



Citizens Utility Board

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**CUB REPORT FINDS \$331 A YEAR IN POTENTIAL CELL-PHONE SAVINGS,
439 AVERAGE WASTED MINUTES LONGER THAN WATCHING PAINT DRY**

Illinois callers are getting gouged by cell-phone plans packed with unnecessary services and more than seven hours of wasted calling time, but they could cut their wireless costs by an average of \$331 a year—potentially pumping the state’s economy with \$728 million annually, according to a new report by the Citizens Utility Board (CUB).

CUB’s report, "Surviving the Cell-phone Jungle," uses data that until now has been collected by the wireless industry only. It’s a top-to-bottom breakdown of every charge on nearly 7,000 cell-phone bills analyzed by the CUB Cellphone Saver, www.CUBCellphoneSaver.com. Last year, CUB became the first consumer group in the nation to offer this free online tool, which was created by Houston, Texas-based Validas, Inc. (www.myvalidas.com) to analyze actual wireless bills and give detailed tips on how callers can cut their costs.

"Illinois callers are paying dearly for bloated bills burdened with too many services they don't need and too many minutes they'll never use," CUB Executive Director David Kolata said. "A lot of callers may see these bulging bills as a necessary evil, but CUB’s report shows there are ways to pull yourself out of ‘cell hell’ and enjoy significant savings on your wireless bills."

Among the top five carriers—AT&T, Sprint, T-Mobile, U.S. Cellular, and Verizon—the Cellphone Saver found ways to save money in 73.4 percent of the 6,985 bills it analyzed from June of 2008 through this past April. Those savings averaged \$27.61 per month, or \$331.32 a year. Based on those results and national cell-phone penetration data, CUB estimated that wireless customers across Illinois could enjoy annual savings of about \$728 million.

The report found that cell-phone bills were clogged with big blocks of wasted minutes and/or text messages as well as charges for services that are used rarely, if ever. A majority of bills averaged more than seven hours of wasted calling time each month or nearly half the

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minutes callers paid for in a plan. That's longer than the time it takes to watch a wall of fresh paint dry—and it's the equivalent of a phone conversation lasting longer than a flight from Chicago to Iceland. A large number of bills also were plagued by an average of 386 unused text messages—or about 65 percent of all paid-for messages.

Unnecessary services also took their toll on consumers. Of the bills in which the CUB Cellphone Saver recommended savings, more than half had an average of \$10.64 in potentially useless extras, such as roadside assistance and 411 charges. Handset insurance was found on nearly half of all bills analyzed.

The report also reveals how wireless companies nickel and dime their customers, showing that 13.4 percent of total costs—more than government taxes—were made up of miscellaneous carrier surcharges and fees, including some that appeared to have no other purpose than to fatten profits. Among the CUB Cellphone Saver's other findings:

- The average cell-phone bill covered 2.3 lines and cost \$130 a month, or \$1,560 a year.
- Cellphone Saver users made or received a total of 3.3 million calls, each one lasting an average of 3.4 minutes, for a total expenditure of \$552,813.
- A relatively small portion of bills, 9.3 percent, had “overage” penalties—fines for going over a plan's allotted minutes—but those penalties were oppressive, averaging \$40 per bill.
- The Cellphone Saver uncovered \$141,630 in potential savings for consumers, including \$67,373 by switching voice plans; \$54,557 by following “tips” to eliminate unnecessary features; \$16,267 by switching text-messaging plans, and \$3,432 by switching data plans.

CUB recommended that consumers use the Cellphone Saver, to see if they can downgrade to fewer minutes and text messages. The consumer group also advised consumers to avoid insurance, which averaged about \$5.64 per month, because the coverage is often so limited as to be useless. Consumers also shouldn't pay for 411 calls, which averaged about \$1.54 each. There are free directory-assistance services, such as 1-800-FREE 411 and 1-800-INFO FAST.

CUB is Illinois' leading nonprofit utility watchdog organization. Created by the Illinois legislature, CUB opened its doors in 1984 to represent the interests of residential and small-business utility customers. Now celebrating its 25th anniversary, CUB has helped save consumers more than \$10 billion. For more information, call CUB's Consumer Hotline at **1-800-669-5556**, or visit the group's award-winning website, www.CitizensUtilityBoard.org.

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