



CUBFacts_{Telephone}

Skype's \$3 a month phone service

The offer: Skype's "Unlimited U.S. and Canada" plan includes unlimited calling to landline and mobile phones in the U.S. and Canada for \$2.95 a month. It also includes free Skype-to-Skype calling anywhere in the world, call forwarding, voice mail, video calls, conference calls, and instant messaging. International rates start at 2.1 cents per minute.

What is Skype?

Skype is a Voice over Internet Protocol (VoIP) phone service. Unlike other VoIP services, Skype is generally used to make calls over a home computer using a headset or microphone rather than a traditional telephone. According to the company, "Skype is not a traditional telephone service or a replacement for your primary telephone service." For example, Skype customers cannot make 911 emergency calls. Like other VoIP services, Skype doesn't work when your power or Internet connection goes down.

To sign up:
<http://www.skype.com/>

Requirements

- Must have a high-speed Internet connection.
- Must have a computer headset, ranging from \$5 to \$65, or a microphone and speakers.

Extra costs

- \$20-\$40 a month for broadband Internet.
- To receive calls from landline and mobile phones, you must purchase an online phone number. For monthly plan subscribers, an online number costs \$30 a year. For pay-as-you-go subscribers, an online number costs \$60 a year.
- To make video calls, you must have the latest version of Skype, 256 megabyte RAM, a fast broadband Internet connection and processor, and a webcam.

The Fine Print

- Monthly subscription comes with a "Skype To Go" number, which allows you to dial an access code from your landline or cell phone and make national and international calls at Skype's rates. You may also have to pay your landline or wireless company for the minutes you use.

Other Plans

- Unlimited calling to Mexico City, Guadalajara and Monterrey for \$5.95 per month. Calls to the rest of Mexico are 2 cents a minute for landlines and 20 cents a minute for cell phones. Includes unlimited calls to the U.S. and Canada.
- Unlimited calling to landlines in 36 countries for \$9.95 per month. Includes unlimited calls to the U.S. and Canada
- Pay-as-you-go service costs 2.1 cents a minute for calls to any phone in the U.S. and Canada. There is a 3.9 cent connection fee. Calls to Alaska cost 5.6 cents per minute.
- All Skype-to-Skype calling is free.

Alternatives

- If you don't have broadband Internet, you should consider signing up for one of AT&T's Consumer's Choice plans. These plans, created by CUB under a legal settlement, range from \$3.05 to \$20 per month. For long-distance, Pioneer Telephone's Rate Buster plan offers rates of 2 to 3 cents per minute. Plus, Pioneer offers a \$20 credit to those referred by CUB. That's more than 11 hours of free long distance.

Bottom Line

- With low international rates and free Skype-to-Skype communication, including video calls, Skype can be a great way to keep in contact with family or friends in faraway places. A prudent use of the service would be to use Skype for long-distance and international calls, while maintaining a landline phone for local calls and emergencies.
- CUB's analysis is based on price, not service quality. Customer reviews of Skype range from "bad quality and very bad support" to "faaaantastic!!!!" Please call Jim or Patrick at CUB, 1-800-669-5556, if you have helpful information on Skype.