedicated access; network administration and setup – Discount of 20% for Educators & Students	Unlimited dial-up—\$30/month (\$25 setup fee)
Verizon verizon.com	1-888-427-1405	DSL.	Unlimited DSL starting at \$49.95 (ask about available introductory discounts)
NATIONAL ISPs (Dial-up)			
AOL aol.com	Sign-up online	Dial-up Check website for local access numbers	Unlimited dial-up—\$19.95 to \$23.90/month \$4.95 for 3 hours (+\$2.50 for additional hours) \$9.95 for 5 hours (+\$2.95 for additional hours)
AT&T Worldnet att.com	1-800-400-1447	Dial-up Check website for local access numbers	Unlimited dial-up \$21.95/month \$16.95 for 150 hours/month (+.99 each additional hour)
Earthlink earthlink.com	1-800-395-8425	Dial-up, toll-free access available in Augusta, Bangor, Portland, & Rockland only	Unlimited dialup—\$26.95/month \$9.95 for 10 hours/month (ask about specials)
Juno/Netzero netzero.com juno.com	Sign-up online or call 1-800-333-3633 for CD (\$10)	Dial-up, toll-free access available in Augusta, Bangor, Kittery, Lewiston, Portland, Presque Isle, and Rockland only	Free 10 hours/month Premium service with less advertising \$9.95/mo.

## **MORE FAQs - (frequently asked questions)**

**Why am I required to pay an FCC Line Charge of \$6.00 when I don't even use long-distance service?**

— The \$6 Subscriber Line Charge (also known as "FCC line charge" or "end user common line charge") is required by the FCC to allow local phone companies to recover some of the costs of providing access to the interstate long-distance network. This charge has increased substantially in recent years because the FCC has reduced per-minute access charges paid by long-distance companies and has required local phone customers to make up the difference. Even if you make few or no long-distance calls and even if you have no presubscribed long-distance provider at all, the FCC allows local companies to bill you for this charge every month. Based on current plans, the charge may become even higher in the future. If you feel this is unfair, you may contact your federal elected officials; only Congress can require the FCC to change its policies. However, the Public Advocate has been working with its national consumer advocacy affiliate to persuade the FCC to reverse course on this policy. We also presented evidence that the \$6 fee is too high.

**I am served by a rural independent local telephone company and can't get some of the services available in Verizon territory — what can be done about that?** — Unfortunately, not much. New plans like MCI's "The Neighborhood" (see p.3) represent local competition which currently cannot be offered in the service territory of independent local phone companies. In addition, some long-distance companies choose not to offer their calling plans in independent areas because costs are higher and profit margins are lower. However, some of the very best deals are offered everywhere in Maine (see p.1- "The Bottom Line").

**Can my local phone company disconnect my service if I fail to pay the long-distance portion of my bill?**

— Not any more. Thanks to new rules recently adopted by the PUC, phone companies now cannot disconnect your service based on non-payment unless you failed to pay the basic telephone service charge. Therefore, if you cannot afford to pay your entire phone bill, always be sure to pay the full basic service charge before paying for long-distance or other non-basic services. If you are threatened with disconnection, you should call the PUC at 1-800-452-4699 to get assistance in setting up a payment arrangement or in resolving any disputes with the phone company.

**I want to change my long-distance phone company, do I need to notify my existing carrier?** — No.

Normally, all that is necessary is one call to the new long-distance company that you've chosen. That company will make all the arrangements to have your local company complete the switch and usually the new long-distance company will even pay your local company's \$5 switching fee.

**Is it a good idea to agree to change telephone companies when a telemarketer makes an interesting offer?** — No.

If you agree to listen to a telephone solicitation and are pleased with the offer, you should insist on getting written materials describing the offer before agreeing to change your service. You should be aware that some telemarketers misrepresent calling plans or engage in slamming (switching your service without your authorization). It is unlikely that you'll get an offer that is better than the best ones featured on pages 6 and 7 of this guide. One possible exception may be a cash payment inducing you to switch. However, if you cash a check from a phone company, make sure to read all the fine print on the check above your signature.

**Can a phone company raise my rates without notifying me in advance?** — Maine law now requires long-distance companies to notify customers at least 25 days before any interstate long-distance rate increase goes into effect. Customers have no obligation to pay rate increases when such notice has not been given. Local telephone companies may not raise local rates except by order of the Public Utilities Commission. The law does not cover state-to-state rates which have been largely deregulated by the FCC.

**The Ratewatcher Guide usually features a chart displaying Dial-Around (10-10) offers - Where is it? —**

Given the drop in prices for the best presubscribed calling plans and prepaid calling accounts, we no longer recommend 10-10 dial-around options. For example, Vartec's 10-10-811 has been very popular in Maine, but why pay a 50¢ per-call minimum plus a monthly USF surcharge and a 5¢/minute rate when you can beat the rate, avoid the minimum, and get a lower USF surcharge with a presubscribed calling plan? Using the best prepaid offer, you can get a much lower rate and avoid all surcharges and taxes too.



**Public Advocate Office**  
**112 State House Station**  
**Augusta, ME 04333-0112**

*Calling Plans* **INTERNET SERVICES** **CALLBACK** *Wireless Services*  
**SURCHARGES BUSINESS PHONE RATES PREPAID SERVICES**  
**INTERNATIONAL SERVICES** TELECOMMUNICATIONS NEWS

**DEADLINE**

**1/15/03**

**CLAIM YOUR SHARE OF THE AT&T SETTLEMENT**

If you rented a phone from AT&T between 1984 and 1990, you may claim up to \$80 per phone line as a result of a recently settled lawsuit against AT&T. See details and a claim form on our website at [www.maine.gov/meopa](http://www.maine.gov/meopa) or call the Public Advocate's Office at 287-2445.

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**ABOUT THE PUBLIC ADVOCATE'S OFFICE**

Stephen G. Ward, the Public Advocate, and his staff of nine 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. Public Advocate staff are also available to speak to interested groups.