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Maine Public Advocate Office

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Ratewatcher

TELECOM GUIDE

VOLUME 18 | OCTOBER 2006

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New Concerns About Telephone Privacy

OVER THE LAST YEAR, THERE HAVE BEEN MANY MEDIA REPORTS that large telephone companies have been co-operating with the National Security Agency, allowing the federal government to access the phone call records or actual phone calls and e-mails of private American citizens. Although we expect law enforcement to have access to such investigative techniques when appropriate, this is the first time we have seen allegations of widespread invasions of privacy without the involvement of courts to review such eavesdropping. At least one federal court has determined that warrantless searches of this kind are unconstitutional. In addition, we believe that indiscriminate wiretapping or access to customer records is in direct violation of state and federal laws designed to protect telephone customer privacy. For those reasons, the Public Advocate has supported a complaint against Verizon by various Maine citizens and we have asked the PUC to open an investigation to determine whether Verizon has violated the law by releasing private telephone data and/or by providing access to actual phone conversations. In response, the U.S. Department of Justice has brought a federal lawsuit against the Maine Public Utilities Commission and Verizon claiming that grave breaches of national security would occur if Verizon merely swears under oath to statements it has already made about a warrantless program that the Bush administration has already acknowledged.

spanish american war ends!

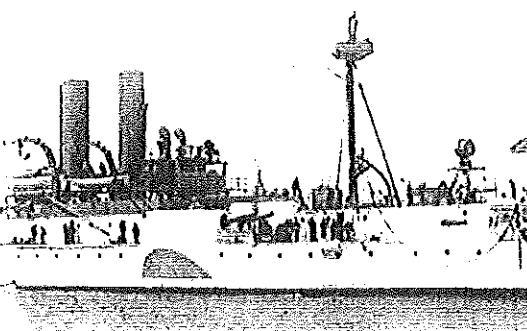
...So Does Telephone Excise Tax—108 Years Later

You May Be Eligible for a Partial Refund

The U.S. declared war on Spain on April 25, 1898 after rumors that Spain blew up the U.S.S. Maine, a U.S. battleship (remember the Maine?). Soon after, the federal government imposed a new tax on telephone service to help fund the war (at a time when only the very rich owned a telephone). Although the war ended later that year with the Treaty of Paris on December 10, 1898, the telephone excise tax has continued to this day, at 3% since 1990. In total, the federal government collected over \$300 billion while the cost of the war was approximately \$6 billion. After a series of federal courts ruled that the tax has been unlawfully collected on long-distance bills, the IRS, as of July 31, 2006, has finally agreed to stop collecting this tax from most long-distance customers and refund an estimated \$13 billion covering the last three years of collection of this tax. The excise tax is still collected on the local phone bill but it is possible that Congress will eventually eliminate that aspect of the tax as well. Telephone customers may seek tax refunds from the IRS of up to three years of taxes on long-distance bills, or possibly apply for a special standard refund, on their 2006 tax year filing. You may want to ask your tax professional for more information when you file in 2007.

REMEMBER WHAT?

The sinking of the *Maine* was the event that triggered the Spanish-American War and, in turn, that annoying tax on your telephone bill. However, despite the famous slogan "Remember The Maine," an official U.S. investigation determined that the explosion that destroyed the *Maine* in Havana's harbor may have been an accident, rather than an act of war by Spain.



Some Good News in the Battle Against Bill Surcharges

VERIZON WITHDRAWS BOGUS FEE Until this past August, DSL providers, like Verizon, were obligated to contribute to the federal Universal Service Fund (USF). Verizon had been legally surcharging its DSL customers \$1.25/month to \$2.83 to recover those required contributions. So, last month when the Federal Communications Commission phased out that charge and Verizon replaced it with a new "cost recovery" surcharge for DSL customers of nearly the same amount (which would line its own pockets), consumers and regulators were outraged. As a result, Verizon announced it would eliminate its new "cost recovery fee."

FEDERAL COURT OF APPEALS RULES FOR CONSUMERS The Public Advocate is a member of the National Association

of State Utility Consumer Advocates (NASUCA) which filed a lengthy complaint with the FCC asking that it ban or regulate all of the unfair line item surcharges on telephone and wireless bills. In response, not only did the FCC refuse to protect consumers but it made things worse—it decided that it would block states from taking any action to protect wireless consumers—under the theory that the federal government's policy (or non-policy) preempts the states on this issue. So we took the FCC to court and won. In August, the U.S. Court of Appeals for the 11th Circuit overturned the FCC's Order, finding that the states' right to regulate "terms and conditions" applies to truth-in-billing issues even though the states cannot regulate wireless rates.

Are You Paying Too Much for Caller ID?

Caller ID has proven to be a very popular telephone feature, but is it worth the price? Fortunately for the phone companies, Caller ID is almost pure profit. Despite the \$7.50 per month price tag, it costs the telephone company almost nothing to activate it.

Caller ID has its limitations. For example, Caller ID may be unable to identify certain out-of-state callers who are not in your local phone company's database, it is unable to identify any caller who has chosen to block Caller ID which is their right under Maine law (see sidebar), and it cannot identify the names of callers who use a phone billed in a different name. Most recently, we have seen the rise of "Caller ID spoofing," which is a technique available to anyone who wants to falsify the telephone number that you see on your display. Customers who don't want to pay a substantial monthly fee for this imperfect service should consider a simple inexpensive answering machine to screen calls. If you get Caller ID as part of a bundled package such as Verizon's Freedom plan, you may still, in effect, be paying extra for Caller ID and other services. You would need to use over 1000 toll minutes per month before the "free" features actually become free. See page 4

CALLER ID PRIVACY

To block the transmission of your telephone number, you can activate Caller ID blocking in two ways. First, on a per-call basis, just dial *67 before the dialed number. Second, if you have a general health or safety concern, just call your local phone company and ask for "per line blocking."

free 411 from your cell phone or landline

Tired of paying \$1.25 or more to dial 411 from your cell phone or landline? Try dialing 800FREE411—after listening to a brief advertisement, you will get your number for free—our favorite price!

Know a Great Location for a Payphone? Let the PUC Know

The Public Utilities Commission is now accepting applications from any Maine citizen requesting the installation of a public payphone in a particular location. All applications will be considered, but the Commission will have to ensure that any approved payphone serves the public health, safety or welfare and the phone must be placed at a location where a phone would not normally be installed for profit. While there are many scenarios that could justify a subsidized payphone under this program, the most typical reasons to approve a public payphone would include the lack of other public payphones in the area, places where a particular safety concern exists, and places where no other form of communication is readily available. Applications are available on the PUC's website — www.maine.gov/mpuc.

The program is very modestly funded (up to \$50,000/year), through the Maine Universal Service Fund, to which all Maine telephone customers contribute. Because funding is limited and the PUC has already received about 40 applications under this year's funding limit, new qualifying applications may not get immediate funding and the Commission may have to choose among requests if too many are made next year. These public interest payphones will be coinless, will allow free local calls, will have access to 911, and will allow the use of calling cards, or collect calling, for long-distance calls.

The Public Advocate has worked for years to persuade the PUC that a public interest payphone program would be a cost-effective way to provide greater security and convenience for Maine residents, now that Verizon and other phone companies have removed about half of the payphones in the State in recent years. The new program is a result of an act of the Maine Legislature. Maine's new public interest payphone program, one of the first few in the U.S., has attracted national and international media attention — the demise of the public payphone is seen as a sign of the times as the wireless phone industry continues to expand. But wireless coverage is not adequate everywhere and some people cannot afford wireless service.

local service competition

Most residential Verizon customers will get the lowest rates for telephone service by staying with Verizon's basic local service and choosing a separate low-cost long-distance provider. Customers who like calling features and want a single bill from an alternative local and long-distance company, should consider USA or BCN. Alternative local service is also provided by other carriers who offer combined unlimited local/long-distance plans. Those plans (see page 4) are suitable for customers who make a very high volume of toll calls.

AT&T One Rate (800) 205-6268 att.net	R	\$29 Unlimited plan also available	2 features
BCN Telecom (888) 484-5454 bcntele.com	B & R	B — \$26 to \$30 per line* R — \$18.33 per line	*Depending on customer location
Excel (877) 668-0808 excel.com	R	\$37.45* with 3 features (Requires Excel long distance)	*depending on location and long-distance plan. Includes 100 LD minutes
Mid-Maine (877) 643-6246 midmaine.com	B & R	B — \$26 3 yr. commitment to \$32 month-to-month R — \$50—local/DSL bundle	Service available in selected exchanges
One Communications (800) 825-5282 onecommunications.com	B	\$14.85 to \$19.85 per line (depending on location) R — \$17.22–\$19.72	All Verizon territory (Merger of Conversant, CTC and ChoiceOne) Norway/South Paris
Oxford (800) 520-9911 oxfordnetworks.com	B & R	B — \$31.28–\$40.34 R — \$24.95 (\$31.90 with features) B — \$28–\$32 depending on number of lines & bundled services	Lewiston/Auburn Business service available in various exchanges
PineTree (866) 746-3873 pinetreenetworks.com	B	\$25–\$35 per line	Greater Portland & Lewiston areas
USA Telephone (877) 872-2800 savewithusa.com	B & R	R — \$25–\$30 (depending on area) B — \$37–\$40 per line	Local service bundled with 2.9¢ instate and interstate LD minutes and 6 features

Compare Verizon's Local Rates: Res.—\$17.79 economy, \$19.29 premium; Bus.—\$35.38 economy, \$38.49 premium

We All Know About 911 and 411, But What Is 211?

211-Maine was established as a central calling point to assist Maine residents in finding help in connection with a wide variety of health and human services problems. For example, you may dial 211 and ask for referrals for help in matters relating to domestic violence, drug abuse,

emergency food, clothing or shelter, elder care, legal assistance, disability, child care, suicide prevention, transportation, energy assistance, health problems, financial assistance, parenting, consumer assistance, and many other areas. 211 is funded by the State of Maine and various private chari-

ties including the United Way and Ingraham. You can also access the same information on the Internet at www.211maine.org. 211 operates 24 hours/day, 7 days/week. *In a real emergency, dial 911.*

all-you-can-eat packages with unlimited local and long-distance calling (and optional dsl)

The following calling plans combine unlimited local calling with unlimited long-distance calling for one price. Some offer DSL or cable Internet service as well. One of these plans may be of interest to you if you:

- Make over 800 minutes of toll calls per month nationally
- Make at least 350 instate toll calls per month
- Are willing to pay extra for optional features
- Prefer to get one constant bill combining various services regardless of usage

AT&T One Rate 800-222-0300 att.com	Unlimited to U.S. 4 features	\$60	N/A	\$30	\$90	4 calling features \$5 for voicemail
GWl GWLINE 866-494-2020 gwi.net	Unlimited to U.S. & Canada 5 features* (optional)	\$45 if with DSL (\$55 if alone)	N/A	N/A	\$70 (no added line charge saves add'l \$6.39)	Available in selected exchanges *\$40/\$50 w/o features
IDT Unlimited 800-254-1718 idt.net	Unlimited to U.S. 6 features	\$40	\$32	\$25	N/A	Voicemail \$2.95/mon.
Oxford Networks 800-520-9911 oxfordnetworks.com	Unlimited to U.S. & Canada 5 features* (optional)	\$50*	N/A	\$17.95	\$75	Lewiston/Auburn area only *\$43 w/o features
Pine Tree Networks 866-746-3873 pinetreenetworks.com	Unlimited to U.S. 3 features	\$45	N/A	N/A	\$75	W. Buxton, Bar Mills, Waterboro, Gray, W. Gray & New Gloucester
Time Warner 800-833-2253 twcdigitalphone.com	Unlimited to U.S. & Canada Advanced features	\$40 if with Roadrunner (\$50 if alone)	N/A	N/A	\$80 (no added line charge saves add'l \$6.39)	Enhanced VOIP Southern Maine & Aroostook County
Verizon Freedom 800-870-9999 verizon.com	Unlimited to U.S., Canada & Puerto Rico 3 features	\$50	\$33 (with 3 features—voicemail \$5)	NA	\$65	Includes voicemail & 4 other features

All prices exclude surcharges and taxes. Note that Time Warner and GWl do not add the \$6.39 subscriber line charge.

Do You Use an Old Analog Cell Phone?

The Federal Communications Commission has tentatively ruled that wireless carriers will have no obligation to support analog (non-digital) service after February, 2008. Cingular has recently added a special charge of \$5 per month to the bills of its remaining analog customers as of September 2006. Other companies

may use different methods to notify and encourage their analog customers to change equipment when possible. Wireless companies are eager to allocate the radio frequencies used by analog phones to their more modern digital networks—to use the radio spectrum more efficiently. If you rely on an old analog cell phone for

emergency 911 access, be aware that the phone may no longer work after February 2008. As wireless carriers upgrade to newer technologies such as GSM, customers of some companies using older technologies, such as TDMA, may also eventually need to change their phone.

prepaid calling

OneSuite's rates and features make it the best choice for those who buy minutes at least every six months. AT&T's minutes last longer, but their high surcharges for renewal minutes, high payphone rates, and lack of included features puts them in second place.

DO YOU USE PREPAID MINUTES AT HOME?

Why bother when you can have full service, direct-dial long-distance at similar rates? See page 6

US Rate 48 (states)	2.84¢	2.9¢
Western Europe	11.36¢–19.88¢	3.4¢–9¢
Canada	8.52¢	3.2¢
Other Fees	5% sales tax on initial store purchase 15% surcharge on phone refills	None
How to buy?	Sam's Club (similar offers at BJ's & Costco) or renew by phone	www.onesuite.com
Expiration	18 months from activation or last recharge	6 months from activation or last recharge
Record of call	No	Yes via Internet
Use from Canada?	Yes	Yes
Rate to U.S.	14.2¢	3.5¢
Payphone Charge	\$1.00	55¢
Sample of Special Features	Enhanced features offered at extra charge. Can use in many countries	\$1/month "Message One" sends voice mail and faxes to your email address Lower "local access" rates available using VOIP access from your computer
Customer Service #	800-335-8900	866-417-8483

Note: International calls to mobile phones are often priced much higher.

dialing around the world from your cell phone?

International calls from cell phones are not included in your monthly minutes and often come with excessive prices. The solution is to sign up with a dial-around company that provides you with a toll-free access number and more reasonable rates to other countries. Compare 3U, TCI, and Mobile Sphere at <http://www.phonedog.com/dial-around>



traditional full service long-distance plans

Pioneer and Touchtone remain as the top picks for stand-alone traditional, full service long-distance plans in Maine. Touchtone is the clear choice for customers served by independent local telephone companies. For comparison purposes, we have included Verizon's best offering.

COMPANY	PIONEER pioneertelephone.com		TOUCHTONE touchtone.net		VERIZON verizon.com	
(RESIDENTIAL)	Instate	Interstate	Instate	Interstate	Instate	Interstate
RESIDENTIAL per minute rate (excluding surcharges & taxes)	3.5¢	3.25¢	4.25¢	4.25¢	7¢	5¢
Monthly Minimum	none		none		none	
Monthly Fee	99¢*		none		\$6.00	
SAMPLE RESIDENTIAL MONTHLY COSTS	Includes 50% instate/50% interstate minutes & monthly fees, excluding surcharges & taxes.					
LOW @ 10 mins. per month	\$1.34		43¢		\$6.60	
MEDIUM @ 100 mins. per month	\$4.37		\$4.25		\$12.00	
HIGH @ 500 mins. per month	\$16.88*		\$21.25		\$36.00	
HIGHEST @ 1,000 mins. per month	\$33.75*		\$42.50		\$66.00	
Hawaii/Alaska	6.9¢		15¢/7.9¢		5¢	
SAMPLE RESIDENTIAL INTERNATIONAL RATES*						
Austria	5.9¢		6¢		\$3.31	
Canada	3.9¢		5¢		90¢	
South Africa	12.5¢		15¢		\$4.07	
Thailand	13.9¢		19¢		\$4.46	
Ukraine	18.9¢		15¢		\$5.78	
United Kingdom	4.9¢		5¢		\$2.50	
Available in rural independent areas?	no		yes		no	
(BUSINESS)	Instate	Interstate	Instate	Interstate	Instate	Interstate
Business per minute rates (excluding surcharges and taxes)	3.5¢	3.25¢	4.25¢	4.25¢	5.5¢	5.5¢
Monthly Minimum	none		none		\$65.00	
Monthly Fee	99¢*		none		none	
PICC Charges (per line)	\$2.95		\$1.50		\$3.40	
In-bound 800 Rates	3.5¢**	3.25¢**	4.25¢**	4.25¢**	5.5¢*	5.5¢*
<p>NOTE: Surcharges are not included in the rates shown.</p> <p>\$5 fee to change carrier is often covered by new carrier upon request.</p> <p>PICC charges (a per-line access charge) apply to multi-line business customers only.</p> <p>1-minute billing unless otherwise noted.</p> <p>An average customer will save about 10% as a result of 6-second billing.</p> <p>*Beware that international calls to mobile phones priced much higher.</p>						
<p>*99¢ fee waived w/online billing or usage over \$15.</p> <p>**99¢/mo. per 800 number.</p> <p>Alt. Plans—Rate Buster 2.9¢ instate/2.7¢ interstate with 1-minute billing.</p> <p>6-second billing.</p> <p>Pioneer is a Maine company.</p> <p>1.9¢/min. to call other Pioneer customers.</p>						
<p>*Touchtone Agents in Maine: 888-594-2500, 877-839-8484 or 888-262-7864.</p> <p>6-second billing.</p> <p>Lower rate may be available for high-volume customers.</p> <p>Customer service 800-266-4006.</p> <p>**\$1.99/mo. per 800 number.</p> <p>Lower rates may be available at abtolls.com.</p>						
<p>*\$5/mo. fee applies to 800 inbound service.</p> <p>6-second billing applies to most business plans.</p> <p>1-minute billing for residential.</p> <p>International rates are much lower with advance sign-up and monthly fee of \$4.00.</p>						

Want DSL Service Without Local Phone Service? No Problem

Until recently, there was a catch-22 for people who wanted high-speed Internet service from the phone company in order to save money by using voice over Internet (VOIP) phone service. The catch was that Verizon and other local phone companies refused to sell DSL to customers who didn't also buy regular phone service. However, as one of the conditions of the merger between Verizon and MCI, Verizon has agreed to sell standalone DSL service with prices starting at \$20/month (with 1-year contract). This paves the way for the more adventurous customer to drop regular phone service and perhaps, rely on a combination of VOIP and wireless service.

IS IT A GOOD IDEA TO DROP REGULAR PHONE SERVICE? Traditional local phone service is still the most reliable form of communication, especially with respect to E911 emergency service. VOIP service, which requires a high speed Internet connection, is subject to disruption from electrical outages as well as any problem originating with your Internet provider or elsewhere on the Internet itself. Wireless service, of course, can be poor at certain times or in certain areas while offering the great advantage of mobility (see Public Advocate's Maine dead zone map at www.maine.gov/meopa). However, if you already have wireless service and broadband (high-speed Internet) service, it may be reasonable to drop regular phone service.

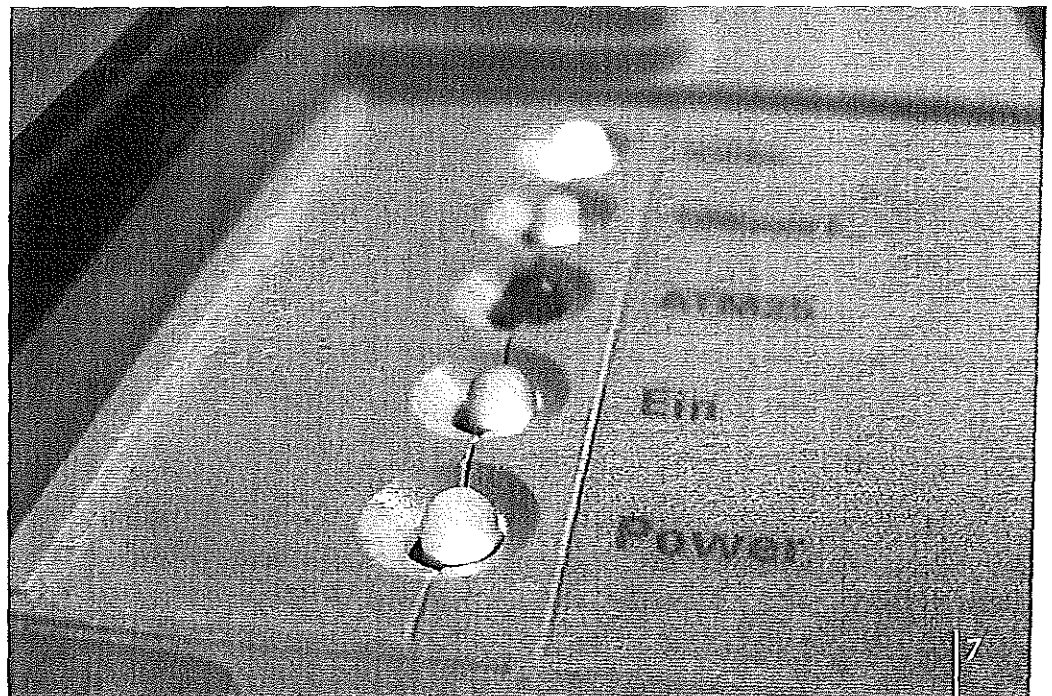
HOW MUCH CAN I SAVE? If you have local phone service and make 500 minutes of toll calls per month, your phone bill (with surcharges and taxes) will be close to \$50 per month (unlimited local/toll packages like Verizon's Freedom plan result in total bills of approximately \$64 per month). In contrast, 500 minutes, or even unlimited calls, with a VOIP service can cost as little as \$15 to \$20. With standalone DSL service at \$20/month, the total cost of broadband Internet service and phone service can be less than the cost of traditional phone service alone. However, because of safety and reliability concerns, the Public Advocate does not recommend the substitution of local phone service with VOIP service, unless you have strong wireless coverage as well.

WHY IS IT A SECRET?

Apparently, Verizon is not interested in letting customers know about the availability of naked DSL (DSL without their phone service). At this time, that offering does not appear on Verizon's web site and it is unlikely that you will find it advertised. Verizon and other telephone companies prefer to tie DSL with local phone service in order to prevent greater competition in the market for each of those services. However, if you call and ask for it, they'll provide it.

verizon rate proceeding is proceeding... slowly

As we have reported in many past issues of this Guide, the Public Advocate has been asking the Maine PUC to investigate the level of Verizon's rates since 2001 when Verizon's 5-year regulation plan was set to expire. Since then, we have prevailed in two Maine Supreme Court cases, requiring the PUC to conduct an investigation of the justness and reasonableness of Verizon's rates. After thousands of pages of expert testimony and some unsuccessful negotiations with Verizon, live hearings finally began at the end of August. The Public Advocate has presented a case that would justify a rate reduction of nearly \$50 million a year for Verizon-Maine, which would, in turn, result in a rate reduction of over \$5 per month for Verizon customers. We expect a final decision from the Commission sometime during the first half of 2007.



Bye Bye Verizon?

For years, there have been rumors that Verizon would like to leave the State and sell its telephone network in Maine. We haven't mentioned it before because we don't normally report mere rumors. However, it has now become apparent that Verizon-Maine is for sale. The Company has acknowledged that it is talking to potential buyers who are interested in purchasing its operations in Maine, New Hampshire and Vermont. Verizon and its predecessors have provided telephone service in Maine for about 100 years.

WHY WOULD VERIZON LEAVE MAINE?

Verizon is hundreds of times larger than the original New England Telephone, the first Bell company monopoly that served Maine. After the mergers of NYNEX with Bell Atlantic, Bell Atlantic with GTE, and the recent acquisition of MCI, Verizon-Maine has become a very tiny piece of what is now one of the largest corporations in the world. Verizon's new business strategy is to provide video over its network to compete with cable-TV companies and that strategy requires a lot of investment. In Verizon's view, the state of Maine is too rural to be attractive for such investment. In fact, Verizon has failed to invest in the sort of fiber-optic network enhancements that would allow it to provide video service in Maine, though it is making those investments in many other

states. Because Verizon's key business strategy will not be executed in Maine, Verizon now seeks to abandon ship for the right price.

WHAT WOULD THIS MEAN FOR MAINE CONSUMERS AND BUSINESSES? Although many public and private groups are concerned about a change in the ownership of Maine's major telecommunications network, the right new owner could potentially bring added benefits to Maine. For example, a more local, smaller entity may be more responsive and more motivated to provide better service and better prices to Maine customers. In addition, it is possible that a smaller company would qualify for federal rural subsidies designed to reduce the cost of telephone service in rural areas. Verizon has not qualified for very much of these subsidies because of its size. Finally, we have noticed that Maine's smaller rural companies (serving about 15% of the State) have made DSL Internet service available to almost all parts of their service territories, while many of Verizon's customers still have no access to that important service. The bottom line: no one can predict whether a sale by Verizon will be good news or bad news. And there is still much uncertainty about if, when, and to whom a sale of Verizon will be made. Stay tuned.

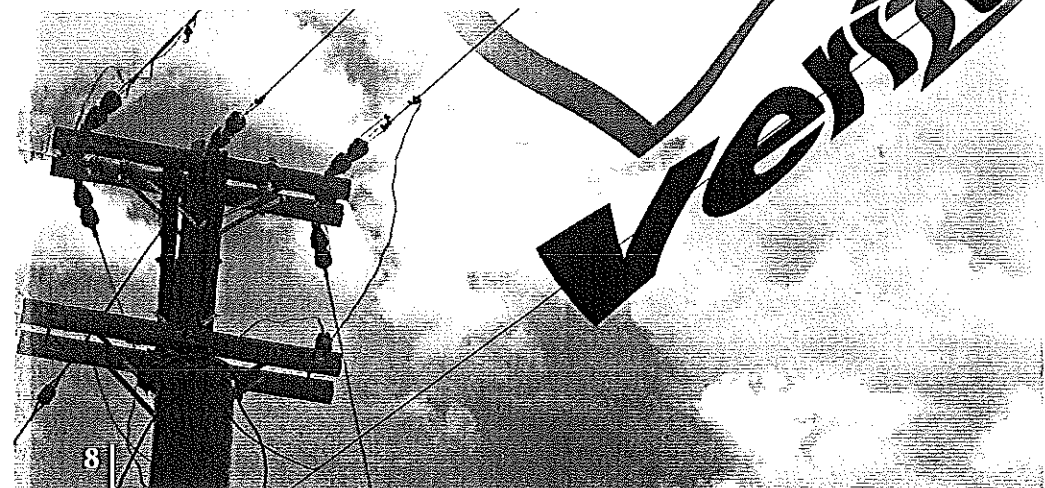
what's new in voip?

Voice over Internet Protocol (VOIP) is catching on in a big way. There are an estimated 5 million VOIP users in the U.S. alone, not including PC to PC calls. In other words, lots of people are making calls to regular phone numbers using VOIP. There are various levels of VOIP service and we are seeing more and more free services that allow you to call regular phone numbers, free of charge. Then there are the more full-featured, hardware-based services, such as Vonage, that charge monthly rates. The top tier in terms of quality and price includes services that use private networks such as Time Warner's Digital Phone. All VOIP services require a high speed Internet connection. Below are some recent innovations in VOIP:

JAJAH This new service allows you to make free and low-cost calls simply by going to www.jajah.com, typing in your phone number and typing your friend's number. Immediately, your phone will ring and when you pick up, you will be connected to your friend. Many Jajah calls are currently free and others are very inexpensive. Unlike Skype, you don't even need a microphone for this free service because you and your called party are using only a regular telephone. You use your computer only to initiate the call.

SKYPE Calls to regular telephone numbers in the US and Canada are now free—at least through the end of 2006 (PC to PC calls anywhere in the world are always free). Get the program at www.skype.com and have a microphone connected to your PC. For very cheap international calls, just buy \$10 worth of minutes and use "Skypeout." Want your own telephone number so others can dial your phone number and make your computer ring? Sign up for "Skypein" which costs about \$36 per year. Those with teenagers beware — Skype also allows free chat and instant messaging. Skype is now owned by eBay.

The listings on the following page provide the terms, prices and features of some of the popular VOIP services marketed to residential customers with a high-speed Internet connection.



voip services and plans

AT&T CALLVANTAGE att.com/callvantage	Unlimited to US & Canada, Puerto Rico	\$25/month (\$30 activation fee) Europe—5¢ to 9¢	Early termination fee may apply if cancelled within 1 year; Adapter included
	Unlimited in Maine	\$10/month +3.9¢/min. inter-state & Canada & low international rates	
BROADVOICE broadvoice.com	Unlimited World (US + 21 countries)	\$20/month Europe 3¢ to 8¢	Adaptor included \$40 activation fee \$10 with own device
	Unlimited to US, Hawaii, Alaska & Canada	\$35/month (if Bee Line Cable Customer) \$40/month for others	
DIGIPHONE Beeline Cable 800-439-4611	Dial call on computer—then talk on your regular phone	Some calls free Some calls cheap	No adaptor needed BeeLine Cable area only
	Unlimited to US, Canada & Western Europe	\$22/month	
JAIAH jajah.com	500 Minutes US, Canada & Western Europe	\$15/month	\$30 activation fee First month free \$40 first year termination fee
	Unlimited US & Canada	\$30/month—Europe 5¢ to 8¢	
LINGO lingo.com	Unlimited Europe or bundled rates for specific counties	+ \$40/month	\$40 first year termination fee Requires prepayment \$30 activation fee Adapter included
	500 minutes US & Canada	\$15/month	
NET2PHONE net2phone.com	350 minutes Western Europe	\$15/month	\$30 Activation fee Adapter not included Claims ok with dialup
	Freedom Unlimited US, & Canada	\$20/month—Europe 3¢ to 8¢	
PACKET8 packet8.net	Freedom Unlimited Global Unlimited Calls to 40 European & Asia countries/cities included	\$50 extra per continent/month	Can work with a special telephone or free software
	Unlimited to other members (May ring regular phone numbers w/separate service)	FREE	
PULVER Free World Dialup pulver.com	Unlimited to other Sipphones May ring regular phone numbers	Free to other Sipphones Reg. calls start at 1¢	Using telephone adapter (\$60) or computer software (free)
	Unlimited PC to PC and low rates to ring regular phone numbers	Free to other Skype users Reg. calls start at 2.1¢	
SKYPE skype.com	200 minutes US, Canada, Puerto Rico & 41 International Countries/Cities	\$10/month	Using computer mic/speakers
	Unlimited to US, Canada, Puerto Rico	\$25/month	
SUNROCKET sunrocket.com	Unlimited US, Canada, Guam, Puerto Rico & Virgin Islands	\$40/month (\$50 w/out Roadrunner) Europe 7¢/ to 8¢/min.	\$40 Adapter if needed Free Activation
	500 minutes US, Canada & Puerto Rico	\$20/month (VW to VW calls are free/unlimited)	
TIME WARNER Digital Phone twmalne.com	Unlimited US, Canada & Puerto Rico	\$25/month	Adapter included Required 1-year term
	Unlimited US	\$25/month	
VERIZON VoiceWing www22.verizon.com	Unlimited ME + 200 Long Distance minutes	\$15/month Europe 5¢ to 9¢	\$30 Activation fee Adapter included Includes some calls to Europe
	Unlimited US, Canada & Puerto Rico	\$25/month	
VOICEPULSE voicepulse.com	500 Minutes	\$15/month (3.9¢/min.after 500 included) Europe—3¢ to 8¢	Minimum purchase \$15
	Webphone to Webphone	FREE	
VONAGE vonage.com	PC to Phone calls	1.9¢/minute	

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

Know the Three Different Types of Wireless Plans (and pick the right one!)

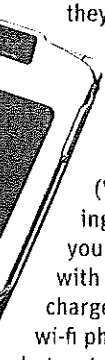
Whether you're looking to change your wireless service or shopping for your first one, the first step, and the one that can save the most money, is to determine which type of plan best suits your needs.

TRADITIONAL CONTRACT/MONTHLY FEE This is the most common type of wireless service. It makes sense if you use over 100 minutes per month and expect that you won't have different needs for the next year or two. These plans require contracts of a year or two—early termination penalties can be as much as \$200 per line. If service is not satisfactory, make sure to exercise your right to cancellation within the initial grace period (usually 14 to 30 days). Always try to limit the contract to one year, unless the benefits of a two-year contract are too good to refuse. Finally, it's important to predict the correct number of minutes you'll use—too many minutes means you may have locked in a needlessly high monthly fee; too few minutes means you'll be buying expensive "additional" minutes.

PREPAID WIRELESS Prepaid is the way to go if you consistently use fewer than 100 minutes per month. The per-minute rate for prepaid wireless is more expensive but you only pay for what you use. However, your minutes will expire between 30 days and 365 days of their purchase, depending on the particular type of refill you buy. If your minutes expire, your phone will still provide free access to emergency 911 service but you may lose your telephone number. There's no contract, so you never need to worry about an early termination penalty.

HYBRID PLANS Wireless carriers now offer a confusing array of plans, some of which are a cross between traditional and prepaid plans. Hybrid plans free you from a contract and require prepayment, much like prepaid plans, but they require you to buy a certain number of minutes each month—in essence, a monthly fee—just like traditional plans. The Raterwatcher does not report on hybrid plans because, in our view, most people are better served with a traditional contract plan or a prepaid account.

New Types of Phones



WI-FI PHONES These phones don't get plugged into a wall and they don't require subscription to a cellular service. Instead, they place calls over the Internet via a wireless broadband Internet connection. For example, if you have a wireless network in your home, you can place calls on Skype or other Voice over Internet (VOIP) services without connecting to your computer. In addition, if you travel to a city, such as Portland, with wireless hotspots (often free of charge), you can make a call from a wi-fi phone just by being in range of the hotspot signal. To find hotspots, check out www.wififreespot.com, anchorfree.com or www.wi-fihotspotlist.com. Wi-fi phones start at prices as low as \$80.

EMERGENCY CELL PHONES Would you like the security of a cell phone that you always have with you, without monthly wireless service bills? Can you live with a phone that allows free access to 911, makes expensive outgoing calls for occasional use (\$1.99/min plus \$2.99/call), but cannot receive incoming calls? If so, take a look at the 911 Freedom Fone at www.emergencycellphones.com. Another option for purely emergency access is to simply keep any cell phone charged up. Access to 911 remains even after your wireless service is terminated.

MAKE YOUR CELL PHONE ACT LIKE A LANDLINE PHONE The best of both worlds? New on the market are devices that allow you to place your cell phone into a docking station so that you can use your cell phone minutes and features through a normal

keep your cell
phone charged
without electricity!

For \$20, you can order the **Side-winder** at www.sidewinder.ca — it's a tiny device equipped with a hand crank that will charge your phone or other device in a mere 30 seconds. It's also an emergency flashlight. If you're not up for 30 seconds of cranking a tiny device and have money to burn, take a look at the **Soldius Solar Charger**, \$90, at www.mysoldius.com. This device uses the sun's rays to charge your cell phone, ipod, or other electronic device in about 3 to 4 hours. Finally, for about \$50, Eton (made by Grundig) sells emergency short-wave radios sold at local stores, or on the web, which are powered by a hand crank that come with attachments to also quickly charge your cell phone. Before buying any of these devices, check to make sure it is compatible with your cell phone or other device.

cordless phone and/or all of the extension phones throughout your house. This provides a few advantages: your cell phone stays in one place which may be the optimal spot for wireless signal coverage; you may conveniently use the extra minutes and features from your wireless plan that you pay for anyway; you can always be near a phone when it rings; the regular phone may be more comfortable to use than your cell phone; you won't be exposed to radio frequency radiation (a possible, but unproven, health hazard); and you don't even need to pay for regular landline phone service to make this work. Total cost can run between \$85 and \$400, depending on model and features. For more information, type "cell phone docking station" into your search engine.

	CINGULAR CINGULAR.COM (888-333-7055)		T MOBILE TMOBILE.COM (800-866-2453)		US CELLULAR USCELLULAR.COM (888-944-9400)			UNICEL UNICEL.COM (800-336-4455)—LOCAL (800-462-3558)—NATIONAL			VERIZON VERIZON.COM (800-256-4646)	
Monthly Fee	\$40	\$60 (2 lines)	\$40	\$60	\$40	\$70 (2 lines)	\$40	\$40	\$70 (2 lines)	\$40	\$40	\$70 (2 lines)
Anytime Minutes	450*	550*	600	700	700	1000	450	800	1800	600	450	700
Offpeak Minutes	5000	Unlimited	Unlimited	Unlimited	\$6 Un- limited	Unlim- ited	\$8 unlim- ited	1000	1000	500	unlimited	
Cost per extra min.	45¢		40¢	40¢	49¢			30¢	35¢	30¢	45¢	45¢
Cost of extra lines	N/A	\$10	N/A	\$10	N/A	\$10	N/A	N/A	\$9	N/A	NA	\$10
Roaming Rate	0		0	0	69¢		0	40¢		0	0	
Canada Roaming	79¢		49¢		69¢*			50¢			69¢	
Home Area	U.S.		U.S.	U.S.	ME, NH, (excluding Portsmouth) VT and parts of 23 other states in south, mid- west and west		U.S.	Most of ME, MA, NH, VT, and NY		U.S.	US	
Notes	Rollover applies—minutes rollover for up to 1 yr. Extra \$1.25 "regulatory fee" applies to all plans. *Plus unlimited mobile to mobile minutes between Cingular users in calling area.		100 minutes for \$40/mo with no extra offpeak minutes. Boston Regional—3000 anytime minutes from ME, NH, MA & RI for \$50/mo. Family Plan includes free mobile to mobile minutes in area. Regulatory fee of 86¢ per line.		96¢/monthly "regulatory fee." Unlimited mobile to mobile between US Cellular customers in area. Family—45 roaming minutes included. National family plans start at \$70. *New Brunswick or Quebec, other Provinces much higher.			Service contract is optional—price per phone is cheaper with contract. (Our advice: choose no contract.) \$2/mo. for unlimited Unicel to Unicel with local and nationwide plans. Family Plan includes unlimited incoming minutes and Unicel to Unicel minutes.			Verizon markets plans in Cumberland, Androscoggin, Sagadahoc & York Counties. Unlimited in-calling. \$60 plan offers 900 minutes.	

Roaming charge—applies when calling from outside home area. International roaming may cause additional toll charges and administrative fees.

Toll rate—applies only to some local plans when call destination is outside home area. Toll rates also apply to international calls.

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

Activation fees—(\$30 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—Some 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.

Grace period—Right to cancel contract within first 14-30 days.

Note—Your wireless phone may not be usable with other wireless plans when you change service. 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 offers many other plans.

prepaid wireless plans

Initial Cost—including phone & starting minutes	\$30 to \$120	\$40 to \$90	\$50 to \$400 (includes \$25 card)	\$20 to \$80 (includes 10 minutes)	\$75 to \$220
Home Area	Much of US (spotty in Maine)	Much of US (spotty in Maine)	Much of US	Much of Maine	Much of US
Airtime Rate Per Minute (US)	25¢*	10¢	10¢ to 33¢	20¢ to 40¢*	10¢ plus \$10/month
Roaming Charge Per Minute	0	0	0	Double the airtime rate	0
Toll Charge Per Minute	0**	0	0	0	0
Minimum Recharge Dollars	\$15	\$30	\$10	\$20	\$25
Expiration of Minutes (days) (varies by refill amount chosen)	30–365	60–365	30–365	60–365	30–90

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

10 minutes/month

Cost	\$100*	\$150	\$100	\$100	\$360
Minutes purchased	400	1500	1000	250	2400
Type of refill	1 x 365 days	1 x 365 days	365	1 x 365 days	4 x 90 days

50 minutes/month

Cost	\$150*	\$150	\$100	\$180	\$360
Minutes purchased	600	1500	1000	720	2400
Type of refill	6 x 90 days	1 x 365 days	1 x 365	6 x 60 days	4 x 90 days

100 minutes/month

Cost	\$300*	\$150	\$200	\$300	\$360
Minutes purchased	1200	1500	2000	1500	2400
Type of refill	6 x 60 days	1 x 365 days	2 x 365	6 x 60 days	4 x 90 days

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

With Best Value 10¢ plan, a charge of \$1.00 per day applies when there is any incoming or outgoing use. 10¢ plan allows unlimited mobile to mobile (Cingular to Cingular).

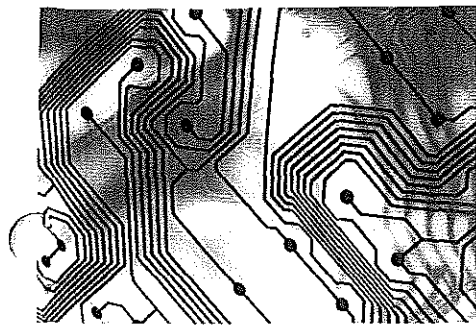
**15¢ per minute additional to Canada. Canada roaming 79¢. Minutes rollover.

Minutes rollover. You will not be able to make or receive calls from any location outside of the US, Puerto Rico or US Virgin Islands.

\$100 refill gets 15% more minutes and 365 days expiration on further refills. Canada roaming 49¢.

*Depending on number and duration of minutes purchased. You will not be able to make or receive calls from any location outside of the US, Puerto Rico or US Virgin Islands. Roaming coverage in much of US. Minutes rollover.

Plus approximately 3% + \$1.18 regulatory fees. Canada roaming 49¢.



How to Choose an Internet Service Provider

HIGH SPEED (BROADBAND) Verizon's DSL service now comes with an attractive price tag. With a one-year commitment, you can have high-speed Internet service for \$15/month—less than the cost of many dial-up services—and less than the cost of a second phone line. With DSL, you only need one phone line because voice and Internet work independently. Nearly all customers of independent telephone companies can get DSL but the price is usually higher than Verizon's. High-speed Internet services are also available from cable TV companies and from wireless ISPs in some locations. Rural residents without other high-speed Internet options may choose satellite broadband service starting at \$50 per month (+\$300 equipment cost) with wildblue.com.

DIAL-UP Many dial-up services are available statewide with toll-free access. Prices vary widely—from FREE to \$24 per month. Variations can include the amount of advertising, the availability of faster service through data compression (accelerator), and quality of customer service. Choose primarily by price because service quality among dial-up services does not vary widely. Always make sure your computer modem is dialing a local or toll free number—it's no fun to get a \$1,000 phone bill for dial-up Internet usage.

WHY CAN'T I GET DSL?

DSL and other Internet services are unregulated businesses. No government agency may mandate where DSL is offered or what price is charged. Unfortunately, Verizon has chosen not to make the necessary investments to bring DSL to many of Maine's rural customers who currently have no access to DSL. Nevertheless, through Governor Baldacci's "Connect ME" initiative, state government will be looking at every opportunity to encourage the deployment of high-speed Internet service to as many people in Maine as possible.

COMPANY	FEATURES	PRICES
207ME Maine Dialup 888-229-2411 207me.com	4 email addresses with 50 Mb mailbox space free 6x accelerator	(res) \$6.95/mo. (bus) \$9.95/mo. No setup fee
CC Net 207-443-2211 clinic.net	3 email addresses with 5 Mb space	\$17.50 to \$20/mo. No setup fee
Dial Maine 800-624-6380 dialmaine.com	5 email addresses with 100 Mb space	\$16 to \$20/mo. No setup fee
GWI 866-494-2020 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 877-432-7637 mfx.net	1 email address with 5 Mb space	\$20/mo. \$20 setup fee
Midcoast Internet 207-594-8277 midcoast.com	3 email addresses with 20 Mb space	\$20/mo. @ 300/hrs. \$10 setup fee
Mid-Maine 877-643-6246 midmaine.com	5 email addresses with 20 Mb space	\$15 to \$18/mo. No setup fee
MPDU 800-721-1063 mpdu.com	4 email addresses with 5 Mb space	\$15/mo. No setup fee
NNEI 866-500-6634 nnei.net	1 email address with 5 Mb space	\$19 to \$22/mo. No setup fee
Panax 888-452-5100 panax.com	3 email addresses with 5 Mb space	\$14.92 to \$19/mo. No setup fee
Points South 866-490-0100 psouth.net	1 email address with 10 Mb space	\$15.83 to \$19.50/mo. No setup fee
USA Internet 800-288-5072 prexar.com	2 email addresses with 6 Mb space	\$18 to \$20/mo. No setup fee
Verizon 877-483-5898 verizon.com	1 email address with 10 MB	\$20/mo. @ 150 hours \$23/mo.—unlimited \$10 fee or signup online

COMPANY	FEATURES	PRICES
550access.com signup online 550access.com	1 email address with 5 Mb space	\$5.50/mo. @ 150 hrs. \$9/mo. @ 300 hrs. with accelerator
650dialup.com 866-255-2164 650dialup.com	5 email addresses with 10 Mb space	\$6.50/mo. \$8 setup fee
AOL 800-392-5180 aol.com	Multiple email addresses	\$15/mo. @ 10 hrs. \$26/mo. unlimited
AT&T Worldnet 800-400-1447 att.com	6 email addresses with 150 Mb space	\$15/mo. if ATT cust. \$22/mo. non-ATT cust.
CORECOMM 877-267-3266 core.com	10 email addresses with 25 Mb space	\$10/mo \$13/mo. with accelerator no setup fee
Earthlink 800-327-8454 earthlink.net	8 email addresses with 10 Mb space per email address	\$14 to \$22/mo. \$25 setup fee
Juno/Netzero 888-349-0029 netzero.net junos.com	Email on the web with 2 Gb storage space	FREE @ 10/hrs. mo. \$10/mo. unlimited \$15/mo. with accelerator
Localnet 888-488-7265 localnet.com	10 email addresses with 10 Mb space	\$10/mo. \$13/mo. with accelerator
Netscape 800-716-7445 getnetscape.com	Email on the web with 10 Mb space	\$10/mo. \$15/mo. with accelerator
Peoplepc 877-947-3327 peoplepc.com	4 emails with 10 Mb space	\$11/mo. \$13/mo. with accelerator
USAdatanet 800-290-2655 usadatanet.com	Unlimited email addresses	\$10/mo. \$15/mo. with accelerator
Downeast Wireless 207-667-7414 downeastwireless.net	Available in Ellsworth area	3 email addresses with 5 Mb space \$25/mo. \$450 to \$700 setup fee
MFX Internet 877-432-7637 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 207-594-8277 midcoast.com	Various locations in the mid-coast area	4 email addresses with 20 Mb space \$50/mo. \$100 to \$200 setup fee
Pioneer Wireless 866-335-1254 pwless.net	Northern Maine—Medway to Fort Kent (Calais was recently added)	5 email addresses with 10 Mb space Res. \$40/mo. Bus. \$50/mo. Setup fee \$99–\$199
SJV Wireless, Inc. 877-475-8638 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
(Local Independent Phone Companies)	Throughout territories	Call local phone company for details Res. (\$30/mo.–\$60/mo.) Call company for rates
GWI 866-494-2020 gwi.net	Available in 40 exchanges within Verizon's territory	5 email addresses with 40 Mb space Res. \$35/mo. Bus. \$50/mo. No setup fee
MXF Internet 877-432-7637 mfx.net	Presque Isle, Caribou and Houlton areas	10 email addresses with 5 Mb space Res. \$35/mo. Bus. \$60/mo.
Midcoast Internet 207-594-8277 midcoast.com	Available throughout Maine in selected exchanges	4 email addresses with 20 Mb space \$35/mo. Verizon customers \$50/mo. Non-Vz customers \$75 setup fee

Midmaine 877-643-6246 midmaine.com	Available throughout Maine in selected exchanges	5 email addresses with 20 Mb space	Res. \$30/mo. Bus. \$80/mo. Installation Res. \$55 Bus. 250
Oxford Networks 800-520-9911	Lewiston/Auburn (not all areas yet) and Norway/South Paris	5 email addresses with 10 Mb space	Res. \$38/mo. Bus. \$60-\$80/mo.
Pivot.Net 800-400-5568 pivot.net	Available in selected exchanges	5 email addresses with 10 Mb space	\$35/mo.
Verizon 877-483-5898	Available in much of Verizon territory	9 email addresses with 10 Mb space	Res. starting at \$15/mo. Bus. \$60/mo.
Adelphia/Time Warner 888-683-1000 adelphia.com	Central Maine area	Multiple email addresses with 10 Mb space	Res. \$43/mo. Bus. \$70/mo. Install. fee varies +\$5/mo. modem rental
Bee Line Cable 800-439-4611	Skowhegan, Wilton, Madison, Industry, Anson, Farmington	5 email addresses with 10 Mb space	Res. \$30/mo. Bus. \$35/mo.
Comcast 800-200-2278 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	\$21 to \$49/mo. +\$5/mo. modem rental \$50 installation fee
Susquehanna/Comcast 800-200-2278 suscom.com	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 twmaine.com	York, Cumberland and Aroostook Counties	8 email addresses with 10 Mb space	\$45/mo. No installation fee
HughesNet (formerly Direcway) 888-667-5537 hughesnet.com	Available statewide (Generally requires clear view of so. sky)	5 email addresses with 10 Mb space	\$60/mo. + \$400 equipment cost \$100 installation cost
Skycasters 800-853-0434 skycasters.com	Available statewide (Generally requires clear view of so. sky)	2 email accounts	\$100/mo. + \$600 equipment \$300 installation cost
Starband 800-478-2722 starband.com	Available statewide (Generally requires clear view of so. sky)	20 email addresses with 10 Mb space	\$70/mo. \$500 equipment cost \$150 to \$600 installation cost
WildBlue 866-945-3258 wildblue.com	Available statewide (Generally requires clear view of so. sky)	5 email addresses	\$50/mo. + \$300 equipment Free installation

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Public Advocate and Staff



The Public Advocate and his staff are committed to public service in representing Maine utility consumers. We work to ensure that they have affordable, high quality utility services and we provide unbiased information to help consumers make the best choices. We who work at the Public Advocate's Office seek to carry out this representation in a principled, diligent and compassionate manner.

Maine consumers are welcome to call our office with questions. Our staff members can also be made available to speak to groups interested in utility issues or to those interested in advice on shopping for telecommunications services.