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How Much Do You Pay for Phone Service?

Unfortunately, you're probably dumping too much money into your phone service. Maybe you have a costly calling plan that includes more minutes and special services than you want or need. Maybe you're paying a ridiculously high long-distance rate instead of using a prepaid calling card. Or, your pricey cell phone plan should be replaced with a prepaid wireless offer.

Then there's voice mail, or the infamous "inside-wire maintenance plan," or any other special service that could burn up hundreds of dollars even if you don't use it. Despite all these downsides, it's likely the phone company pitched its overpriced options as "good deals."

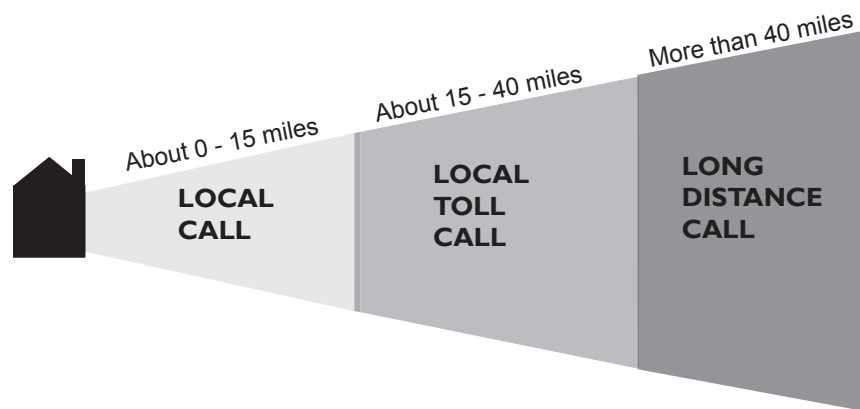
That's the bad news. The good news is: Now more than ever, there are plenty of opportunities to save on your phone service, and CUB will show you what they are.

What's the Name of That Call?

The price of a call is determined by its distance—not the area code you call. Illinois is divided into 17 local phone markets, called "local access and transport areas," or LATAs. Depending on how far your call travels, it is defined and priced in one of three ways: local, local toll (a.k.a. "local long distance") and long distance.

Basically, a call to someone up to 15 miles away is a LOCAL call, even if it crosses into a new area code. A call that travels more than 15 miles but is still in your LATA is a more expensive LOCAL TOLL call, even if it stays in the same area code. A call to someone outside your LATA is LONG DISTANCE.

Keep in mind that a phone company doesn't count a call's exact distance between you and the person you're phoning. It counts the distance between your "central office"—the phone-company facility that processes calls in your neigh-



borhood—and the central office that serves the person or business you’re calling.

Deciphering Your Phone Bills

You can’t cut your phone bills until you read—and understand—them. Your local bill will include the following charges:

Monthly Line Charge

This fixed monthly fee covers the cost of building and maintaining what’s called the “local loop” — the wires and equipment that make up the local telephone network. Sometimes, flat-rate packages will include this charge in their monthly rates (see the offers on p. 7), but don’t assume that!

Subscriber Line Charge (SLC)

This monthly fee (a.k.a. the Federal Access Charge or the Interstate Access Charge) may sound like a tax, but it’s not. The SLC (pronounced “slick”) covers the local phone-company costs that are allocated to long-distance calls. These costs are spread to all customers, even those who don’t make a single long-distance call.

Usage Charges

If you are not on a “bundled” or “fixed-rate” package, you

AT&T Measured Rates

Monthly Charges

Line Charge	\$7.76 per month (Downtown Chicago) \$10.74 per month (Chicago and near suburbs) \$14.21 per month (Rest of Illinois)
Federal Access Charge	\$4.50 per month, per line

Usage Charges

0-15 miles	4.5¢/call (about 3¢/call outside Chicago area)
15-40 miles (local toll)	19¢ per minute

Frontier's Measured Rates

Monthly Charges

Line Charge	\$15.99 to \$16.99 depending on where you live
Interstate Access Charge	\$6.50 per month (\$7 per month for each extra line)

Usage Charges

Distance	Mon - Fri 8 a.m. - 9 p.m.	Mon - Fri 9 p.m. - 8 a.m. weekends, holidays
Home Exchange	Free	Free
Extended Area Service (EAS) (Communities within 15 miles)	1 cent connection fee plus 1.8 cents per minute OR 11 cents per call	0.5 cent connection fee plus 0.9 cents per minute OR 5.5 cents per call

Note: Most consumers are likely to pay more under the 11-cent option, unless they have high dial-up Internet usage and cannot get an Internet Service Provider (ISP) in their home exchange.

Local toll (Beyond EAS communities but still local)	17 cents per minute	12 cents per minute
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Note: Frontier has several local toll calling plans, including one that charges a flat 7 cents per minute.

pay “measured” rates for local phone service, which means you pay a per call or per minute charge for your calls.

If you are on measured rates, your local phone bill usually lists the total number of calls you have made, but it does not itemize each call. You are, however, entitled to a free itemization every six months. The phone company is allowed to charge for any additional requests, unless you need the itemization to dispute a bill. You can subscribe to a monthly itemized bill, but, the phone company charges for this service.

Local Toll/Local Long-distance Calls

There’s a wide range of rates for these local calls that travel more than 15 miles, from less than five cents per minute to 19 cents per minute. Look for a long-distance company that also covers “local toll” calls. CUB recommends low-cost long-distance provider Pioneer Telephone (See p. 20). Don’t ever settle for a rate of more than about five cents per minute. You even can drop your long-distance company altogether and use a prepaid calling card. If you already have a cell phone, use any leftover minutes to make local toll and long-distance calls.

Other Types of Local Calls

The traditional “monopoly” companies, such as AT&T and Frontier, own the lines in the different geographic regions they serve across Illinois. AT&T charges 16 cents a minute for local calls that cross the boundaries of its service territory into another phone company’s region—even if the call is just across the street.

Similarly, most customers who live near the Illinois state line often pay extremely high rates—30 cents per minute, for example—to call into a neighboring state, even if it’s less than a mile away. Use a low-priced prepaid phone card or your cell phone to make these calls.

Assistance for Low-income Phone Users

Most, but not all, phone companies participate in two federal programs that help make local service affordable for low-income customers. Recipients of Medicaid, Food Stamps, Supplemental Security Income (SSI), Federal Public Housing Assistance, or Low-Income Home Energy Assistance (LIHEAP) are all eligible for these programs.

The Lifeline program provides a monthly discount on local phone bills. The Link Up program helps pay the one-time service-installation charge. For information on how to enroll in these programs, call your local phone company (AT&T: 1-888-256-5378, Frontier: 1-800-483-4000). (See p. 18 to find out how this program can be applied to cell phones.)

You can help fund these programs by making tax-deductible contributions on your phone bill to the Universal Telephone Assistance Corporation (UTAC), established by the state Legislature. Call your local phone company about it.

Opportunities to Save for AT&T Customers

For most callers, the best phone deals in Illinois are the Consumer's Choice plans. It's not often that the state's largest telephone company offers calling plans that were designed by the state's largest telecom watchdog group.

The Consumer's Choice plans were created by CUB to protect consumers under a legal settlement with AT&T in 2006, as Illinois' phone

market was deregulated. Later, as phone lobbyists pushed to end the plans, consumer advocates successfully convinced the General Assembly to freeze the prices of the plans at least until June 2013, when legislators will revisit the issue.

**CUB's Consumer's
Choice Calling Center**
1-800-669-5556

Consumer's Choice BASIC	Consumer's Choice EXTRA	Consumer's Choice PLUS
Monthly line charge plus 30 local calls a month	Monthly line charge plus unlimited local calls	Monthly line charge, unlimited local calls and choice of two calling features, like Call Waiting or Caller ID
For consumers who live in: Downtown Chicago: \$3.05 Chicago neighborhoods, near suburbs: \$6.03 Rest of Illinois: \$9.50 <i>Local calls over the 30 allowance are 6 cents per call.</i>	For consumers who live in: Downtown Chicago: \$9 Chicago neighborhoods, near suburbs: \$12 Rest of Illinois: \$15	For consumers who live in: Downtown Chicago: \$16 Chicago neighborhoods, near suburbs: \$19 Rest of Illinois: \$19.70
Sign up for this plan if: *You make fewer than 120 local calls a month AND *You require no (or only minimal) extra features.	Sign up for this plan if: *You make more than 120 calls a month AND do not want any extra calling features.	Sign up for this plan if: *You currently subscribe to an unlimited calling plan that includes extra features. *You make local calls AND you want one or more extra features.
This plan is particularly good for people who don't make a lot of calls and want affordable, no-frills phone service.	If you want the convenience of unlimited local calling without calling features, this plan is your best bet.	Even if you choose to buy one or two more features, this plan still beats all other flat-rate plans.

CUB's Phone Savings Center, at www.CitizensUtility-Board.org, offers an online calculator, called the Local Phone Cost-cutter, to determine the best AT&T plan for you. Users of the tool have cut their bills by \$8.9 million a year—an average of \$195 per year per person. We also have a Consumer Hotline (1-800-669-5556) staffed with experts who can help you determine the best phone plan.

Optional Monthly Services

Phone companies aggressively market optional services, such as voice mail, call waiting, and inside-wire maintenance plans, even though many customers don't need them. You can subscribe to some of these services, such as automatic callback (*69), on a per-use basis instead of paying a monthly fee for unlimited use. Before signing up, make sure you understand what the service does and all the charges associated with it. If you order a new service, your local phone company may charge you a one-time fee.

Optional Service	Charge	CUB Critique
Inside-wire Maintenance (Line-Backer) Covers repairs for phone wires inside your home.	\$5 - \$9	CONSUMER WARNING: Inside-wire problems happen only once every 20-30 years, on average. Drop this service.
Call Waiting Provides an audible signal when you're on the phone and a second person calls.	\$4 - \$8.50	Cell phones make this service less valuable. Friends can call you on your wireless phone if your home phone gives them a busy signal.
Speed Calling 8 You can dial a code, rather than the whole number, to call certain people.	\$3 - \$7	Many phones already have speed-calling features built into them.
Caller ID with Name Displays name of incoming caller.	\$7 - \$10	Reduce telemarketing calls for free by joining the federal "Do Not Call List." (Call 1-888-382-1222 or visit www.DoNotCall.gov .)
Privacy Manager (Call Intercept) Screens calls marked "private," "out-of-area," or "unavailable" on Caller ID.	\$5 - \$8	Again, joining the federal "Do Not Call List" is a free way to reduce telemarketing calls.
Voice Mail Callers can leave a message if you're on another call or not home.	\$8 - \$11	Buy an answering machine or use cell-phone voice mail instead. The phone company charges you for every message left and every call you make to retrieve messages.

Other Charges on Your Local Bill

Switching/Canceling Services

If you add or drop a calling feature, or switch to a new long-distance/local toll service, you may get hit with a one-time fee. See if your new company will give you a credit to offset the charge.

One Bill vs. Two Bills

A long-distance company may slap you with a fee to have its charges included on your local bill.

Operator Service Providers

If you make an operator-assisted call—by dialing 0 first before making a call from a payphone, hospital phone, hotel phone, or even your home phone—you're likely to be billed unbelievably high charges (20-40 cents per minute plus a \$3-\$7 surcharge, for example) from an Operator Service Provider (OSP), a company that places such calls. Keep these calls short. Better yet, avoid the high rates by using a prepaid calling card or cell phone.

900, 976 Numbers

Rates for 900 or 976 numbers are not regulated and they can cost 50 cents per minute to \$99 per call. If the rate is more than \$2 a minute, the prices must be fully disclosed immediately, and you must be given three seconds to hang up without being charged, under Illinois regulations.

If your bill has a 900/976 charge for a call you didn't make, contact your local phone company. Something you may not know is that state regulations require the phone company to issue a one-time-only waiver of a disputed charge, as long as you dispute it within 60 days of receiving the erroneous bill.

Misleading or Fraudulent Practices

Cramming

Just because a charge is included on your local bill does not mean it is legitimate. “Cramming” is when you’re slapped with a fee for a service you never ordered or received. Examples include unfamiliar charges for “voice mail,” or vaguely described services, such as “new calling plan” or “membership fee.” Whether you’ve paid a bogus charge or not, here’s what you do to get it off your bill:

1. Call the cramming company to complain. The number should be listed on your bill.
2. Call your local phone company. Tell it you’re disputing the charge and you’re only paying for your regular calling charges – the undisputed part of your bill. Make sure you agree what that undisputed amount is, and record the time of the call and the full name of the person you talk to.
3. If the cramming company doesn’t lift the charge, file a complaint with the Illinois Attorney General’s office. Keep one copy for yourself and send the other to the cramming company.

Slamming

You’ve been “slammed” if your local or local toll/long-distance service is switched to another phone company without your consent. Under Federal Communications Commission (FCC) rules, if you’ve been slammed and you have NOT paid the slamming company’s bill...

1. You don’t have to pay for service for up to 30 days after

Illinois Attorney General’s Office

Central Illinois
217-782-1090

Consumer Fraud:
1-800-243-0618

Southern Illinois
618-529-6400/6401

Consumer Fraud:
1-800-243-0607

Northern Illinois
312-814-3000

Consumer Fraud:
1-800-386-5438

being slammed—neither your authorized provider or the slamming company.

2. After 30 days, you must pay any charges for service to your authorized company, but at the company's rates, not the slammer's rates.

Consumers who discover they have been slammed after paying the bill should know that there are state and federal rules in place to help them get relief. For more information, call the FCC, the Illinois Attorney General or the Illinois Commerce Commission (ICC). (Numbers are at the end of this guide). You also can ask your local phone company for free "slamming protection," which means it will "freeze" your local toll and long-distance carriers.

Jamming

Jamming occurs when customers attempting to switch phone companies experience an unreasonable delay in transferring the service to another company, sometimes leaving them without any service at all. If you experience this difficulty, call CUB, the Illinois Attorney General, or the ICC.

Local, State and Federal Charges

The taxes and surcharges on your phone bill can add 20 percent or more to the total. Some consumers pay more for taxes and surcharges than for phone calls. While some of the charges listed below are government-mandated, others are not. However, your local phone company is allowed to demand that you pay all of these charges.

911 Charge

Under state law, the cost of maintaining a 911 system is collected by your municipality or county through a monthly charge on phone bills. Chicago's 911 charge is capped at \$2.50 per month for each line. Other cities must approve the surcharge by a referendum and there is no cap on the

amount. Your local phone company collects the money and turns it over to the municipal or county Emergency Telephone System Board, which pays the company in charge of the 911 system. Phone companies keep part of the surcharge to cover administrative costs.

ITAC Charge

This eight-cent fee used to be included in the monthly line charge, but it now is a separate line item. The fee goes to the Illinois Telecommunications Access Corp. (ITAC), which provides equipment and other services to help hearing- or speech-impaired people use the telephone.

The Carrier Cost Recovery Fee

This catch-all charge covers many kinds of operating expenses. This fee is not a tax. It goes directly to the company's bottom line.

State Infrastructure Maintenance Fee

This state tax, which pays Illinois for the use of public rights-of-way needed to install telephone lines, is 0.5 percent of all your local phone charges. Although this is a state tax, it gets funneled to municipal governments.

State Additional Charges or State Tax at 0.10%

This tax, 0.1 percent of all your local phone charges, is collected to fund the operations of the Illinois Commerce Commission (ICC), the agency that regulates phone, gas, and electric companies in the state.

Federal Universal Service Fee (USF)

This monthly surcharge covers contributions phone companies are required to make to a federal fund to keep phone service affordable in rural areas. The fund also supports Internet access for schools, libraries, and rural health-care facilities.

A myth surrounding this fee is that it is “telephone welfare,” but only a small portion of this fund goes to helping low-income people pay for phone service.

The amount of the contribution varies by phone company, since it is based on a percentage of the company’s state-to-state and international revenue. That percentage can change on a quarterly basis, depending on the needs of the universal service program.

Another myth is that the USF is a tax. It’s not. Phone companies aren’t required to pass the fee to customers, but they usually do anyway.

State Universal Service Fee

The Illinois Universal Service Fee goes to a fund to keep phone service affordable in rural areas. Local phone companies contribute a percentage of their in-state revenues to the fund and recoup the money from customers through the fee.

Taxes

The federal, state, and local governments levy taxes on the total amount of monthly local and long-distance phone charges. AT&T, Frontier, and the other phone companies act as bill collectors for the government and forward the taxes to the appropriate bodies. The companies are allowed to charge an additional amount as an administrative fee.

Federal

The federal government finally got rid of this infamous “temporary” tax on long-distance bills—108 years after it was created to fund the Spanish-American War in 1898, when phones were a luxury. Amazingly, the 3 percent tax still lives on local bills, although there are efforts in Congress to change that. Proceeds from the tax go to the U.S. Treasury.

State

A tax of 7 percent on local phone revenue is collected by

all phone companies for the state's General Revenue Fund, Common School Fund, and School Infrastructure Fund.

Municipal

A tax of up to 6 percent (up to 7 percent for Chicago) is funneled to municipal governments.

Other Phone Options

Rapidly advancing wireless and Internet phone technologies give customers more calling choices than ever before. This new "competition" caters to households that make a lot of calls, want a lot of calling features, and enjoy other communication services, such as cable or satellite TV and broadband Internet.

In other words, most of these exciting new options are much too expensive and cumbersome for customers who just want "plain old telephone service." The problem is, phone companies market these plans as if they are the perfect match for every household. That said, it is possible to find smaller-scale plans if you know where to look.

Bundled Packages

Phone companies no longer offer just local or long-distance service. Now you can choose from a number of plans that cover all calls for one fixed monthly fee. These bundled packages include special calling features, such as voice mail, and even Internet access, wireless service, and satellite/cable TV.

Bottom line: Aside from AT&T's "Consumer's Choice" plans detailed on p. 7, a bundled package is probably too expensive—unless you want a lot of calling features and make hundreds of local calls and/or several hours of long-distance calls each month. Cable TV and Internet discounts may also be a draw for such plans. It depends on your home's needs. Just make sure you're not seeing an introductory price that will shoot up after a time.

VoIP

Voice over Internet Protocol, or VoIP, carries calls over a broadband Internet connection. VoIP allows you to use a regular phone to call anyone, even if the person being called doesn't subscribe to broadband Internet. (Note: In the Chicago area, Comcast calls VoIP "Digital Voice" service.)



You might be shocked at VoIP's low prices. A VoIP company called Vonage offers unlimited local and long-distance calling and several features, such as voice mail and caller ID, for about \$25 a month—about half what a comparable non-VoIP plan would cost. One service, MagicJack, offers unlimited nationwide calling for \$20 a year (\$39.95 the first year). Another company, Skype, offers free computer-to-computer calls anywhere in the world.

However, the price advantage is deceiving because VoIP requires a broadband Internet connection, which almost always means you must pay an extra \$20 to \$50 per month for cable-modem service or a Digital Subscriber Line (DSL).

All of the features that cost extra on landlines come standard on most VoIP plans. VoIP also has some nifty features you can't always get on a landline, such as being able to check voice mails online.

However, VoIP doesn't work if the power or the broadband connection goes down. Also, the 911 service may not be what you get with a landline, so read the fine print. More and more VoIP calling plans now offer "enhanced 911" (E911), which is the same as regular 911 for your home—except that you must register your address with the VoIP company so emergency personnel will know where to go in a crisis.

Bottom line: An exciting low-cost option for people who already have or want broadband Internet, but not for people who just want plain old telephone service. Find out exactly what kind of 911 service it offers before signing up.

Cell Phones

Cell phones are a handy tool, but because the industry is so lightly regulated the market is buyer-beware.

An analysis of thousands of people who used CUB's Cell-phone Saver, www.CUBCellphoneSaver.com, an online service that helps consumers cut their wireless bills, found that callers were overpaying by an average of hundreds of dollars a year. Two major reasons: bills were burdened with potentially useless extras as well as hours of calling time that consumers paid for but never used.

Most ordinary plans force you to pay a hefty monthly fee for a block of minutes. So if you don't use all your minutes, you lose money; if you go over your allotted minutes you lose too—by getting slapped with huge “overage” fees of up to 50 cents per minute. (Remember, calls you receive as well as those you make probably will be counted against your minutes.) If you want to get out of your cell-phone contract before it expires, you'll pay an “exit fee” of \$200 or more.

Bottom line: A handy tool with some downsides (high rates, overage fees, exit fee, reliability problems). Use www.CUB-CellphoneSaver.com to analyze your traditional plan, and also consider prepaid plans. Such plans are becoming a better deal to a larger number of consumers.



More on Cell Phones

Consider Prepaid

Prepaid cell phones are an alternative to pricey, 2-year contracts offered by the big wireless carriers. Prepaid plans don't require a contract or a credit check, and don't

slap customers with exit or overage fees. When your calling time runs out, you simply can't make calls without buying more time. There are two types of prepaid plans:

Pay-as-you-go plans allow customers to buy packs of min-

utes online, over the phone, or at select retailers. To access the minutes, the caller typically enters a code into his or her phone, recharging it with a purchased amount of talk time. Typically, the minutes expire as they are used, but with some plans minutes expire after a certain period of time if the customer doesn't buy more. Each plan is different. Once the minutes are used up, the caller simply buys more.

Monthly prepaid plans offer a set number of minutes, texts, and data usage (Internet) each month. Customers pay the provider each month, but aren't locked into a contract, and can exit the plan at any time. Some companies offer monthly plans lower in price than comparable offers from large carriers, and without the 2-year agreement.

Prepaid cell phones used to be geared primarily towards consumers who don't use a lot of minutes (300 minutes or fewer a month), don't want the latest high-tech phones, don't want the hassle of a credit check, or only want a phone for emergencies. But prepaid companies now offer plans and phones competitive with the big wireless carriers, so such plans are becoming better deals for a larger number of consumers.

Prepaid fine print

As with traditional plans, read the fine print with prepaid plans. Rates tend to be higher than regular cell-phone rates (33 cents per minute, for example). In addition, you could pay a daily "access fee" of \$1 on up, whether you use the

The Cell Phone As a Money-saving Friend

If you have a landline and a cell phone, use leftover wireless minutes each month to reduce your landline long-distance bill. In fact, you may be able to drop your landline long-distance service completely. Similarly, if your cell phone comes with free voice mail, don't pay the high monthly fee for the same service on your landline.

phone or not. (Opting for a higher per-minute rate might be a way to avoid such fees.) Your minutes may expire after a certain number of days, and your prepaid carrier may require you to add a certain number of minutes each month.

Besides the standard questions about coverage areas, peak-calling rates, and roaming fees, ask if minutes are eaten up by outgoing calls not answered and special features such as voice mail. Also, check the price tags for text messaging, ring tones, and downloading games.

A free cell phone?

Lifeline, a federal program funded by telecom carriers to give low-income callers access to basic phone service, has been extended to wireless. The service, marketed as SafeLink by TracFone, but also offered by other wireless companies, provides a refurbished cell phone and about 60 free minutes of calling a month. If you need more minutes, you'll pay a high rate. Customers can buy additional 60-minute calling cards for \$20 each, or 33 cents a minute. There's only one phone provided per household, and getting the free wireless service means you don't get a Lifeline discount on the landline phone. To qualify, Illinois residents must participate in one of these assistance programs: federal public housing assistance/Section 8, food stamps, Low Income Home Energy Assistance Program (LIHEAP), Supplemental Security Income, the National School Lunch Program, Temporary Assistance for Needy Families, or Medicaid.

Cell-phone rules to live by...

Try the CUB Cellphone Saver: CUB's online tool, which can be found at www.CUBCellphoneSaver.com, automatically analyzes individual wireless bills from AT&T, Sprint, T-Mobile, and Verizon. The tool recommends the best plans based on the customer's usage, and can spot unnecessary services and billing errors.

Beware kiosks: Avoid "authorized agents" who throw

sales pitches at you as you walk by their booths at shopping malls. They may be poorly trained and on commission, and they could slap you with extra charges. Your best bet is to find good “online-only” wireless deals on the Internet. Companies also offer discounted phones online.

Beware money-munching extras: Extra features—text messaging, voice mail, Internet access—can cost plenty. Ask which features come with a cell phone plan and whether they cost extra. Can you block them for free? Always scan your bill for services, such as ring tones, games, even road-side assistance, you may not need.

Think twice about insurance: Unless you have an expensive feature-laden phone, it may be best to pass on the insurance, which costs about \$4 to \$7 a month. Insurance companies may require a deductible of up to \$100 before replacing a phone, and they may only give you a used or “comparable” phone.

Remember 911: Federal Communications Commission (FCC) regulations mandate that cell phones must be able to call 911—even if you’re not on a plan. Just keep the phone charged.

Test, test, test the phone: Contracts include a trial period, usually 14 to 30 days, when you can test the service and get out without paying an exit fee. Test the phone where you’ll use it. Use an independent website, such as www.DeadCell-zones.com, to check a carrier’s coverage area.

Long-Distance

Choosing the Right Long-distance Plan

Don’t settle for a long-distance rate more than five cents per minute. Often, the true price is not the rate that is advertised because it is inflated by hidden monthly fees. Factor in all the extra costs when determining the actual per-minute rate. Beware, since long-distance companies aren’t regulated the notification requirements for a rate hike are relatively

lax, so watch for any increases on your bill. If you switch to another long-distance company, your local company will charge you a one-time fee to make the switch. (Ask your new provider to pay the charge.)

Dropping Long Distance

Remember, long-distance service is NOT mandatory. If you make very few long-distance calls, the best plan may be no plan at all. Consider dropping your long-distance company and using your cell phone or a prepaid calling card to make local toll and long-distance calls (See next section).

If you drop long-distance service, tell your local phone company so it can complete the change, which it will do for a one-time fee. Also ask your local company for “slamming protection” to make sure that another company doesn’t try to slap you with expensive local toll/long-distance rates. It can do this local toll/long-distance “freeze” for free. Remember, even if you drop your long-distance service, you can still make toll-free (1-800, for example) calls—and you can receive long-distance calls. Once you do make the switch, make sure your old long-distance company doesn’t keep billing you.

Prepaid Calling Cards

Prepaid cards allow you to dial a cer-

Consider Pioneer Telephone for long distance

Pioneer Telephone, a Maine-based long-distance company, offers one of the best local toll and long-distance deals in the nation. Here’s what’s included under the company’s Rate Buster Plan:

- Nationwide calling for 2-6 cents per minute.
- Minimal fees (\$1.99 monthly paper-billing fee waived if you select online billing).
- \$10 “CUB credit” for all Illinois consumers who switch to Pioneer.

Call Pioneer at 1-877-492-6878 to sign up.



tain sequence of extra numbers to gain access to the long-distance network. That means you'll have to dial extra numbers to make such calls, although you might be able to program those numbers into your phone if it has a speed-dial function. You pay for a calling card up front, before using it.

The prepaid cards, which you can buy at Walmart, Sam's Club, Costco and gas stations, sell you a specific amount of long-distance calling time for a specific price—about \$10 on up. Many cards can be recharged for more calling time. A similar service is available over the Internet, allowing you to set up an online account and transfer money into it to buy calling time.

As with traditional long-distance plans, hidden fees can inflate what looks like a low prepaid rate. Prepaid services allow you to call from any phone, anywhere, but you will pay a fee for calls from a payphone, dormitory, hotel, or commercial place. One card, for example, charged 3 cents per minute, but took off 23 minutes every time a call was made from a payphone.

Other cards advertised a low rate if the buyer dialed a certain "local access number" but then charged a higher rate if the user dialed the easier-to-find toll-free number that came with the card. Yet another card slapped customers with a "recharge" fee of up to 15 percent every time they added minutes to it. If your card does this, consider buying a new one, rather than refilling the old one, to avoid the fee.

Read the fine print of a prepaid card offer to determine if it has any restrictions, such as an expiration date or no in-state calls. Make sure the card has clear instructions and displays a toll-free number you can call if there are problems. Give the number a call. A busy signal could point to a bad company, which could go out of business and take your unused minutes with it.

Compensation for Repair Delays	
Delay in Repair	Credit owed customer
24-48 hours	A pro rata portion of one month's service charges.*
48-72 hours	One-third of one month's service charges.*
72-96 hours	Two-thirds of one month's service charges.*
96-120 hours	One month's service charges.*
More than 120 hours	One month's service charges*, plus customer's choice of \$20 per day or alternative telephone service.
Compensation for Installation Delays	
Delay in Installation	Credit owed customer
5-9 business days	50% of installation charge.
10 business days	100% of installation charge.
More than 10 business days	Same as above, plus customer choice of \$20 per day or alternative telephone service.
Compensation for Missed Appointments	
\$50 per missed service appointment.	

*Includes monthly line charge, federal access charge, and any charges for optional services, such as call waiting and call forwarding.

Your Rights as a Phone Customer

Service Standards

Besides saving you money, the Consumer's Choice plans also can protect you from poor service, thanks to provisions that CUB pushed for in the Illinois Telecommunications Act. Under the law, local phone companies must install new service by a Consumer's Choice customer's requested date, as long as that date is at least five days away. If the company misses the deadline, the customer will get all or part of the installation fees waived and, for extended delays, a choice of a \$20 per day credit or alternative phone service.

Phone companies that cause an outage are required to restore service within 24 hours. When outages last more than 24 hours, customers will get credits toward their monthly recurring service charges, depending on how long the outage lasts.

Consumer's Choice customers who suffer outages lasting more than five days will have their entire monthly service charges waived, plus the option of receiving a \$20 per day credit or alternative phone service. The law also mandates that phone company technicians keep all service appointments with Consumer's Choice customers unless they give 24-hour advance notice. A missed appointment without advance notice entitles the customer to a \$50 credit.

How to Resolve Billing Disputes

If you have a billing or service dispute with your local phone company, call it at the phone number listed on your bill. If you are disputing a charge on your bill, explain your complaint and tell the company you will not pay the disputed amount until the issue is resolved. Better yet, also file a complaint with CUB and the Illinois Commerce Commission (ICC) Consumer Services Division, so you have a clear, official record of your dispute with somebody other than the company. Your local phone company can't take action against you or disconnect your service for charges under investigation, but you must pay the remaining portion of the bill and any other bills you receive.

If the company does not resolve the complaint to your satisfaction, CUB's trained consumer counselors can advise you of your rights and give you information on how to file a complaint with the proper agencies.

If you are disputing long-distance charges, contact the company at the number listed on the long-distance portion of your phone bill. Also contact your local

phone company and explain that you are disputing the charge and will withhold it from your payment. Your local phone company is not supposed to disconnect your service for nonpayment of charges owed to other companies, but you must inform the company of which charges you are disputing, and you must continue to pay your local phone charges in full. (Make sure you agree with the representative at the local phone company what amount you should be paying. Record the time of that call and the full name of the person you talk to.)

If you get no satisfaction from your long-distance company, call CUB's Consumer Hotline or file a complaint with the Federal Communications Commission (FCC).