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Ratewatcher Telecom Guide Vol. 16 July 2005

Maine Public Advocate Office

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RATEWATCHER TELECOM GUIDE

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RATEWATCHER TELECOM GUIDE

MORE SETBACKS FOR LOCAL COMPETITION

Since last April, customers trying to sign up with competitive local telephone companies, such as USA and Homefield, were surprised to learn that new customers were no longer being accepted. After the FCC changed the rules governing the wholesale costs of access to Verizon's network, small competitors had a choice – raise prices (and lose customers) or stop taking new customers. Now, there are no economical alternative local service options for most residential customers. High volume toll customers still have access to unlimited local/long-distance and local/DSL bundled plans. Those with high-speed Internet (broadband) still have Voice Over Internet (VOIP) options, and, if service is reliable in your area, there are also wireless options. However, neither VOIP nor wireless service are yet fully reliable substitutes for regular phone service. (*cont'd p. 2*)

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PUBLIC ADVOCATE WINS APPEAL AGAINST PUC AND VERIZON AT THE MAINE SUPREME COURT – AGAIN

For the second time, the Maine Supreme Court has vacated the Public Utilities Commission's Order approving Verizon's 5 year regulation plan. The Public Advocate challenged the Commission's orders because the PUC failed to ensure that Verizon's rates would not be higher than the rates that would be set under the traditional method of cost-based ratemaking, as required by state law. The PUC argued that the rate comparison was impossible, when applied to a multi-year period, and therefore, it had no obligation to even hear the evidence offered by the Public Advocate. The Court rejected the PUC's argument, finding that it could not ignore a state statute, based on the PUC's own regulatory preferences or based on the difficulty of compliance. The Court also found that, if the PUC cannot fulfill the requirements of alternative regulation, it must go back to traditional regulation. In the new proceeding now underway the Public Advocate will try to prove that Verizon's rates should be reduced and that the PUC's service quality standards should be tougher.

MAINE
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ADVOCATE

THE BOTTOM LINE

Long-Distance Only - Pioneer and Touchtone remain two of the best bargains for instate and inter-state long-distance service. Both charge low rates, offer 6-second billing, and don't charge deceptive regulatory fees. Choose Touchtone if you don't live in Verizon territory or if you use fewer than 100 minutes per month. Otherwise, Pioneer is cheaper, assuming you always pay on time.

Local Service - Few good alternatives remain for typical residential customers. High volume long-distance users or those who want to bundle local service with high-speed Internet service should consider an alternative local provider. Business customers should consider alternative local services.

Prepaid Calling - Sam's Club's AT&T card has a new lower price at stores but now imposes a substantial 15% surcharge when you recharge minutes by phone. Onesuite remains a good option if you want to buy minutes online. Each service provides certain advantages as shown in the report.

Wireless - Prepaid wireless is best for low-volume or occasional use of a cell phone. If you use well over 100 minutes every month, a monthly fee plan is better. As always, one size does not fit all – the best choice depends on how and where you plan to use your service.

Internet - High-speed (DSL, Cable, or Wireless) is best if it's available. Dial-up services range from \$5.50 to \$23 per month. Maine-based ISPs are likely to provide better customer service, but a low-cost national ISP can be a bargain if there's a toll-free local access number in your calling area.

VOIP - A good choice for a second line if you have a broadband (high-speed) Internet connection. Now that the FCC has ordered VOIP services to comply with emergency 911 systems, VOIP is one step closer to real telephone service. Consider the advantages and disadvantages of VOIP.

(Verizon continued from page 1) Verizon and the other three former Bell Companies have had enormous success in their strategy to eliminate local telecommunications competition. Their aggressive litigation and lobbying have resulted in FCC and court decisions that have greatly weakened the ability of smaller competitors to provide wireline telephone service and high-speed Internet service. The promise of the 1996 Telecommunications Act was that companies like Verizon would open their networks to competition in exchange for the right to serve the interstate long-distance market. However, after winning the prize of access to the long-distance market, the Bells launched their aggressive fight to kill local competition. Now, it appears that we're headed back to a monopoly market for plain local telephone service.

In 2004, Verizon successfully challenged, in federal court, FCC rules governing competitive access to its network. After the FCC refused to appeal those decisions, the FCC adopted new rules much less favorable to competitors. Having achieved its goals to change federal regulation, in April 2005, Verizon went so far as to sue the Maine Public Utilities Commission in federal court after the PUC determined that it had authority to require Verizon to continue to offer types of wholesale access that Verizon promised to make available when it sought entry into the interstate long-distance market.

Recently, the PUC interrupted its consideration of "line-sharing", which allows competitors to provide DSL Internet service. The PUC put the case on hold after Verizon moved to have it dismissed based on an FCC ruling that several southern states could not require Bell South to provide DSL to its local customers who use a competitor's local voice service. In essence, the FCC is allowing the Bell companies to undermine competition by telling customers they must buy the phone company's bundled services if they want DSL. Verizon also appealed to the Maine Supreme Court, the Maine PUC's decision to allow a very small Skowhegan-based DSL provider to access Verizon's network in order to bring DSL to rural customers who have no other access to broadband services. In June, that case was resolved in favor of the Skowhegan provider.

What may turn out to be the worst assault on competition is the impending merger of Verizon with MCI, along with the impending merger of AT&T with SBC (the second biggest of the four Bell companies, after Verizon). Not only will these mergers remove the only large local service competitors to Verizon and SBC, but it removes their only well-financed lobbying and legal opposition in Congress, the FCC, and the courts. As the new rules for the telecommunications industry are developed in Congress over the next few years, the legislative agenda of the Bells may become a virtual monopoly.

Another Local Rate Increase For Verizon

In May, the Public Utilities Commission allowed Verizon's local rates to increase by 21¢ per month to account for the final reductions in access charges paid to Verizon by long-distance companies. This rate increase was ordered despite the strenuous objections of the Public Advocate. Since Verizon's rates have been nullified by the Maine Supreme Court, we argued that there is no appropriate base rate from which to add increases.

Maine Supreme Court Ruling May Help Expand DSL Service

In June, the Maine Supreme Court ruled that the PUC may order Verizon to connect copper wires to Skowhegan Online, Inc. (SOI), a very small Internet company. SOI plans to connect DSL equipment to those wires at a utility pole and provide DSL to rural customers who are currently without any other broadband (high-speed Internet) access. The PUC, the Public Advocate, and other Internet companies all argued against Verizon's appeal. While this is good news, it is not clear whether Verizon will continue to resist furnishing these facilities.

Looking for a Public Payphone? The Maine Legislature Just Made it a Little Easier

The Public Advocate has received dozens of complaints over the last few years about the increasing difficulty in finding public payphones and about the disappearance of certain favorite payphones. In fact, phone companies (largely Verizon) have pulled out about half the payphones in the State just during the last few years. In response, we petitioned the Public Utilities Commission to begin a public interest payphone program in order to preserve payphones in Maine, but the PUC denied our petition.

In April, Rep. Herb Adams (D, Portland) introduced a bill to create a public interest payphone program, and enlisted the advice and support of the Public Advocate. The bill was passed unanimously by the Utilities and Energy Committee and enacted by the Legislature. The new law allows for funding of up to \$50,000 per year from the Maine Universal Service Fund to support payphones. Now, any citizen may petition the PUC to designate a public interest payphone at any particular location in the State. In order to qualify, the proposed phone must fulfill a "public welfare, health or safety policy objective" and the PUC must also find that the payphone would not otherwise be supported by the competitive marketplace.

LOCAL SERVICE COMPETITION

After recent changes in FCC rules there is very little competition for residential local telephone service. The following chart shows alternatives for Verizon's business customers and for residential customers who use a high volume of toll minutes. Business rates heavily depend upon the services chosen and length of contracts. Compare these rates to Verizon local service rates as follows:

Verizon's standard rates: Res.— \$17.79 economy, \$19.29 premium, Bus.— \$35.38 economy, \$38.49 premium.

Name/Phone/Website	Business or Residential	Monthly Rates (Res./Bus.) (excluding surcharges & taxes)	Notes
AT&T One Rate	B & R	Unlimited local and long-distance \$55 (Res. Plan)	4 features
BCN Telecom (888) 866-7266 bcntele.com	B & R	B \$26 to \$30 per line* R 5% below Verizon rate	*Depending on customer location
ChoiceOne (877) 277-6836 (207) 432-1000 choiceonecom.com	B	Starting at \$23.30 per line \$27.70 w/8 features	Various exchanges
Conversent (800) 275-2088 conversent.com	B	\$26.50/mo. per line or \$25/mo. with /2-3 year commitment	Various exchanges
CTC (800) 287-9875 ctcnet.com	B	\$27 to \$38 per line	
Excel (877) 668-0808 excel.com	R	\$32.45 to \$38.90* with 3 features (Requires Excel long distance)	*depending on location and long-distance plan. Includes 100 LD minutes
GWI (866) 494-2020 gwi.net	B* & R	Res. \$40 including unlimited long-distance (if bundled w/DSL) \$50 without/DSL	5 features at \$5 extra *Bus. rates are higher Various exchanges
Lightship (877) 548-7447 lightship.com	B	Rates range from \$26.96 to \$16.86 depending on volumes and types of selected services	Long-distance rates from 3.5¢ to 2.8¢
MCI (877) 777-6271 theneighborhood.com	B & R	Unlimited local and long-distance Res. - \$50* Bus. - \$60	5 calling features included 1st month free *Over \$66 with surcharges and taxes
Mid-Maine (877) 643-6246 midmaine.com	B & R	B \$26 - \$32 R - \$49 - local/DSL bundle	Service available in selected exchanges
Oxford (800) 520-9911 oxfordnetworks.com	B & R	R - \$17.22 - \$22.22 B- \$31.28 - \$40.34 R - \$40. (with 5 features) B - \$31-28 - \$40.34 depending on number of lines (\$7.72 per line)	Norway/South Paris Parts of Lewiston/Auburn Bus. service avail. in many areas in southern and central Maine plus Bangor
PineTree (866) 746-3873 pinetreenetworks.com	B	\$25 - \$35 per line	Greater Portland & Lewiston areas
Time Warner (800) 833-2253 twcdigitalphone.com (Voice over Internet)	R	\$40 with digital cable or Roadrunner \$45 with analog cable TV \$50 without the above	VOIP based Southern Maine only Includes unlimited long-distance, many features
USA Telephone (877) 872-2800 savewithusa.com	B & R	R - \$20-\$25 with 3 features (depending on location) B - \$29-\$32 per line with 3 features (depending on location)	Local services bundled with 2.9¢ instate and interstate LD minutes (B and R)

UNLIMITED LOCAL AND LONG-DISTANCE TELEPHONE PLANS

NAMES	FEATURES	UNLIMITED TOLL WITH LOCAL	UNLIMITED STATEWIDE TOLL (AND LOCAL)	UNLIMITED TOLL ONLY	DSL & UNLIMITED TELEPHONE (LOCAL & TOLL)	NOTES
AT&T One Rate USA 1-800-222-0300 att.com	Unlimited to U.S. 4 features*	\$55	N/A	\$30	\$85	may choose 4 out of 11 features / Voicemail - add \$5
GWIGWILINE* 1-866-494-2020 gwi.net	Unlimited to US 5 features**	\$50	N/A	N/A	\$70 (no added line charge)	*Available in selected exchanges **\$5 additional for optional features
IDT Unlimited 1-800-254-1718 idt.net	Unlimited to U.S. 6 features	Not available to new customers	N/A	\$27	N/A	Voicemail available at extra charge Closed to new customers
MCI Neighborhood 1-877-777-6271 mci.com	Unlimited to U.S. 5 features	\$50*	N/A	\$16—Unlimited Interstate + 60 instate minutes	\$80	Includes voicemail *With new increased surcharges, total bill is now \$67.77
Oxford Networks 1-800-520-9911 oxfordnetworks.com	Unlimited to U.S. & Canada 5 features	\$81.52	N/A	\$17.59	\$81.52	Lewiston/Auburn area only
Time Warner 1-800-833-2253 twmaine.com	Unlimited to US & Canada Advanced features	\$40	N/A	N/A	\$85 (no added line charge)	Enhanced VOIP Service Up to \$50 w/o Roadrunner or Digital/Cable Southern Maine area only
Verizon Freedom 1-800-870-9999 verizon.com	Unlimited to U.S. & Canada 5 features	\$55	\$40	N/A	\$85	Includes voicemail & 4 other features

Note: Homefield provides unlimited local and statewide toll calls for a low price but that service is temporarily unavailable to new customers.

N/A = not available Toll = long-distance

All prices exclude surcharges and taxes. Note that Time Warner and GWI do not add the \$6.50 subscriber line charge.

LONG-DISTANCE DEPARTMENT

Universal Service Fund Update

The USF fee will be dropping from 11.1% to 10.2% from July 1 through September 30, 2005. The surcharge is applied only to interstate services on telephone and wireless bills. The USF pays for affordable rural phone service, school and library Internet and telecommunications service, low-income telephone service discounts, and rural telemedicine service discounts.

PREPAID CALLING — UPDATE

	Sam's Club/AT&T	OneSuite.com
US Rate 48 (states)	2.84¢	2.9¢*
Western Europe	11.36¢	3.4¢ - 9¢
Other Fees	5% sales tax on initial store purchase and phone refills	None
How to buy?	Sam's Club (similar offers at BJ's & Costco) or renew by phone	www.onesuite.com
Expiration	24 months from activation or last recharge	6 months from activation or last recharge
Record of call	No	Yes via Internet
Use from Canada? Rate?	Yes 15¢	Yes 3.5¢* (*2.5¢ from Montreal, Toronto, & Vancouver)
Payphone Charge	43¢	55¢
Special Features	Enhanced features offered at extra charge. Can use in many countries.	Many free enhanced features.
Customer Service #	800-530-6744	866-417-8483

Calls to international mobile phones may be priced much higher.

NOTICE — Sam's Club/AT&T now applies a 15% surcharge when you add minutes by phone.

LONG-DISTANCE - UPDATE

Approximately 400 long-distance companies are licensed to serve customers in Maine. However, most of them are serving limited business markets or charging rates that are not competitive with the lowest-cost companies. For the past few years, two long-distance companies have emerged as the best bargains for most of Maine's toll customers — Pioneer Telephone and Touchtone Communications. Touchtone is the better choice if your local phone company is not Verizon. Both have been providing good service with courteous treatment of their customers, as well as good prices. While the big carriers like Verizon, MCI, AT&T, and Sprint still have very large shares of the toll market, their prices and monthly fees for standalone long-distance service translate into unnecessarily higher bills for the very same service that is available for less.

These traditional "pay as you go" long-distance plans are still the best option for the majority of telephone customers. However, alternatives exist for those in Verizon territory who use many toll minutes each month and those who want to bundle local service with long-distance and/or DSL service. For those served by a non-Verizon local phone company, the only alternatives are unlimited bundled plans that are offered by your local phone company, VOIP services, and wireless services.

TRADITIONAL PAY AS YOU GO LONG-DISTANCE PLANS

Looking for a good long-distance service to combine with basic service from your local phone company? Here are two good options: choose Touchtone if you are served by an independent rural local phone company. Choose Pioneer or Touchtone if you live in Verizon territory, but Pioneer has an edge if you use over \$15 of long-distance per month or are willing to accept email billing.

TWO LOW-PRICED FULL-SERVICE LONG-DISTANCE PLANS				
COMPANY	Pioneer pioneertelephone.com		Touchtone touchtone.net	
FEATURED PLAN	Talk Cents		4.25¢ Plan	
<i>(RESIDENTIAL)</i>	<i>Instate</i>	<i>Interstate</i>	<i>Instate</i>	<i>Interstate</i>
RESIDENTIAL per minute rate (excluding surcharges & taxes)	3.5¢	3.25¢	4.25¢	4.25¢
Monthly Minimum	none		none	
Monthly Fee	99¢*		none	
RESIDENTIAL SAMPLE MONTHLY COSTS :	INCLUDES 50% INSTATE/50% INTERSTATE MINUTES & MONTHLY FEES, EXCLUDING SURCHARGES & TAXES.			
LOW @ 10 mins. per month	\$1.34*		43¢	
MEDIUM @ 100 mins. per month	\$4.37*		\$4.25	
HIGH @ 500 mins. per month	\$16.88		\$21.25	
HIGHEST @ 1,000 mins. per month	\$33.75		\$42.50	
Hawaii/Alaska	4.9¢		15¢	
RESIDENTIAL INTERNATIONAL RATES*				
Canada	3.9¢		6¢	
France	4.5¢		7¢	
Hong Kong	4.9¢		7¢	
Italy	4.9¢		7¢	
Spain	4.9¢		7¢	
United Kingdom	4.9¢		6¢	
AVAILABLE IN RURAL INDEPENDENT AREAS?	no		yes	
<i>(BUSINESS)</i>	<i>Instate</i>	<i>Interstate</i>	<i>Instate</i>	<i>Interstate</i>
Business per minute rates (excluding surcharges and taxes)	3.5¢	3.25¢	4.25¢	4.25¢
Monthly Minimum	none		none	
Monthly Fee	99¢*		none	
PICC Charges (per line)	\$4.21		\$1.50	
In-bound 800 Rates	3.5¢**	3.25¢**	4.25¢**	4.25¢**
TO SUBSCRIBE, CALL:	1-888-492-6878		sold only by agents*	
NOTE: Surcharges are not included in the rates shown.	*99¢ fee waived w/online billing or usage over \$15		*Touchtone Agents in Maine: 1 888 594-2500 1 888 866-7266 1 800 619-2537 1 877 885-9844 1 866 764-8001 1 888 262-7864	
\$5 fee to change carrier is often covered by new carrier upon request.	**99¢/mo. per 800 number.			
PICC charges (a per-line access charge) apply to multi-line business customers only.	Alt. Plans - Rate Buster 2.9¢ instate/2.7¢ interstate with 1-minute billing.		6-second billing. Lower rate may be available for high-volume customers.	
1-minute billing unless otherwise noted. An average customer will save about 10% as a result of 6-second billing.	6-second billing.		Customer service 1-800-266-4006	
*Beware that international calls to mobile phones may be priced much higher.	Pioneer is a Maine company. 1.9¢/min. to call other Pioneer customers.		** \$1.99/mo per 800 number	
	Late payment causes rates to double.			

One Loss and One Gain in Maine's Local/Long-Distance Market

USA and Homefield recently temporarily suspended service to new customers after the FCC issued an order eliminating the method of access to Verizon's network used by USA and Homefield. USA and Homefield are now faced with higher costs to provide service to new customers and therefore, have stopped taking new customers instead of raising prices.

GWI, Maine's second largest provider of high-speed DSL Internet service (after Verizon), has recently entered the local and long-distance voice telephone market. GWI is offering unlimited local and long-distance calling for \$40/month when bundled with their \$30 DSL service (\$70 total), or \$50 without DSL service. This is regular fully reliable phone service – not VOIP service. Unlike most other local telephone companies in Maine, GWI has decided not to charge the \$6.38–\$6.50 line surcharge, so subtract about \$6.50 when comparing their price to your current phone service. We like that!

GWI's new GWiLine versus Time Warner's Digital Phone

In comparison to GWI's \$70 DSL/phone bundle (see left box) Time Warner's Digital Phone is priced at \$40 when bundled with its \$45/month Roadrunner service, for a total of \$85/month. However, price isn't the only difference -- Time Warner's Digital Phone is a VOIP service, though it works differently from most other VOIP services. Time Warner routes calls through a local telephone company in order to provide full E911 capability and service that is more reliable than those that originate over the public Internet. However, like other VOIP services, Digital Phone will not work during an electrical or Internet outage. GWI's new phone service is traditional, more reliable phone service. Neither service is economical, however, for customers who use less than 300 long-distance minutes per month. Both services are available only in selected geographic areas.

Voice Over Internet (VOIP) Services Are Gaining in Popularity

Voice Over Internet continues to grow in popularity as an alternative telephone system for customers with a high-speed (broadband) Internet connection, but prospective customers need to be aware of the pros and cons of VOIP. VOIP generally includes many free features and low-priced international calling. It generally requires a broadband connection, although some services, such as Packet8, claim that their service will work even over a dial-up connection (we suspect that service quality would be poor over a dial-up connection). In fact, substandard sound quality and other technical problems continue to plague some customers of VOIP services.

Key Features - VOIP service often includes many advanced features (often more than 20), including voicemail and Caller ID, at no extra charge. One emerging feature is the WiFi phone, which removes the need for a telephone adaptor, and allows you to connect wirelessly to a broadband modem or router. Net2Phone already offers the WiFi phone and Vonage will be rolling it out soon. Another advantage of VOIP is that it is portable — just bring your adaptor or IP phone anywhere in the world and plug it into a broadband connection. Then, calls to your local phone number in the US will ring wherever you are, at no extra charge to you or your local callers.

Emergency Access over VOIP - Recently, there have been media reports of deaths that were blamed on the improper routing of emergency calls over a VOIP network. However, in May the FCC issued an Order requiring that VOIP providers deliver all 911 calls to the customer's local emergency dispatch center and provide location information (E-911) where available. Since VOIP services are portable, it will be the customer's obligation to report any location changes. Also be aware that VOIP service is interrupted during an electrical outage or an Internet service outage. However, with traditional phone service or a reliable wireless service as a backup, VOIP can be a good option for broadband customers who make many toll calls or need a second line.

Special Considerations for DSL Customers – If you subscribe to DSL service, you will need to continue to pay for local telephone service, because most local phone companies, including Verizon, do not allow you to subscribe to DSL without also paying for local phone service.

See VOIP service comparisons on page 8.

SAMPLE OF RESIDENTIAL VOIP RETAIL SERVICES*

COMPANY	FEATURES	PRICE	NOTES
AT&T CALLVANTAGE att.com/callvantage	Unlimited to US & Canada,	\$30/month (\$30 activation fee) Europe - 5¢ to 9¢	Early termination fee may apply if cancelled within 1 year Adapter included
BROADVOICE broadvoice.com	Unlimited in Maine Unlimited World (US + 20 countries)	\$10/month +3.9¢/min. interstate & Canada & low international rates \$20/mon.	Adaptor included \$40 activation fee \$10 with own device
LINGO lingo.com	Unlimited to US, Canada & Western Europe 500 Minutes US, Canada & Western Europe	\$20/month \$15/month	\$30 activation fee First month free \$40 termination fee within 1 year
NET2PHONE net2phone.com	Unlimited US & Canada Unlimited Europe or bundled rates for specific counties 500 minutes US & Canada 350 Western Europe	\$30/month Europe 5¢ to 8¢ + \$40/month \$15/month \$15/month	\$40 fee if cancel w/in 1 year Requires prepayment \$30 activation fee Adapter included
PACKET8 packet8.com	Unlimited US, & Canada Unlimited Calls to Europe/Asia	\$20/month Europe 3¢ to 8¢ \$30 extra per continent/ month	Claims to be E-911 compliant \$30 Activation Fee Adapter included Claims ok with dialup
PULVER Free World Dialup pulver.com	Unlimited to other members (May ring regular phone numbers with separate service)	FREE	Can work with a special telephone or free software
SIPPHONE sipphone.com	Unlimited to other Sipphones May ring regular phone #s	Free to other Sipphones Reg. calls start at 2¢	Using telephone adapter (\$60) or computer software (free)
SKYPE skype.com	Unlimited PC to PC May ring regular phone #s	Free to other Skype users Reg. calls start at 2.3¢	Using computer mike/speakers
TIME WARNER Digital Phone twmaine.com	Unlimited US, Canada, Guam, Puerto Rico & Virgin Islands	\$40/month (\$50 without Roadrunner) Europe 7¢ to 8¢	No adaptor needed E-911 compliant
VOICEPULSE voicepulse.com	Unlimited US Unlimited ME + 200 Long Distance	\$25/month \$15/month Europe 5¢ to 9¢	Adapter included Required 1-year term
VONAGE vonage.com	Unlimited US & Canada 500 Minutes	\$25/month \$15/mo. (3.9¢/min. after 500 included) Europe - 3¢ to 8¢	\$30 Activation Fee Adapter included

*Note—Business plans also available from many VOIP providers.

Where to Go For Help When Having a Dispute With a Service Provider

Utilities – In Maine, the Public Utilities Commission (PUC) has jurisdiction over telephone, electric, gas and water utilities. Technically, the PUC has jurisdiction over local and in-state long-distance service but not interstate service. However, many disputes involve both so the PUC will generally try to assist in resolving long-distance service disputes. They generally do not have jurisdiction over wireless companies and cable companies. Staff members can help prevent disconnection of service, assist in setting up a fair payment arrangement, give advice concerning rules that apply to utility service, and can often resolve service or billing disputes. Decisions of the Consumer Assistance Division may be appealed to the full 3-member Commission.

Cable Companies – Cable TV and Internet service providers are largely unregulated businesses. The FCC in Washington D.C. has authority to regulate cable service and there are some federal rules that govern service standards. In addition, since local municipalities periodically approve the franchise agreement with the cable operator, there may be some service standards to be enforced by your town. However, in most cases, neither your town nor the FCC will be of much help in resolving an individual dispute.

Wireless Companies – Like Cable companies, wireless companies are largely unregulated with respect to service quality and billing disputes with consumers. Only a few states have adopted service quality standards that apply to wireless companies. In Maine, as a result of a settlement with various state attorneys general, Cingular, Verizon and Sprint have agreed to provide detailed coverage maps, clearly stated contract terms, and a period of at least 14 days as a grace period for cancellation of a wireless contract. Unicef has agreed to comply with certain Maine utility consumer protection rules in exchange for being made eligible to receive federal universal service subsidies. US Cellular is currently applying for those subsidies and we expect those rules to apply to them as well. Some carriers already allow a 30 day grace period for cancellation.

Internet Services – (Dial-Up, DSL, wireless or Cable-Modem) – Another unregulated service. Even if your Internet service is provided by an affiliate of a regulated telephone company, the PUC has no jurisdiction over the Internet service, and telephone utilities are under no obligation to improve your telephone line to allow adequate dial-up or DSL Internet Service.

Contact Information

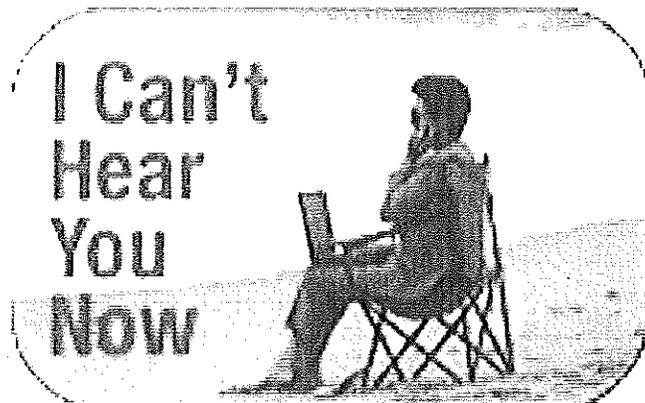
Maine PUC – 1800 452-4699 – (public utility complaints and dispute resolution).

Federal Communications Commission – www.fcc.gov 1888 225-5322 fccinfo@fcc.gov – (complaints concerning cable or wireless companies – but the FCC will not investigate individual contract or billing disputes).

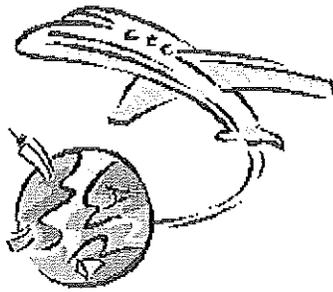
Maine Attorney General – 207-626-8800 consumer.mediation@maine.gov (provides consumer mediation services and may take action in the case of an unfair or deceptive practice by any business in Maine).

I Can't Hear You Now?

In his State of the State speech, Governor Baldacci announced two initiatives, one seeking to encourage greater broadband availability in Maine and the other to increase wireless coverage throughout the State. As part of this project, the Governor asked the Public Advocate to compile data about wireless dead spots. Since January, the Public Advocate has been gathering that information and plotting it on a map on our web site. If you know of a place where your wireless service will not work, please give us a call at 287-2445 so we may add your information to our online map. You may view the map at www.maine.gov/meopa (click on "I Can't Hear You Now").



WIRELESS DEPARTMENT



Traveling Abroad? Consider An Unlocked GSM Wireless Phone

Wireless phones sold by U.S. wireless carriers are almost always locked to their own service. In other words, the phones are often useless when you choose a different service provider, even within the U.S. However, in many countries around the world, you can use an unlocked phone using the GSM (Global System for Mobile Communications) standard. Since most of the world uses the GSM standard (as do a few U.S. carriers), you can use your phone in many countries, as long as your phone

operates on the frequency used by the country you're in. It is possible to buy an unlocked GSM phone with three frequency bands (covering most countries) for as little as \$80. However, U.S. carriers may refuse to activate your unlocked GSM phone. European carriers use 900 and 1800 MHz while North American carriers use 850 and 1900 MHz.

How does it work? Typically, your unlocked GSM phone will work with a prepaid wireless service. When you arrive in a foreign country, you buy a SIM (Subscriber Identity Module) card, which you insert into the phone. It works much like a prepaid calling card, except that a SIM card becomes a physical component of your device. It effectively activates your account, determines your phone number, and keeps track of your minutes.

Where to find them? Unlocked GSM phones are available on many web sites – just search “unlocked GSM phones”. One retailer with a good description of the service is www.telestial.com

FCC Responds to Advocates Who Challenged Misleading Telephone and Wireless Bill Surcharges - With More Bad News For Consumers

Last year, NASUCA, the National Association of State Utility Consumer Advocates (of which the Maine Public Advocate is an active member) filed a complaint with the FCC, asking that it abolish, or at least regulate, the many misleading surcharges that keep popping up on bills for telephone and wireless service. Instead of requiring industry reforms, the FCC issued an order doing little to protect consumers. Even worse, the FCC went further and prohibited the states from regulating wireless surcharges. This decision will allow communications companies to continue to bill millions of extra dollars to consumers while undermining the efforts of some states to protect them. Not surprisingly, this decision was made after intensive lobbying by the wireless industry.



Do You Want Wireless Service Only For Emergencies? One Option Is No Service At All

Many people desire wireless service as a means to contact 911 in case of emergency. However, most people don't realize that you don't need to pay for wireless service in order to have access to 911. When monthly service is discontinued or prepaid minutes are expired, your wireless phone is still capable of contacting 911 to report an emergency. New prepaid wireless phones with included minutes are available for as little as \$36. However, there are a few caveats to bear in mind:

1. Older wireless phones and those without an assigned phone number are not compatible with E911, which allows the dispatch center to determine your location.
2. You will need to remember to keep the phone's battery charged. It is easy to forget to do that when you rarely use the phone.
3. Keep all unused wireless phones away from children because they continue to provide live access to emergency dispatch centers. Old cheap phones, especially prepaid phones, are sometimes given to children to play with as toys. The 911 dispatch centers will not welcome a call from your toddler unless it's a real emergency.

SAMPLE OF MONTHLY FEE WIRELESS PLANS (see page 12 for Prepaid Services)

	Cingular (AT&T) cingular.com (800-331-0500)			US Cellular uscellular.com (888-944-9400)				Unicel unicel.com (800-336-4455) - local — (800-462-3558) - national			Verizon verizon.com (800-256-4646)		
	Regional	Nation	Family	Local		National		Unlimited Round the Clock GSM (Local)	True Nationwide GSM	Family Time GSM (Local)	America's Choice Individual		America's Choice Family Share
Monthly Fee	*\$40	\$40	\$60	\$40	\$50	\$50	\$70	\$50	\$45	\$45	\$40	\$60	\$60*
Anytime Minutes	600	450	900	1000	1300	800	1200	Unlimited	1000*		450	900	500
Offpeak Minutes	5000		Unlimited	Unlimited for \$5.95 extra				Unlimited			Unlimited		
Cost per extra minute	45¢		40¢	40¢		40¢		0	45¢	40¢	45¢	40¢	45¢
Cost of extra lines	N/A		\$20	\$15		\$20		N/A	\$20	\$15	NA		\$10*
Toll Rate (Per Minute)	0			0				0			0		
Roaming Rate (Per Minute)	79¢	0		69¢ 30¢ in expanded area*		0		45¢	0	40¢	0		
Toll Free/ Roaming Free (Home) Area	Most of NY, MA, CT, NJ, RI Parts of NH & ME		Much of US	ME, NH, VT (Excludes Portsmouth Area)		Most of US		Parts of ME, MA, NH, VT, NY	Most of US	Parts of ME, NH, VT, MA & NY	Most of US		
Notes	\$18 activation—2 yr contract. Rollover and unlimited mobile to mobile minutes start at \$40. Extra \$1.25 "regulatory fee" applies to all plans. *\$10 extra for mobile to mobile.			*Expanded area includes PA, MA, NY, CT, ME & RI. 96¢/month "regulatory fee".				Service contract is optional— price per phone is \$20 to \$30 cheaper with contract. (Our advice: choose no contract). *Includes unlimited Unicel to Unicel calls. \$5 extra for unlimited incoming calls.			Verizon markets plans in Cumberland, Androscoggin, Sagadahoc & York Counties. Unlimited Verizon mobile to mobile. *2 lines included without extra charge.		

Roaming charge - applies when calling from outside home area.

Toll rate - applies only to some local plans when call destination is outside home area (applicable to some local plans only).

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

Activation fees - (\$25 to \$36) often apply but are sometimes waived upon request when purchasing online, or when signing 2-year contract.

Cancellation fees - (\$150 to \$200) generally apply if you cancel service before expiration of contract term.

Cost of Phone - Phone is often free when signing a 1 or 2-year contract. Ask about current promotions.

Right to terminate - Carriers reserve the right to terminate service if 50% of usage occurs outside of their licensed area.

Features - Most plans include Caller ID, Call Forwarding, Call Waiting, 3-Way Calling, Voicemail, and other advanced features.

NOTE— For minimal or emergency usage, see prepaid plans (see page 12).

Beware that the phone offered with wireless plan may not be compatible with other wireless plans when you change service. Beware that many advertised promotions require two-year contracts, which should be avoided.

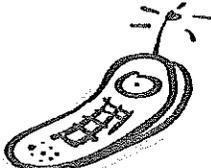
Dial 611 from cellular phones for customer service. 911 emergency calls may work from cell phones even without activation.

Each carrier may offer many other plans.

PREPAID WIRELESS PLANS - UPDATE

The following pay-as-you-go plans are attractive alternatives for those who want a wireless phone for just occasional use and want to avoid a long-term contract. If you plan to use more than 100 minutes per month, a monthly fee plan is a better choice and at least one carrier (Unicel) now offers monthly fee service without a contract. Unicel has ceased marketing its Smartpay prepaid service but may offer other prepaid plans in the future. Verizon's new prepaid service requires an extra fee of 99¢ per day. For that reason, it would not be an economical choice for the vast majority of customers and we have therefore not included Verizon's prepaid service.

SAMPLE OF PREPAID WIRELESS PLANS (see page 11 for Monthly Fee Plans)

	Tracfone (tracfone.com) sold at local retailers (800) 867-7183	US Cellular TalkTracker Flex (uscc.com) (888) 944-9400	AT&T/Cingular Pay As You Go (cingular.com) (888) 333-6651
Initial Cost - Including phone & starting minutes	*\$30 to \$130 (includes 10 minutes)	\$100 (includes \$20 air time)	\$30 to \$150
Home Area	Much of Maine	ME, Southern VT, NH (except Portsmouth area)	Much of US (spotty in Maine)
Airtime Rate Per Minute	20¢ to 60¢**	35¢ day 10¢ night/weekend	25¢ or 10¢*
Roaming Charge Per Minute	Double the airtime rate	99¢	0
Toll Charge - Per Minute	0	0	0**
Minimum Recharge Dollars	\$20	\$15	\$15
Expiration of Minutes (days)	60 - 365 (depending on card chosen)	60	30, 90, 180 (depending on card chosen)

Minimum Annual Cost (Does Not Include Cost of Initial Package or Roaming Calls)

10 minutes/month	\$90 (1 - \$90 365-day refill)	\$90 (6 - \$15 refills)	\$100 (4 - \$25 90-day refills)
50 minutes/month	\$180 (6 - \$30 60-day refills)	*\$175 (7 - \$25 refills)	\$150 (6 - \$25 90-day refills)
100 minutes/month	\$300 (6 - \$50 60-day refills)	*\$210 (6 - \$35 refills)	\$300 (3 - \$100 180-day refills)

NOTES

Customers who use more than 100 minutes per month should consider regular monthly fee cellular plans. Watch for and ask about promotions.

*Depending on phone, \$30 reconditioned phone with 100 min.

**Depending on number and duration of minutes purchased.

Roaming coverage in most of US.

Minutes rollover.

Minimum annual cost of minutes calculated at day time rate.

*Bonus minutes with refills of \$25 or more.

Talk Tracker to Talk Tracker 10¢ min.

Minutes rollover when you buy additional minutes.

*With 10¢ plan, a charge of 99¢ per day applies when there is any incoming or out going use. 10¢ plan allows unlimited mobile to mobile (Cingular to Cingular).

**15¢ per minute additional to Canada.

AT&T now applies a 15% surcharge when you purchase new minutes for an existing card by phone.

Minutes rollover.

INTERNET DEPARTMENT

SAMPLE OF RESIDENTIAL INTERNET SERVICES IN MAINE

COMPANY	FEATURES	PRICES
STATEWIDE TOLL FREE DIAL-UP		
CC Net — 102-433-2221 — clinic.net	3 email addresses with 5 MB space	\$17.50 to \$20/mo. No setup fee
Dial Maine — 800-834-4000 — dialmaine.com	5 email addresses with 100 MB space	\$16 to \$20/mo. No setup fee
GWI — 888-494-1070 — gwi.net	2 email addresses with 40 MB space	\$9@10 hrs. / \$16@40 hrs. \$20 to \$23/mo. unlimited \$15 setup fee
MFx Internet — 877-22-1800 — mfx.net	1 email address with 5 MB space	\$20/mo. \$20 setup fee
Midcoast Internet — 800-85-1800 — midcoast.com	3 email addresses with 20 MB space	\$18 to \$20/mo. @ 300/hrs. \$10 setup fee
Mid-Maine — 877-22-1800 — midmaine.com	5 email addresses with 20 MB space	\$15 to \$18/mo. No setup fee
MPDU — 800-927-1000 — mpdu.com	4 email addresses with 5 MB space	\$15/mo. No setup fee
NNEI — 888-767-0004 — nnei.net	1 email address with 5 MB space	\$19 to \$22/mo. No setup fee
Panax — 888-222-1000 — panax.com	3 email addresses with 5 MB space	\$14.92 to \$19/mo. No setup fee
Points South — 888-899-8100 — psouth.com	1 email address with 10 MB space	\$15.83 to \$19.50/mo. No setup fee
USA Internet — 800-222-1000 — prexar.com	2 email addresses with 6 MB space	In transition - call for new prices
Verizon — — verizon.com	1 email address with 10 MB	\$20/mo. @ 150 hours \$23/mo. - unlimited \$10 fee or signup online
XpressAmerica Internet Service — 888-224-5700 — xpressamerica.net	5 email addresses with free personal web space	\$13 to \$15/mo. No setup fee

NATIONAL ISP'S (Dial-up)

check for an access # in your local toll free calling area

550access.com — — 550access.com	1 email address with 5 MB space	\$5.50/mo. @ 150 hrs. \$9/mo. @ 300 hrs. with accelerator \$7 setup fee
650dialup.com — — 650dialup.com	5 email addresses with 10 MB space	\$6.50/mo. \$8 setup fee
AOL — — aol.com	Multiple email addresses	\$20/mo.
AT&T Worldnet — — att.com	6 email addresses with 60 MB space	\$15/mo. \$22/mo. with accelerator No setup fee
Earthlink — — earthlink.com	8 email addresses with 10 MB space per email address	\$20 to \$22/mo. \$25 setup fee
Juno/Netzero — — netzero.com	Email on the web with 1 GB space	\$10/mo. \$15/mo. with accelerator
juno.com		

COMPANY	FEATURES	PRICES
NATIONAL ISP'S (Dial-up) (continued)		
check for an access # in your local toll free calling area		
Localnet — 1-800-488-7769 — localnet.com	10 email addresses with 10 MB space	\$10/mo. \$13/mo. with accelerator
Netscape — 1-800-715-7411 — getnetscape.com	Email on the web with 10 MB space	\$10/mo.
Peoplepc — 1-800-735-3337 — peoplepc.com	4 emails with 10 MB space	\$10/mo. \$13/mo. with accelerator
USAdatanet — 1-800-799-3456 — usadatanet.com	Unlimited email addresses	\$10/mo. \$15/mo. with accelerator

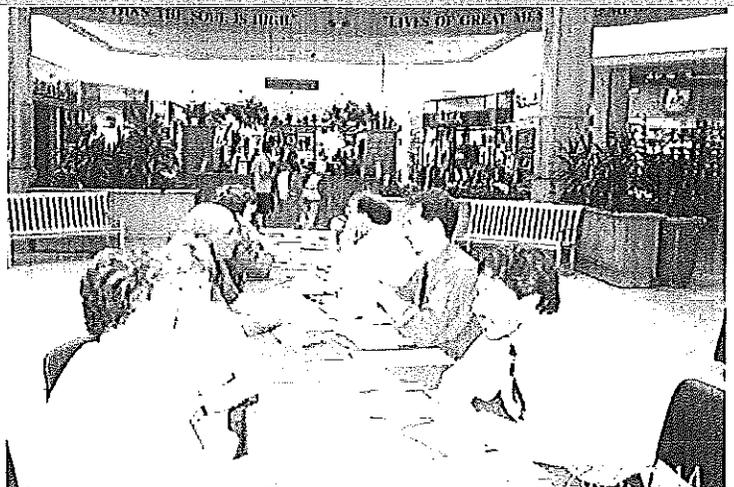
COMPANY	AREA SERVED	FEATURES	PRICES
WIRELESS HIGH SPEED INTERNET			
Clinic.net 207-430-7744 clinic.net	Available in parts of Cumberland, Androscoggin, Sagadahoc, Lincoln, and Aroostook counties	3 email addresses with 5 MB space	Res. \$25/mo. Bus. \$60/mo. \$100 setup fee + \$10/mo. equipment lease
Downeast Wireless 207-643-7744 downeastwireless.net	Available in Ellsworth area	3 email addresses with 5 MB space	\$50/mo. \$450 to \$700 setup fee
MFX Internet 207-643-7744 mfx.net	Presque Isle, Caribou, Mars Hill, Houlton, Sleepy Hollow, Mapleton and part of Fort Fairfield	10 email addresses with 5 MB space	\$40/mo. Plus \$8 each additional PC \$100 setup fee
Midcoast Internet 207-643-7744 midcoast.com	Various locations in the mid-coast area	4 email addresses with 20 MB space	\$50/mo. \$295 setup fee
Pioneer Wireless 207-643-7744 pioneerwireless.net	Northern Maine - Medway to Fort Kent	5 email addresses with 10 MB space	Res. \$35/mo. Bus. \$45/mo. Setup fee \$99 - \$199
SJV Wireless, Inc. 207-643-7744 sjv.net	Fort Kent, Wallagrass, some areas of St. John	1 email with 3 MB space	Res. \$35/mo. Bus. \$50/mo. Res. Installation \$99 Bus. Installation \$199

DSL HIGH SPEED INTERNET			
LOCAL PHONE COMPANIES	Usually within 3 miles of phone company central office	Call local phone company for details	Res. (\$30/mo. - \$60/mo.) Call company for rates
Acadia Net acadia.net	Available throughout Maine in selected exchanges	5 email/residential - 10 email/business - with 50 MB space	Res. \$35-\$55/mo. Bus. \$80-\$120/mo. Bus. \$250 setup fee
GWI gwi.net	Available in 40 exchanges within Verizon's territory	5 email addresses with 40 MB space	Res. \$30/mo. Bus. \$50/mo. No setup fee
MXF Internet mfx.net	Presque Isle, Caribou and Houlton areas	10 email addresses with 5 MB space	Res. \$35/mo. Bus. \$60/mo.
Midcoast Internet midcoast.com	Available throughout Maine in selected exchanges	4 email addresses with 20 MB space	\$35/mo. Verizon customers \$60/mo. Non-Vz customers \$75 setup fee
Midmaine midmaine.com	West Enfield, Levant, Plymouth, Alton and Passadumkeag	5 email addresses with 20 MB space	Res. \$30/mo. Bus. \$60/mo. \$75 installation fee & \$150 equipment fee
Oxford Networks oxfordnetworks.com	Lewiston/Auburn (not all areas yet) and Norway/South Paris	5 email addresses with 10 MB space	Res. \$38/mo. Bus. \$65-\$80/mo.

COMPANY	AREA SERVED	FEATURES	PRICES
DSL HIGH SPEED INTERNET (continued)			
Pivot.Net 800-400-5568 pivot.net	Available in selected exchanges	5 email addresses with 10 MB space	\$35/mo.
Verizon 877-433-5898 verizon.com	Available in much of Verizon territory	9 email addresses with 10 MB space	Res. \$38/mo. Bus. \$60/mo. Res. \$35 w/1 yr. contract
CABLE MODEM HIGH SPEED INTERNET			
Adelphia 888-683-1000 adelphia.net	Central Maine area	Multiple email addresses with 10 MB space	Res. \$43/mo. Bus. \$70/mo. Install. fee varies +\$5/mo. modem rental
Comcast 888-633-4266 comcast.com	Berwick, So. Berwick, Eliot & Kittery	7 email addresses with 10 MB space	\$43/mo. cable TV customer \$58/mo. non-cable TV customer
Metrocast Online 800-695-2545 metrocastcablevision.com	Acton, Lebanon, Sanford, Shapleigh, Springvale	2 email addresses with 40 MB space	\$30/mo. +\$2.50/mo. modem rental \$100 installation fee
Pine Tree Cablevision 800-220-3320 ptc-me.net	Machias area	3 email addresses with 10 MB space	\$29/mo. +\$5/mo. modem rental \$50 installation fee
Susquehanna 207-729-6663 suscom-maine.net	Brunswick and Freeport areas	1 email address with 10 MB space	Res. \$30/mo. Bus. \$52/mo. \$30 installation fee
Time Warner 800-833-2253 wmaine.com	York, Cumberland and Aroostook Counties	8 email addresses with 10 MB space	\$45/mo. No installation fee
SATELLITE			
Direcway 888-667-5537 direcway.com	Available statewide	5 email addresses with 10 MB space	\$60/mo. + \$600 equipment cost
Skycasters 800-833-0434 skycasters.com	Available statewide	2 email accounts	\$70/mo. + \$600 equipment & installation cost
Starband 800-478-2722 starband.com	Requires clear view of southern sky	20 email addresses with 10 MB space	\$70/mo. + at least \$500 equipment cost

**GET FREE ADVICE FROM THE
PUBLIC ADVOCATE'S TELECOM
TEAM ON JULY 20, 2005
IN PORTLAND, MAINE**

Come see us at the Maine Mall on July 20, 2005 from 10:00 to 5:00. Our staff will be happy to provide advice about the most economical telephone, wireless and Internet services for your needs. If you can't be there but would like to arrange for us to meet with a group of people in your area, please give us a call. Check our website for future events in other locations.



OPA Staff at the Maine Mall — July 7, 2004

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

Calling Plans INTERNET SERVICES LOCAL COMPETITION **Wireless Services**
SURCHARGES BUSINESS PHONE RATES PREPAID SERVICES
INTERNATIONAL SERVICES TELECOMMUNICATIONS NEWS **SHOPPING TIPS**

PUBLIC ADVOCATE AND STAFF:



From left to right:
Wayne, Patty, Ron, Mary, Eric, Debbie, Steve & Bill

**Electronic Version of the
Ratewatcher Now Available**

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