

Group warns of high phone rates

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NORMAL -- Calling someone in Switzerland can be cheaper than dialing a number in Lincoln.

"If you have a friend 16 miles away, it's the most expensive call you'll ever make. In fact, it's cheaper to call Europe," said David Kolata, executive director of the Citizens Utility Board, speaking at a seminar in Normal Wednesday on how to trim the fat out of phone bills.

Verizon calls that the "regional toll," and, yes, it can be more expensive than calling someone long distance, said spokeswoman Karen Boswell. Calls to people 15 to 40 miles away are not local, but they're not covered under long-distance plans either.

If someone makes many calls to people who live those distances away, they should call their phone company to set up a plan that can reduce those costs, she said.

Kolata suggests people shop around, looking for the cheapest rates on such calls. Typically, people could buy a phone card and make those calls for around 4 cents per minute, he said, rather than 10 cents per minute and up.

Kolata and other representatives of the CUB have been touring the state this year teaching people how to cut expenses out of their phone bills.

"At CUB, we like to joke, and it's barely a joke, but we had to write a 20-page report to explain a two-page phone bill," Kolata said.

The No. 1 rule when choosing a phone plan, he said, is to beware of flat-rate plans that charge a single rate each month for all calls.

"These plans only benefit high-volume callers. You have to make 300 or so calls a month," he said. "The advertised price is never the price you find on your bill. In fact, you need to add about one-third (of the advertised price) to your bill because telephone companies break out other charges."

Aimee English, a CUB consumer rights counselor from Chicago, added that many flat-rate plans include charges for services people may never use, like three-way calling, call forwarding and voice mail.

"A lot of times I talk to people who pay for these services and don't even know what they are," she said.

Boswell noted that many plans exist and customers can choose a plan that best suits their calling habits.

"Customers can call Verizon and a representative will help them save money," she said. "We're not trying to hoodwink anybody."

Landline telephone users also should drop the "on-site wire maintenance plan." It's like an insurance policy people buy from telephone companies that covers any damages that may occur to the wires inside a person's home. Outside damages are automatically covered.

The problem, Kolata said, is people rarely if ever need it.

Dorothy Hoffman, for example, has been paying the \$4 maintenance charge for about 35 years, she said. She thought she needed it once. After visiting her home, the phone company said she needed a new telephone, so she bought one. It was a waste of money.

"It turned out to be an outside (wiring) problem. I bought a new phone and mine was still good," Hoffman said.

She recently dropped the wire-maintenance coverage.

But keeping the coverage does more than pay for problems, Boswell noted. With the coverage, people can get discounts when installing or moving phone jacks, rather than paying electrician prices for the service.

6 Simple Rules

The following rules serve as guides for choosing a landline telephone plan:

* Beware of flat-rate plans that often charge for services you'll never use. Plus, people typically need to make 300 or more calls a month to take advantage of the flat rate.

* Shop around for cheap local toll plans. Calls to people 15 to 40 miles from your home can be the most expensive you make. Look for a plan that offers discounts for such calls.

* Bigger isn't always better. Look beyond the most recognizable companies to see what small, local, lesser-known providers may offer.

* The best long distance may be no long distance. Prepaid calling cards can be cheaper if you don't make many long distance calls, or if you're calling someone with a cell phone, in which case you wouldn't be charged.

* Do you need inside wire maintenance insurance? Probably not. The average home has a problem with telephone wiring once every 30 to 40 years.

* Avoid dialing 411 and other information hotlines that charge. Instead, call 1-800-FREE-411, 1-800-411-METRO or 1-800-411-SAVE when looking for someone's number. Those lines don't charge.

SOURCE: The Citizens Utility Board

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