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Ratewatcher Phone Guide Vol. 12 July 2003

Maine Public Advocate Office

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STATE OF MAINE
PUBLIC ADVOCATE OFFICE
112 STATE HOUSE STATION
AUGUSTA, ME 04333-0112
TEL. 207-287-2445
E-mail: Wayne.R.Jortner@maine.gov
http://www.maine.gov/meopa

RATEWATCHER PHONE GUIDE

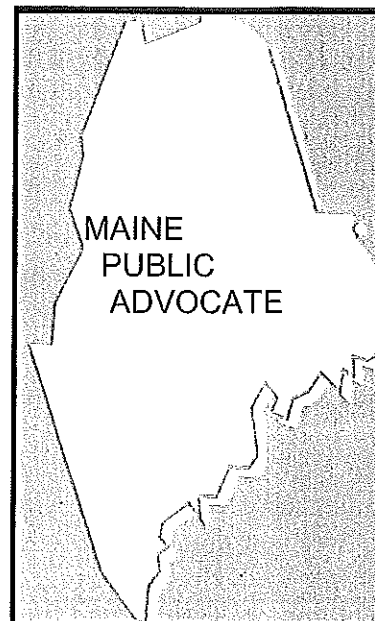
VOLUME 12

JULY 2003

RATEWATCHER

MAINE SUPREME COURT OVERTURNS MAJOR DECISION OF THE PUBLIC UTILITIES COMMISSION

In 2001, the Public Advocate filed an appeal to the Maine Supreme Court against the PUC and Verizon, challenging the PUC's order, which granted Verizon a five-year deregulatory plan and higher local rates. On February 28, 2003, the Court issued its decision vacating the Commission's decision, based on the arguments of the Public Advocate and the American Association of Retired Persons (AARP). The Court ruled that the PUC lacked authority to approve a regulatory plan and local rates without first reviewing Verizon's financial status. Maine law requires the Commission to ensure that its regulatory plan does not result in local rates that are higher than cost-based rates that would result from traditional regulation. The Court sent the case back to the Commission so that the Public Advocate will have an opportunity to prove that Verizon's local rates must be lower. Unfortunately, in the meantime, the PUC has refused to rescind Verizon's rate increase even though the order, which granted the rate increase, has now been overturned.



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THE BOTTOM LINE

Long-Distance Plans – Our all-around favorite plan is from **Touchtone Communications**. It offers 4.9¢ per minute for all Maine and state-to-state calls, no monthly fee, no monthly minimum, 6-second billing, and no extra charges for paper billing and check payment. Their customer service has been excellent. **Pioneer** and **Capsule** are good choices for those who make many state-to-state or international calls. **MCI's "Neighborhood"** is worth considering if you use over 800 minutes per month or are willing to pay for many optional local features (Verizon is expected to introduce its "Freedom" plan, a similar offering).

Prepaid Calling - **Sam's Club's AT&T** card gets high marks for its low rate (3.47¢/min), minutes that never expire, and usability in foreign countries. **Onesuite.com** offers a lower rate (2.9¢/min) and offers a record of your calls, but your account disappears if you don't purchase more minutes within 6 months.

Internet Services - Lowest-cost 10 hour/month statewide toll-free dial-up service is offered by **GW** at \$8.95/month. It also offers excellent DSL rates as low as \$30/month (DSL only in select areas). **XpressAmerica** offers lowest-priced unlimited toll-free (500) dial-up rates (\$12.95/month with full one year payment). **Juno/Netzero** offers free 10 hours/month service and **650dialup.com** offers unlimited dialup for \$6.50/month, if there is a local access number in your calling area.

Wireless Services - Your best choice depends on many factors; see report on pages 8-10.

FCC PROHIBITS INFLATION OF UNIVERSAL SERVICE FUND (USF) SURCHARGES

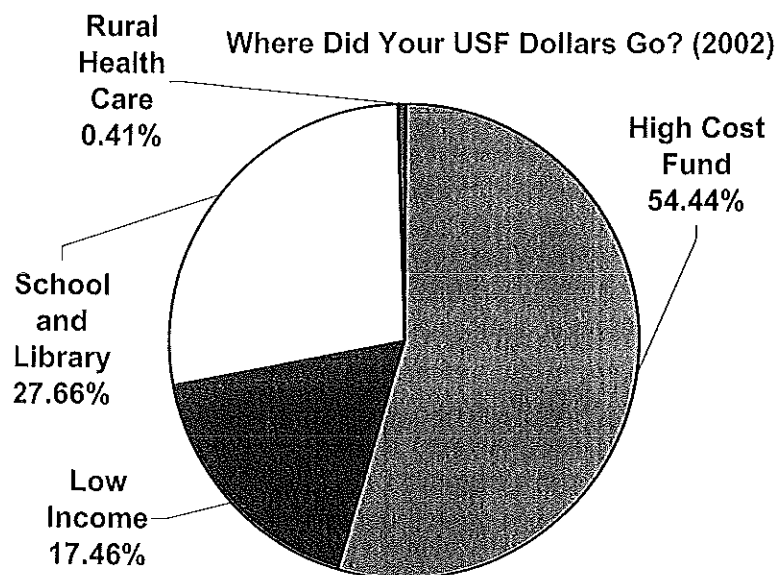
As of April 1, 2003, USF Surcharges on phone bills may not be higher than the actual contribution rate required from phone companies. Although the actual contribution rate required for the USF is increasing, customers of many companies that have been inflating the rate on bills are now seeing that surcharge reduced. For example, AT&T was charging 11% until April, 2003 but now, like all other companies, the maximum charge for the 3rd quarter of 2003 is expected to be 9.5% of the interstate and international portions of the bill.

While some of the smaller long-distance companies may continue to charge lower rates, no company may charge more than the actual rate set by the FCC. Unfortunately, the needs of the federal Universal Service programs have been growing each quarter. The Public Advocate, along with other state consumer advocates, has been working to convince the FCC to reverse the growth of the Universal Service Fund in order to put an end to these continual rate increases.

Wireless USF surcharges are also covered by the new rule but wireless companies are allowed to presume that 28.5% of a customer's bill represents interstate or international usage. Therefore, individual wireless customers may pay more or less than the USF rate times their actual interstate or international usage.

WHAT HAPPENS TO ALL THOSE USF SURCHARGES THAT APPEAR ON TELEPHONE AND CELLULAR PHONE BILLS?

Universal Service Fund (USF) phone bill surcharges allow telecommunications companies to recover their required contribution to a federal fund. The fund is administered by the Universal Service Administrative Company which is a quasi-governmental company controlled by the FCC. It currently collects approximately \$6 billion per year to fund four distinct programs:



High Cost Fund - subsidizes phone companies that serve in high cost rural areas, to keep rates affordable.

Low Income Program - (Lifeline and Linkup) provides local service discounts to low income people.

School and Library Program - subsidizes telecommunications and Internet connections for schools and libraries.

Rural Health Care Program - subsidizes costs of telemedicine for rural health care providers.

For more detailed information about these programs, see www.universalservice.org or call the Public Advocate.

AND THE WINNER IS....MAINE — The primary goal of “universal service” policy is to allow every U.S. household to have access to affordable telephone service. Of all 50 states, Maine is currently the most successful, with 98.3% of Maine households having telephone service. Widespread information about the availability of Lifeline and Linkup discounts for low-income customers is one reason for our success. Customers eligible for any type of public assistance are automatically eligible for these discounts, and may call their local phone company to enroll.

WILL A HIGH FIBER DIET MAKE OXFORD NETWORKS AN EVEN HEALTHIER PHONE COMPANY?

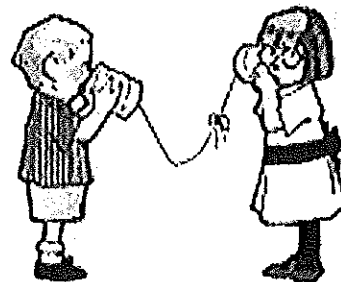
Oxford Networks Has Big Plans for Lewiston/Auburn

Oxford Networks is not your typical rural local phone company. Although its roots are in rural western Maine, where it serves as a local monopoly, Oxford was among the first to compete with Verizon (in Norway and South Paris) using its own lines, and it now has some big plans for the Lewiston-Auburn area. Oxford recently announced that it will create an all fiber optic network throughout Lewiston-Auburn. The fiber optic cable will be installed all the way to each home and business that uses the service, thus making this the first fully fiber optic network in Maine. Using its fiber optic cable, Oxford will be able to provide local telephone service, long distance service, cable TV service, and high-speed (broadband) Internet service, all at full digital quality. Oxford plans to offer combinations of these services at prices that will save money for many customers. The project will be completed, neighborhood by neighborhood, over the next 5 years.

Unlike larger phone companies, Oxford Networks appears to stand out for its commitment to customer service. Oxford has set up full-service walk-in centers in its communities. We hope that Lewiston-Auburn customers will see this same level of customer service.

NEW ADVANCE IN TECHNOLOGY ALLOWS FREE TELEPHONE SERVICE

Thanks to recent breakthroughs in String Theory and Cano technology, a new type of telephone system is sweeping the country.



10-10 NEWS

AN UNPLEASANT SURPRISE FOR 10-10-811 CUSTOMERS

Vartec's 10-10-811 service, (5¢ per minute/50¢ minimum per-call) has been popular in Maine but it's now time for Maine customers to find a better deal. Vartec now charges a monthly fee of \$2.95. It makes little sense to pay a per-call minimum, and a monthly fee, for a service that is less convenient than a full-service long-distance plan that allows you to dial directly. Full-service long distance is available for less than 5¢ per minute, with 6-second billing, no monthly fee, no monthly minimum, no per-call minimum, and a lower USF surcharge. (See, *The Bottom Line* on page 1).

NEW 10-10-987 SERVICE OFFERS 3¢/MINUTE... BUT THERE'S A CATCH

MCI's (Telecom USA) latest 10-10 offer, 10-10-987 is now being heavily advertised on television. It offers 3¢ per minute for all calls in the U.S., Canada and western Europe, but it also charges a per-call charge of 39¢. So, if you make a one-minute call, your rate is 42¢ per minute. If you talk for 10 minutes, your rate is 7¢ per minute. Since this service rounds up to the nearest minute and may pass on higher surcharges than the most economical competitors, you would have to talk for at least 25 minutes before this service begins to make sense for a call within the U.S. (note that the average call lasts only 3 minutes). However, if you expect your call to last more than 10 minutes, this service does offer attractive rates for individual calls to western Europe. As with all 10-10 numbers, you can access the service whether or not you subscribe to a regular long-distance plan.

PUBLIC UTILITIES COMMISSION FINES PHONE COMPANY \$4.6 MILLION FOR SLAMMING

After receiving over 100 complaints from Maine customers against Webnet Communications, the PUC launched an investigation of that company's long-distance switching practices. Slamming (an unauthorized change of a customer's long-distance selection) is prohibited under both Maine and federal law. The PUC found that Webnet intentionally deceived its customers, and the PUC, when it changed the long-distance service of at least 55 customers and then doctored some of the tapes to make it appear that customers had given permission when they had not. Based on this egregious conduct, the PUC slammed the slammer by ordering it to pay nearly the maximum penalties allowed by law. Unfortunately, we don't expect the Commission to actually recover much of this money because Webnet's remaining assets may be difficult to find, or because Webnet may not actually have sufficient assets to pay the amount ordered. The Commission also revoked Webnet's license to serve customers in Maine.

Customers may take the following steps to protect themselves from slamming:

- Refuse to talk to telemarketers offering free gifts, travel bargains, or contest entries.
- Refuse to give any personal information to telemarketers.
- Consider asking your local phone company to place a "PIC Freeze" on your long-distance choice.
- Read the fine print before you sign checks or mail back any forms from direct marketers.

If you suspect your long-distance service was changed without your permission, you can usually find out which company is connected to your line by calling 1(700) 555-4141 (your interstate service) and 700-4141 (your instate service). Note that many smaller long-distance providers use lines of other carriers so the name you hear may be different from the name of your long-distance company.

LOCAL COMPETITION

SHOULD CUSTOMERS IN VERIZON TERRITORY CONSIDER SWITCHING TO A LOCAL SERVICE COMPETITOR?

Unlike instate and state-to-state toll service where healthy competition and dramatic price differences exist, the local market remains fairly monopolistic for residential customers. Most residential local competitors simply re-sell Verizon's service and do not provide significant discounts from Verizon's prices. For example, residential consumers may find a 10% discount from a reseller but that amounts to a monthly saving of only about \$1.86 from Verizon's highest local rate of \$18.69. Of course, if you use optional local services, such as Caller ID, the savings will be greater. High-volume residential customers (those who use over 800 minutes per month of long-distance minutes) or those customers who subscribe to Verizon's optional local services, should consider MCI's Neighborhood plan or Verizon's new Freedom plan (when available), which bundles unlimited local and long-distance (see January 2003 Ratewatcher for a full analysis of The Neighborhood).

Business customers have a variety of local choices and greater potential savings on local rates, depending on calling volumes and contract length. Therefore, it pays for business customers to shop for local service. Full facilities-based local competition for residential customers is currently provided in two specific geographic areas by Time Warner and Oxford Networks.

Time Warner charges an additional \$40 per month to its Southern Maine cable-TV customers for unlimited local and long-distance usage, including Caller ID and Call Waiting. The service is \$50 per month if you are not a Time Warner cable TV customer. Initial installation costs \$20 and calls to Alaska, Hawaii or international numbers are extra. Oxford Networks provides competitive local service to customers in Norway, South Paris and part of Oxford, using Oxford's own equipment (including a second wire to your house) at prices starting at \$10.63 per month.

LOCAL TELEPHONE COMPETITION — UPDATE

Local service includes unlimited calls within your local calling for a flat monthly fee. Generally, local service options are available only in Verizon territory (84% of Maine customers). Rates shown exclude surcharges and taxes. Significant discounts may apply to optional local features such as Caller ID, Call Waiting, Three-Way Calling, Speed-Dial, Call-Forwarding, and Voice-Mail. Local service business rates depend on service bundles and a variety of other individual factors -- call company for rate quotes.

Name/Phone/Website	Bus. or Res.	Monthly Rates (Res./Bus.)	Notes
Choice One (888) 832-5801, choiceonecom.com	B	Vz rates minus 20% to 30%	
Conversent (800) 275-2088, conversent.com	B	\$24.35 to \$34 per line	Greater Portland area
CTC (800) 287-9875, ctcnet.com	B	\$29 per line + \$5 per customer	Under bankruptcy reorg.
Direct Line (888) 619-4535, downeastcomm.com	B & R	R \$17.49 B \$28 to \$35	
Lightship (877) 846-700, lightship.net	B	Vz rates minus 4% to 12%	
MCI (800) 395-1926, theneighborhood.com	R	\$32 to \$50*	*Unlimited long distance
Norcom (888) 262-7864, norcomld.com	B & R	5 to 15% discount from Vz rate	
OneStar (800) 482-0000, onestarld.com	B & R	B \$33/mon. R \$35/mon*	*Incl. all optional features
Oxford (800) 520-9911, oxfordnetworks.com	B & R	R \$10.63 - \$13.72 B \$28.51 - \$31.93	Norway/South Paris only
PineTree (866) 746-3873, pinetreenetworks.com	B	\$28.65 - \$34.02 (incl. surcharges)	Portland/Lewiston areas
Time Warner (800) 833-2253, twmaine.com	R	\$40 to \$50 (see p.4) (So. ME only)	Incl unlimited long distance
USA Telecom (888) 872-9400, savewithusa.com	B & R	Vz rates minus 10%*	*-10% for ontime payments

LONG-DISTANCE

PREPAID CALLING — UPDATE

PHONE
CARDS

	Sam's Club/AT&T	OneSuite.com	BigZoo.com
US Rate 48 (states)	3.5¢	2.9¢	3.9¢ (2.9¢ from Portland area)
Western Europe	6.9¢	4.5¢ to 10¢	4.4¢ to 15¢
Canada	6.9¢	3.5¢	3.5¢
Other Fees	None (5% sales tax on initial store purchase only)	None	75¢/month
How to buy?	Sam's Club (similar offers at BJ's & Costco)	www.onesuite.com	www.bigzoo.com
Expiration	Never	6 months from last purchase	6 months from last purchase
Record of call	No	Yes via Internet	No
Special Features	Can use from other countries	Can skip PIN #	Can skip PIN #
Customer Service #	800-530-6744	866-417-8483	800-230-4875

TOP TEN EXCUSES TO KEEP YOUR CURRENT LONG-DISTANCE SERVICE

- | | |
|--|---|
| <ol style="list-style-type: none"> 1. I like paying for all those entertaining television commercials. 2. I really enjoy the music while on hold waiting for customer service. 3. I am secretly in love with AT&T. 4. I would need a business degree to figure out how to select a different company. 5. My dog ate my Ratewatcher Phone Guide. | <ol style="list-style-type: none"> 6. Monthly fees are way cool. 7. Why pay less? 8. I have stock in the phone company and I want to lose even more money. 9. Inertia, laziness and procrastination. 10. Because my provider is linked to my Frequent Flyer account, every time I make an 11¢ a minute long distance call, I'm that much closer to Hawaii! |
|--|---|

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

COMPANY		AT&T	CAPSULE	Excel	GTC	IDT	MCI	Norcom
FEATURED PLAN		One Rate 10¢	Triple LD	Simply More	5¢ Plan	5 cent plan	Nationwide	Spring Thaw
(RESIDENTIAL)		Instate	Instate	Instate	Instate	Instate	Instate	Instate
RESIDENTIAL Per Minute Rate (excluding surcharges & taxes)		8¢	10¢	8¢	8¢	9¢	5¢	4.9¢
Monthly Minimum		\$5.00	none	none	none	none	none	none
Monthly Fee		99¢	\$3.00	\$5.80*	none*	\$3.95	\$5.95	\$3.95**
RESIDENTIAL SAMPLE MONTHLY COSTS:		INCLUDES 50% INSTATE/50% INTERSTATE MINUTES & MONTHLY FEES, EXCLUDING SURCHARGES & TAXES.						
LOW @ 10 mins. per month		\$5.99	\$3.65	\$6.55	65¢	\$4.65	\$6.45	\$4.44
MEDIUM @ 100 mins. per month		\$9.99	\$9.50	\$13.30	\$6.50	\$10.95	\$10.95	\$8.85
HIGH @ 500 mins. per month		\$45.99	\$35.50	\$43.30	\$32.50	\$38.95	\$30.95	\$24.50
HIGHEST @ 1,000 mins. per month		\$90.99	\$68.00	\$80.80	\$65.00	\$73.95	\$55.95	\$49.00
Hawaii/Alaska		14¢	15¢	5¢	15¢	16.2¢ / 14.9¢	5¢	18.9¢
RESIDENTIAL INTERNATIONAL RATES:								
Canada		7¢	5¢	5¢	9¢	5¢	7¢/15¢	10¢
UK		9¢	5¢	9¢	10¢	7¢	10¢/9¢	7¢
Germany		14¢	7¢	15¢	15¢	7¢	17¢/9¢	9¢
Hong Kong		12¢	7¢	13¢	17¢	8¢	17¢/10¢	13.2¢
Japan		12¢	10¢	13¢	16¢	9¢	26¢/14¢	12.9¢
Kenya		69¢	30¢	\$1.06	87¢	60¢	81¢/69¢	59¢
AVAILABLE IN RURAL INDEPENDENT AREAS? (BUSINESS)		yes	no	no	yes	yes*	yes	yes***
Business Per Minute Rates (excluding surcharges & taxes)		Instate	Instate	Instate	Instate	Instate	Instate	Instate
Monthly Minimum		15¢	15.54¢	13¢	8¢	9.8¢	10.9¢	4.9¢
Monthly Fee		\$25.00	none	none	none	none	\$10.00	\$3.95
PICC Charges (per line)		none	\$5.00	\$11.95**	none	\$7.95	none	none
In-bound 800 Rates		\$2.20	\$4.31	none	\$1.50**	\$2.29	none	\$2.95
TO SUBSCRIBE, CALL:		1-800-222-0300	1-800-872-3369	1-800-875-9235	1-800-486-4030	1-800-225-5438	1-800-444-3333	1-866-888-8627
ADDITIONAL INFORMATION								
NOTE: USF fees are no longer shown in rates or factored in monthly totals. USF surcharges now change every 3 months and phone companies may not charge more than the amount they contribute. After July 1, 2003 the USF rate is expected to be 9.5% of interstate charges.		*Interstate business rate drops to 6.5¢ with online billing. Add'l .74% USF for bus. customers.						
\$5 fee to change carrier is often covered by new carrier upon request.		**If \$25 business minimum is not met, monthly fee of \$14.95 applies.						
PICC charges (a per-line access charge) apply to multi-line business customers only.		***\$10/mon. fee for 800 inbound service.						
1-minute billing unless otherwise noted.		Alt. Plans. Unlimited plan - \$19.95 for calls to other residential AT&T customers and 7¢/min. to others. AT&T also offers 7¢/min. for all US calls plus \$4.95 monthly fee.						
*Beware that international calls to mobile phones may be priced much higher.		Alt. Plans. Unlimited plan - \$19.95 for calls to other residential AT&T customers and 7¢/min. to others. AT&T also offers 7¢/min. for all US calls plus \$4.95 monthly fee.						
		*Monthly fee includes extra \$1.30/mo. USF surcharge.						
		**Bus. Plan monthly fee waived when usage exceeds \$50.						
		***\$5/mo. for 800 service.						
		6-second billing for business plan only.						
		*No monthly fee with credit billing and online statement.						
		95¢/mo. fee for paper statement and credit card billing.						
		\$1.95/mo. fee for check payment/online billing. Business monthly fee is \$4.95 if paper billing is chosen.						
		** PCCC for first line is \$1.50.						
		***\$10 minimum charge for inbound 800-service.						
		*16¢ instate, 5.9¢ interstate applies in independent areas.						
		6-second billing.						
		MCI offers a variety of other plans including its unlimited local and long distance Neighborhood plan for \$50/mo.						
		Alt. Plan - 2.9¢ instate, 6.9¢ interstate, with \$3.95 monthly fee (waived when usage is over \$20 or w/ email billing).						
		6-second billing.						
		Plan also available from a ME agent, Innovative Network Solutions (877) 885-9844.						

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

COMPANY	OneStar onestar.com.com	Pioneer pioneerphone.com	Sprint sprint.com	Total Call **	Touchtone touchtone.net	Vartec vartec.com	Verizon verizon.com
FEATURED PLAN (RESIDENTIAL)	5 Star Advantage Instate Interstate	Maine Plan Instate Interstate	7¢ Anytime Instate Interstate	Nation's Favorite Instate Interstate	4.9¢ Plan Instate Interstate	Vartec Voice Instate Interstate	Timeless Instate Interstate
RESIDENTIAL per minute rate (excluding surcharges & taxes))	6.5¢	5.9¢	10¢	6.4¢	4.9¢	7¢	10¢
Monthly Minimum	none	none	none	none	none	none	3.00
Monthly Fee	\$2.95*	99¢	\$5.95	none	none	\$2.95**	none
RESIDENTIAL SAMPLE MONTHLY COSTS: INCLUDES 50% INSTATE/50% INTERSTATE MINUTES & MONTHLY FEES, EXCLUDING SURCHARGES & TAXES.							
LOW @ 10 mins. per month	\$3.60	\$1.46	\$6.80	\$4.4¢	49¢	\$3.65	\$3.00
MEDIUM @ 100 mins. per month	\$9.45	\$5.69	\$14.45	\$5.40	\$4.90	\$9.95	\$10.00
HIGH @ 500 mins. per month	\$35.45	\$23.50	\$48.45	\$27.00	\$24.50	\$37.95	\$50.00
HIGHEST @ 1,000 mins. per month	\$67.95	\$47.00	\$90.95	\$54.00	\$49.00	\$72.95	\$100.00
Hawaii/Alaska	6.5¢	12¢	7¢	30¢	15¢	7¢	10¢
RESIDENTIAL INTERNATIONAL RATES*							
Canada	6¢	7.5¢	7¢	8.7¢	6¢	7¢	7¢
UK	6¢	5¢	9¢	9¢	7¢	7¢	9¢
Germany	7¢	6¢	14¢	9.6¢	8¢	12¢	14¢
Hong Kong	7¢	7¢	12¢	11.4¢	8¢	12¢	12¢
Japan	8¢	8¢	14¢	11.7¢	12¢	12¢	12¢
Kenya	5¢	35¢	90¢	51¢	NA	50¢	89¢
AVAILABLE IN RURAL INDEPENDENT AREAS? (BUSINESS)	yes	yes	yes	yes	yes	no	yes
Business per minute rates (including %-based surcharges)	Instate Interstate	Instate Interstate	Instate Interstate	Instate Interstate	Instate Interstate	Instate Interstate	Instate Interstate
Monthly Minimum	6.5¢	5.5¢	14.3¢	6.4¢	4.9¢	7¢	9¢
Monthly Fee	none	none	\$50.00	none	none	none	\$5.00
PICC Charges (per line)	\$2.95	\$1.49	\$12.00***	\$1.00	none	none	none
In-bound 800 Rates	\$4.61	\$4.21	none	\$3.75	none	none	\$3.23
TO SUBSCRIBE, CALL:	1-800-482-0000	1-888-492-6878***	1-800-746-3767	1-877-603-5757	4.9¢	7¢	9¢**
ADDITIONAL INFORMATION	OneStar's residential monthly fee represents its "primary carrier charge" & "interstate access" charge. **\$2.50 monthly fee for 800 service. 6-second billing applies if usage exceeds \$20, if usage is less than \$20 then billing increment is one minute.	*Monthly fee of 99¢ is waived with email billing or usage over \$15/mo. **Monthly fee of 49¢ applies to 800 service. ***Plan also available from Coastal Connections (888) 262-7864. Alt. plan - Pioneer also offers a 6-second billing plan with Instate rate of 6.5¢ and interstate rate of 3.9¢ and a monthly fee of 99¢ (waived when usage is over \$15). Bus. 6-second billing plan at 5.5¢ Instate/3.5¢ Interstate. Bus. monthly fee waived at usage over \$25.	*\$3/mo. fee for 800 service. Lower rates available for res. and bus. with online ordering. **Fee is reduced to \$4.95 if usage exceeds \$50. ***Bus. monthly fee waived is usage exceeds \$50.	*\$1 per month fee for 800 service. 6-second billing. Alt. Plan 3.9¢ Interstate/7.4¢ Instate with \$20 monthly minimum. ***Website www.total-call-long-distance.com	USF fee (6.8¢ as of July 1) is lower than standard rate. 6-second billing. *Agents in ME: Innovative - (877) 885-9844 Hi-Tech - (888) 594-2500 Coastal - (888) 262-7864 GTI - (877) 484-7283	*\$1 monthly fee for 800 service. **Monthly fee includes extra \$1/mo. USF surcharge. Business plan. (Liberty Line offers 6¢ second billing.) Alt. Plans include - Interstate Best Times plan - Offpeak 5¢/\$4.95 monthly fee. Talk Time offers bulk minutes as low as 5¢ per minute. Instate - Pine Tree plan \$5.40 monthly minimum incl 60 min. 8¢ add'l min. Bus. rates are lower for high volume customers (over \$75). 6-second billing may apply to bus. plans.	*International monthly fee waived when usage exceeds \$25. **\$5 monthly fee waived for first 6 months of 800 inbound service. Alt. Plans include - Interstate Best Times plan - Offpeak 5¢/\$4.95 monthly fee. Talk Time offers bulk minutes as low as 5¢ per minute. Instate - Pine Tree plan \$5.40 monthly minimum incl 60 min. 8¢ add'l min. Bus. rates are lower for high volume customers (over \$75). 6-second billing may apply to bus. plans.
\$5 fee to change carrier is often covered by new carrier upon request.							
PICC charges (a per-line access charge) apply to multi-line business customers only.							
1-minute billing unless otherwise noted.							
*Beware that international calls to mobile phones may be priced much higher.							

VERIZON'S NEW "FREEDOM" PLAN TO COMPETE WITH MCI'S NEIGHBORHOOD

Verizon-Maine is launching a new plan that offers unlimited local calling, unlimited long-distance calling in the U.S. and Canada, plus Caller ID, Call Waiting, Speed Dialing, Three-way Calling, and Voice Mail. As of this writing, the price has not been announced for the Maine version of this plan, but the monthly price charged in Massachusetts is \$54.95 (not including surcharges and taxes, which might add approximately \$13). As we reported in the January, 2003 issue, these unlimited plans are a good choice only for people who use over 800 minutes of long-distance calling or those who are willing to pay for optional local services. We expect Verizon's Freedom plan to include unlimited calls to Canada, while MCI's Neighborhood plan does not. For a copy of our chart showing who should choose the Neighborhood plan, see our website or give us a call.

WIRELESS

DO YOUR HOMEWORK BEFORE SIGNING A WIRELESS CONTRACT

Some customers have had unpleasant surprises after signing a one or two-year wireless contract. Those include poor coverage in areas of need, unexpected roaming and toll charges and bills that were higher than expected. It's especially important to be familiar with the map showing where roaming charges apply and where toll charges apply. Since early termination penalties are typically \$150 or more, ask a lot of questions before you sign. You may be entitled to cancel without penalty within a short grace period at the beginning of your contract.

- Ask the carrier to explain the grace period for cancellation before you sign.
- Be aware that you pay for both incoming and outgoing calls.
- Know how many daytime minutes and night/weekend minutes you get. Be aware of the price for any overtime minutes in a given month.
- Decide whether you need a "local" "regional" or "national plan." This will determine the home area where you can use your phone without expensive roaming charges. In addition, some plans still charge toll rates when the party you call is outside a certain

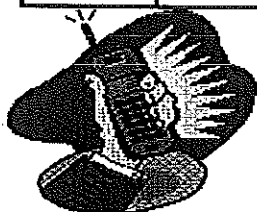
area. Know if any of your calls will result in toll charges.


- Try to avoid signing a contract that lasts more than one year, unless the incentive to sign a longer contract is irresistible. Generally, prices are declining and included minutes are increasing, so the longer you're locked in, the longer you'll have to wait before being eligible for a better deal. When your contract expires, don't simply continue with the same deal; that's a great time to call your carrier and ask what additional goodies are available. If nothing much is offered, shop around.

- If you want only emergency access or very few minutes per month, consider a prepaid wireless plan instead (see page 10).

WIRELESS RATES ARE DOWN BUT NEW FEES ARE INFLATING BILLS AND CONFUSING CUSTOMERS

When you sign up for new wireless service, will your bill really match the advertised monthly rate? Not likely. It's bad enough that wireless customers need to worry about coverage areas, signal quality, roaming fees, toll rates, and early termination penalties. But another source of confusion is emerging -- now, according to a recent report by the Wall Street Journal, wireless bills have become 24% to 28% higher than the advertised rate. Cellular companies are inventing new surcharges, with names like regulatory cost recovery fee, number pooling fee, 911 fee, and number portability fee. Some of the costs of doing business as a cellular phone company do result from government regulatory policies, but it is misleading to create new billing items, as if these costs were pass-throughs like taxes. Ultimately, consumers are harmed when advertised rates differ from actual rates. It then becomes impossible to accurately compare prices when shopping for competing services. Our advice - ask for a list of all fees that will appear on your bill before signing up for any new wireless contract. Currently, no governmental authority regulates the rates or billing practices of wireless carriers.





	AT&T att.com (800-462-4463)				US Cellular uscellular.com (888-944-9400)				Unicel unicel.com (800-336-4455)				Verizon verizon.com (800-256-4646)				
	Mlife Local			Mlife National			Local	Regional		National		Local UConnect	Regional Traveler	National Simply USA		Local Digital Choice	National America's Choice
Monthly Fee	\$20	\$30	\$40	\$50	\$20	\$30	\$40	\$25	\$35	\$35	\$50	\$25	\$30	\$30	\$40	\$35	\$45
Anytime Minutes	45	250	400	600	30	200	550	125	700	500	200	250	250	120	200	350	400
Offpeak Minutes	0	Unlimited			0	Unlimited			0	Unlimited*		0 (ask about unlimited offpeak minute offers)					
Cost per extra minute		45¢				40¢				40¢		30¢	35¢	40¢	35¢	45¢	40¢
Toll Rate (Per Minute)	20¢	0				0				0		25¢		0		20¢	
Roaming Rate (Per Minute)	69¢	0*				0			30¢ to 69¢	69¢	0	55¢	50¢	0		69¢	
Toll Free/ Roaming Free (Home) Area	ME, NH, MA, RI, CT, NYC, NJ, DE, MD, DC, & 1/2 PA				Various parts of the US but with smaller local home area than with Mlife local plans. (See website or retailer for coverage map.)				ME, NH, Southern VT (Excludes Portland to Portsmouth Area)	ME, NH, VT, MA, RI, CT, NY, NJ, PA	Most of US**	Most of ME, excluding Portland Parts of NH, VT, MA, Northeast NY state	ME, NH, VT, MA, Northeast NY state	Most of US		ME, NH, VT	Most of US
Notes	*Toll and roaming apply to national plan when outside of AT&T's network area \$36 activation fee applies to all plans. All plans include free voice mail, call forwarding, and three-way calling upon request.				*Unlimited in "local" area only for local and regional plans. **Company reserves right to cancel plan if more than 50% of usage is outside of its licensed area. Voicemail and Caller ID included.				Detail billing is \$1/month extra. Includes Caller ID, Call Forwarding, Three-way Calling, and Call Waiting. \$15 extra for multiple-phone/ minute sharing plans.				No activation fee with 2-year contract. Similar prices for family share plans. Verizon markets plans in Portland, Lewiston, and Brunswick areas.				

Roaming charge applies when calling from outside home area.

Toll rate applies when call destination is outside home area.

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

Activation fees (\$25 to \$36) often apply but are sometimes waived upon request or when purchasing online.


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

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

NOTE—These are low to moderate usage plans. For minimal or emergency usage, see prepaid plans (see page 10). High usage and multi-line plans are also available. 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 if possible. Dial 611 from cellular phones for customer service. 911 emergency calls (not E-911) may work from cell phones even without activation.

T-Mobile, Sprint PCS, and Cingular do not market to customers north of Portland, ME. Verizon and AT&T market plans principally in urban areas.

SAMPLE OF PREPAID WIRELESS PLANS (see page 9 for Monthly Fee Wireless Plans)

		Tracfone (tracfone.com) sold at local retailers (800) 867-7183	US Cellular TalkTracker (uscc.com) (800) 944-9400	AT&T Free2Go (att.com) (800) 888-7600		Verizon Free Up (verizonwireless.com) (800) 922-0204	Unicel SmartPay (unicel.com) (800) 244-9979
				Local Coastal ME & NH	National Most of US		
Initial Cost - Including phone & starting minutes		\$50 to \$95 (includes 30 minutes)	\$129 (includes 70 minutes)		\$99 (includes 20 minutes)	\$130 (includes 100 minutes)	\$130 (no minutes included)
Home Area		Part of Maine, depending on billing address — see coverage map	ME, NH except Portland & Portsmouth areas			Portland, Maine area and select areas in the US	Most of Central and Northern Maine
Airtime Rate Per Minute		24¢ to 63¢*	30¢ to 35¢	12¢ to 50¢**	22¢ to 85¢**	30¢ day time 15¢ night/weekend	15¢ to 25¢*
Roaming Charge Per Minute		Double the airtime rate	75¢-85¢	85¢	0	99¢	95¢
Toll Charge - Per Minute		0	25¢	0	0	0	85¢
Minimum Recharge Dollars		\$18	\$10	\$10		\$15	\$10
Expiration of Minutes (days)		60 - 365 (depending on card chosen)	60	45		30 - 120 (depending on price of card)	30-60*

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

10 minutes/month	\$95 (1 - 365-day 150 min. refill)	\$50 (5 - \$10 refills)	*\$70 (7 - \$10 refills)	\$165 (11 - \$15 refills)	\$70 (7 - \$10 refills)
50 minutes/month	\$250 (10 - \$25 60-day refills)	\$200 (8 - \$25 refills)	*\$225 (9 - \$25 refills)	\$165 (11 - \$15 refills)	\$120 (12 - \$10 refills)
100 minutes/month	\$320 (8 - \$40 60-day refills)	\$400 (1 - \$15 refill and 11 - \$35 refills)	*\$400 (8 - \$50 refills)	\$330 (11 - \$30 refills)	\$180 (12 - \$15 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 number and duration of minutes purchased. *You can double your minutes by paying \$15 per month or \$150 per year.	\$5/month extra for detailed bill.	*Minimum annual cost based on local plan. ----- **Depending on number of minutes purchased.	Minimum annual cost of minutes calculated at weekday rate. Roaming charges (not included in annual cost shown) would apply in most of Maine.	*Plan A - 15¢ min (30 day refill). *Plan B - 25¢ min (60 day refill). ----- Minimum annual cost of minutes calculated at Plan A.

HAVE YOU CHECKED OUR IMPROVED WEB SITE?

The Public Advocate's new improved web site offers information about our consumer advocacy work in the areas of telephone, electricity, gas and water regulation. In the "Telephone" section, you can find the following information -- and much more:

- **Anatomy of a Phone Bill** – Explains each item that appears in phone bills.
- **Shopping for Wireless Plans** – Explains the important things to consider before signing up.
- **Local Internet Service Providers (ISPs)** – Our list of ISPs that serve locally.
- **Telemarketing** – Explains your rights and how to deal with telemarketers.
- **Telephone Privacy Issues** – How to keep your calling habits and personal information private.
- **Maps** - Information about Maine's telephone companies and telephone exchanges.
- **Directory Assistance on the Web**

HIGH SPEED INTERNET UPDATE

The availability of high speed (broadband) Internet service continues to slowly expand in Maine. High-speed service can be provided via DSL, Cable, Wireless, or Satellite. Each type of service provides a variety of speeds, depending on various factors, but all are much faster than dial-up service.

- ♦ **DSL** -- Verizon has so far equipped 40 of its switching offices to provide DSL service and rural phone companies have so equipped another 29 offices. DSL is also offered by Internet service providers in those areas, sometimes at lower prices. For example, Great Works Internet now has DSL available in 31 switching offices and sells the service for \$30/month. DSL is limited by distance, so about 50% of customers may be ineligible simply because they live too far from the phone company's switching office. However, advances in the technology are gradually allowing DSL to be provided at longer distances.
- ♦ **Cable Modem** -- Cable companies offer broadband service to their cable-TV customers at rates similar to DSL. Adelphia plans to expand availability of its cable modem service to all of its cable-TV customers in central Maine within the next two to three years.
- ♦ **Wireless** -- Using an antenna on a customer's roof and a tower as much as 35 miles away, three Maine ISPs, Midcoast Internet Solutions, CC Net, and Downeast Wireless, offer broadband wireless service. Substantial equipment fees apply.
- ♦ **Satellite** -- Satellite broadband requires a dish installation with a clear view of the southern sky. Like wireless service, there is a significant cost for equipment (over \$500). Two providers, Direcway and Starband, offer this service in Maine.

COMPANY NAME	PHONE #	SERVICE FEATURES	RATES CHARGED Price Range Depends on Payment Method
NATIONAL ISPs (Dial-up)			
650dialup.com www.650dialup.com	866-255-2164	5 email accounts, 10 MB storage, check for website for local access in your calling area	Unlimited dial-up -- \$6.50/month
AOL aol.com	Sign-up online	Check website for local access in your calling area	Unlimited dial-up -- \$19.95 to \$23.90/month \$4.95 for 3 hours (+\$2.50 add'l hours) \$9.95 for 5 hours (+\$2.95 add'l hours)
AT&T Worldnet att.com	800-400-1447	6 email accounts, check website for local access in your calling area	Unlimited dial-up -- \$21.95/month \$16.95 for 150 hours/month (+.99 each add'l hour)
Earthlink earthlink.com	800-395-8425	Toll-free access available in Augusta, Bangor, Portland, & Rockland only	Unlimited dial-up -- \$21.95/month \$9.95 for 10 hours/month (ask about specials) DSL starting at \$41.95/month
Juno/Netzero netzero.com juno.com	Sign-up online or call 800-333-3633	Toll-free access available in Augusta, Bangor, Kittery, Lewiston, Portland, Presque Isle, and Rockland only	Free 10 hours/month Premium service with less advertising \$9.95/month

SAMPLE OF RESIDENTIAL INTERNET SERVICES IN MAINE AS OF JULY 2003

COMPANY NAME	PHONE #	SERVICE FEATURES	RATES CHARGED Price Range Depends on Payment Method
STATEWIDE Internet Service Providers (ISPs) with Toll-Free 500 Access			
CC Net clinic.net	800-645-9815	2 email addresses, 5 MB personal web space Broadband wireless -- see below	Unlimited dial-up—\$20.00/month Wireless— see below
Coastal Computers coastal-computer.com	866-708-7998	5 email addresses, 10 MB web space	Unlimited dial-up—\$14.95-\$19.95/month
DialMaine/Arcus Digital arcusdigital.com dialmaine.com	877-610-6274	Web development, 5 email addresses, 50 MB web space	Unlimited dial-up—\$21.95-\$23.95/month
Great Works Internet gwi.net	866-494-2020	Domain registration, co-location, 2 email addresses, 10 MB of web space, DSL	Unlimited dial-up—\$19.95/month (\$25 setup) \$8.95/mo. - 10 hours; \$15.95/mo. - 40 hours DSL starting at \$30/month.
hyperMedia hypernet.com	800-935-0040	Web design, hosting, and 2 email addresses	Unlimited dial-up—\$19.95 to \$22.95/month
Mid-Maine Communications midmaine.com	877-643-6246	Remote email access, 5MB of web space, 2 email addresses	Unlimited dial-up—\$14.95 to \$19.95/month (\$14.95 - 1-year payment - \$10 setup fee) \$15.95/month requires 6-month payment)
MPDU mpdu.com	866-580-0073	Web design, hosting, 5 email addresses, 5 MB web space, DSL for business only	Unlimited dial-up—\$14.95 to \$19.95/month (\$14.95 requires 2-year commitment)
Northern Lights Internet nlis.net	800-357-5915	Web mail, 3 MB web space	Unlimited dial-up—\$55/quarterly
Panax.com www.panax.com	888-452-5100	Web design, 3 mailboxes, 5 MB of web space	Unlimited dial-up—\$14.95 to \$18.95/month (\$14.95 requires 6-month payment)
Points South psouth.net	866-490-0100	Email address, 10 MB web space	Unlimited dial-up—\$15.83 to \$19.50/month (\$15.83 requires advance 1-year payment) 10 hours - \$9.95/month
Prexar prexar.com	800-288-5072	5 email addresses, 5 MB web space DSL	Unlimited dial-up—\$19.95 to \$29.95/month \$9.95/month for 10 hours DSL starting at \$30/month
Route 1 wiscasset.net	888-682-4488	2 MB web space, business high speed dedicated access, network administration	Unlimited dial-up—\$30/month (\$25 setup fee) Discount of 20% for Educators & Students
Verizon verizon.com	800-427-1405	DSL, 9 email addresses, 10 MB web space	Unlimited DSL starting at \$34.95 (ask about available introductory discounts)
XpressAmerica xpressamerica.net	888-504-6200	5 email addresses, 5 MB web space	Unlimited dial-up \$12.95-\$14.95/month (\$12.95 requires advance 1 year payment)
CABLE TV, SATELLITE & WIRELESS ISPs			
Adelphia Power Link adelphia.net	888-233-5638	Cable modem.	\$42.95/month (modem rental is \$5/month) No equipment cost or activation fee
CC Net clinic.net	800-645-9815	Broadband wireless, 2 email addresses, 5 MB personal web space, available in parts of Cumberland, Androscoggin, Sagadahoc, Lincoln, and Aroostook counties	\$39.95 and up, \$875 equipment fee or \$10/ month equipment lease
Comcast comcast.com	888-633-4266	Cable modem. Berwick, So. Berwick, Eliot, & Kittery areas	\$45.95/month (incl. \$3/month for modem rental)
Direcway direcway.com or local retailers	866-556-9662	Satellite broadband, 5 email addresses, 10 MB personal web space. Need clear view of southern sky	\$59.99/month + \$580 equipment cost
Downeast Wireless downeastwireless.net	207-667-7414	High speed wireless. Hancock County area	\$49.99/month for one computer + equipment cost of \$450 to \$700
continued on next page			

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COMPANY NAME	PHONE #	SERVICE FEATURES	RATES CHARGED
MetroCast Online metrocastonline.com	207-324-3700	Cable modem, 10 MB web space, Sanford area	\$39.95/month (\$5/mo. discount if customer provides cable modem) \$100 installation charge
Mid-Coast Internet Solutions midcoast.com	207-563-8563	Boardband Wireless. 4 email addresses, 10 MB of web space. Available in parts of Waldo, Knox, and Lincoln counties	\$50/month, \$795 setup cost \$300 discount with 1-year payment
Pine Tree Cablevision ptc-me.net	800-220-3320	Cable modem, Machias area	\$35/month \$50 setup fee, \$5/month lease
Starband Starband.com	800-478-2722	Satellite broadband. 10 email addresses, 10 MB web space, requires clear view of southern sky	\$69.99/month + at least \$500 equipment cost
Susquehanna Comm. suscom.net	800-439-2629	Cable modem, 10 MB web space Brunswick area	\$29.95/month \$29.95 setup fee, \$199.95 equipment purchase or \$3.95/mon. lease
Time Warner twmaine.com	800-213-4367	Cable modem, 8 email addresses, 10 MB personal web space	\$44.95/month (free installation)

IAQ - INFREQUENTLY ASKED QUESTIONS

Q. My mother always told me that it's dangerous to talk on the telephone during a lightning or thunderstorm -- was she right?

A. Yes, you should avoid using the phone during an electric storm. An electric charge can travel through your phone line and cause an electric shock to your body. In the United States, several people die every year because they were talking on the phone during a storm. However, the good news is that cellular phones do not pose the same danger. Because there are no wires to conduct an electric charge, cell phones are safe to use during a storm, especially if you are in a car or otherwise protected from lightning.

Q. Why am I finding a new "MUSF" surcharge on my phone and wireless bill?

A. The MUSF stands for the Maine Universal Service Fund, a new fund that was authorized by the Maine Legislature and the Maine PUC. The purpose of this fund is to provide additional revenue to some of Maine's rural local phone companies when they cannot earn a fair return on their investment, even after raising their rates to the level charged by Verizon. Currently, the MUSF requires carriers to pay 1.7% of their in-state revenues, but this contribution factor is expected to grow as more companies seek subsidies from this new fund.

Q. My local telephone company is one of Maine's 23 independent rural local monopolies (as opposed to Verizon). Why are my rates increasing so much lately?

A. The Maine Legislature has required the reduction of in-state access charges (the fees paid by long-distance companies to local companies to complete long-distance phone calls). This has caused significant reductions in revenues for many of Maine's local phone companies. As a result, the Maine Public Utilities Commission has allowed local phone companies to recover these "lost" revenues by increasing their local rates. In addition, the PUC has required the expansion of many rural local calling areas around the state and is allowing rate increases to recover those costs as well.

Q. I am charged toll rates when I call nearby places, such as other communities in our school district and other towns with essential services -- what can I do about this?

A. The PUC's most recent calling area rule requires expansions of calling areas by including all adjacent telephone exchanges to be added to your local calling area. That rule will be fully implemented by December 15, 2003. If you still have a calling area concern after those expansions, the rule also allows any group of 50 customers within a single telephone exchange to petition the PUC to further expand a local calling area. The Commission will consider various factors, such as the existing traffic volume on the new proposed calling route, whether the route is within a school administrative district, and whether the route connects a significant community of interest. Customers interested in this process may call the Public Advocate for assistance.

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, Eric, Patty, Ron, Debbie, Bill, Steve & Mary

**ABOUT THE PUBLIC
ADVOCATE'S OFFICE**

Stephen G. Ward, the Public Advocate, and his staff of seven represent Maine's telephone, electric, gas, and water customers before the Maine Public Utilities Commission, the courts, and federal agencies. Our mission is to work for reasonably priced, safe, and reliable utility services for Maine people. Public Advocate staff are also available to speak to interested groups about regulated utilities, competitive markets and developments in Congress and the Maine Legislature affecting consumers.