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# Ratewatcher Telecom Guide Vol. 21 June 2008

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# Ratewatcher

## TELECOM GUIDE

VOLUME 21 | JUNE 2008

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## FairPoint Acquired Verizon–Maine on March 31 – But the Transition Is Far from Over

**A**S OF MARCH 31, 2008, THE VAST MAJORITY of telephone customers in Maine began being served by a new telephone utility. We believe that FairPoint will face many challenges but, at the same time, deliver important benefits to Maine customers.

**A ROCKY START** Controversy and financial concerns followed the FairPoint acquisition case from the first day it was announced and continued until the day before the deal was closed on March 31. Just days before the closing, FairPoint, as planned, needed to float \$550 million in new bonds as part of the financing to close the deal. However, the timing could hardly have been worse—those bonds were issued just days after the notorious collapse of the Bear-Stearns investment bank and the associated turmoil in U.S. credit markets. As a result, FairPoint was forced to accept a substantially higher interest rate (13.5%) than the rate it had anticipated and used in its financial planning. Maine, New Hampshire and Vermont were forced to hold last minute emergency hearings to determine the significance of this unexpected event.

In the end, Verizon made some last minute additional concessions in New Hampshire, partially offsetting this financial setback. All three state commissions concluded that FairPoint's financial capacity would not be significantly worsened by the unexpected increase in its annual interest expense.

**UPCOMING BENEFITS** The Public Advocate continues to be cautiously optimistic that FairPoint will be better for Maine's customers than Verizon. FairPoint is already busy expanding DSL service in Maine with a somewhat more advanced network, which will eventually support video services. Each year, many more of Maine's rural customers will gain access to DSL high-speed Internet service. In addition, as of August 2008, we expect that basic local premium rates will decrease by approximately

\$4.50 per month for most residential and business customers and all customers will enjoy the larger premium toll-free local calling area.

**CUTOVER: A RISKY EVENT** When Verizon sold its landline business to FairPoint, it didn't include many of the things that make the business work—things like customer call centers, billing operations, and numerous back-office software controls. FairPoint was required to build these new systems from scratch with the help of high-priced consultants. The cutover event, which will convert all control from Verizon to FairPoint, is expected to take place in September, 2008. According to FairPoint CEO, Gene Johnson, "something will go wrong—we just don't know what it will be." History suggests that Mr. Johnson is likely to be correct—Hawaii Telecom had plenty of problems after a cutover from Verizon to the new owner of that network. To minimize risk, the Public Utilities Commissions in Maine, New Hampshire and Vermont hired a third party to help oversee and monitor every step of the cutover process.

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# What's New

## FOR "NEW FAIRPOINT" CUSTOMERS?

While rates will be reduced in August and the complex technical cutover from Verizon operations to FairPoint operations will occur in September, a few things are already changing as a result of the FairPoint acquisition.

**WEBSITE** "New FairPoint" customers should go to [www.fairpoint.com](http://www.fairpoint.com) for information. "Classic FairPoint" customers must log on at [646fpne.fairpoint.com](http://646fpne.fairpoint.com) for information, including access to an online DSL availability tool.

**DSL BUILDOUT** FairPoint is now busy building the backbone for its expanded DSL network. By early July, we hope to post on our website details about new DSL availability in various areas of the State.

**CUSTOMER SERVICE NUMBERS** While the usual Verizon customer service number will get you to FairPoint, that number is being phased out. The following are the new contact numbers:

**General Customer Service:** 866-984-2001

**Internet and Email Tech Support:** 800-567-6789

**Repair:** 866-984-1611

**DSL ONLINE DATABASE** Unfortunately, FairPoint does not expect to have the ability to provide an online DSL availability tool until after the September cutover from Verizon's systems. In the meantime new FairPoint customers must inquire by telephone.

**DSL PRICING** For at least two years, FairPoint has agreed to honor the same pricing for introductory level DSL service that was in effect before Verizon abandoned service. This will not affect DSL pricing for "classic" FairPoint customers. Those prices will continue to be higher because of different cost structures faced by independent telephone companies.

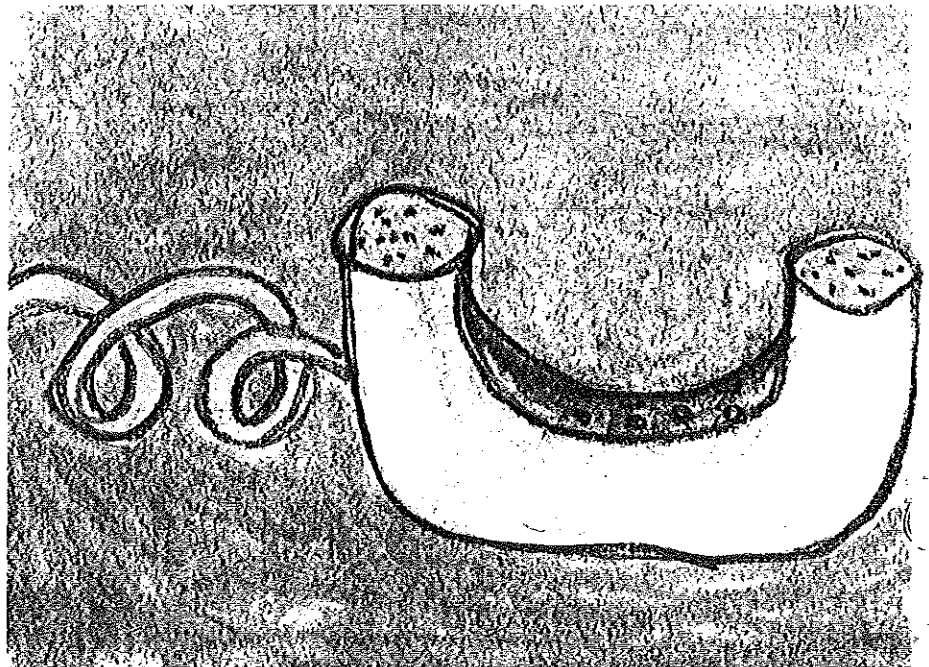
**ONLINE BILL PAYMENT** After acquisition, FairPoint was unable to accommodate customers who had been paying their bill online with Verizon. FairPoint expects to have this function operational after the cutover.

**NEW PRODUCTS AND NEW BRANDS** FairPoint is expected to offer a VOIP service and its own bundled services with different brand names sometime after the cutover in September.

**LOWER RATES** A significant rate decrease for basic local service customers will take effect in August.

## "municipal calling" update

FairPoint has agreed to resolve a long-standing problem that arises when customers make "long-distance" calls within their own towns. The existing municipal calling rule provides that customers should not have to pay a toll charge to call someone within their town—a problem that exists for relatively few customers with a local calling area that does not include all telephone exchanges within their town. A small part of the overall rate reduction negotiated by the Public Advocate will pay for the elimination of this problem. When implemented, FairPoint will cover the cost of all municipal calls. Customers will no longer need to seek bill credits for municipal calls and FairPoint will no longer have to track customers by municipal boundaries.



# Telephone Basics

## MAKING SENSE OF THE CHOICES

**TRADITIONAL TELEPHONE SERVICE** *Local telephone service* is your connection to many other services. It is provided by the company that actually owns the poles, wires and central office switching equipment in your community. In Maine, your local service provider is FairPoint, unless you are served by an independent company, including TDS, "Classic" FairPoint, Lincolnville, Mid-Maine, Oxford, Pine Tree, Union River, or Unitel. Local service rates are controlled by the Maine Public Utilities Commission but the bill is increased by over \$10 by the federal line charge, various state and federal surcharges, and taxes (for an explanation of each charge, see *Anatomy of a Phone Bill*, at [www.maine.gov/meopa/telephone/anatomy\\_bill.html](http://www.maine.gov/meopa/telephone/anatomy_bill.html))

**LONG-DISTANCE SERVICE** Long-distance service (both within Maine and state-to-state) is in a much more competitive market within the FairPoint (former Vz) territory.

Customers who use over 600 minutes of long distance may find it appealing to choose an unlimited usage plan that bundles local, long distance, and other services like Caller ID, call waiting or voice mail (see page 7). For customers who don't use that many long-distance minutes, the *Ratewatcher* has, for some time, recommended two of the three pay-as-you go long-distance plans shown on page 9. These plans offer much lower rates than those offered by your local telephone company or the big long-distance companies, but the quality of service is the same. You choose your long-distance provider simply by calling the long-distance company, which then directs your local phone company to connect your line to their service. The local phone company charges \$5 for making the change but the new long-distance company will likely reimburse you upon request.

**VOIP SERVICE** Voice over Internet telephone service requires a high-speed Internet connection. With VOIP service, there is generally no distinction between local, intrastate, or interstate service—all minutes are the same regardless of where you are calling in the US. However, international calls to most countries are added to the bill at low per-minute rates that vary depending

on the country called. VOIP will generally not work during a power outage. Rates vary between \$0 (computer to computer) to \$15 per month for regular VOIP to \$40 per month for enhanced VOIP. Some VOIP services are more reliable than others—the chart on page 10 divides VOIP services into three levels of quality.

**WIRELESS (CELLULAR) SERVICE** As with VOIP, wireless minutes are all the same, regardless of whether you call next door, across the State, or across the country, but international calls may be billed at much higher per-minute rates. Those using under 200 minutes per month should consider a prepaid wireless plan, as shown on page 14 instead of agreeing to a contract and a fixed monthly charge as with the plans shown on page 15, which usually begin at \$40 per month. The contract-based plans also require a choice between national plans and regional plans. Choose a national plan only if you sometimes travel outside the specified regional home area. Roaming (calling from outside the home region) charges are high but occasional roaming charges may be less costly than the higher monthly rates or fewer allotted minutes of a national plan. Choosing a plan with too few minutes will mean bills with expensive excess minutes—if you buy too many minutes, you'll be paying monthly fees that may be higher than necessary. Make your best estimates before signing a contract.

**A NEW COMPLICATION — "NEW" FAIRPOINT VERSUS "CLASSIC" FAIRPOINT** Now that FairPoint owns and operates Verizon's former telephone

and Internet businesses, some customers are likely to be confused by the differences in service availability and rates among FairPoint companies. Before the new acquisition, FairPoint owned China, Community Service, Maine, Northland, Sidney, and Standish telephone companies. These rural telephone companies are subject to certain state and federal regulations that are different from the ones that apply to "New FairPoint." For customers, this means that competitive services will continue to be more restricted in the "Classic FairPoint" areas (though Time Warner is attempting to expand its digital phone service there) and it will mean that prices for unregulated services like DSL will probably continue to be higher in the "Classic" territories. On the positive side, the "Classic" companies will continue to receive higher federal universal service subsidies to keep rates lower than the true costs of serving those rural areas.

**PUTTING IT ALL TOGETHER** Traditional telephone service remains the most reliable of available communications services. Always choose your long-distance service separately from your local service unless you go for an unlimited bundled service. Enhanced VOIP service is a close second, but it relies on electrical power. Wireless is a great additional service, with the obvious benefit of mobility, but for most people, not an ideal substitute for home phone service. Regular VOIP is often satisfactory but of lesser quality and reliability compared to traditional phone service or enhanced VOIP. For many customers, a combination of VOIP and wireless services can be a safe substitution for plain old telephone service. If you are confused about making the best choices after reviewing our charts, give us a call!



## >> alternative local phone companies

The following competitive local telephone companies (CLECs) offer an alternative to FairPoint's local service in the former Verizon territory. Business customers are more likely to find savings here than residential customers. However, residential customers seeking a package of optional features and pay-as-you-go long-distance, along with local telephone service, may find some of these offers attractive. All rates include a \$6.50

line charge where applicable. In August, all FairPoint residential and business customers will have premium local service (larger calling area) and premium local rates will be reduced by approximately \$4.50/month. FairPoint's current premium rates (before August 08) are \$25.68 (residential) and \$44.68 (business) including \$6.38 line charge.

NAME/PHONE/WEBSITE	BUSINESS OR RESIDENTIAL	MONTHLY RATES PER LINE (EXCLUDING SURCHARGES & TAXES)	NOTES
AT&T One Rate 800-205-6268 att.com	R	\$35	Includes 2 features Throughout FairPoint (former Vz) territory
BCN Telecom 888-866-7266 bcntele.com	B	\$31.50 – \$37.50	Selected Exchanges
Mid-Maine 877-643-6246 midmaine.com	B & R	B – \$26.00 – \$35.00 (depending on contract length) R – \$44.95 local/DSL	Bangor/Brewer, Orono, Ellsworth, Waterville, Augusta, Lewiston/Auburn, Portland, Biddeford/Saco, S. Portland, Newport, Brunswick, Rockland, Belfast, Bath
One Communications 800-825-5282 onecommunications.com	B	\$26 to \$32 (depending on contract length)	Throughout FairPoint (former Vz) territory
Oxford 800-520-9911 oxfordnetworks.com	B & R	B – \$31.28 – \$40.34 R – \$16.63 – \$19.72	Norway/South Paris (Business rates are due to change in the coming months.)
PineTree 866-746-3873 pinetreenetworks.com	B	B – \$28 – \$32 depending on number of lines & bundled services R – \$25 (\$31.90 with features)	Lewiston/Auburn
Telrite 866-285-3989 telrite.com	B & R	\$33.50 – \$41.50 (depending on contract length)	Selected exchanges
USA Telephone 877-872-2800 savewithusa.com	B & R	B – \$27 – \$43.50 R – \$31.50 – \$36.50 (price depends on location)	Throughout FairPoint (former Vz) territory  Local service bundled with 3¢ instate and interstate LD minutes and 6 features DSL starting at \$20/mo. (R&B) \$2 extra for paper billing

Note: Local service is also provided by VOIP companies as shown on page 10.

# Telephone Directory Listings

## SOME WANT IN AND SOME WANT OUT

Now that many customers have transferred their telephone numbers to alternative local phone companies, Voice Over Internet (VOIP) services, and wireless services, there has been some confusion about what numbers make it into the telephone directory. Another complication arises because there is no longer just one telephone directory—there are alternative local phone books published by independent companies, there are different 411 or 555-1212 directory databases, and there are numerous Internet-based telephone directories. Each may have its own way of gathering the listings it publishes or provides. Verizon's spinoff, Idearc Media, will continue to publish local telephone directories. FairPoint will not be publishing any local telephone directories because they have agreed not to compete with the Verizon directory business for 30 years.

**IF YOU WANT IN** If you remain a FairPoint customer (or a customer of another traditional local phone company), you will automatically be listed in most major phone directories just as before. However, if you have transferred your telephone number to a new service or if you use VOIP or wireless with a new telephone number, it will be up to you to ensure that your new or

transferred number gets into directories. FairPoint will charge VOIP customers \$3/month (residential) or \$4/month plus a one-time \$21 fee (business) to arrange for publication of a VOIP number. The same charges are applied for wireless numbers. Call FairPoint's customer service at 866-984-2001 to discuss directory listings.

**IF YOU WANT OUT** While some customers are paying to get into the directory, others who are concerned about privacy are paying to opt-out. Your local phone company continues to charge a monthly fee if you ask not to have your number published. However, customers do have the option of asking that their directory listing use a name that is different from the billing name, as a means of protecting their privacy. As long as some name is submitted for publication, there will be no monthly charge for an unlisted number.

**WIRELESS NUMBERS** Contrary to periodic rumors, your cell phone number will not be published in any directory unless you voluntarily consent.

**FREE 411** If you're looking for a number, don't forget 800 FREE-411, a way to get free directory assistance from your cell phone or landline (after hearing an ad).

## Lower Rates for Customers of the "New" FairPoint Begin in August

The Public Advocate secured an agreement from Verizon and FairPoint for an \$18 million annual rate reduction for at least five years when it agreed to support FairPoint's acquisition of Verizon-Maine. This rate reduction settled a long-standing battle involving two Maine Supreme Court appeals of Public Utilities Commission Orders that declined to investigate Verizon's earnings and ensure a fair rate-of-return. New rates for "New" FairPoint (former Vz customers) will begin in August of this year. Customers with premium local service should see a rate reduction of approximately \$4.50 per month. Customers with economy local service (a small minority) will see a smaller rate decrease but they will be converted to premium service and have a larger toll-free calling area. Economy local service will then cease to exist as an option. Since rates of Maine's independent telephone companies (ITC) are currently tied to the rates of Verizon (now "New" FairPoint), the Public Utilities Commission may soon need to determine whether ITC rates must change.

## t-mobile tells some of its paying customers to take a hike

If you read the fine print on your wireless contract, you'll eventually find a provision that allows the company to discontinue service to you if a certain percentage of your calls are made from areas where the carrier lacks its own facilities. Recently, thousands of T-Mobile customers around the country and in Maine found out the hard way that this "fine print" provision of the contract had meaning—they received notice that their service was being discontinued. Too bad these customers were not able to charge T-Mobile an early termination fee.

# Time Warner's Digital Phone

## WHY ISN'T IT AVAILABLE TO ALL TIME WARNER CUSTOMERS?

Time Warner's Digital Phone has been gaining in popularity because of attractive prices for "triple play" customers and for those who want an unlimited long-distance calling plan for a lower price than those offered by regular phone companies. However, Digital Phone is sometimes not available even at homes where Time Warner provides cableTV and Internet services, and many customers wonder why. The answer isn't that simple.

### FEDERAL TELECOMMUNICATIONS

**ACT** In 1996, Congress passed a groundbreaking law that, for the first time, allowed competitors to use parts of the monopoly phone company's network. It is this type of competition that allows for service by the alternative local phone companies shown on page 4 of this publication. However, Congress provided an exception known as the "rural exemption" which limited the rights of competitors to use parts of the network of small rural companies (Maine has 22 such companies). Time

Warner is subject to this exemption unlike other VOIP companies (such as Vonage) because Time Warner uses proprietary facilities to enhance the reliability of its service.

### TIME WARNER'S EXPANSION

**PLANS** Currently, Time Warner is seeking to expand into the territories of Maine's small rural independent phone companies and some of those companies are fighting back. The Maine Public Utilities Commission will soon decide whether Time Warner and other competitors may provide Digital Phone service in all of those independent areas. The Public Advocate will be representing consumers in these proceedings but, unfortunately, this issue pits some consumers against others. We will need to balance the interests of those seeking competitive options against the potential economic harm to small rural companies and their customers. Small phone companies can be harmed if their best customers are picked off by competitors while they remain obligat-

ed to serve all of their least profitable customers.

Those with a high-speed Internet connection may use regular VOIP service, even within the territory of rural independent phone companies because regular VOIP service does not require interconnection with the local phone company.

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## 207ME ROLLS OUT NEW ENHANCED VOIP PHONE SERVICE

As of June 1, 207ME is offering a new VOIP service with very attractive pricing and no add-ons for taxes and surcharges. This service is currently available only in the former Vz footprint but may soon be available statewide. 207ME claims that its service will be similar to that of Time Warner (enhanced VOIP) but offered at lower prices. See page 11.

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## Maine Legislature Expands Several Protections for Telephone Customers—All Were Supported by the Public Advocate

**SLAMMING** While Maine law already prohibited slamming (the practice of switching a long-distance service without customer authorization), a new law requires clearer evidence of a customer's authorization. This amendment was introduced in response to reports that unscrupulous companies were using the FairPoint acquisition to confuse customers and arrange for changes in their long-distance selection. In 2007, the PUC received 50 complaints about slamming and, so far, approximately the same rate of such complaints has continued in 2008. The PUC will enforce Maine's slamming laws against any company that changes your long-distance or local telephone service without your authorization.

**SOFT DIAL TONE** At the urging of the Public Advocate, the Maine Legislature created a new telephone service, requiring local telephone companies to maintain access to emergency service (E911) in most cases even after disconnection of paid telephone service. Unfortunately, the Legislature limited the service to 30 days at the urging of Maine's independent telephone companies, as opposed to our recommendation that the service be indefinite. We see it as a virtually cost-free way to expand safety to all of Maine's residents. Oxford Networks has, for some time, offered this free service indefinitely in its original service areas.

### REQUIRED RATE INVESTIGATIONS

Consistent with Maine Supreme

Court rulings won by the Public Advocate after years of litigation, the Maine Legislature has created a new requirement that the PUC conduct a full rate investigation to ensure fair starting rates before granting multi-year rate plans for telephone utilities.

**PREPAID PHONE CARD RATES** After numerous complaints about AT&T's sudden tripling of the rate to make an instate call with its prepaid card (frequently sold at Sam's Club), new legislation now requires clearer notification to customers at the point of sale when instate rates differ from the more heavily advertised state-to-state rate. These requirements apply to minutes sold in stores, by telephone, or online.



# >> unlimited calling plans (and optional broadband)

COMPANY	FEATURES	UNLIMITED LOCAL AND TOLL*	UNLIMITED LOCAL AND INSTATE TOLL*	UNLIMITED TOLL* ONLY	DSL & UNLIMITED LOCAL & TOLL	NOTES
<b>AT&amp;T One Rate</b> 800-222-0300 att.com	Unlimited to US  4 features	\$71.50	N/A	\$41.50	N/A	Voicemail \$9.00
<b>FairPoint Freedom</b> 866-984-2001 fairpoint.com	Unlimited to US, Canada & Puerto Rico  3 features	\$52 (\$47 without features)	\$35.00  3 features (Voicemail not included)	NA	Starting at \$67	Throughout FairPoint (former Vz) territory
<b>GWl</b> 866-494-2020 gwl.net	Unlimited to US & Canada  5 features	\$49.50	\$31.40 + DSL \$41.50 w/o DSL	N/A	\$69.90	Available throughout FairPoint (former Vz) territory  \$5 extra w/features inc. voicemail
<b>IDT Unlimited</b> 800-254-1718 idt.net	Unlimited to US & Canada  5 features (optional)	\$51.50	\$34 (4 features)	N/A	\$69.50	Throughout FairPoint (former Vz) territory Voicemail \$2.95/mo.
<b>Mid-Maine</b> 877-643-6246 midmaine.com	Unlimited to US  3 features	N/A	N/A	N/A	\$64.95	Bangor/Brewer, Orono, Ellsworth, Waterville, Augusta, Lewiston/ Auburn, Portland, Biddeford/Saco, S. Portland, Newport, Brunswick, Rockland, Belfast, Bath  1-yr. contract required or \$75 early termination fee
<b>Oxford Networks</b> 800-520-9911 oxfordnetworks.com	Unlimited to US & Canada  5 features (optional)	\$50 (\$43 w/o features)	N/A	\$18	\$81	Lewiston/Auburn and Norway/ S. Paris area only
<b>Pine Tree Networks</b> 866-746-3873 pinetreenetworks.com	Unlimited to US & Canada  3 features	\$45	\$30  2 Features (Voicemail not included)	N/A	\$75	Selected exchanges 247, 428, 657, 727, 926, 929
<b>USA Telephone</b> 877-872-2800 savewithusa.com	Unlimited to US & Canada  5 features	\$53.45	\$46.50*	N/A	\$78.45 (Homefield Plan)	Throughout FairPoint (former Vz) territory  *\$2 extra for paper billing

\*"Toll" includes instate and interstate long-distance within the United States.

All rates include \$6.50 line charge when applicable.

Note: Unlimited bundled phone service plans are also available from VOIP companies. See page 10 for details.



## >> prepaid calling

There are literally thousands of prepaid phone offers available—from cards in local convenience stores to web sites specializing in calls to foreign countries. In many cases, a phone company, such as AT&T, may offer many different rates for prepaid minutes depending on which store or web site is

selling it (buy an AT&T card at Walmart and you'll be paying nearly double the rate of the Sam's Club card). In the chart below, we selected prepaid offers based on a combination of their rates and their availability in Maine. Special calling cards marketed for calling to individual countries may be

priced much lower for those international calls, but many of those cards may come with hidden charges or come from a less-than-reputable company. Note that calls to mobile phones in foreign countries can be priced much higher than the rates shown.

	MCI/VERIZON (RITE AID)	ONESUITE.COM	SAM'S CLUB/AT&T
<b>US Rate</b>	4¢ – 7¢* (2,000 min. to 150 min.)	2.9¢	8.52¢ instate / 2.84¢ interstate
<b>To Western Europe</b>	12¢ – 35¢	3.4¢ – 9¢	11.36¢ – 22.72¢
<b>To Canada</b>	8¢ – 14¢	3.2¢	8.52¢
<b>Rate to US From Western Europe</b>		9¢ – 18¢	19¢ – 25¢
<b>Rate to US from Canada</b>	8¢ – 14¢	3.5¢	19¢
<b>Payphone Charge</b>	\$1.20 – \$2.10	55¢	74¢
<b>Other Fees</b>	5% sales tax	None	5% sales tax on initial store purchase—maximum of 15% surcharge on phone refills
<b>How to buy?</b>	Rite Aid stores	www.onesuite.com	Sam's Club
<b>Expiration</b>	No expiration	6 months from activation or last recharge	No Expiration
<b>Record of calls</b>	No	Yes via Internet	No
<b>Notes</b>	*Rate depends on quantity of minutes purchased.  Occasionally Rite Aid offers "buy one card, get one free"	\$1/month "Message One" sends voice mail and faxes to your email address  Lower "local access" rates available in certain areas or when using VOIP access from your computer	Enhanced features offered at extra charge  ATT also offers card with lower international rates (Worldwide Prepaid Phone Card)
<b>Customer Service</b>	800-721-4336	866-417-8483	800-382-8672

## MAINE'S SMALLEST TELEPHONE COMPANY PLANS TOTAL MAKEOVER

Union River is Maine's smallest free-standing monopoly rural local telephone company, with just over 1300 active telephone lines in a rural area east of Bangor. Union River has, for many years, been known to stay on the regulatory sidelines, rarely appearing at the Public Utilities Commission. That's why we were surprised when a large Union River filing appeared on our desk at the Public Advocate office. That filing was a request for approval to finance a complete

replacement of Union River's copper wire telephone network with fiber optic cable to every home and business. Modern fiber to the home (FTTH) networks are ideal for providing video services (just like cableTV) and faster high-speed Internet service. Modern FTTH networks will also support traditional telephone service but, unlike the traditional copper network, they require uninterrupted power in order to function. The Public Advocate will be pleased to see

Union River's rural customers get access to new services delivered on a state-of-the-art network. We will also be working to ensure that traditional telephone customers do not bear the risk of Union River's investment and new business lines. Finally, we will want to ensure that Union River's customers understand that they will be subject to service disruptions during extended power outages after the new FTTH network replaces the current network.

# >>long-distance plans

If you use traditional telephone service, as the vast majority of us still do, there's a simple choice for those who want the best price for long-distance (including instate) service if you don't use enough toll minutes to justify an unlimited bundled plan. Those in the former Verizon footprint should choose Pioneer—those served by an

independent local phone company should choose Touchtone. Pioneer and Touchtone offer lower per-minute long-distance rates than any of Maine's local telephone companies or the large long-distance companies.

COMPANY	PIONEER pioneertelephone.com		TOUCHTONE touchtone.net		FAIRPOINT fairpoint.com	
FEATURED PLAN	Talk Cents		3.9¢ Plan		5¢ Plan	
(RESIDENTIAL)	Instate	Interstate	Instate	Interstate	Instate	Interstate
RESIDENTIAL per minute rate (excluding surcharges & taxes)	3.5¢	3.25¢	3.9¢	3.9¢	7¢	5¢
Monthly Minimum	none		none		\$9.99	
Monthly Fee	99¢*		\$1.97		None if usage exceeds \$10	
SAMPLE RESIDENTIAL MONTHLY COSTS		Includes 50% instate/50% interstate minutes & monthly fees, excluding surcharges & taxes.				
LOW @ 10 mins. per month	\$1.34*		\$2.36		\$9.99	
MEDIUM @ 100 mins. per month	\$4.37*		\$5.87		\$12.00	
HIGH @ 500 mins. per month	\$16.88		\$21.47		\$36.00	
HIGHEST @ 1,000 mins. per month	\$33.75		\$40.97		\$66.00	
Hawaii/Alaska	6.9¢		7.9¢/15¢		5¢	
SAMPLE RESIDENTIAL INTERNATIONAL RATES (per minute)						
Cambodia	24¢		54¢		\$8.02	
Canada	4¢		5¢		99¢	
Iraq	40¢		53¢		\$6.86	
Switzerland	6¢		6¢		\$3.40	
United Arab Emirates	40¢		40¢		\$4.38	
United Kingdom	5¢		5¢		\$2.75	
Rate 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¢	2.7¢	3.9¢	3.9¢	5.5¢	5.5¢
Monthly Minimum	none		none		\$65.00	
Monthly Fee	99¢*		\$1.97		none	
PICC Charges (per line)	\$4.21		\$3.99		\$3.10	
In-bound 800 Rates	3.5¢**	2.7¢**	3.9¢**	3.9¢**	5.5¢*	5.5¢*
TO SUBSCRIBE, CALL:	877-492-6878		See below		800-585-4466	
NOTE: Surcharges are not included in the rates shown \$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 An average customer will save about 10% as a result of 6-second billing *Beware that international calls to mobile phones priced much higher	*99¢ fee waived w/online billing or usage over \$15 **99¢/mo. per 800 number Alt. Plans-Rate Buster 2.9¢ instate/2.7¢ interstate with 1-minute billing 6-second billing Pioneer is a Maine company 1.9¢/min. to call other Pioneer customers		*Touchtone Agents in Maine: 888-594-2500, 877-839-8484, or 800-619-2537 6-second billing Lower rate may be available for high-volume customers Customer service 800-266-4006 **\$1.99/mo. per 800 number		*\$10/mo. fee applies to 800 inbound service 18 second minimum \$4/mo for International Choice Plan w/city rates 6-second billing applies to most business plans Residential plans get 1-minute billing International rates are lower with advance sign-up and monthly fee	

## >> voip services and plans

Voice Over Internet phone service may sound like a complex, high-tech form of communication (and it is) but it is generally no more difficult to use than your existing telephone service. To make a call, all you need to do is pick up your plain old telephone, hear a dial tone, and dial a number, just as you've always done.

Compared to traditional phone service, the benefits of VOIP include lower prices, free advanced features and portability. However, VOIP service requires a high-speed Internet connection and electrical power. Also beware that some VOIP services have limited ability to transfer local telephone numbers, and some are not fully compat-

ible with security services, credit card machines, faxes or satellite services that require a telephone line. Some VOIP services will be able to transfer your existing phone number or offer new local phone numbers while others offer phone numbers that are local in other parts of the country.

The number of new VOIP providers is growing all the time, and now, several local Maine companies have jumped into the VOIP business. For example, 207ME is rolling out a new enhanced VOIP service at attractive prices (which include all surcharges and taxes). Check company websites for more detailed information.

	FEATURES	PRICE	NOTES
<b>FREE/LOW COST/COMPUTER-BASED</b>			
<b>JAJAH</b> jajah.com	Dial call on computer—then talk on your regular phone	Free to other Jajah users 2.9¢/min. for domestic calls	Innovative new service requires no software or equipment
<b>MAGICJACK</b> magicjack.com	Unlimited to US, Puerto Rico & U.S. Virgin Islands Unlimited to other MagicJack users	\$20/year	Device that connects to USB port \$40 for first year \$20 for each add'l year of service
<b>PULVER</b> Free World Dialup pulver.com	Unlimited to other members (May ring regular phone numbers w/separate service)	FREE	Can work with a special telephone or free software
<b>SIPPHONE</b> sipphone.com	Unlimited to other Sipphones May ring regular phone numbers	Free to other Sipphones Reg. calls start at 1.9¢	Using telephone adapter (\$50) or computer software (free)
<b>SKYPE</b>   skype.com (also GoogleTalk, AIM [AOL], iChat, Yahoo, and Onesuite)	Unlimited worldwide PC to PC and low rates to ring regular phone numbers	Free to other Skype users Reg. calls start at 2.1¢	Using computer mic/speakers, or headset Incoming phone # (skypeIn) \$60/yr.
<b>WEBPHONE</b> webphone.com	Webphone to Webphone PC to Phone calls	FREE 1.9¢/minute	Minimum purchase \$15
<b>SUBSCRIPTION SERVICES WITH PHONE ADAPTER</b>			
<b>AROOSTOOK INTERNET</b> AINOP Phone 800-752-4330 ainopphone.com	Unlimited to US, Canada & Mexico 300 US minutes	\$35/month \$26/month	Adapter \$84 No activation fee Available in in FairPoint (former Vz) territory
<b>AT&amp;T CALLVANTAGE</b> att.com/callvantage	Unlimited to US & Canada, Puerto Rico	\$25/month (\$30 activation fee) Western Europe — 4¢ — 8¢	\$30 early termination fee may apply if canceled within 1 year Adapter included
<b>AXIOM TECHNOLOGIES LLC</b> axiom-tech.net	Unlimited to US Unlimited in Maine	\$32.50/month \$10/month + 3.9¢/min. interstate & Canada Low international rates	New VOIP service expected June 08 Local plan \$25/month Business plans \$33 — \$43/month Adapter included \$40 activation fee
<b>BROADVOICE</b> broadvoice.com	Unlimited World (US + 21 countries)	\$20/month	
<b>IDT</b> idt.net	Unlimited to US, Canada & Puerto Rico	\$20/month	\$30 activation fee Adapter included \$30 early termination fee
<b>LINGO</b> llngo.com	Unlimited to US, Canada & Western Europe 500 Minutes US, Canada & Puerto Rico	\$22/month \$15/month	\$30 activation fee First month free \$60 first year termination fee

Cont'd on next page

# >> voip services and plans cont'd

	FEATURES	PRICE	NOTES
NET2PHONE net2phone.com (also available from IDT)	Unlimited US & Canada	\$30/month—Europe 5¢ – 8¢	\$40 first year termination fee Requires prepayment \$30 activation fee Adapter included
	Unlimited Europe or bundled rates for specific countries	+ \$40/month	
	500 minutes US & Canada	\$15/month	
OOMA ooma.com	350 minutes Western Europe	\$15/month	No monthly fees or contracts No per-minute cost for domestic calls
	Unlimited to US	\$249 – \$400 Initial cost for ooma device	
		International calls as low as 2¢/minute	
PACKET8 packet8.net	Freedom Unlimited US & Canada	\$25/month—Europe 3¢ – 8¢	\$30 Activation fee Free adapter w/residential plan Claims ok with dialup
	Freedom Unlimited Global Unlimited Calls to 40 European & Asia countries/cities included	\$30 extra per continent/month	
	500 min/month, US, Canada & 20 countries	\$15/month Additional minutes — 2.5¢	
TOUCHTONE Touchtone.net	Unlimited to US, Canada, Puerto Rico and selected countries	\$25/month 6¢ – 29¢	Adapter included No activation fee
	500 minutes US, Canada & Puerto Rico	\$20/month (VZ to VZ calls are free)	
	Unlimited US, Canada & Puerto Rico	\$25/month	
VERIZON Voicewing 22.verizon.com	Unlimited US	\$25/month	Required 1-year term \$40 early termination fee Adapter included Two lines — \$45/month
	Unlimited ME + 200 Long Distance minutes	\$15/month Europe 5¢ – 9¢	
	Unlimited US & Canada	\$24/month	
VOICEPULSE voicepulse.com	Unlimited US, Canada & over 30 countries	\$30/month	Free hardware; Free activation Choose US or Canada phone # No term or fee
	Unlimited US, Canada & Puerto Rico	\$25/month	
	500 Minutes	\$15/month (3.9¢/min. after 500 included)	
VOIPYOURLIFE voipyourlife.com	Unlimited US, Canada & Puerto Rico	\$25/month	\$30 Activation fee Adapter included International calls starting at 1¢
	Unlimited US, Canada & over 30 countries	\$30/month	
	Unlimited US, Canada & Puerto Rico	\$25/month	
VONAGE vonage.com	Unlimited US, Canada & Puerto Rico	\$25/month	\$30 Activation fee Adapter included International calls starting at 1¢
	Unlimited US, Canada & over 30 countries	\$30/month	
	Unlimited US, Canada & Puerto Rico	\$25/month	
PRIVATE NETWORKS (enhanced VOIP)			
207ME.com	Unlimited US, Canada, Puerto Rico & U.S. Virgin Islands, Guam, Mariana	\$30/month	Available only in FairPoint (former Vz) footprint May be available in independent areas soon No activation fee Includes all surcharges & taxes Free installation
	Unlimited Maine calls	\$24/month	
	Unlimited Local + Long Distance at 1.9¢/min	\$20/month	
DIGIPHONE Beeline Cable 800-439-4611	Unlimited to US, Hawaii, Alaska & Canada	\$35/month (if Bee Line Cable Customer) \$40/month for others	BeeLine Cable area only Free installation
	Unlimited to US and Canada	Residential \$25/month Business \$34/month	
	Unlimited to US, Canada, Guam, Puerto Rico & Virgin Islands	\$40/month Europe 7¢ – 12¢/min.	
MIDCOAST INTERNET SOLUTIONS midcoast.com	Unlimited to US, Canada, Guam, Puerto Rico & Virgin Islands	\$40/month Europe 7¢ – 12¢/min.	Adapter \$40 – \$65 depending on model No activation fee Precise local exchange numbers available Available in FairPoint (former Vz) area
	Unlimited to US, Canada, Guam, Puerto Rico & Virgin Islands	\$40/month Europe 7¢ – 12¢/min.	
	Unlimited to US, Canada, Guam, Puerto Rico & Virgin Islands	\$40/month Europe 7¢ – 12¢/min.	
TIME WARNER CABLE Digital Phone timewarnercable.com	Unlimited to US, Canada, Guam, Puerto Rico & Virgin Islands	\$40/month Europe 7¢ – 12¢/min.	Most of Maine Free installation
	Unlimited to US, Canada, Guam, Puerto Rico & Virgin Islands	\$40/month Europe 7¢ – 12¢/min.	
	Unlimited to US, Canada, Guam, Puerto Rico & Virgin Islands	\$40/month Europe 7¢ – 12¢/min.	

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.

# OOMA AND MAGICJACK

## INTERESTING VOIP-BASED ALTERNATIVES TO REGULAR TELEPHONE SERVICE (For Those with a Broadband Connection and a Sense of Adventure)

**OOMA** ([www.ooma.com](http://www.ooma.com)) 866 452-6662

After an initial investment in a \$400 device (sometimes on sale for \$249), ooma offers free quality telephone service to any phone number in the U.S. (calls to international numbers are often as low as 2 cents per minute). ooma guarantees no monthly fee or costs per call in the U.S. for "at least three years." ooma connects your calls for free by using a unique call-routing system, using VOIP-based peer-to-peer technology combined with clever use of traditional phone service for "last mile" local connections. This national telephone network avoids the most expensive component of a VOIP phone call—terminating access service from local phone companies.

**HOW IT WORKS** ooma initially routes long-distance calls via the Internet just like other VOIP providers, but to complete the call on the local network (the costly part any call), it does something unusual; when it reaches any ooma device owned by one of its customers within the local calling area of the called party, the device then connects the call to its final destination using the network of the local phone company (as a toll-free local call). So, for example, let's say that your mother, who has a high-speed Internet connection and an ooma device at her home in California, dials your phone number in Augusta, Maine. It doesn't matter that you (the called party) don't have an Internet connection, a computer, or an ooma device. When she dials your telephone number, ooma routes her call over the Internet to an ooma device owned by anyone in the Augusta calling area (which happens to include 13 different exchanges from Gardiner to Waterville). When the call reaches an ooma device somewhere in the Augusta calling area,

the ooma device connects the call from that Augusta area phone line to your Augusta area phone. Of course, all of this happens instantaneously and allows for a high-quality telephone conversation.

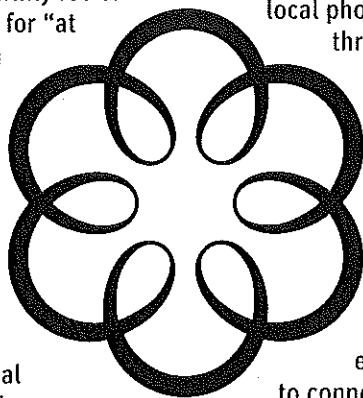
**HOW IT SAVES MONEY** ooma uses the local phone service of its customers throughout the U.S. to complete calls without having to pay access charges to the local phone company where the call terminates. This use of the local phone line of other ooma customers avoids costs but does not affect the service of the customer whose line is being used to connect the local call. While the system tries to use the local connections of existing local ooma customers, it may also route the call directly through

the local phone company (at ooma's expense) when necessary. However, ooma's business plan assumes that enough ooma customers will choose to keep paying for their traditional local phone service, allowing those customers to effectively serve as part of the low-cost ooma network. ooma does not require customers to keep their local phone service—a customer may keep their local service (saving only on long-distance charges and enjoying many free advanced features by using ooma) or the customer may cut the cord with the local phone company and rely solely on ooma for all calls (paying nothing at all for phone service after buying the \$400 device). Of course, like other VOIP services, ooma will be less reliable than traditional phone service—it would not work during power outages, Internet outages, and you must remember to register your correct address for E911 service.

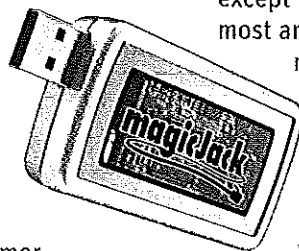
**BENEFITS AND RISKS** ooma offers many free features including voicemail, call screening, call waiting, and 3-way calling. It also allows for connection to additional phones throughout your house and ooma provides an instant second line when you buy an optional \$40 "Scout" device. If you disconnect your traditional phone service, ooma will provide a new local phone number that you can later port to other services should the need arise. The device is easy to set up—simply plug in your broadband connection and your regular telephone. The device also serves as a voice mail machine. ooma claims that it is thriving though it's worth observing that the \$400 investment would be worthless if ooma were to go out of business.

**MAGICJACK** ([www.magicjack.com](http://www.magicjack.com))  
For \$40 (including one year of service) magicJack sends you a small box that connects to a USB port on your computer. A regular phone connects to the other side. Each additional year of service will cost \$20. Like other VOIP services, you may choose the area code of the new phone number assigned to your device. Unlike ooma, magicJack requires a computer and the computer must be on. Other than that, magicJack works more like a typical VOIP service except that it is much cheaper than most and it is designed to be more

mobile—available wherever your computer or laptop has a broadband connection. If you are familiar with Skype and Vonage this service seems like a hybrid of those two types of VOIP. magicJack provides the usual free advanced features and even allows for free 411 calls. However, there have been mixed reviews about the quality of this service as well as its customer service. Nevertheless, for those with a broadband connection and who don't mind that it only works with a running computer, this may be the lowest-cost way to send and receive an unlimited number of telephone calls using a regular telephone.



ooma



# Know the Facts Before Buying Prepaid Minutes

**LANDLINE PREPAID ACCOUNTS** Readers of the *Rate-watcher* are by now well aware of the sudden rate increase on AT&T prepaid cards last year, when AT&T began to deduct 3 “units” for every minute of calling within Maine. However, that isn’t the only surprise that many prepaid calling customers have faced.

Prepaid calling cards are a common vehicle for scams and deceptive business practices—if you are not familiar with the product, read the fine print very carefully before buying prepaid minutes. Many prepaid cards fail to keep even the promises made in their own fine print. Reported scams include high per-call connection fees, minutes deducted for calls that did not connect, random minute balance deductions, companies that shut down before you can use your minutes, regulatory fees and miscellaneous service fees deducted from your minute balance, undisclosed expiration dates, monthly “maintenance” fees, and retroactive increases in rates. The cards most commonly engaging in actual fraud are the ones marketed to non-native English speakers for calling to foreign countries. However, even reputable stores and companies are capable of misleading consumers and hiding some of the most important terms in the barely legible fine print.

Sometimes, a generally reputable telecom company may issue many different versions of prepaid calling cards, some straightforward and some quite deceiving. Here in Maine, we have had several complaints about prepaid cards sold at local stores. Our advice—don’t use prepaid minutes for calling from home. Instead, use a low-priced, full-service, traditional long-distance service, such as Pioneer or Touchtone—at rates just about as

low as the best prepaid offers. Maine has a new law designed to discourage misleading prepaid telephone offers—complaints may be brought to the PUC, the Maine Attorney General, or the FCC.

## Prepaid calling cards are a common vehicle for SCAMS and deceptive business practices.

### WIRELESS PREPAID ACCOUNTS

Prepaid wireless minutes are relatively straightforward because they are marketed by only a few major carriers. However, some consumers have been surprised when their minutes disappeared faster than expected. For example, a new Tracfone (as low as \$10 at Walmart) comes with 20 minutes, but you can use a good portion of those airtime minutes just setting up your voicemail service. Prepaid wireless minutes may also disappear when using your voicemail, when calls don’t go through, or when you accidentally fail to disconnect. If your phone is lost or stolen, you generally *cannot* recover your purchased minutes and transfer them to a new phone. That’s one reason to be cautious before investing in a year’s worth of minutes. On the other hand,

small quantities of minutes will have shorter expiration dates and you will lose them if you don’t use them. Unlike prepaid *landline* minutes, prepaid *wireless* minutes provide the advantage of avoiding long-term contracts and automatic monthly charges. That represents a substantial advantage for customers using less than 150 minutes per month.

**CHOOSING THE OPTIMAL NUMBER OF PREPAID WIRELESS MINUTES** Our “Sample Annual Cost” section of the prepaid wireless chart represents an example of the best way to buy minutes for a customer who typically uses 25 minutes per month and for one who typically uses 100 minutes per month. Correctly estimating your future monthly usage is key to knowing which combination of minutes and their duration is optimal; it may also determine which wireless company will be the best buy for you.

**TRACFONE VERSUS NET10: SAME COMPANY—TWO RATE STRUCTURES** While Net10 advertises a rate of 10 cents/minute for all calls, many customers would find it more expensive than Tracfone, even though Tracfone’s lowest per-minute rate is at least double the one advertised by Net10. It turns out that a customer with minimal usage would do better with Tracfone while a customer using over 100 minutes would do better with Net10. It all has to do with the difference in the available packages of minutes sold and their expiration date. Start by looking at our sample usage section, which predicts the annual cost for low-use versus high-use customers. Then choose the service plan that keeps you in minutes for the lowest annual cost—regardless of the per-minute rate. If your estimate is very different from 25 or 100 minutes per month, do the math before you buy.

## >> prepaid wireless plans

Prepaid wireless services are also offered by Unicef, US Cellular, Virgin Mobile, Verizon, AT&T's Go Phone and several other providers. We have not listed many of those services because they charge minimum monthly fees or because their coverage in Maine is sub-par. The

companies listed are true "pay as you go" plans but you will lose your account if it is not kept active within a given time period, which is normally displayed on the phone. Always check coverage quality in your area before buying.

	AT&T/CINGULAR PAY AS YOU GO attwireless.com 888-333-6651	NET 10 (TRACFONE) net10.com 877-836-2368	T-MOBILE TO GO tmobile.com 877-387-4324	TRACFONE tracfone.com 800-867-7183
Initial Cost of phone	\$10 - \$160	\$30 - \$80	\$10 - \$150	\$10 - \$140
Home Area	Much of US (spotty in Maine)	Much of US (spotty in Maine)	Much of US	Choose Much of Maine or Much of US
Airtime Rate Per Minute (US)	25¢	10¢	10¢ - 34¢	18¢ - 34¢
Roaming Charge Per Minute	0	0	0	Double the airtime rate
To Canada	additional 15¢ per minute	additional 5¢ per minute	additional 50¢ per minute	Airtime rate
From Canada	79¢ per minute	No service	69¢ per minute	No service
Minimum Recharge Dollars	\$15	\$30	\$10	\$20
Expiration of Minutes (days) (varies by refill amount chosen)	30-365	60-180	90-365	90-365
SHOWN BELOW IS THE ESTIMATED ANNUAL COST FOR A CUSTOMER USING 25 AND 100 MINUTES/MONTH (DOES NOT INCLUDE COST OF INITIAL PACKAGE OR ROAMING CALLS)				
25 minutes/month				
Cost	\$100	\$180	\$100	\$100
Minutes purchased	400	1800	1000	400
Type of refill	1 x 365 days	3 x 120 days	1 x 365 days	1 x 365 days
100 minutes/month				
Cost	\$300	\$180	\$150	\$240
Minutes purchased	1200	1800	1400	1200
Type of refill	2 x 365 days	3 x 120 days	1 x 365 + 1 x 90	6 x 90 days
NOTE: Customers who use more than 150 minutes per month should consider regular monthly fee cellular plans.  Watch for and ask about promotions.	10¢ plan allows unlim- ited mobile to mobile (Cingular to Cingular).  With unlimited mobile- to-mobile 10¢ plan, a charge of \$1.00 per day applies when there is any incoming or outgo- ing use.  Minutes roll over.	Minutes roll over.  No service to or from locations outside of US, Puerto Rico or US Virgin Islands.  Must register to make in- ternational calls (FREE).	Airtime rate depends on number and duration of minutes purchased.  \$100 refill gets 15% more minutes and 365 days expiration on fur- ther refills.	Airtime rate depends on number and duration of minutes purchased.  Double-minute promo- tions available.  No extra charge for calls to over 60 international destinations - call 800- 706-3839 to activate.



	AT&T (CINGULAR) att.wireless.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	
	Nation Talk 450	Nation 550 Family Talk	Get More	Family Time Basic	Wide Area Single 700	Wide Area Family	National Single 450	Expanded Local	Local Family	TRUE Nation- wide	Nation- wide Single Line	Nation- wide Family Share
Monthly Fee	\$40	\$60 (2 lines)	\$40	\$60 (2 lines)	\$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		\$6 Unlimited	Unlimited	\$8 Unlimited	1000	N/A	500	Unlimited	
Cost per extra min.	45¢		40¢			49¢		30¢	35¢	30¢	45¢	
Cost of extra line	N/A	\$10	N/A	\$10	N/A	\$10	N/A	\$20	\$9	\$20	NA	\$10
Roaming Rate	0		0		69¢		0	40¢		0	0	
From Canada	79¢		49¢		99¢/min. + \$3/day access fee				50¢		69¢	
To Canada	20¢		20¢		19¢				35¢		49¢	
Home Area	US		US		ME, NH (excluding Portsmouth), VT and parts of 19 other states in south, mid- west and west		US	Most of ME, MA, NH, VT, and NY		US	US	
Type of Network	GSM		GSM		CDMA			GSM			CDMA	
Notes	Unlimited "in-calling" among Verizon Wireless customers. 77¢/monthly "regulatory fee." Alternative plans — \$30 Senior citizen "65 Plus" plan available with 200 minutes. \$60 plan offers 900 minutes.											
Unicel is expected to be acquired by Verizon Wireless during Summer 2008.	Minutes rollover for up to 1 yr. Unlimited mobile-to-mobile minutes between Cingular users. \$1.25 "regulatory fee" applies to all plans. Alternative plan — \$30 "Senior Nation" plan available with 200 minutes.											
	Family Plan includes free mobile-to-mobile minutes in area. Hotspots (VOIP) service available. Regulatory fee of 86¢ per line. Alternative plans — \$30 plan available with 300 minutes. 1000 minutes for \$40/mo with no extra offpeak minutes.											
	Unlimited mobile-to-mobile between US Cellular customers in area for Family Plans. Wide Area Family-45 roaming minutes included. National family plans start at \$70. 96¢/monthly "regulatory fee." Alternative plan — \$30 plan available with 300 minutes.											
	No-contract option. Price for phone is cheaper with contract. \$2/mo. for unlimited Unicel to Unicel with local and nationwide plans. Family Plan includes unlimited Unicel-to-Unicel minutes. 96¢/monthly "regulatory fee." Alternative plan — \$20 plan available with 200 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 apply to international calls.

**Activation fees** (\$30 to \$36) often apply but are sometimes waived upon request when purchasing online.

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

## Internet Service Update

**DIAL-UP** According to press reports, more than 9 million people in the U.S. are still paying AOL alone, between \$10 and \$25 per month for slow dial-up service. For those who have access to DSL high-speed Internet service at rates of about \$15 per month, it makes no sense to choose dial-up service at a similar price. For customers who must use dial-up service, 207ME.com offers a full-featured dial-up service with local customer service for \$7/month. ([www.207me.com](http://www.207me.com) or 888-229-2411)

**DSL** According to a recent FCC report using 2007 data, Maine, New Hampshire and Vermont ranked at the very bottom of their national ranking of DSL availability (Maine had 68% availability and 109,216 DSL lines). It is probably no coincidence that these were the three states that Verizon had already been seeking to abandon. FairPoint is already busy expanding DSL in Maine. It has committed to spend \$57.5 million over the next five years to get DSL available to 90% of the customers in the former Verizon territory. The Public Advocate hopes to soon be able to report the details of FairPoint's expansion plans for the coming year—check our website if you are waiting for

DSL to come to your neighborhood. GWI says that it now provides DSL service on any telephone line where it is provided in the new FairPoint territory. Smaller DSL providers serve in selected areas as shown on page 17. Compare prices, speed, and customer service quality when deciding which company to choose. Customers served by small independent phone companies generally have only one provider of DSL service—their local phone company or an affiliated Internet service provider. DSL speed choices generally range from 768 kbs to 3 Mbs. The Public Advocate persuaded FairPoint to agree not to raise Verizon's lowest DSL prices for at least two years. See page 2.

**CABLE MODEM** In 2007, 169,458 cable modem lines were active in Maine and that service was available to 93% of cableTV customers in the State. Prices for high-speed Internet service from cable companies have been steady. However, Time Warner, which serves the vast majority of cable customers in Maine, has offered discounted prices to customers who combine its three services, TV, Internet, and telephone.

**WIRELESS BROADBAND** Our list of small wireless broadband providers continues to grow. Several of them have been awarded grants from Maine's ConnectME Authority to help them expand their broadband service in sparse areas where it is difficult to recover the required investment. If you have a number of neighbors willing to sign up for service, try calling one of the providers listed on pages 17–18 to see if they might set up service in your area.

**SATELLITE BROADBAND** Satellite providers do not share data about how many customers they serve. However, WildBlue and Starband are the two that have made their pricing within reach of average residential customers. Satellite broadband beats dial-up but doesn't match DSL, cable, or wireless broadband with respect to speed or reliability. The best attribute of satellite broadband is that it is available anywhere with a view of the southern sky. See page 18.

**MOBILE BROADBAND (GPRS)** Better technology and promotions offering free laptop adapters are making it more feasible to use this relatively slow form of broadband on your laptop or smartphone. It definitely beats dial-up. See page 18.

# >>broadband internet service providers

COMPANY	AREA	PRICES
<b>DSL HIGH SPEED INTERNET</b>		
Aroostook Internet   800-752-4330 ainop.com	Throughout much of Maine	\$35/mo. Res.   \$50/mo. Bus. No setup fee
Cornerstone   207-992-4411 ccmaine.net	Western Penobscot & Southern Piscataquis Counties (services will be expanding late summer/early fall 2008)	\$30 - \$40/mo. Res. \$70 Installation fee (Bus. rates higher)
FairPoint   866-984-2001 Res. 866-984-3001 Bus. fairpoint.com	Available in much of FairPoint (former Vz) territory	Res. Starting at \$13 for 1-6 mos., \$18 7-12 mos., \$20/mo. after 1 yr.   \$10 Setup fee Bus. Starting at \$30/mo.   \$99 Setup fee, discounts apply to bundles
GWI   866-494-2020 gwi.net	Available in 40 exchanges within FairPoint (former Vz) territory (up to 3Mbs)	\$35/mo. Res.   \$50/mo. Bus. No setup fee
Mainely Wired   207-338-6530 mainelywired.com	Available in Southern Maine, Mid-maine and Mid-coast markets	\$40/mo Res.   \$60/mo Bus. No setup fee
Midcoast Internet   207-594-8277 midcoast.com	Most major FairPoint (former Vz) territory, Tidewater Telecom area	\$35 & up FairPoint (former Vz) territory No setup fee in new FairPoint territory \$40 & up Tidewater tel. area \$100 setup in Tidewater areas
Oxford Networks   800-520-9911 oxfordnetworks.com	Lewiston/Auburn (not all areas yet) and Norway/South Paris	\$38/mo. Res.   \$60 - \$80/mo. Bus. No setup fee
Pioneer Broadband   866-335-1254 pioneerbroadband.net	Caribou, Presque Isle, Houlton, Linneus, New Limerick, more to come!	\$45/mo. No setup fee
USA Telephone   888-872-9400 savewithusa.com	FairPoint exchanges (formerly Vz territory)	\$20/mo. Res. & Bus.   Must be USA customer No setup fee
<b>CABLE MODEM HIGH SPEED INTERNET</b>		
Aroostook Internet   800-752-4330 ainop.com	Houlton area	\$25/mo. Res.   \$50/mo. Bus. \$50 setup fee
Bee Line Cable   800-439-4611	Skowhegan, Wilton, Madison, Industry, Anson, Farmington, Millinocket, E. Millinocket	\$30/mo. Res.   \$35/mo. Bus. No installation fee
Comcast   800-266-2278 comcast.com	Berwick, So. Berwick, Eliot & Kittery, Brunswick & Freeport areas	\$43 mo. Res. + \$3/mo. modem rental w/cable TV installation fees   \$52 - \$150/mo. Bus. \$50 Installation fee
Metrocast Online   800-695-2545 metrocast.com	Acton, Lebanon, Newfield, Sanford, Shapleigh, Springvale & W. Newfield	Res. \$42/mo.   \$50 Installation fee Bus. \$40 - \$200/mo.   \$100 Installation fee (includes modem rental)
Pioneer Broadband   866-335-1254 pioneerbroadband.net	Bridgewater, Monticello, Littleton, Houlton, Hodgedon, Medway, Howland	\$35/mo. Res   \$50/mo. Bus. \$75 Installation fee
Time Warner Cable   800-833-2253 rr.com (Roadrunner)	Most of Maine	\$45/mo. Res.   \$38.45 Installation fee \$85 - \$185/mo. Bus.   \$80 Installation fee
<b>WIRELESS HIGH SPEED INTERNET</b>		
Airolink Wireless   207-680-5465 airolink.net	Parts of Kennebec and Somerset Counties	\$40/mo. Res.   \$50/mo. Bus. \$25 Equipment cost   \$100 Installation fee
Aroostook Internet   800-752-4330 ainop.com	Houlton, St. Agatha area	\$40/mo. \$125 Installation fee
AtticWifi   207-326-4519	Brooklin, Brooksville, Sedgwick, North Deer Isle, Little Deer Isle, South Penobscot	\$40/mo. Res.   \$60/mo. Bus. \$400 Installation fee
Axiom Technologies   877-462-9400 axiom-tech.net	Washington & Hancock counties	\$40/mo. Res.   \$50/mo. Bus. \$225 Installation Fee
Bluestreak   877-338-9015 bluestreakme.com	Belfast, Freedom, Morrill areas	\$40 - \$50/mo. Res.   \$45 - \$60/mo. Bus. \$100-200 Installation fee

# >> internet service providers cont'd

COMPANY	AREA	PRICES
Cornerstone   207-992-4411 ccmaine.net	Western Penobscot & Southern Piscataquis Counties (services will be expanding late summer/early fall 2008)	\$40/mo. Res. Starting at \$250 Installation fee
Downeast Wireless   207-667-7414 downeast.net	Ellsworth/Blue Hill area	\$50/mo. Res.   \$250 Setup fee
Mainely Wired   207-338-6530 mainelywired.com	Mid-maine & Mid-coast markets — Skowhegan, Newport, Pittsfield, Swanville, Searsport, Penobscot	\$45/mo Res.   \$55/mo Bus. \$200 Installation fee
Midcoast Internet   207-594-8277 midcoast.com	Midcoast area, Belfast to Bath	\$50/mo. & up Res. \$100 Off-island set-up fee \$200 On-island set-up fee
Pioneer Broadband   866-335-1254 pioneerbroadband.net	Much of northeast Maine from Madawaska to Machias to Howland	\$45/mo. Res.   \$55/mo. Bus. \$150 Installation fee
Premium Choice   207-735-2611   premiumchoicebroadband.com	Blue Hill, through greater Bangor area to Sebec	\$40 – \$90/mo. Res.   \$250 Installation fee \$150 to \$350/mo. Bus.   \$330 Installation fee
Redzone   207-596-5700 redzonewireless.com	Available in Midcoast Maine (Thomaston/Rockland/Camden area), Mount Desert Island & Cranberry Isles	\$25 – \$30/mo. Res.   \$35 – \$40/mo. Bus. \$50 Installation fee   \$50 – \$100 Setup fee
SJV Wireless, Inc.   877-475-8638 or 207-834-3312   sjv.net	Fort Kent, Eagle Lake, Long Lake area/Sinclair, St Agatha, parts of St John, Soldier Pond, Wallagrass	\$40/mo. Res.   \$100 Installation fee \$55/mo. Bus.   \$200 Installation fee (if more than 1 computer)

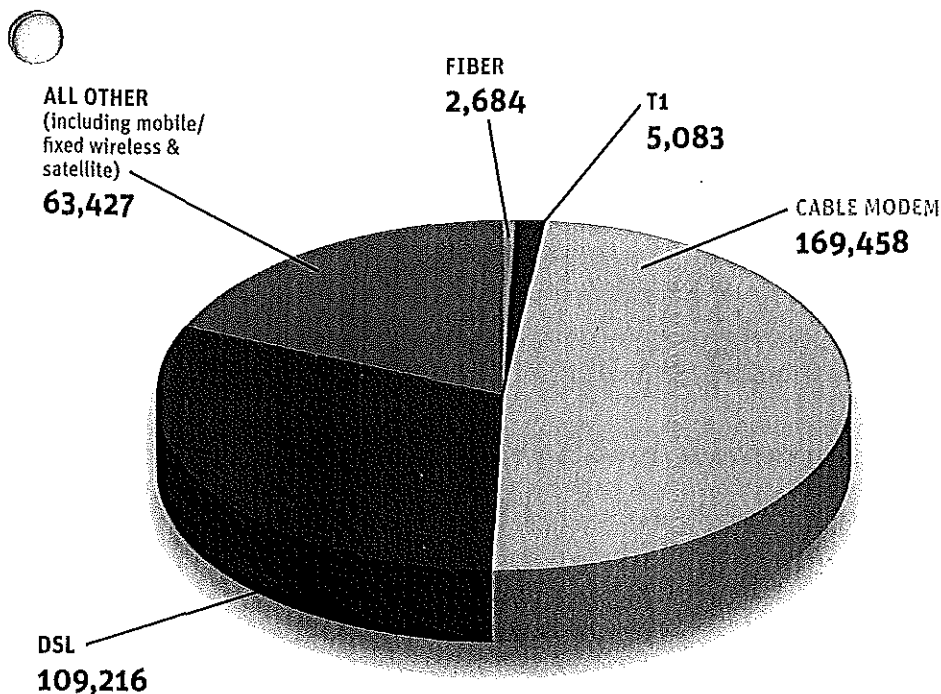
## SATELLITE HIGH SPEED INTERNET

HughesNet (formerly Direcway) 888-667-5537   hughesnet.com	Available statewide (Requires clear view of Southern sky)	\$60/mo.   \$400 equipment cost \$100 installation cost   2 year contract
Skycasters   800-853-0434 skycasters.com	Available statewide (Requires clear view of Southern sky)	\$150/mo.   \$900 equipment \$400 installation fee   2 year contract
Starband   800-478-2722 starband.com	Available statewide (Requires clear view of Southern sky)	\$70/mo. w/2 yr. contract   \$300 equipment cost   \$400 Installation fee
WildBlue   866-945-3258 wildblue.com	Available statewide (Requires clear view of Southern sky)	\$50/mo.   \$300 equipment Free installation   1 year contract

## MOBILE BROADBAND (from cellular carriers)

COMPANY	LAPTOP BROADBAND MONTHLY FEE	PRICE OF LAPTOP CARD	SMARTPHONE BROADBAND MONTHLY FEE
AT&T   800-888-7600 wireless.att.com	\$60   \$100 w/WiFi service	Free (promotion) or starting at \$50 w/2 year contract \$36 activation fee	Starting at \$35 with eligible calling plan \$40 or higher
T-Mobile   800-937-8997 tmobile.com	\$40	\$150	Starting at \$40
Unicel   800-215-7004 unicel.com	\$30–\$65 depending on amount of data transfer	Starting at \$99 w/2 yr. contract	Starting at \$25 with eligible calling plan
US Cellular   888-944-9400 uscc.com	Business customers only	Business customers — call for details	Starting at \$40 with eligible calling plan \$40 or higher
Verizon   800-256-4646 verizonwireless.com	\$40	Starting at \$50 w/2 yr. contract \$35 activation fee	Starting at \$80 with eligible calling plan

## NUMBER OF BROADBAND USERS IN MAINE BY TYPE (AS OF 2007)



## tv service from fairpoint?

In constructing its new DSL high speed Internet infrastructure in Maine, FairPoint is using technology compatible with IPTV (Internet Protocol Television) that is suitable for delivering video services as well as Internet connectivity. IPTV can provide TV channels on demand over the combined copper and fiber telephone network. FairPoint hopes to retain customers by offering the "triple play"—telephone, Internet, and television, just as Time Warner does. FairPoint is already advertising (on television) that it will be providing television services here. However, given its need to construct the DSL and IPTV networks and arrange for television content, we don't expect to see FairPoint television service in Maine for at least a year or two. When it is available, it won't be available to customers who are served by copper wires greater than 10,000 feet from the local telephone company office.

## Digital Television Conversion

### DO YOU GET YOUR TV STATIONS OVER-THE-AIR USING AN ANTENNA?

As of February, 2009, the FCC will prohibit over-the-air broadcast of analog television channels—all transmissions will be converted to digital format in order to conserve broadcast spectrum for more efficient uses. This will create a problem only for people with older TVs that lack a digital tuner and who receive broadcasts over the air. For those

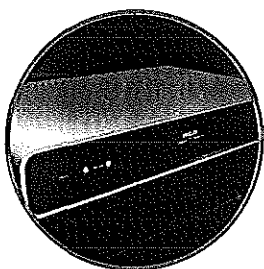
customers, up to two \$40 coupons are available to cover most or all of the cost of an analog-to-digital converter box, available at local stores. More information is available at [www.dtv.gov](http://www.dtv.gov) or by calling 888-DTV-2009. This conversion will not affect cable or satellite TV customers.

[WWW.DTV.GOV](http://WWW.DTV.GOV)

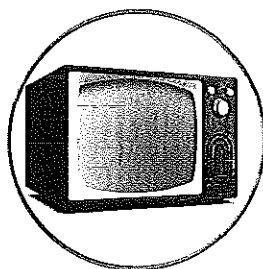
FREE \$40  
COUPONS



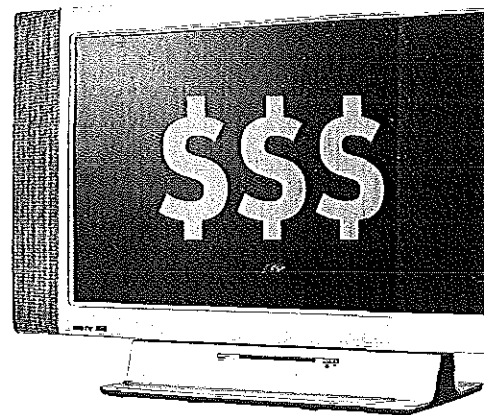
ANALOG TO  
DIGITAL  
CONVERTER



CONTINUED  
USE OF ANALOG  
TELEVISION



OR...





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

#### Public Advocate and Staff:



Standing (left to right): Dick, Eric, Bill, Mary, Agnes;  
Seated (left to right): Patty, Wayne, Debbie

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.

## KNOWING WHICH TELEPHONE NUMBERS ARE LOCAL IS GETTING MORE DIFFICULT

Every 3-digit prefix to a 7 digit telephone number represents a geographic area, just as 3-digit area codes represent much larger geographic areas. The "home" location of any 3-digit prefix is important because, when you call that number, that "home" location may determine whether or not you pay a per-minute toll rate. However, as more competitive services like wireless and VOIP obtain more telephone numbers, and as more and more people use out-of-area phone numbers for VOIP and wireless services, many of the prefixes become unfamiliar to customers. To find out the "home" location of any phone number, check out the list on our web site at [www.maine.gov/meopa/telephone/maine\\_exchanges.html](http://www.maine.gov/meopa/telephone/maine_exchanges.html)