CUB's clever tips for weary consumers

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By Dave Kolata

The so-called new AT&T is up to its old tricks.

Using a familiar argument, the former SBC is pushing state regulators to declare the Chicago local phone market "competitive." It claims there's no need for phone regulations because there's enough competition in town to keep rates down.

That weary chuckle you just heard is from the thousands of frustrated customers who call CUB or flock to our statewide "phone-bill clinics" for tips on how to reduce their bloated bills. CUB's top tip strikes at the heart of AT&T/SBC's argument that Chicago's phone market is competitive.

Tip No. 1: For most customers, no other phone option can compete with SBC's standard regulated rate.

That rate is just 3 cents per call within 15 miles, and charges are capped at $10 a month. Flat-rate packages, which charge a set monthly fee for unlimited calls, may be the right choice for callers who spend hours on the phone each month and need a lot of calling features, but they're way too expensive for typical phone users. Cell phones are a wonderful — but costly — technology, and reliability is a problem. The new Voice Over Internet Protocol technology, which carries calls over the Internet, could be the wave of the future — but the required broadband Internet connection adds considerably to the monthly cost.

Tip No. 2: Shop for a low-cost local toll plan.

Anybody who doubts that AT&T/SBC will raise rates if the Chicago market is declared competitive should just look at what the company did to its "local toll" rate — for calls roughly 15 to 40 miles away. When that service was declared "competitive" a decade ago, the price shot up 250 percent, from 4 cents per minute to 14 cents per minute, creating the bizarre scenario in which a call 20 miles away can cost more than a call to California. It's better to go with a low-cost, per-minute long-distance plan that also covers local toll calls.

Tip No. 3: Bigger is not necessarily better.

While the local phone market is not competitive, the long-distance market has had more than 20 years to develop — since the breakup of the old AT&T. Even with time, the industry still lacks proper oversight and is rife with ripoffs, misleading advertising and confusing deals. However, there are some deals to be found in the jungle. While bigger long-distance companies, such as Sprint and AT&T, offer some of the highest rates in the country, smaller, lesser-known companies offer per-minute rates for local toll and long-distance calls at 5 cents a minute or less. Don't settle for exorbitant rates!

Finally, remember that you may not need long-distance service. Sometimes, consumers who make few or no long-distance calls find their bills weighted down by expensive calling plans when they could just drop the service and use a prepaid calling card to make occasional local toll and long-distance calls. There are plenty of other services consumers may not need.

Tip No. 4: Ask yourself, "Do I need Line-Backer?"

Line-backer is an SBC insurance plan, for about $6 a month, that covers repairs to your home's inside wires. However, most telephone problems are not caused by the inside wiring. Your yearly savings would probably cover any future inside-wire repairs — if you ever needed them done.

Tip No. 5: Call CUB!

If you're really at wit's end over your phone bills, call CUB (1-800-669-5556) and we'll explain the confusing charges and give you money-saving tips. Better yet, bring your bill to one of CUB's "phone-bill clinics." We'll hold one in your area this year.

In the meantime, CUB will urge the Illinois Commerce Commission to protect local phone customers who would be hurt by AT&T/SBC's efforts to abolish reasonable state phone regulations.

Citizens Utility Board Executive Director David Kolata writes a consumer news column the last Wednesday of each month. To reach CUB, call (800) 669-5556 or via e-mail at info@CitizensUtilityBoard.org.

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