## Serving Colorado's Utility Consumers

# LONG-DISTANCE RATES: COMPARE AND SAVE 

## here are the best and worst deals

The OCC's latest long-distance rate comparison shows Everdial's "Everdial 1" plan to be the best all-around deal at 4.9 cents per minute for state-to-state calls, 7.9 cents a minute instate, and no monthly fee or minimum. However, if all of your calls are state-to-state, ECG Long Distance, with its 3.5 cent or 3.9 cent plans and no monthly fee or minimum, is the best choice. If you don't mind dialing extra digits and the membership fee is not a problem, Sam's Club's AT\&T prepaid card is a great deal at 3.47 cents a minute, no hidden fees, and no expiration date. Wireless calling plans that offer a bucket of minutes for local or long-distance calling are also a good option, as long as your long-distance calls are within the minutes included in your plan. Other ways to save include electronic billing, payment by credit card, signing up over the internet, and bundling local and long-distance service.

Just as there are ways to save, there are ways to pay too much for long-distance calls. If your long-distance company is AT\&T, MCI, or Sprint, you are generally paying too much because these three companies have added fees and surcharges to their bills that make their calling plans confusing and unattractive. These fees are shown on our rate comparison chart and include a Bill Statement Fee, a Gross Receipts Tax, a Property Tax

Surcharge, and Carrier Cost Recovery charges. Beginning July 1, 2003, AT\&T will be charging 99 cents per month for a "Regulatory Assessment Fee" to help AT\&T recover the costs of state-to-state access charges, property taxes, and regulatory proceedings and compliance. These fees and surcharges add up to higher long-distance bills for consumers.
If your long-distance company is AT\&T, MCI, or Sprint and you subscribe to their "basic rates," you are paying way too much! These basic rates (often called "Basic Dial-1" or "Direct Dialed" plans) are the highest rates offered by the three largest long-distance companies and are often their default rates. For example, if AT\&T has been your long-distance company for many years, or you are a new subscriber but did not request a discount plan, you may be paying these high basic rates. How high are they? AT\& T's state-to-state basic rates are 35 cents per minute daytime, 30 cents evenings, and 19 cents on weekends. MCI's basic rates are about the same. Sprint's basic rate plan offers rates from 25 to 42 cents per minute during the week, and 15 to 22 cents on weekends.
If you are paying basic rates, call your long-distance provider and ask to be switched to a discount or bargain rate plan, or use our rate comparison to switch to another company.

## TOP TEN EXCUSES TO KEEP YOUR CURRENT LONG-DISTANCE SERVICE

1. I like paying for all those entertaining television commercials.
2. I really enjoy the music while on hold waiting for customer service.
3. I am secretly in love with AT\&T.
4. I would need a business degree to figure out how to select a different company.
5. My dog ate my OCC Rate Chart.
6. Monthly fees are way cool.
7. Why pay less?
8. I have stock in the phone company and I want to lose even more money.
9. Inertia, laziness, and procrastination.
10. Because my provider is linked to my Frequent Flyer account, every time I make an 11c a minute long-distance call, I'm that much closer to Hawaii!

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Office of Consumer Counsel
Residential Long-Distance Rate Comparison
June 2003

| CARRIER, PHONE NUMBER, AND WEB SITE | ANYTIME RATE PLANS PER MINUTE RATES Fees and Billing Increments |  | CALLING CARDS <br> PER MINUTE RATES <br> Fees and Billing Increments ${ }^{*}$ | OTHER MONTHLY FEES AND SURCHARGES |
| :---: | :---: | :---: | :---: | :---: |
| Americom (800) 820-6296 www.americom.com | Simplicity Dial 1 <br> State-to-State <br> In-State <br> No Monthly Fee or Minimum | $\begin{aligned} & 4.5 ¢ \\ & 11.9 ¢ \\ & 18: 06 \end{aligned}$ | $\begin{aligned} & 12.9 \mathrm{C} \\ & 18: 06 \end{aligned}$ |  |
| AT\&T <br> (800) 222-0300 <br> www.att.com | One Rate 10 c Plan <br> State-to-State <br> In-State <br> No Monthly Fee $\$ 5.00$ Monthly Minimum | $\begin{aligned} & 10.0 \mathrm{c} \\ & 14.0 \mathrm{C} \\ & 18: 06 \end{aligned}$ | One Rate Calling Card Plan $25.0 ¢$ <br> \$1 Monthly Fee 60:60 | $\$ 1.25 \mathrm{In}$-State Connection Fee, \$1.50 Bill Statement Fee, $\$ 0.99$ Regulatory Assessment Fee (As of 7/1/03). |
| C-COM <br> (800) 301-0788 www.c-comid. com | State-to-State <br> In-State <br> No Monthly Fee or Minimum | $\begin{aligned} & 5.56 \\ & 7.96 \\ & 18: 06 \end{aligned}$ | $\begin{aligned} & 10.0 \varnothing \\ & 60: 60 \end{aligned}$ | \$1.50 Paper Bill Fee. |
| ECG LONG DISTANCE <br> (800) 254-4060 www.ecglongdistance.com | 3.5 c Plan <br> State-to-State <br> In-State <br> No Monthly Fee or Minimum <br> 3.9 c Plan <br> State-to-State <br> In-State <br> No Monthly Fee or Minimum | 3.56 <br> 13.30 <br> 06:06 <br> 3.9 ¢ <br> 13.3 c <br> 60:60 | $\begin{aligned} & 12.9 \text { ¢ } \\ & 99 \text { c Set Up Fee } \\ & 30: 06 \end{aligned}$ |  |
| Everdial (800) 263-6690 www.everdial.com | Everdial 1 <br> State-to-State <br> In-State <br> No Monthly Fee or Minimum | $\begin{aligned} & 4.96 \\ & 7.96 \\ & 06: 06 \end{aligned}$ | $\begin{aligned} & 9.9 ¢ \\ & 50.0 ¢ \text { Connection Fee } \\ & 06: 06 \end{aligned}$ |  |
| GTC Telecom <br> (800) 486-4030 www.gtctelecom.com | $5.0 ¢$ Plan <br> State-to-State <br> In-State <br> No Monthly Fee or Minimum | $\begin{aligned} & 5.0 ¢ \\ & 12.0 ¢ \\ & 60: 60 \end{aligned}$ | Not Yet Available. | \$1.95 Paper Bill Fee. |
| MCl <br> (800) 444-3333 <br> www.mci.com | MCI Nationwide Instate <br> State-to-State <br> In-State <br> \$5.95 Monthly Fee <br> $\$ 5.00$ Monthly Minimum | $\begin{aligned} & 5.0 ¢ \\ & 5.0 ¢ \\ & 60: 60 \end{aligned}$ | $\begin{aligned} & 20.0 \varnothing \\ & 60: 60 \end{aligned}$ | 1.4\% Carrier Cost Recovery Charge, 1.4\% Property Tax Surcharge, $\$ 2.50$ Local Telephone Billing Option Fee. |
| Pioneer Telephone (800) 536-0467 www.pioneertelephone.com | Home USA 3.5 C Plan <br> State-to-State In-State <br> 99 c Low Usage Fee or $\$ 15.00$ Monthly Minimum | $\begin{aligned} & 3.5 ¢ \\ & 12.0 ¢ \\ & 60: 60 \end{aligned}$ | $\begin{aligned} & 11.9 ¢ \\ & 60: 60 \end{aligned}$ |  |


| CARRIER, PHONE NUMBER, AND WEB SITE | ANYTIME RATE PLANS PER MINUTE RATES <br> Fees and Billing Increments |  | CALLING CARDS PER MINUTE RATES Fees and Billing Increments* | OTHER MONTHLY FEES AND SURCHARGES |
| :---: | :---: | :---: | :---: | :---: |
| PowerNet Global (800) 860-9495 www.pngcom.com | 5.4 c Plan <br> State-to-State <br> In-State <br> No Monthly Fee or Minimum <br> 4.9 ¢ Plan <br> State-to-State <br> In-State <br> $\$ 2.50$ Monthly Fee or <br> $\$ 15.00$ Monthly Minimum | 5.4 ¢ <br> 12.9 ¢ <br> 18:06 <br> 4.9 © <br> 9.9 C <br> 18:06 | $\begin{aligned} & 9.9 ¢ \\ & 18: 06 \end{aligned}$ |  |
| Qwest Long Distance (800) 244-1111 <br> www.qwest.com <br> *State-to-state and in-state service is only available to Qwest local service customers. | 10 Cent Single Rate Plan State-to-State In-State <br> No Monthly Fee or Minimum <br> 5 Cent Saver Plan <br> State-to-State <br> In-State <br> No Monthly Fee $\$ 10.00$ Monthly Minimum | $10.0 ¢$ <br> 10.0 ¢ <br> 60:60 <br> 5.0 c <br> 10.0 C <br> 60:60 | Not Yet Available. |  |
| Sprint <br> (800) PIN-DROP <br> (800) 746-3767 <br> www.sprint.com | 74 AnyTime <br> State-to-State <br> In-State <br> \$5.95 Monthly Fee <br> No Monthly Minimum | $\begin{aligned} & 7.0 ¢ \\ & 12.0 ¢ \\ & 60: 60 \end{aligned}$ | Sprint Foncard Option 6 59 c <br> 99 ¢ Connection Fee 60:60 <br> Sprint Foncard Upgrade $25 ¢$ <br> \$1.00 Monthly Fee 60:60 | \$1.29 Colorado Cost Recovery Charge $\$ 1.50$ Single Bill Fee, 1.41\% Carrier Property Tax Fee, 0.47\% Gross Receipts Tax Surcharge. |
| Telecom Affiliates (800) 754-1001 <br> www.ltecommunications.com | State-to-State <br> In-State <br> No Monthly Fee or Minimum | $\begin{aligned} & 7.96 \\ & 7.96 \\ & 30: 06 \end{aligned}$ | $\begin{aligned} & 15.0 \downarrow \\ & 30: 06 \end{aligned}$ |  |
| Total Call International (888) 291-8535 www.totalcallservice.com | Nations Favorite <br> State-to-State <br> In-State <br> No Monthly Fee or Minimum | $\begin{aligned} & 4.4 ¢ \\ & 9.9 ¢ \\ & 06: 06 \end{aligned}$ | $\begin{aligned} & 9.9 \text { ¢ } \\ & 06: 06 \end{aligned}$ |  |
| TouchTone Communications (800) 266-4006 <br> www.touchtone.net | 4.9 Cent Plan <br> State-to-State <br> In-State <br> No Monthly Fee or Minimum | $\begin{aligned} & 4.9 ¢ \\ & 12.9 ¢ \\ & 18: 06 \end{aligned}$ | $\begin{aligned} & 8.54 屯 \\ & 18: 06 \end{aligned}$ |  |
| ZoneLD <br> (866) 966-3835 www.zoneld.com | Rate Smasher <br> State-to-State <br> In-State <br> No Monthly Fee or Minimum | 4.5 ¢ <br> 11.1 c <br> 06:06 | $\begin{aligned} & 12.0 ¢ \\ & 60: 06 \end{aligned}$ | \$1.00 Monthly Charge (Carrier Interstate Network or CINA). |

*The Billing Increment is the time customers are billed for fractions of a minute during a call. See Helpful Hints for additional information.
Rates and calling plans are subject to change. Contact companies for current rates and additional calling plans. Please note: Some companies have additional plans with cheaper rates if you sign up for service through the internet, pay your monthly bills by credit card, or both.

## SHOPPING TIPS

Our long-distance rate comparison includes the 15 companies that our research shows as having the best state-to-state and in-state rates. As you use our chart, we suggest you narrow your search to a few companies and then call them to verify the rates before you sign up. Rates and calling plans change often.
In choosing a long-distance company, it is important to match your calling patterns to the calling plans offered. Note where you make your calls (state-to-state, in-state), the amount you call, and the length of your calls.
We did some of this work for you and came up with recommendations based on low, average, and high call volumes and where calls are made. Here are the best rate plans for:

Low Volume Users:
Average Volume Users:
High Volume Users:
State-to-State Calls Only:
In-state Only:

Everdial, C-COM, Total Call International
Everdial, C-COM, Total Call International Everdial, C-COM, MCI
ECG, Pioneer Telephone, Total Call International
Everdial, Telecom Affiliates, C-COM

## Analysis Notes:

- This analysis assumes monthly long-distance minutes are evenly split: $50 \%$ state-to-state and $50 \%$ for in-state long-distance minutes per month.
- Low Volume - 30 long-distance minutes per month.
- Average Volume - 120 long-distance minutes per month.
- High Volume - 300 long-distance minutes per month.
- Long-distance rates may be higher if you live in an Independent Telephone Company area.


## General Formula

Visit our web site or call us to get the formula to determine the monthly cost of a long-distance plan based on your specific calling habits.

## Colorado No-Call List Adds Wireless Numbers; National No-Call List Coming

Beginning June 1, 2003, Colorado's No-Call List began taking wireless subscriber phone numbers in addition to home phone and fax numbers. You can add your wireless phone number to the No-Call List on-line at www.coloradonocall.com or by calling toll-free to 1-888-249-9097. Unsolicited text messages as well as telemarketing calls to wireless numbers on the No-Call List are prohibited.
The Colorado No-Call List has been very effective in stopping most unwanted telemarketing calls. Political calls and charitable solicitations are still permitted. Beginning July 1, the Federal Trade Commission will begin implementing a national No-Call List. If your phone numbers are on the Colorado No-Call List, you will not have to register on the national list. The Colorado No-Call List will automatically be added to the national list quarterly.

## OTHER WAYS TO SAVE

To Bundle Or Not To Bundle

Some companies now provide both local and long-distance phone service. In some cases, lower rates are available if you choose the same phone company for local and long-distance. For instance, C-Com offers long-distance rates of 4 cents per minute for state-to-state calls and 5.5 cents for calls within Colorado to its local service customers, with no monthly minimum or fee. Qwest has a "7 Cent Preferred Plan" which is available to its customers that have a local service package such as CustomChoice ( 7 cents per minute state-to-state and 10 cents per minute in-state), again with no monthly minimum or fee. MCI has "The Neighborhood" plan, which includes local phone service and unlimited long-distance calls. Similar discounts are available through AT\&T, Comcast, Sprint, and other local telephone service providers.

## Unlimited Long-Distance Calling Plans

Many carriers such as AT\&T, MCI, Sprint, and Qwest are now offering unlimited calling plans. AT\&T's Unlimited Plan is $\$ 19.95$ per month but only for calls to other AT\&T subscribers. Calls to non-AT\&T customers are 7 cents per minute. MCI's "The Neighborhood" plan offers unlimited long-distance with local phone service (where available) for $\$ 49.99$ and includes some features like call waiting, caller ID, and three-way calling. Sprint's "Complete Sense Unlimited" offers local service with unlimited long-distance for $\$ 64.99$. Qwest provides an unlimited long-distance calling plan to its local service customers for $\$ 34.95$. One thing to keep in mind with these "unlimited" plans is that they often have a limit and a surcharge for exceeding 5,000 minutes.

## Avoiding Maintenance Charges

When telephone customers have problems with their phone, they often assume the problem is in Qwest's network facilities-- and most of the time it is. However, sometimes

## (Ways to Save from page 7)

the source of the problem is within the customer's residence. Anytime Qwest makes a premise visit and determines the source of the trouble to be within the customer's residence (inside wiring), Qwest charges an $\$ 85$ trip charge. When you call Qwest, they must let you know this charge might apply. Before calling, refer to the "Repair Service" section of your white pages directory for information on how you can determine if the problem is your inside wiring.

## Leasing Telephone Equipment Is Expensive

Leasing telephone equipment for your home telephone service is mostly a thing of the past. Prior to the breakup of the Bell Telephone System, most consumers leased or rented telephones from the phone company. Some consumers continue to lease their telephone (usually without knowing it) for as much as $\$ 4.45$ per month, even though a new basic touchtone telephone can be purchased for as little as $\$ 10$. If you have a charge on your telephone bill for "leased equipment," or if you receive a separate bill for leased equipment, you too
may be leasing your telephone. The OCC encourages consumers to check their telephone bill closely to make sure they are not leasing their telephone. Anyone currently leasing phone equipment should consider discontinuing the lease (by contacting the phone company and returning the leased phone). Over a five-year period, leasing a phone for $\$ 4.45$ per month would cost $\$ 267$ !

## PIC Change Charges Apply

PIC is an acronym for Primary (or Presubscribed) Interexchange Carrier. In English, this is your designated long-distance or local service carrier. The PIC change charge is a charge for changing your designated long-distance carrier. For Qwest customers, for example, the PIC change charge per line is $\$ 3$ for an in-state or local toll PIC change and $\$ 5$ for an interstate or state-to-state PIC change. If a customer changes both at the same time, only the $\$ 5 \mathrm{PIC}$ change charge will apply. As an incentive, the long-distance company you switch to will often pay this for you (be sure to ask!).


## Helpful Hints

Long-distance rates and calling plans are confusing with a dizzying array of choices. In addition to the rates, there are monthly fees or minimums and a variety of fees and surcharges of varying amounts that add to your monthly long-distance bill. The Office of Consumer Counsel's rate comparison chart, together with these helpful hints, should make it easier for you to choose the carrier, calling plan, and rates that best meet your needs. We hope this information will help you save money on your long-distance bill.

## How do I decide which long-distance company's calling plan is right for me?

First, look at your calling pattern: how much you call (number of minutes) and where you call (Colorado or elsewhere). Second, many plans have monthly fees, monthly minimums, or other charges. If you pick one of these plans, be sure to do the math to figure out if the perminute rate together with these fees is still a better deal than plans with no fees or minimums. If you are unsure how much you call in a month, the average for residential customers is 120 minutes per month. Third, check to see where you make most of your long-distance calls. If you make most of them from Colorado to other states, find the best state-to-state rates. If you make most of your calls within Colorado, check the in-state rates on our chart. Remember, you can choose a different company for state-to-state and for in-state calls. Finally, the rates quoted in our rate comparison chart are subject to change. We suggest you choose the two or three plans that best fit your calling pattern, call their toll-free numbers or go to their web sites, and verify their most current rates before you sign up.

## Will I get cheaper rates if I choose the same company for all my long-distance calls?

Sometimes, but not always. It really depends on your calling pattern and whether you make more in-state or state-to-state long-distance calls. Some companies will lower their monthly fees if you choose them for all of your long-distance calling.

## Are all companies and calling plans included in the rate comparison chart?

No. There are hundreds of companies offering long-distance service. Most have multiple calling plans. We have selected 15 companies and featured several of their calling plans that offer competitive state-to-state and in-state rates. IMPORTANT: Some companies have additional calling plans with cheaper rates if you sign up for their service through the Internet, pay your monthly bills online or by credit card, or both. Also, the major long-distance companies have "basic rates"--avoid them! Basic rates are their highest rates.
(continues on page 5)

## Where else can I find comparisons of interstate or state-to-state long-distance rates?

The web site with the most comprehensive list of companies and plans is www.abtolls.com which has merged with www.tollchaser.com. AB Tolls depends on the long-distance companies to update their rates on its web site. Sometimes the rates are not current. Be sure to call the long-distance company and verify its current rates before you sign up. Another option is the Telecommunications Research and Action Center (TRAC), which has a WebPricer on its web site at www.trac.org. The WebPricer is an interactive program that helps consumers choose the least expensive long-distance plan tailored to their calling pattern. For a fee, you can sign up to be a TRAC member and receive the Tele-Tips chart for residential and business long-distance rates. You can also purchase individual copies of the Tele-Tips rate comparison charts. Write to TRAC-P.O. Box 27279, Washington, D.C. 20005 , or call $1-800-344-\mathrm{TRAC}$. Other sites to check out are: www.callsense.com (10-10- dial around numbers and everything you ever wanted to know about prepaid calling cards); www.ratekeeper.com (for international calls and 10-10-dial around choices); and www.saveonphones.com. Another site with good information about surcharges and misleading claims is the Federal Communications Commission (FCC) at www.fcc.gov/marketsense/.

## What do I need to know about calling card rates?

Most companies will give you long-distance calling cards to use when you travel. Calling card rates are usually much higher than the rates you pay for the calling plan you select. When you select a long-distance company and a calling plan, be sure to carefully check their calling card rates, particularly if you travel frequently and will use the calling card. Calling cards are still cheaper than paying hotel rates, calling collect, or billing to your home number (third-party billed), but not as cheap as using a prepaid card from Sam's Club or Costco.

## Can I avoid paying the Federal Universal Service Fund or FUSF charge?

Yes, but only if you use a prepaid long-distance calling card that does not assess the charge, such as the Sam's Club or Costco prepaid cards. The FCC has finally capped how much long-distance and wireless companies can charge for the federal USF. As of April 1, 2003, the FCC prohibits companies from charging more than the contribution rate set by the FCC. Currently, the federal USF charge is $9.1 \%$ of interstate charges on your phone bill. This charge is expected to increase to $9.5 \%$ in the 3 rd quarter of 2003 . A few companies charge less than this FCC-established rate.

## How much does it cost to switch long-distance carriers?

When you make a change to another long-distance carrier, a service order charge will usually apply. This charge is typically $\$ 5$, but many companies will pay this charge to encourage you to switch to them.

## Once I subscribe to a particular long-distance company's plan, can the company change the rates in the plan?

Yes, and often without giving you advance notice. Read your bill carefully each month and calculate the per-minute rate to make sure your calling plan has not been changed. If it is changed without advance notice to you, and you paid more than the plan you subscribed to, call your carrier and ask to have the calls re-rated to your original plan. Then, ask what other plans the company has that would be cheaper for you. Of course, you can always switch to another company.

## Are there additional fees that I should consider when deciding which plan to choose?

AT\&T charges Colorado consumers an "In-State Connection Fee" of $\$ 1.25$ per month. Sprint charges $\$ 1.29$ for its "Colorado Cost Recovery" fee. MCI's "Carrier Cost Recovery Charge" is a variable charge of $1.4 \%$ on all longdistance calls. Additionally, AT\&T charges a "Bill Statement Fee" of approximately $\$ 1.50$ per month in order to have your long-distance charges appear on your local service bill. C-COM and GTC have Paper Bill Fees of $\$ 1.50$ and $\$ 1.95$, respectively. MCI and Sprint add a Property Tax Surcharge of $1.4 \%$ and $1.41 \%$, respectively. As of July 1, 2003, AT\&T will add a 99 cent monthly Regulatory Assessment Fee. These charges should be factored into the overall cost of long-distance service provided by these companies.

## Are there benefits to using my wireless phone to make long-distance calls?

Some wireless or cell phone plans offer free long-distance minutes (e.g., on weekends) or the total minutes in the plan are for local or long-distance calls. If you have a wireless plan and are not using all of the minutes or have free long-distance minutes, you may be better off using your wireless phone to make long-distance calls. Check the details of your wireless plan for more information. Remember that roaming charges might apply if you are placing the call from outside of your plan's calling area.

## What is a billing increment?

As seen in the rate comparison chart, the billing increment is the time customers are billed for fractions of a minute during a call. For example, a billing increment of 18:06 indicates that the customer is charged a minimum of 18 seconds and in 6 -second increments thereafter. A smaller billing increment is always better.

## UNDERSTANDING YOUR TELEPHONE BILL WHY IS MY PHONE BILL SO HARDTO FIGURE OUT?

> Telephone bills have become harder to understand in part because phone companies offer so many different services and bill for other companies' services, like long-distance. Also, new federal and state charges appear on your bill that used to just be included in your basic telephone rate. And, some of these new charges are the result of bringing competition into the local telephone service market.

There is no doubt that phone bills are more confusing than ever. This is why you should read your phone bill carefully each month, to make sure you are paying the right amount for the services you ordered.

Telephone charges fall into the following categories on your local phone bill:

- Basic Services: Local phone service provided by Qwest and other local phone companies.
- Optional Services: Features like call waiting and Caller ID.
- Unregulated Services: Service not regulated by the PUC such as voice messaging.
- Long-Distance: In-state and state-to-state long-distance service from companies like Qwest, AT\&T, MCI, Sprint, etc.
- Other state and federal charges (Monthly Service) and taxes (Tax Summary).


## WHAT ARE ALL THESE STATE AND FEDERAL CHARGES ON MY PHONE BILL?

Here are some of the state and federal charges on your phone bill, what each charge is for, how much the charge is, and who gets the money...

Federal Access Charge. The Federal Communications Commission (FCC) ordered this charge to help pay the local telephone company's costs of operating and maintaining the local telephone network. Qwest gets this money. The Federal Access Charge is $\$ 6$ per month for your first phone line, and $\$ 7$ for each additional line. The charge for your first line will increase to $\$ 6.50$ on July 1, 2003.
Colorado Universal Service Charge. This charge was ordered by the Colorado Public Utilities Commission and authorized in Colorado law to ensure that phone service would remain affordable in all areas of the state for all consumers. Qwest receives most of this money because it has the majority of the high cost customers. As of January 1, 2003 , the charge is $2 \%$ of all in-state charges on your bill. However, Qwest customers receive a credit ("Colorado Universal Service Surcharge Credit") for the basic local service portion of this charge. The credit is due to a Com-mission-approved settlement agreement among Qwest, the Office of Consumer Counsel, and the PUC staff. This credit will last until 2004.


Colorado Telecommunications Relay Service Fund. This fund was created by state law to pay for a relay service that allows hearing-impaired consumers to communicate with those who can hear, and vice versa. Currently, the charge is 10 cents per line per month.

9-1-1 Surcharge. Colorado law authorizes counties and other 9-1-1 authorities to charge up to 70 cents per line per month to pay for the equipment and costs of 9-1-1 service and to develop and provide the same 9-1-1 service for cell phone users. The individual counties and 9-1-1 authorities set this charge and receive the money, some of which goes to Qwest, Colorado's basic emergency service provider.
Municipal Charge. Local phone companies collect this charge required by and paid to your local municipality. The purpose for the charge varies.
Federal Universal Service Fund. This charge is also called "Universal Connectivity Charge" by AT\&T, "Carrier Universal Service Charge" by Sprint, and "FUSF" by most other carriers. Long-distance and wireless companies pay into this fund and pass the costs on to their customers. The FCC created this fund as a result of the 1996 federal Telecommunications Act that opened the local telephone service market to competition. The fund pays for making local phone service affordable for certain low-income con-
(continues on page 1)

## (Your Bill from page 4)

sumers and consumers living in high-cost areas. It also provides support for schools and libraries, and rural health care providers. The FCC, as of April 1, 2003, prohibits companies from charging more than the contribution rate set by the FCC. Currently, the Federal USF charge is $9.1 \%$ of interstate charges on your phone bill. This charge is expected to increase to $9.5 \%$ in the 3rd quarter of 2003.

Distance Charge or Zone Charge. Some consumers pay this charge, approved by the PUC, that allows certain local telephone companies to recover the additional cost of providing service to customers that live outside of the base rate area that surrounds the company's central office or switch location. Customers within the base rate area do not pay a distance charge. Customers outside the base rate area pay a monthly distance charge of $\$ 5, \$ 12$, or $\$ 20$ per residential line, depending on their distance from the central office.

## Federal Charge-Service Provider Number Portability.

Number portability allows consumers to keep their phone number when switching to another local telephone company. The FCC sets this charge. However, Qwest customers will not have to pay most or any of this charge for the duration of the settlement agreement between Qwest, the OCC, and PUC staff mentioned previously.

# About the Office of Consumer Counsel 

The Colorado Office of Consumer Counsel (OCC) is the state agency that represents and advocates for residential, small business and agricultural consumers in electric, gas and telephone rate and policy cases before the Colorado Public Utilities Commission (PUC), federal agencies and the courts. The OCC promotes affordable, reasonably priced, high quality, reliable utility service for Colorado's consumers.

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