

9-2009

Ratewatcher Telecom Guide Vol. 22 Sept. 2009

Maine Public Advocate Office

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Recommended Citation

Maine Public Advocate Office, "Ratewatcher Telecom Guide Vol. 22 Sept. 2009" (2009). *Public Advocate Office Documents*. Paper 37.
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Ratewatcher

TELECOM GUIDE

VOLUME 22 | SEPTEMBER 2009

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Reflections on the FairPoint Acquisition

FOR MANY PEOPLE, THE ONE SMALL SILVER LINING IN THE DARK CLOUDS surrounding FairPoint is the ability to say “I told you so.” Did public officials, such as the commissioners of the Public Utilities Commission, the Maine Legislature, the Governor, and the Public Advocate, fail to protect the public? Who is really to blame for the current serious operational and financial problems affecting the State’s dominant telecommunications utility?

Was it regulators? Was it the firm that built the troubled systems? Was it the condition of the network left behind by Verizon? Was it the independent firm hired to monitor the cutover to the new faulty systems? Was the general economic melt-down a big factor causing FairPoint’s financial difficulties? Was FairPoint’s management simply not up to the job of managing such a large telecommunications company? Did market conditions and competition from wireless and cable companies doom FairPoint’s business plan before it began?

Undoubtedly, most, if not all, of those inter-related factors, played a role. With 20-20 hindsight, it appears, at this time, that FairPoint should not have been allowed to acquire Verizon-Maine. However, based on what we knew nearly two years ago, the answer was not so simple. It’s also easy to overlook the fact that our only other choice was to keep

Verizon — a company that virtually stopped investing in Maine, a company that sought to raise prices at every opportunity, a company that appeared to prefer paying service quality penalties rather than provide adequate service, and a company that provided DSL to barely 63% of its customers. Verizon’s management was not very responsive to the concerns of regulators or customers.

THE PUBLIC ADVOCATE’S ROLE

As the FairPoint hearings began, the Public Advocate strongly supported legislation that would have raised the bar when the PUC considers any large utility reorganization. We supported a bill that would have required that FairPoint prove that it would provide positive benefits as opposed to merely showing that there would not be adverse consequences. Since this was probably a close case for the PUC, such a change in the standard could have made a difference

between an approval and a rejection of the sale to FairPoint. Unfortunately, the Maine Legislature narrowly rejected that new legislation in the face of intense lobbying by FairPoint and other “pro-business” lobbyists. During the hearings, the Public Advocate, labor unions, and some competitive telephone companies worked very hard and expended substantial resources in order to bring to light all of the potential adverse consequences that might occur. We introduced a great deal of evidence showing the financial and operational risks that have become reality. Near the end of the case, the PUC Staff recommended that the sale to FairPoint be rejected by the Commission — a decision that we supported and requested. Then, the real negotiations began.

WHY WE SIGNED ON The ultimate agreement approved by the Commission reflected many conditions and many potential public benefits. Among those benefits were FairPoint’s commitments to a new “state of the art” operational system, expansion of broadband to at least 90% of customers, and a nearly 25% reduction to the local basic service rates applicable to all residential

WHAT’S INSIDE

Telephone news and rates ... 1-12
Local exchanges rates 4
Bundle plans: residential 6
Prepaid calling..... 7
Long distance plans 8
VOIP services..... 9-10

Wireless News and Rates... 13-17
Prepaid Wireless..... 16
Wireless Plans 17
Internet News and Rates .. 18-20

and business customers. On top of all that, we successfully negotiated hundreds of millions of dollars in concessions from Verizon that benefitted FairPoint, as well as numerous financial safeguards to which FairPoint was required to adhere. We even negotiated commitments to maintain low prices for DSL service, which is normally beyond the jurisdiction of state regulators.

PLENTY OF BAD LUCK FROM THE START Some things could not have been predicted. We could not have known that major Wall Street firms would collapse on the very day that FairPoint was required to float bonds — a factor that greatly increased its borrowing cost. Nor could we have known that the new systems would fail to work as intended, after being built by a major international management firm (Capgemini), after over a year of publicly monitored construction and testing. And we could not have known that FairPoint's management would, in some respects, fail to act quickly and efficiently to manage these problems.

WHERE DO WE GO FROM HERE? If we knew then what we know now, we would have fiercely opposed the sale to FairPoint. However, we have no choice but to look forward. On the bright side, FairPoint or its successors will continue to operate the phone company and continue to operate and expand the services that it provides today. Regardless of whether FairPoint's finances improve quickly or remain troubled to the point of requiring FairPoint to seek bankruptcy protection, we will seek to protect Maine's customers. Even if there are delays, most parties agree that FairPoint's best chance of success requires it to continue to maintain low rates and expand high speed Internet and other new services throughout its territory. Future potential scenarios include a successful turnaround under current or new management, a restructuring of FairPoint's debts, or sales of parts of its territory to other companies. Under any scenario, the Public Advocate will seek to ensure that customers are not penalized for FairPoint's mistakes.

Based on weekly reports, it appears that FairPoint is slowly making progress in its customer service quality and slowly lowering the number of orders waiting for installation. However, many issues remain and we will continue to ask the Public Utilities Commission to hold FairPoint accountable for its poor performance and to exert the full extent of its authority to ensure that customers get better service as soon as possible. The Public Advocate will continue to fight to make sure that FairPoint and the Commission are aware of the vast amount of frustration being experienced by many of FairPoint's customers and we will be making recommendations for addressing FairPoint's problems, including a formal investigation into the root causes of these problems.

In late July the Public Advocate filed at the Maine PUC a detailed proposal that the Commission direct FairPoint to hire a new computer-systems firm to assess and resolve the causes of the many problems with its computer systems that are responsible for order provisioning and billing. FairPoint has agreed to cooperate in that process. The Public Advocate is also in the process of suggesting to the Commissions in Maine, New Hampshire and Vermont that there are several people that might be hired by them to ensure that FairPoint's new consultants are taking the best actions to fix FairPoint's systems. We believe that FairPoint's telephone network is a public trust that is at the heart of the communications life-line in northern New England and vital to the economies of Vermont, NH, and Maine. At this point, the Public Advocate lacks confidence that FairPoint and its consultants alone, are capable of providing a satisfactory operational system, after two years of trying.

Tips for Lowering Your Landline Bill

Don't pay for optional inside wire maintenance or other optional features that you don't need. For example, an answering machine can be used to screen calls instead of subscribing to Caller ID.

Choose a separate long-distance provider that offers lower rates than your local phone company or other high-priced services such as AT&T. If you choose Pioneer, ask for their \$20 credit for new customers.

Use free 411 information alternatives (listed elsewhere in this guide)

Don't pay for unlimited telephone service if you don't dial enough long-distance calls to justify it. Do the math — most customers using less than 600 minutes of long-distance per month would pay less using pay-as-you-go long distance, offered by companies such as Pioneer and Touchtone. Don't bother with prepaid landline minutes for calls made from home — prepaid cards are less convenient and will not save you money if you can use Pioneer with no monthly fee (with email billing).

If you have a plan bundling local, long-distance, and Internet service, check out competitive options such as GWI and Time Warner (and factor in any differences in promised broadband speed).

If you are using a competitive local phone company, don't forget to compare your rates with FairPoint's new rates — the Public Advocate negotiated a local service rate reduction of nearly 25%, applicable to FairPoint's basic residential and business local rates. FairPoint's residential local rate is now \$14.69 and its business local rate is now \$32.28 (excluding surcharges and taxes).

ATTENTION if you are a customer who is requesting new service from FairPoint, from providers that rely on FairPoint's network, or if your order requires number porting, you may experience delays as a result of continuing FairPoint system problems. Always ask about this before relying on prompt installation of new services or changes to your existing service. The Public Advocate is working every day seeking to ensure that these problems are resolved as quickly as possible.

WANT TO MAKE A “SLY” CALL DIRECTLY TO VOICEMAIL?

For a variety of reasons, there are times when you want to leave a message for someone but you don't really want to talk to them. For example, you may want to break up with your boyfriend and avoid an awkward conversation, or you may simply be in a rush and have no time for an extended conversation. Now, there's a free service that connects your call to any cell phone directly to the user's voicemail. You will have to listen to a brief ad before being connected. Just dial 267 SLYDIAL (267-759-3425).



Don't Call Us — We'll Call You

WHY ARE SOME COMPANIES SO HARD TO REACH BY TELEPHONE?

In this age of electronic commerce and cost-cutting, it seems that there are a lot of companies that no longer want to hear from their own customers. For example, Amazon.com offers an incredible assortment of merchandise, usually at a good price, but if you have a problem that you want to talk about, you'll notice that a phone number is nowhere to be found on their website. Other companies discourage calls by presenting customers with maddening voice menus and long waits. However, there are ways to deal with these annoyances.

While many Internet retailers and even real brick and mortar stores make it difficult to find their telephone number, they do have hidden customer service numbers. One good listing of these hidden numbers is www.gethuman.com. That website also offers helpful suggestions for navigating each company's particular voice menu system. One common way to get to a human more quickly is to press 0 during the voice menu instructions, but that is not true in every case.

More FREE Directory Assistance Options (FROM CELL PHONE OR LANDLINE)

Free directory assistance has been available on the web for years, but what if you have no web access at home or you need a number when you're on the go? Try any of the following FREE services that will save you from expensive directory assistance charges that result from directly dialing 411, 555-1212 or 1800 555-1212

1800 FREE411 automated voice with human backup, short ad, residential or business numbers.

1800 INFOFAST live human, short ad, residential or business numbers.

1800 YELLOWPAGES (by AT&T) automated voice, short ad, residential or business numbers.

1800 GOOG411 (by Google) automated voice, no advertisement, free immediate connection to desired number, business numbers only.

New Legislation Will Ban Telephone Bill Surcharges that Are Not Specifically Authorized by State or Federal Law

FURTHER STUDY WILL CONSIDER ITS APPLICATION TO UNREGULATED SERVICES LIKE WIRELESS AND CABLE

In the last legislative session, the Public Advocate drafted and supported new legislation that regulates those annoying surcharges on your phone bill. It bans any item that was not authorized by the customer or specifically authorized by state or federal law or rules. Unfortunately, as many consumers know, there are always unauthorized surcharges that appear on the bills of cable, wireless, and VOIP companies. Early next year, we expect that the Maine Legislature will be considering whether to expand surcharge restrictions to those unregulated services. If you want to see that type of consumer protection, contact your elected state representatives, and let them know. If you have a bill that shows confusing or unauthorized surcharges from a cable, cellular, or VOIP company, please send us a copy or fax it to 287-4317. We will then use that information to demonstrate the need to broaden this new consumer protection statute to those unregulated industries.

>> 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. Compare to FairPoint's Local Rates — \$21.08 for residential customers (\$14.69 + \$6.39 subscriber line charge) and \$38.67 for business customers (\$32.28 + \$6.39 subscriber 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	\$41	Includes 2 features Available throughout FairPoint territory
BCN Telecom 888-866-7266 bcntele.com	B	\$27.80 – \$37.80 depending on number of lines & bundle of services	Available throughout FairPoint territory
GWJ 866-494-2020 gwj.net	B R	B — \$44.43 R — \$31.45*	*Phone rate is reduced by \$10 when combined with DSL service Available in selected "new" FairPoint exchanges Features package including voicemail: \$5
Mid-Maine & Pine Tree Networks, (OTELCO) 877-643-6246 midmaine.com & pinetreenetworks.com	B R	B — \$26.00 – \$35.00 R — \$64.95 local/DSL (some limitations apply)	Statewide (some limitations apply)
One Communications 800-825-5282 onecommunications.com	B	\$35.49 – \$38.40 depending on contract length	Available throughout FairPoint territory
Oxford 800-520-9911 oxfordnetworks.com	B	B — \$31.28 – \$40.34	Norway/South Paris (Business rates are due to change in the coming months.)
	R	R — \$16.63 – \$19.72	
	B R	B — \$28 – \$32 depending on number of lines & bundled services R — \$21.20 – \$24.95 depending on bundle options	Lewiston/Auburn
Telrite 866-285-3989 telrite.com	B & R	\$35.49 – \$46.49 depending on con- tract length	Available throughout FairPoint territory
USA Telephone 877-872-2800 savewithusa.com	B R	B — \$43.45 R — \$34.45 price depends on location	Local service bundled with 3¢ instate and interstate LD minutes and 6 features DSL starting at \$25/mo. (R&B) \$2 extra for paper billing

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

Attention Low Income Customers!

The Public Advocate recently asked Tracfone to make a filing with the Maine Public Utilities Commission seeking to be authorized to become eligible to receive federal funding to provide low-income Lifeline benefits for Maine Tracfone customers. Tracfone has now made that filing, which is awaiting action by the Maine Public Utilities Commission. If their application is approved, we expect that low-income customers will soon be eligible for a free Tracfone handset and approximately 67 free minutes per month. However, low-income customers may not receive Lifeline benefits from more than one service provider.

If you are eligible for government assistance programs such as food stamps, SSI, home energy assistance, Medicaid, or TANF, you also qualify for a substantial Lifeline discount on your monthly basic telephone service, and installation of new telephone service is reduced to \$10. Just call your local telephone company to register for the program, which is funded by the State of Maine and the federal Universal Service Fund. Low-income customers of US Cellular are also eligible for Lifeline discounts on wireless plans.

Attention Time Warner Customers: Fairpoint Wants You Back! SHOULD YOU GO BACK?

FairPoint's customer service problems combined with Time Warner's attractive bundles, including television, Internet, and telephone services, have driven many customers to leave their traditional telephone company. However, it's a good idea to periodically re-evaluate the relative cost and quality of these competing services. Over the last few months, we've observed that FairPoint is working through its post-cutover technical issues and making some progress in providing better service to its customers. At the same time, for many customers, Time Warner's rates have drifted upward, either because of the expiration of lower introductory rates or as a result of rate increases. Unlike Time Warner, FairPoint's local service prices are regulated and those rates may not be increased for at least 4 more years. FairPoint also has a more reliable telephone service than Time Warner because Time Warner's VOIP-based service requires electricity and is subject to somewhat more frequent outages than traditional telephone networks. Therefore, assuming FairPoint's service returns to business as usual and it expands its DSL network as promised, it will be worth considering going back, especially if your Time Warner rates have slowly drifted upward while FairPoint's basic local rates are now about 25% lower than the rates that were charged by Verizon-Maine. Since Time Warner offers only unlimited bundled telephone service, those who do not make a large volume of long-distance calls may pay less with traditional basic local service combined with a good long-distance plan, as discussed below.

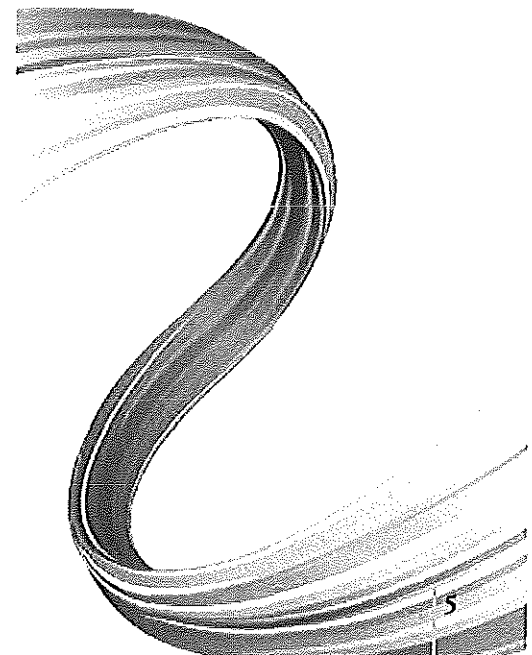
Are You Paying Too Much for Bundled Services?

Unlimited calling plans have grown in popularity. Many customers like the convenience of one bill from one company and many enjoy knowing that they will not be billed separately for each minute of calling to numbers in the U.S. (and Canada, in many cases). Another benefit of bundled plans is that they often include popular features such as Caller ID and voicemail. However, many customers who choose bundles are actually paying more than they would pay if they made the best choices of individual services, especially if they would not otherwise purchase optional features. In order to determine whether you are paying too much, you must be able to estimate the average number of long-distance minutes that you make each month (only include minutes when you initiate the call) and

apply the rate of the best offers such as Pioneer Telephone. For example, if your dialed toll calls (beyond your local calling area) total 200 minutes per month, you would pay about \$7/month for long-distance charges to Pioneer Telephone. Add that to FairPoint's local service bill of about \$24 (taxes and surcharges included) and your total for all domestic local and long-distance calling would be about \$31/month. If you don't care about features, there's no reason to pay more for a local and long-distance bundle. Unlimited long-distance plans also come with the disadvantage of requiring that high flat payment even when you don't use the service.

If you are shopping for a bundled plan, it appears to us that GWI, a Maine company, is currently offer-

ing the most affordable packages of high-quality telephone and Internet services. Unlike Time Warner's Digital Phone, GWI's phone service is traditional telephone service that does not rely on electricity.



>> bundled plans: residential (local, long-distance, and dsl)

COMPANY	FEATURES	UNLIMITED LOCAL AND TOLL*	UNLIMITED LOCAL AND INSTATE TOLL*	UNLIMITED TOLL* ONLY	DSL & UNLIMITED LOCAL & TOLL	NOTES
AT&T One Rate 800-222-0300 att.com	Unlimited to US 4 features	\$71.50	\$45.50	\$33.00	N/A	\$65 setup fee
FairPoint Freedom 866-984-2001 fairpoint.com	Unlimited to US, Canada & Puerto Rico 3 features	\$58.37 (\$53.37 without features)	\$41.39 3 features (Voicemail not included)	NA	Starting at \$71.36	Available throughout FairPoint territory Voicemail add \$5
GWI 866-494-2020 gwi.net	Unlimited to US & Canada 5 features	\$43.45	\$34.95	N/A	\$63.40	Available in most of FairPoint territory \$5 extra w/features inc. voicemail
IDT Unlimited 800-254-1718 idt.net	Unlimited to US & Canada 5 features (optional)	\$51.50	\$34 (4 features)	N/A	\$69.50	Throughout FairPoint territory Voicemail \$2.95/mo.
Mid-Maine & Pine Tree Networks, (OTELCO) 877-643-6246 midmaine.com & pinetreenetworks.com	Unlimited to US & Canada 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
Oxford Networks 800-520-9911 oxfordnetworks.com	Unlimited to US & Canada 5 features (optional)	\$50 (\$43 w/o features)	N/A	\$18	\$81 (includes 5 calling features)	Lewiston/Auburn and Norway/S. Paris area only
USA Telephone 877-872-2800 savewithusa.com	Unlimited to US & Canada 5 features	\$48.50	N/A	N/A	\$73.50	Available throughout FairPoint territory *\$2 extra for paper billing

FairPoint Offers a Break to Seasonal Telephone Customers

Seasonal customers who request suspension of their phone service between August 24 and November 22 will not have to pay the normal \$32 fee for suspension, and the monthly rate during suspension will be reduced to \$6.50. We presume that this offer is an attempt to offer compensation for the serious problems that were faced by seasonal customers who tried to resume service this spring and summer.

>> 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 combina-

tion 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	PINGO.COM	SAM'S CLUB/AT&T
US Rate	4.6¢ – 10¢* (2,000 min. to 150 min.)	2.9¢	2.75¢	8.67¢ Instate / 2.89¢ Interstate
To Western Europe	13.8¢ – 50¢	3.4¢ – 9¢	3.15¢ – 7.75¢	11.56¢ – 23.12¢
To Canada	9.2¢ – 20¢	3.2¢	2.75¢	8.67¢
Rate to US From Western Europe		9¢ – 18¢	5.35¢ – 11¢	20.23¢ – 26.01¢
Rate to US from Canada	9.2¢ – 20¢	3.5¢	4.15¢	20.23¢
Payphone Charge	\$1.20 – \$2.10	55¢	65¢	56¢
Other Fees	5% sales tax	None	Monthly maintenance fee 98¢	5% sales tax on initial store purchase—maximum of 15% surcharge on phone refills
How to buy?	Rite Aid stores	www.onesuite.com or 866-417-8483	Pingo.com	Sam's Club
Expiration	No expiration	6 months from activation, last recharge, or usage	No expiration	No Expiration
Record of calls	No	Yes via Internet	Yes via Internet	No
Notes	*Rate depends on quantity of minutes purchased. Occasionally Rite Aid offers "buy one card, get one free"	\$1/month "OneSuite Fax" sends voice mail and faxes to your email address. Lower rates apply when us- ing VOIP access from your computer		Enhanced features offered at extra charge ATT also offers card with lower international rates (Worldwide Prepaid Phone Card)
Customer Service	800-721-4336	866-417-8483	888-878-8838	800-811-4763



>> long-distance plans

If you don't consistently use at least 600 minutes of combined in-state and state-to-state long-distance calling every month, you should consider using a direct-dial, pay-as-you-go long-distance service such as Pioneer Telephone or Touchtone Communications. These two companies offer the lowest rates we know of for most Maine customers, and they have a good record of customer service. Pioneer is best for customers in the new FairPoint territory and Touchtone is best for customers served by independent local telephone companies

(including "Classic" FairPoint). In the chart below, we compare new FairPoint's long-distance rates to Pioneer and Touchtone, to show the substantial savings available by switching from your local telephone company's long-distance service. Similar savings are achieved by switching from the long-distance service of large companies such as AT&T. As an added bonus, Pioneer offers a \$20 credit to any new customer who mentions the Public Advocate.

COMPANY	PIONEER pioneertelephone.com		TOUCHTONE touchtone.net		FAIRPOINT fairpoint.com	
FEATURED PLAN	Talk Cents		3.9¢ Plan		5¢ Standalone 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		\$9.99	
HIGH @ 500 mins. per month	\$17.87*		\$21.47		\$30.00	
HIGHEST @ 1,000 mins. per month	\$34.74*		\$40.97		\$60.00	
Hawaii/Alaska	6.9¢		7.9¢/15¢		5¢	
SAMPLE RESIDENTIAL INTERNATIONAL RATES (per minute)						
Australia	5.9 – 6.5¢***		5.5¢		\$3.96	
Canada	4¢		5¢		\$1.04	
Brazil	6.9 – 10.9¢***		10¢		\$4.85	
Greece	4.9 – 6.9¢***		7 – 9¢***		\$5.05	
China	4.9¢		5.5¢		\$6.65	
United Kingdom	5¢		5¢		\$2.89	
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 All 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 ***Depends on city \$20 one-time credit available if you mention Public Advocate's Ratewatcher Guide when requesting new service		*Touchtone Agents in Maine: 888-594-2500, 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 ***Depends on city		*\$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 no monthly fee	

Standalone Internet Service (Internet without phone service) A GOOD CHOICE FOR THOSE WHO USE VOIP

Some people just want Internet service because they choose VOIP or wireless for their voice communications. Since VOIP requires a high-speed Internet connection, you can't save much money by using VOIP if your Internet service provider requires you to purchase regular phone service too. As a result of the Public Advocate's negotiations with FairPoint at the time of its acquisition of Verizon, FairPoint has agreed to provide standalone DSL service (sometimes called "dry loop" or "naked DSL") for at least two years. As shown below, it is also offered by GWI and Time Warner.

Standalone High-Speed Internet Rates

FAIRPOINT (FORMER VERIZON AREA) starting at \$36/month with one-year term (768 Kbs)

GWI starting at \$35/month (3Mbs)

TIME WARNER starting at \$25 (768 Kbs)

>> voip services and plans

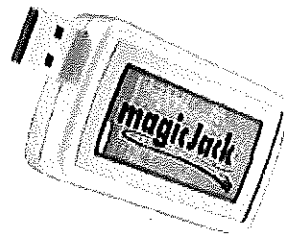
FEATURES	PRICE	NOTES	
FREE/LOW COST/COMPUTER-BASED			
JAJAH jajah.com	Dial call on computer—then talk on your regular phone	Free to other Jajah users 2.9¢/min. for domestic calls	Innovative service requires no software or equipment
MAGICJACK magicjack.com	Unlimited to US, Puerto Rico & U.S. Virgin Islands 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
PULVER 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
SIPPHONE sipphone.com	Unlimited to other Sipphones May ring regular phone numbers	Free to other Sipphones Reg. calls start at 1.9¢	Requires telephone adapter (\$50) or computer software (free)
SKYPE 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¢	Requires computer mic/speakers, or headset Incoming phone # (skypeIn) \$60/yr.
SUBSCRIPTION SERVICES WITH PHONE ADAPTER			
AXIOM TECHNOLOGIES LLC axiom-tech.net	Unlimited to US Local plan	\$32.50/month \$25/month	Business plans \$33 – \$43/month
BROADVOICE broadvoice.com	Unlimited in Maine	\$10/month + 3.9¢/min. interstate & Canada Low international rates	Adapter included \$40 activation fee
	Unlimited World (US + 21 countries)	\$20/month	
CALLCENTRIC callcentric.com	IP Freedom Plan	Free between CallCentric users	Requires software or telephone adapter
	Pay Per Call Rate Plan	\$5 deposit required on account	
	Unlimited to US & Canada	\$20 (low international rates)	
	Unlimited US +35 countries	\$30	
FUTURE NINE future-nine.com	250 Outgoing US & Canada / 3,000 Incoming Min.	\$7/month	Adapter required Discount for full annual payment
	3,000 Outgoing US & Canada / 3,000 Incoming Min.	\$13.50/month	
LINGO lingo.com	Unlimited to US, Canada & Western Europe	\$22/month	\$30 activation fee First month free \$60 first year termination fee
	500 Minutes US, Canada & Puerto Rico	\$15/month	

>> voip services and plans cont'd

	FEATURES	PRICE	NOTES
NET2PHONE • Voiceline net2phone.com (also available from IDT)	Unlimited US, Canada & Puerto Rico	\$30/month—Europe 5¢ – 8¢	\$40 first year termination fee Requires prepayment \$30 activation fee Adapter included
	Countries to countries	+ \$40/month	
	500 minutes US & Canada	\$15/month	
	350 minutes Western Europe	\$15/month	
OOMA ooma.com	Unlimited to US	\$249 initial cost for ooma device International calls as low as 2¢/minute	No monthly fees or contracts No per-minute cost for domestic calls \$40 to port tel. number
8X8, INC. 8x8.com	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	\$40 extra per continent/month	
TOUCHTONE Touchtone.net	500 min/month, US, Canada & 20 countries	\$15/month Additional minutes -- 2.5¢	Adapter included No activation fee
	Unlimited to US, Canada, Puerto Rico and selected countries	\$25/month International Rates 6¢ – 29¢	
VOICEPULSE voicepulse.com	Unlimited US	\$25/month	Adapter included Required 1-year term
	Unlimited ME + 200 Long Distance minutes	\$15/month Europe 5¢ – 9¢	
VOIPYOURLIFE voipyourlife.com	Unlimited US & Canada	\$24/month	Free hardware; Free activation Choose US or Canada phone # No term or fee
	Unlimited US, Canada & over 30 countries	\$30/month	
VONAGE vonage.com	Unlimited US, Canada & Puerto Rico	\$25/month	No activation fee Adapter included International calls starting at 1¢
	500 Minutes	\$18/month (3.9¢/min. after 500 included)	
PRIVATE NETWORKS (enhanced VOIP)			
207ME.com 888-229-2411	Unlimited US, Canada, Puerto Rico & U.S. Virgin Islands, Guam, Mariana	\$30/month	Available only in FairPoint area May be available in independent areas soon No activation fee Includes all surcharges & taxes Free installation
	Unlimited Local + Long Distance at 1.9¢/min	\$20/month + \$4 Top Ten Calling to favorites Numbers + \$4 Unlimited Calling Canada	
DIGIPHONE Bee Line Cable 800-439-4611	Unlimited to US and Canada	Residential \$25/month Business \$34/month	Bee Line Cable area only Free installation
	Unlimited to US, Hawaii, Alaska & Canada	\$35/month (if Bee Line Cable Customer) \$40/month for others	
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 area
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

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.

MAGICJACK UPDATE



Since we first reported on MagicJack last year, this new inexpensive telephone service has grown in popularity. At a cost of \$40 (including the device) for the first year, and \$20 for each additional year of service, MagicJack offers unlimited calling within the US, unlimited calling within any particular country, and unlimited calling from any country back to the U.S. The basic price also covers free caller ID, call waiting, voicemail, and directory assistance (connects to 1800FREE411), as well as a new free telephone number. It even provides email messages containing your voicemail in a .wav (sound) file. Calls from the U.S. or Canada to other countries require the purchase of prepaid minutes to cover the additional cost of low-priced international calls.

HOW IT WORKS You get a very small device (like a thumb-drive) that plugs into the USB port of your computer. The device has a telephone jack that receives a connection from any regular telephone. Once you plug the device into your computer, the software loads automatically (no CD needed) and sets up the service. Soon you can make calls and receive calls dialed to your new telephone number.

WHAT YOU NEED A high speed Internet connection and a computer.

WHERE TO GET IT Large electronics stores or online at www.magicjack.com

DISADVANTAGES Given the small investment, the risks are minimal. However, some people find the sound quality to be variable while some people find it to be nearly as good as any traditional telephone call. That variation may be caused by the nature of your Internet connection. Another disadvantage is that you cannot make or receive a call unless your computer is on. You can register your address for emergency 911 purposes, but it would not be as safe as traditional emergency phone service. When using the device away from home, 911 service may be very unreliable. Another disadvantage is that your MagicJack telephone number will not have a 207 area code - you will be assigned an area code from another part of the U.S. Therefore, if your neighbor calls your MagicJack number, it will be a toll call to that caller unless the caller has unlimited long-distance telephone service or is using a VOIP service. Of course, MagicJack requires an underlying high-speed Internet connection.

ADVANTAGES Very low cost, free advanced features (including voicemail), and portability. You can take this tiny device anywhere in the world where you have a suitable Internet connection and your regular phone will ring when someone calls your MagicJack number. Calling back to the U.S. and Canada results in no additional charges, even from remote parts of the world. Calls to other countries require advance purchase of minutes (rates are low) but calls to other MagicJack users in other countries are included at no additional charge.

WILL MAGICJACK BE IN BUSINESS FOR A LONG TIME? Unclear. While the business is certainly growing fast, the business model relies on avoiding standard fees that

are normally charged by local phone companies that carry the "last mile" of your call to reach your called party. If the Federal Communications Commission changes the rules governing such "inter-carrier compensation", MagicJack's business plan and its viability could be affected.

BOTTOM LINE A good bet for a second line or a telephone service to use while traveling. However, for most people, it would not be an adequately safe, secure, and reliable means of communication if it were your only telephone service.

GOOD DEAL FROM LOCAL VOIP PROVIDER

207ME.com is a Maine company offering one of the highest quality VOIP telephone services available, at a very reasonable cost. 207ME claims that its telephone service is equal to the digital telephone services offered by the cable companies, and includes the same advanced features, but at a much lower cost. This type of VOIP service is more reliable, and of higher quality than others, because it operates on a private network that is interconnected with traditional telephone networks — not the public Internet. 207ME offers unlimited calling in the US and Canada for \$30/month or unlimited statewide calling for \$20/month (1.9 cents/minute to other states or Canada). We are happy to note that 207ME adds NO surcharges or taxes to those rates. Of course, as with almost all VOIP services, you do need to pay separately for a broadband connection.

New Skype Services Combine Cellular and VOIP

Skype provides free computer to computer voice calls and low cost calls to domestic and international phones. Cellular phone companies provide Internet service (a/k/a data service or mobile broadband) directly to smartphones and laptops. Now, Skype seeks to combine the two services and provide its low cost voice services over those cellular data networks. For example, if you have a compatible wireless handset with Skype software, you can use your mobile phone from a WiFi hotspot to call anywhere in the world. In some cases, you can even use the cellular network to transmit Skype calls from any location. Then, for example, the cost of an international call may be as low as 2 or 3 cents per minute instead of the very expensive rate that your cellular company would charge for such a call. While cellular carriers may not want their customers to substitute expensive cellular network minutes with cheap VOIP minutes, they are beginning to allow Skype over their networks as a way to attract and retain customers.

What Is Google Voice?

IT'S THE LATEST COOL THING IN VOICE SERVICE BUT SOME CITE PRIVACY CONCERNS

Google now provides a sophisticated, feature-rich voice telephone service, and they charge our favorite price — FREE. International calls are not free but the rates are even less than those charged by free/low cost VOIP services like Skype. Google Voice works with any — and all

— telephone connection(s) including your mobile phone, landline phone (home and work), or VOIP phone.

Once you register each phone on the

Google Voice website (google.com/voice), you can have any or all of your phones ring when you get a call, plus you get a sophisticated centralized voice mail system that ties together all of your phone services. Google Voice provides you with one phone number, which becomes the only phone number needed to reach you, regardless of whether you are currently out and about with your mobile phone, at your desk at work, or at home. The phone number is tied to you — not to your device. So, you can give your contacts just one phone number and then you, rather than your callers, control where and on what device you make or receive calls. To make a Google Voice call, you may start the call right from the Google Voice website or you may call into your free voicemail, from any telephone, for a new dial tone to make your call.

You don't need a computer to make or receive calls, and you don't need to upload, download or install anything. You simply sign up for the service on Google's web site. Once you register, you determine which of your devices will ring when your Google telephone number is called. You can even let the

traditional phone company. While the privacy of voice calls on Google may be of concern to some people, there is considerable evidence that our federal government has been intentionally spying on traditional domestic telephone calls without a warrant. As with Gmail (Google's email), Google

GoogleTM

uses smart computer systems to scan message content in order to intelligently target advertising to the user. Call routing, email scan-

free voice mail answer the call while you listen to the caller before deciding to answer the call. Google Voice is not a complete telephone service — it requires one or more underlying telephone services — but it does offer you a new telephone number. It then routes all calls made to that number, to any or all of your phone(s), using Internet technology.

Voicemail left on your Google number may or may not be transcribed depending on the setting you choose. These automatically transcribed messages may be sent to you as email or text. Having a written record of your messages floating around in cyberspace raises privacy concerns but you do not have to allow transcriptions of your messages. Google will also have records of whom you call and who calls you, just like the

ning, and voicemail transcriptions are processed by machines, not people.

PHONE.COM — FOR BUSINESS

CUSTOMERS Check out phone.com — somewhat similar to Google Voice, it provides a new 800 or local phone number that ties together (through VOIP) all of your existing landline and cell phone numbers. It also provides voicemail that may be transcribed and sent as text via email, and its international rates are very low (free to some countries). Phone.com can create a "virtual office" for a small business with two or more employees, at any location, who have different phone numbers — but with no real office. Rates start at \$10/month.

Your Wireless Plan Minutes May Be More Expensive Than You Think

IS IT TIME TO CONSIDER PREPAID WIRELESS?

To compare the real price of a prepaid wireless service with the price of a long-term contract with a monthly allotment of minutes, you should know what you actually pay, on average, for each minute. The only way to know that is to determine how many minutes you actually use in a typical month and divide the total dollars paid that month by that number of minutes. It also helps to know how many minutes of calling are made from home because you may get better quality service at lower cost by making those calls from your landline. Customers who use under 150 minutes each month or whose monthly calling greatly varies from month to month might benefit by switching to a prepaid wireless service with no contractual obligations. Recent reports have indicated that tens of millions of Americans on contract wireless plans use less than 150 minutes per month and therefore, would be better off with prepaid wireless.

While many consumers have begun to use their cell phones to make long-distance calls from home, believing that these cell phone minutes are "free", those calls may actually cost you more than they would under a full-service regular long-distance plan, such as Pioneer Telephone or Touchtone Communications, which charge between 2.7 cents and 3.9 cents per minute. Assuming that you have local telephone service, using land-

line long-distance, when calling from home, may allow you to buy fewer wireless minutes (and avoid overage charges) which are needed only when you are away from home.

To calculate what you actually pay, you need to include all of the surcharges, roaming charges, overage charges, and early termination charges that appear on your wireless bill. Of course, your average per-minute rate goes up when you don't use all of the allotted minutes of your plan in a given month.

Knowing what you really pay for each minute will allow for a direct comparison between a contract plan and a prepaid plan. For example, if you use Tracfone's service and buy 200 minutes for \$40, your approximate cost is 20 cents per minute. If you buy 600 Tracfone minutes good for a full year at \$100 (a frequent promotion), the per-minute rate is less than 17 cents per minute. In contrast, if you sign up for a typical contract plan (obligating yourself for one or two years), which provides 450 minutes/month for \$40, it would seem that you are paying only about 9 cents per minute. However, if you actually used only 200 minutes in a given month, you would really be paying 20 cents per minute. If you used 625 minutes in a given month (175 overage minutes), overage charges then drive up the per-minute rate dramatically – and, once again, your actual rate would be

about 20 cents per-minute. Extra surcharges, roaming charges, and early termination charges would further increase your actual average rate for each minute. One recent study of consumer wireless bills in San Diego, CA, concluded that most wireless contract customers were actually paying over 25 cents per minute and some paid as much as \$3.02 per minute. Obviously, many of those customers would do better with prepaid wireless service.

Wireless Companies Don't Want to End the Confusion

Wireless carriers refuse to tell you your average cost per minute because that number might demonstrate that you are paying far more than you thought. Wireless carriers also include various ancillary charges that only add to the confusion – and add to the real rate. If the Maine Legislature wants to protect consumers, it will soon have the opportunity to consider proposed new legislation that would ban surcharges from wireless bills that are not specifically authorized by state or federal law.

Are Your Long-Distance Calls From Your Cell Phone Really Free?

Many customers are making their long-distance calls with their cell phone in order to use more of their monthly allotment of minutes that

would otherwise be wasted. However, if you have basic local telephone service from the phone company, calling long-distance with your cell phone may not be the best strategy. Since higher quality traditional long-distance service is priced as low as 3 cents per minute, it may make more sense to buy fewer wireless minutes or buy prepaid wireless minutes in combination with landline long-distance for all calls from home. The following comparison illustrates those potential savings for a customer who makes 100 minutes of calls while away from home plus 350 minutes of calls from home.

Wireless Only (contract)
450 minutes/month =
\$40/month
(\$480/year)

VERSUS:

Landline long-distance/month
350 X \$.03 = \$10.75/month

PLUS

Prepaid Wireless/month
100 X \$.17* = \$17.00/month

\$27.75/month
(\$333/year)

Savings = \$12.25/month or \$147/year

*\$.17 rate assumes purchase of 600 minutes, good for 365 days, for \$100

GOODBYE UNICEL

Earlier this year, Verizon Wireless completed its purchase of RCC/Unicel, leaving Maine wireless customers with one less choice. This acquisition required all Unicel customers to change their mobile phone because the transmission mode used by Verizon Wireless (CDMA) is incompatible with the transmission mode that was used by Unicel (GSM). Verizon Wireless has agreed, however, to maintain the GSM network formerly used by Unicel in order to provide GSM roaming coverage to customers of other wireless companies. The Public Advocate negotiated an agreement with Verizon Wireless which provided some benefits and protections for Maine customers involved in this transition. For example, customers who had favorable plans with Unicel will be able to keep those plans with Verizon Wireless and low income customers were able to extend their Unicel Lifeline benefits for additional months.

Verizon Wireless has decided to end its eligibility to receive funding from the federal Universal Service Fund, partly as a result of encouragement to do so from the Federal Communications Commission. This funding provides subsidies to expand wireless service in Maine's rural areas and provides Lifeline discounts to low-income customers. As a result, we may see a slower rate of wireless investment in Maine's rural areas and we will see an end to Lifeline benefits for former Unicel customers. Those customers may continue to receive Lifeline discounts by switching to wireless service from US Cellular or by applying for the Lifeline discount from their local telephone company.

What's the Story with Jitterbug?

Jitterbug is a cell phone company that markets its handsets and rate plans primarily to senior citizens, with ads typically appearing in AARP magazine. Jitterbug attempts to appeal to customers who want a simple, easy-to-use device. Jitterbug is similar to other offers that are a hybrid between traditional contract plans and prepaid offers. Like those other hybrid plans (which are not featured in the Ratewatcher), Jitterbug doesn't hold you to a contract but you do have to pay a set rate every month or else your service will end, along with the unused minutes you've purchased.

The problem with Jitterbug is that it's simply more expensive than other available prepaid arrangements. For example, with Jitterbug's "Simply 19" plan, you get 100 minutes per month for \$20 per month — or 20 cents per minute. Not really a bad rate for prepaid wireless minutes but these minutes will expire unless you pay another \$20 in each subsequent month. So over a year, you've spent \$240 for 1200 minutes (whether or not you've actually used them) plus \$147 for the phone and a \$35 activation fee, for a total of \$422. Compare that with Tracfone which sells a perfectly good handset for just \$10 and sells one-year cards with 400–600 minutes (depending on promotion) for \$100 each. With Tracfone, the total cost would be \$200–\$300 for the same number of minutes over the same period of time. Moreover, with Tracfone and other pure prepaid offers (no monthly purchase required), as shown below, you will never get a bill or risk having your service terminated each month (Tracfone's minutes last at least 90 days and, like Jitterbug, carry over to the next period if you buy new minutes before the old ones expire).

BOTTOM LINE For most customers, there are less expensive options than Jitterbug. If you really like the Jitterbug phone and think it's worth \$147, go for it!



MAY A TELEMARKETER CALL YOU ON YOUR CELL PHONE?

One common myth that seems to reappear as a hoax email every few months is that cell phone directories are about to be released to telemarketers. Since most cell phone customers pay for incoming minutes, unwanted calls would be an expense in addition to a bother. However, the truth is that there is no such thing as a cell phone number directory so no one is capable of releasing cell phone numbers to the public. In addition, federal law prohibits automated telemarketing to cell phone numbers. Finally, if you want to try to ensure that you get no telemarketing calls on your cell phone, the federal do not call list does accept cell phone numbers as well as regular telephone numbers. Numbers may be registered at www.donotcall.gov or by phone — 1-888-382-1222.



Tips for Choosing a Cell Phone Plan

- Narrow down your choices by considering two important questions:
 - Do you use fewer than 150 minutes per month and want to avoid a contract?** Consider prepaid wireless options
 - Are you interested in Internet service on your wireless device?** Check the differences in prices for “data plans” and determine the device that you want. For example, customers who want an iPhone must choose AT&T. Other companies offer different prices for a Blackberry or laptop aircard.
- If you enter into a contract, avoid a two-year contract. If a provider refuses to limit the contract to one year, try looking elsewhere. Two years can be a long time in this rapidly changing market and the longer the contract, the more likely you are to incur an early termination penalty.
- Remember to cancel the plan within the grace period (at least 14 days) if the service is not satisfactory.
- Ask for a sample bill that shows all of the charges and taxes that will appear on your bill. Some carriers invent their own surcharges that add to the advertised rate.
- Negotiate — prices charged by wireless carriers are not regulated, which allows them to negotiate with individual customers. Sometimes, you can negotiate extra benefits such as a waiver of the activation fee, free incoming minutes, unlimited off-peak minutes, or free handset upgrades.
- Carefully estimate the number of minutes you will use; repeatedly using more than the allotted minutes — or using less — means that you are paying more than you should.
- Don't use your provider's 411 information service — use a free one such as
- 800FREE411 (business or residential numbers), 800GOOG411 (business-only) or others listed elsewhere in this guide

>> prepaid wireless plans

	AT&T 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 – \$190	\$20 – \$60	\$10 – \$150	\$10 – \$140
Home Area	Most of US	Most of US	Most of US	Choose Most of Maine or Most of US
Airtime Rate Per Minute (US)	25¢	10¢	10¢ – 34¢	18¢ – 34¢
Roaming Charge Per Minute	0	0	0	CDMA phones will be charged double airtime rate calling from out of state (ME). GSM phones have national plan – no roaming rates.
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
Messaging/Texting on compatible phones	20¢ per message sent/received	5¢ per message sent/received	10¢ to send, 5¢ to receive, except for Sidekick plan	Varies – dependent upon phone (3–5¢/ send, 0–5¢/ receive)
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	10¢ plan allows unlimited mobile to mobile (Cingular to Cingular)	Minutes roll over	Airtime rate depends on number and duration of minutes purchased.	Airtime rate depends on number and duration of minutes purchased.
Watch for and ask about promotions	With unlimited mobile-to-mobile 10¢ plan, a charge of \$1.00 per day applies when there is any incoming or outgoing use	No service to or from locations outside of US, Puerto Rico or US Virgin Islands	\$100 refill gets 15% more minutes and 365 days expiration on further refills.	Double-minute promotions available.
	Minutes roll over	Must register to make international calls (FREE)		No extra charge for calls to over 60 international destinations — call 800-706-3839 to activate.

	AT&T attwireless.com 888-333-7055		T MOBILE tmobile.com 800-866-2453		US CELLULAR uscellular.com 888-944-9400			CONSUMER CELLULAR consumercellular.com 888-345-5509 (reseller)	VERIZON verizon.com 800-256-4646	
	Nation Talk 450	Nation 550 Family Talk	Individual 600	Family Time 700	Wide Area 700	Wide Area Family 1000	National 450	Anywhere 800	Nationwide Single Line	Nationwide Family Share
Monthly Fee	\$40	\$60 (2 lines)	\$40	\$60 (2 lines)	\$40	\$70 (2 lines)	\$40	\$40	\$40	\$70 (2 lines)
Anytime Minutes	450	550	600	700	700	1000	450	800	450	700
Offpeak Minutes	5000	Unlimited	Unlimited		\$6 Unlimited	Unlimited	\$8 Unlimited	None	Unlimited	
Cost per extra min.	45¢		40¢		49¢			25¢	45¢	
Cost of extra line	N/A	\$10	N/A	\$10	N/A	\$10	N/A	\$10	NA	\$10
Roaming Rate	0		0		69¢		0	0	0	
From Canada	79¢		49¢		99¢/min. + \$3/day access fee			Minimum 99¢/min.	69¢	
To Canada	29¢		20¢		19¢			20¢	49¢	
Home Area	US		US		ME, NH (excluding Ports- mouth), VT and parts of 22 other states in south, midwest and west		US	US	US	
Type of Network	GSM/3G		GSM/3G		CDMA/3G			GSM/3G	CDMA/3G	
Text messaging	20¢ per text message sent/received Add ons: \$5/mo 200 text \$15/mo 1500 text \$20/mo unlimited text Unlimited text for Family Plans \$30/mo.		20¢ per text message sent/received Add ons: \$5/mo 400 text \$10/mo 1000 text \$15/mo unlimited text Unlimited text for Family Plans \$20/mo.		Free incoming text messages, 25¢ to send Add ons: \$5/mo 250 text \$10/mo 750 text \$20/mo unlimited text Unlimited text for Family Plans \$30/mo.			10¢ per text message sent/received. Add ons: \$2.50/mo. - 100 text \$5/mo - 200 text \$10/mo 500 text \$20/mo 1000	20¢ per text message sent/received. Add ons: \$5/mo - 250 text \$10/mo 500 messages (w/ Unltd VZ mobile to VZ mobile) \$15/mo 1500 messages (w/ Unltd VZ mobile to VZ mobile) \$20/mo 5000 messages (w/ Unltd VZ mobile to VZ mobile) Push to talk available \$5/mo.	
Notes	Minutes rollover for up to 1 yr. Unlimited mobile-to-mobile minutes between AT&T users. \$1.25 "regulatory fee" applies to all plans. Alternative plan - \$30 "Senior Nation" plan available with 200 minutes. Call forwarding - airtime applies (within service area).		Family Time Plans include 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. Call forwarding - additional per minute charge.		Unlimited mobile-to-mobile between US Cellular customers in area for most Family Plans. Wide Area Family-45 roaming minutes included. National family plans start at \$60. 96¢/monthly "regulatory fee." Alternative plan - \$25 plan available with 125 minutes (local Maine only). Call forwarding - airtime applies (within service area).			Non facilities-based - uses network of other carriers Referral Program - \$10 credit 5% discount for AARP members. Alternative plans: \$10/mo. - 25¢ min. \$20/mo. - 200 min. \$30/mo. - 500 \$50/mo. - 1200 \$60/mo. - 1600 min.	Unlimited "in-calling" among Verizon Wireless customers. 92¢/monthly "regulatory fee." Alternative plans - \$30 Senior citizen "65 Plus" plan available with 200 minutes. \$60 plan offers 900 minutes. Call forwarding - Airtime applies (within service area).	

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

Toll rate Applies only to certain 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.

UNICEL was acquired by Verizon. Verizon Wireless honors the terms of existing UNICEL plans at the option of customer.

Broadband in Maine

MORE AVAILABILITY, FASTER SPEEDS – BUT PROGRESS IS SLOW

Progress in Maine's high-speed Internet availability is happening, in large part as a result of the federal broadband stimulus funds, FairPoint's \$57.5 million commitment to upgrade and expand its DSL services, ConnectME subsidies to rural wireless Internet providers, upgrades in satellite Internet services, and new investments in mobile broadband by cellular carriers. However, there are no plans by any company to provide FIOS¹-type services statewide — the only fiber-to-the-home networks in Maine are provided by Oxford Networks in Lewiston/Auburn and soon by Union River Telephone Company, in its small rural territory east of Bangor. FairPoint is deploying a more advanced broadband network than Verizon did in Maine, but it will not be as capable as FIOS.

DSL FairPoint is making progress in constructing the core broadband network that will improve upon the one left behind by Verizon. We hope to see DSL services being rolled out to many new areas within the coming year. While we are concerned that FairPoint's financial troubles may result in delays, there is also hope that new federal subsidies will speed up FairPoint's construction and the availability of new services. GWI also offers DSL and telephone service in competition with FairPoint.

FIXED WIRELESS BROADBAND

Connect Maine (maine.gov/connect-me) is on its third round of funding and is again making about \$1 million available, mostly to rural wireless Internet service providers, to assist them in providing high-speed Internet service in currently unserved areas.

MOBILE BROADBAND Cellular carriers like Verizon, AT&T, T-Mobile and US Cellular are working to deploy the third generation of wireless technology (3G) that will provide faster mobile broadband speeds to your smart phone or laptop. Depending on the company and the geographic location, many Maine mobile broadband customers may get 3G speeds of about 1.5 Mbs. Currently, mobile broadband speeds are typically from 200 Kbs to 500 Kbs. Most customers throughout the State should see faster speeds — perhaps up to 1.5 Mbs — sometime before the end of 2010. 4G and WiMax technology will further advance wireless broadband speeds but it will probably take another few years for those benefits to reach most of Maine. The biggest advantage of mobile broadband is, of course, mobility.

TETHERING Allows you to connect your smartphone to your laptop so that the laptop receives mobile broadband Internet capability without an extra laptop aircard service. Tethering usually requires special software. Some carriers charge extra to enable tethering because, typically, customers use more bandwidth with a laptop than they would with a smartphone. However, tethering can save you money if you would otherwise subscribe to a smartphone and a laptop aircard plan. Some customers are beginning to use tethering even from home and dropping wireline service as mobile broadband speeds continue to increase toward that of DSL.

CABLE-MODEM Time Warner and Comcast continue to offer some of the fastest broadband speeds, but they

tend to charge rates that are higher than that of DSL. Time Warner now offers "Roadrunner Lite" – 768 Kbs for \$25/month – a good bet for those who mostly surf the web, use email, or other applications where speed is not critical

SATELLITE Satellite Internet services continue to offer service to any location with a view of the southern horizon, but the service remains more costly, and of lower quality, than other high-speed Internet services. Speeds of up to 1.5 Mbs are now available but high rates, long contracts with early termination penalties, and equipment costs are discouraging.

CURIOUS ABOUT YOUR BROADBAND SPEED?

Among the many free ways to test the speed of your Internet connection are speakeasy.net/speedtest and speedtest.net. If your speed is substantially slower than the speed promised by your Internet service provider, bring it to their attention. Keep in mind that cable-modem service may vary with the number of local users online at the same time, while DSL from a telephone company is a dedicated connection which does not share capacity with your neighbors. Typically, cable modem service provides approximately 5–8 Mbs, with options for less expensive and slower speeds (768 Kbs) or more expensive faster speeds (10 Mbs or more). DSL service typically provides 768 Kbs for the lowest price but options typically include more expensive service at speeds of 1.5 Mbs, 3 Mbs, or 7 Mbs. Fixed wireless, mobile broadband, and satellite services offer various speeds depending on the chosen level of service and/or your particular location.

¹ FIOS is the Verizon brand name for services over fiber optic cable to the home.

>> broadband internet service providers

COMPANY	AREA	PRICES
DSL HIGH SPEED INTERNET		
Aroostook Internet 800-752-4330 ainop.com	Throughout much of Maine	\$35/mo. Res. \$50/mo. Bus. Setup fee \$25 Early termination fee
Cornerstone 207-992-4411 ccmaine.net	Western Penobscot & Southern Piscataquis Counties; Calais, Machias	\$30 - \$40/mo. Res. \$40 - \$70 Installation fee (Bus. rates higher)
FairPoint 866-984-2001 Res. 866-984-3001 Bus. fairpoint.com	Available in much of FairPoint territory	Res. Starting at \$18/mo. (Speeds range up to 7mb) Kittery & Elliot exchanges fiber available w/speeds up to 30mg (\$38-\$95 w/ contract) \$20 Activation Fee \$80 Installa- tion Fee
GWI 866-494-2020 gwi.net	Available in 40 exchanges within FairPoint territory (up to 3Mbs)	\$35/mo. Res. \$50/mo. Bus. No setup fee Lower rates w/phone bundles
Midcoast Internet 207-594-8277 midcoast.com	Most major FairPoint territory, Tidewater Telecom area	\$35 & up FairPoint territory \$75 setup fee in FairPoint territory \$50 equipment fee \$40 & up Tidewater tel. area \$75 setup in Tidewater areas \$100 equip- ment fee \$99 cancellation fee within 1st year
Oxford Networks 800-520-9911 oxfordnetworks.com	Various communities throughout state	\$38/mo. Res. \$40 - \$80/mo. Bus. No setup fee
Pioneer Broadband 866-335-1254 pioneerbroadband.net	Caribou, Presque Isle, Houlton, Linneus, New Limerick, more to come!	\$40/mo. No setup fee
USA Telephone 888-872-9400 savewithusa.com	FairPoint exchanges	\$25/mo. Res. & Bus. Must be USA Telephone customer No setup fee
CABLE MODEM HIGH SPEED INTERNET		
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, Bruns- wick & 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, Shap- leigh, Springvale & W. Newfield	Res. \$30/mo. \$50 Installation fee Bus. \$44 - \$200/mo. \$100 Installation fee (Includes modem rental)
Pioneer Broadband 866-335-1254 pioneerbroadband.net	Bridgewater, Monticello, Littleton, Houlton, Hodgedon, Medway, Howland	\$40/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
WIRELESS HIGH SPEED INTERNET		
Aroostook Internet 800-752-4330 ainop.com	Houlton, St. Agatha, Fort Kent, Eagle Lake, Long Lake area/Sinclair, St Agatha, parts of St John, Soldier Pond, Wallagrass	\$40/mo. \$125 Installation fee
Aroostook Technologies, Inc. 207-762-9321 atimaine.net	Aroostook County	\$40 - \$70/mo. Res. \$55 - \$85/mo. Bus. Installation Fee applies
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, Stockton Springs, Waldo & Searsport	\$40 - \$50/mo. Res. \$45 - \$60/mo. Bus. \$100 - 200 Installation fee

>> broadband internet service providers cont'd

COMPANY	AREA	PRICES
Cornerstone 207-992-4411 ccmaine.net	Western Penobscot & Southern Piscataquis Counties	\$40/mo. Res. \$175 Installation 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. \$250 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	Various counties in southern, central, eastern and northern Maine	\$46.45 – \$100/mo. Res. \$250 Installation fee \$100 Equipment \$150 – \$350/mo. Bus. \$330 Installation fee \$150 Equipment
Redzone 207-596-5700 redzonewireless.com	Available in Midcoast Maine (Thomaston/Rockland/Camden area), Mount Desert Island & Cranberry Isles	\$23 – \$30/mo. Res. \$35 – \$40/mo. Bus. \$50 Installation fee \$50 – \$100 Setup fee

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 \$200 installation cost 2 year contract \$400 early termination fee after 30 days
SkyWay USA 866-697-5992 skywayusa.com	Available statewide (Requires clear view of Southern sky)	\$30/mo./(256K) \$50/mo./(512K) \$60/ mo./(768K) \$80/mo./(1.5MB) \$149 equip- ment \$25 Activation Fee \$150 Installation 1 yr. contract Early termination is equal to monthly price remaining in contract
Starband 800-478-2722 starband.com	Available statewide (Requires clear view of Southern sky)	\$70/mo. w/2 yr. contract \$300 equipment cost Request estimate installation fee \$500 termination fee if cancelled w/in 1st yr of contract
WildBlue 866-945-3258 wildblue.com	Available statewide (Requires clear view of Southern sky)	\$80/mo. (1.5 Mbs) \$50/mo. (512 Kbs) \$6/ mo. lease equip. fee w/2 year contract \$150 Activation Fee Early termination \$15 x # mos. remaining in 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	\$40 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	\$50 (promotion)	Starting at \$35 with eligible calling plan \$40 or higher
US Cellular 888-944-9400 uscc.com	\$60	\$.01 (promotion) to \$50 w/2 year contract	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 \$30 with eligible calling plan \$40 or higher

Can't Find the Best Available Rates on Company Websites?

HERE'S WHY

The Public Advocate was astonished to discover that, over a year since FairPoint has had complete control of the Company, its website remains silent with respect to its best DSL rates and its regulated local and long-distance telephone rates. After discussing this issue with FairPoint's management, we learned that they intentionally leave out their best prices because they consider their website to be a form of "advertising." FairPoint claims that they have no obligation to provide the information needed by consumers to make the best choices. They assert that they have no obligation to show the rate for basic local telephone service that was approved at the time of its acquisition of Verizon-Maine. The Public Advocate finds this to be an unreasonable utility practice and we intend to pursue the issue with the Public Utilities Commission unless FairPoint soon follows through on our requests for clearer pricing and service disclosures.

Unfortunately, FairPoint is not alone in this dubious treatment of customers. Many unregulated companies, including Time Warner, also make it difficult to find the best prices available. Many companies, including most of the alternative local telephone companies, have opted to include no pricing information at all on their web sites – they prefer to make customers call them and talk to their sales people. Three Maine companies deserve credit for websites that provide clear pricing information and excellent service to their customers – GWI (phone and DSL), Pioneer Telephone (Long-Distance), and 207ME (VOIP).

STILL STUCK WITH DIAL-UP INTERNET SERVICE? MAKE THE BEST OF IT WITH 207ME.COM
888 229-2411

THE TRUTH ABOUT "FREE" CREDIT REPORTS

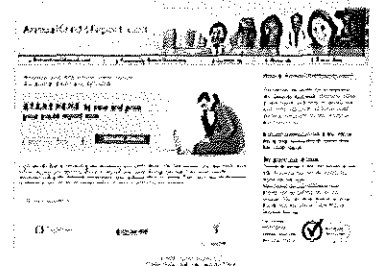
Take the following test: Which of these two websites offers a free credit report?

- A. freecreditreport.com
- B. annualcreditreport.com

Hint: it's not the one that uses the word "free." annualcreditreport.com provides a free credit report from each of the 3 major credit bureaus once every 12 months. One good way to monitor your credit report all year is to request a free credit report from just one of the three credit bureaus (Transunion, Equifax, and Experian) every four months. The website is run by all three credit bureaus and offers truly free credit reports in compliance with the federal Fair and Accurate Credit Transactions Act of 2003. If you do not have Internet access, you may request your free credit report by phone, by calling 1-877-322-8228. Note that credit "scores" are not free – they are available from the credit bureaus at extra charge.

Protect Your Personal Information – But Don't Withhold It from Everyone

It is wise to be very selective about giving out your personal information, such as your social security number, because identity theft is a serious and common problem. However, there are occasions when such disclosures are appropriate. For example, in order to get your free credit report, you will be required to provide your social security number and other information. In addition, some telephone and cell phone providers require a social security number from all new customers. They generally have the right to ask for that information because no law prohibits them from doing so. Sometimes, they will refuse to furnish service to a customer who refuses to provide the information. Generally, it is safe to give private information to reputable companies when you initiate the contact. Always beware of giving information to anyone who calls you, sends you an email, or sends you a letter.



FAIRPOINT SEEKS TO WIN OVER CUSTOMERS WITH HIGH-SPEED INTERNET SERVICE FOR \$9.99/MONTH – IS THERE A CATCH?

\$9.99/month for DSL service at a 3 Mbs speed is indeed a very good deal. However, there are a few "catches" to be aware of. First, the offer requires a one-year contract subject to an early termination penalty. FairPoint's website discloses neither the amount of that penalty nor the price for the following 6 months to which the customer is committed. Currently, the normal rate for 3 Mbs DSL is \$34/month. The normal price for a speed of 768 Kbs is \$18/month. The Public Advocate is currently negotiating with FairPoint about the level of DSL rates that FairPoint agreed to when it acquired Verizon-Maine.

The other "catch" is that the promotional offer requires the customer to choose FairPoint as his/her long-distance provider. This comes at a cost because, as the Raterwatcher has shown for many years, Pioneer Telephone, a Maine-based company, offers high-quality long-distance service for rates that are substantially lower than those of Fairpoint.

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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.