

Note: This information was prepared by the Federal Trade Commission in cooperation with numerous regulatory agencies, consumer groups, and providers of telecommunication services.

Shopping In The New Telecommunications Marketplace

For years, you have been able to choose your long distance company. Depending on where you live, you have also been able to choose your regional (local toll) telephone service provider. Soon you may be able to select your local telephone company as well. That's because the Telecommunications Act of 1996 opens up the telephone industry to wider competition.

What does this mean for you? Choices and, in some cases, lower prices. In the near future, you may get offers to purchase local, regional, and long distance services from a variety of companies. What's more, for the first time in a long time, you may be able to purchase your local, regional, and long distance phone service from the same company. Greater competition and choice will lead to an array of services, from both well-recognized companies and start-up businesses. Cable television companies, utility companies, and Internet service providers (ISPs) may compete with telephone companies to provide you with telephone and other communications services.

This brochure is designed to help you evaluate your use of telephone services, sort through the offers you're likely to receive, and make some sensible decisions.

Basic Services Although you're probably quite familiar with your local and long distance telephone services, you may not be aware that your phone bill may list charges for three different types of telephone service: local, regional, and long distance.

- *Local service* covers calls within your local calling area—that part of your regional calling area closest to home. Local calls generally are not itemized.
- *Regional toll service* (also called "local toll," "local long distance," and "short haul long distance" service), covers calls to places outside your local calling area, but generally not as far away as those covered by a long distance toll service. (Check your White Pages directory for a map of your regional calling area.) These calls are listed separately from local calls and are generally itemized on your bill. They typically are billed at a per-minute rate (depending on the time of day and distance), and are usually more expensive than local calls.
- *Long distance toll service* covers calls that travel outside your regional calling area. You dial "1" + area code + 7-digit number for long distance toll calls.

Getting Started

Consider your current calling habits and costs for local, regional, and long distance service by reviewing your telephone bills over the last three to six months. Also ask yourself:

- What's included in my basic local telephone service? What services cost extra? What customized services do I currently have? What services do I need? Do I expect my needs to change?
- Which company currently provides my local service? My regional toll service? My long distance toll service?
- What are my calling patterns? Do I place most of my regional and long distance toll calls to the same numbers during the same hours? How many of these calls do I make in the evening and on weekends? How many calls do I make each month? How long do I talk?
- What do I pay now for local, regional, and long distance telephone service? Do I lease or own my telephone equipment? What other communications services do I purchase, such as Internet access, mobile or cellular phone, or paging service? How much do I spend on all of my communications service?
- Am I on a calling plan with my regional or long distance company? Do I use a calling card to place calls while away from home? What special savings do I have through my calling plan or calling card, and what restrictions apply to them?

Getting a handle on details such as these will give you a more complete picture of your needs and put you in a better position to comparison shop. You may decide to drop some services and add others. You may want to go with one company for all your service needs, or use different companies for local, regional, and long distance service.

Comparing Services

Base your comparisons on the desirability, quality, and cost of the services available. Ask the following questions of each company that you're considering:

- Is there a monthly charge, monthly minimum charge, or per-use charge for any service?
- Do I have to commit to use your company's service for a certain period of time? If so, is there a fee for canceling early?
- How does your company handle inquiries and complaints for each of the services you provide? Is there a 24-hour customer service department? Are customer service calls toll-free?
- How will I be billed? Will my statement be itemized?
- Who do I call for repairs? Billing problems?
- Do you offer discounts if I buy several services from your company? Can I customize a package to fit my needs? Customized services may include cellular, paging, Internet access and connections, fax, call waiting, call forwarding, call blocking, call trace, caller ID, voice messaging, text telephone (TTY), inside wire maintenance, and a regional or a long distance calling plan. What costs are involved with these products and services? Will I need additional phone lines?
- Do you have special services for customers with vision, speech, or hearing problems? Is there an extra charge for these services? If so, how much? Do I have an option to purchase or lease the equipment?

- Are there discount telephone services available for low-income consumers, such as discounts for establishing service, on monthly charges, or on long distance toll calls?

Dial "C" for Caution

Review all mail and telephone offers for communication services carefully. Be aware of the following deceptive sales techniques:

- *Slamming.* This is the unauthorized switching of your phone service from one telephone company to another. Federal law and the Federal Communications Commission's (FCC) rules and policies prohibit slamming and require carriers to verify a carrier change. Some unscrupulous marketing techniques may cause you to switch services unintentionally. If you fill out any "information," "contest," or offer forms, read them carefully to determine whether completing and signing the form will change your local, regional or long distance service to another company. And be very careful about what you say to telemarketers that call to sell you telephone service. Get an address and phone number. If you have any doubt about the offer, ask for it, and any agreements, in writing.
- *Huge discounts.* Some companies may try to entice you to switch to their service by offering "great discounts." These companies often compare their rates only to the highest rates of well-known carriers and may charge a hidden monthly access fee.
- *Introductory offers.* Some plans may give you service at a discounted rate for a limited time, then increase the rate unless you cancel. Remember, companies often charge a fee for changes in service. Ask about all fees and cancellation policies before you sign up. Get them in writing.
- *Package deals.* Some companies may offer discounts if you buy a package of services. Consider your calling needs and patterns. It may be cheaper to buy only the individual services you need.
- *Fine print.* Some companies include their minimum monthly fees or other charges in the fine print of their promotional materials. Read the fine print before signing up for or using a company's service.
- *Verification gimmicks.* Some companies may call you to offer a great deal on one service, but when you're connected to a "verifier" to complete the sale, the verifier may try to sell you additional services. Be sure you understand the deal you have agreed to *before* you're transferred to a verifier. Then, listen carefully to the verifier to confirm that you're buying only what you agreed to, and nothing more.

Your Rights

You have rights when you shop for, select, and use a communication services company:

- The *right to choose* the services you want and need, whether you buy them separately or as a package. Resist high-pressure sales techniques to buy more than you need.
- The *right to information* so you can compare products and services and make the best buying decision for your calling needs. The companies selling you services can offer specific product information. Consumer groups also may be helpful. Consider contacting:
 - *The Tele-Consumer Hotline*, an impartial and independent consumer education service offers free publications to address your telecommunications-related concerns and issues. For free publications, send a self-addressed stamped envelope to Tele-Consumer Hotline, P.O. Box 27207, Washington, DC 20005.
 - *The Telecommunications Research and Action Center (TRAC)*, a non-profit consumer organization devoted to educating consumers on their telecommunication choices. You can request a publications list by sending a stamped, self-addressed envelope to TRAC, P.O. Box 27279, Washington, DC 20005.
 - *The FCC's National Call Center*, which provides consumer information on telephone-related issues, can be reached by calling 1-888-CALL-FCC (1-888-225-5322). You can also visit the FCC's Consumer News.
- The *right to say no to slamming*. You may request a "carrier freeze" or "carrier restriction" from your local telephone company to prevent changes to your choice of local, regional, or long distance carriers unless you contact the local phone company directly.
- The *right to change your mind*. You may want to switch to another carrier. Keep in mind that you may be charged for a change in service or canceling your existing service. If you have requested a carrier freeze, you will have to contact your local phone company directly to change carriers.

Where to Complain

If you have a problem with your telephone service, try to resolve the issue with your telephone company first. Check the front of your White Pages directory, or your bill, for information on complaint procedures.

If complaining to your telephone company does not work, consider contacting:

- *Your state public utilities or public service commission* about local and regional telephone service. Check the government section of your phone book or contact your local or state consumer office for the phone number and address of your state regulatory commission.
- *Your state Attorney General's office* about fraudulent or deceptive practices. Most Attorney Generals' offices have divisions that deal primarily with consumer protection issues. Check the government section of your phone book or contact your local or state consumer office for the phone number and address of your state Attorney General's office. You can also link to the websites of the Attorney Generals' offices of many states from the National Association of Attorneys General's website.
- *The FCC* about slamming or out-of-state long distance problems. Write to: FCC, Common Carrier Bureau, Consumer Complaints, Mail Stop 1600A2, Washington, DC 20554. Your letter should include your name; address; day-time telephone number; a summary of your complaint; the names, addresses, and telephone numbers of all companies involved with your complaint; the telephone number involved with your

complaint, such as your home or business telephone number; copies of disputed telephone bills and other documents, such as promotional material or the form used to change your long distance service; and the action you are requesting, such as a credit or refund for disputed charges.

- *The National Advertising Division (NAD)* of the Council of Better Business Bureaus (CBBB) about complaints concerning inaccurate or misleading national advertisements for telecommunications products or services. NAD is the advertising industry's voluntary self-regulation program. It was designed by an alliance between the advertising industry and the CBBB to review and monitor national advertising to ensure its truthfulness and accuracy. You can register a complaint by writing to: National Advertising Division, 845 Third Avenue, 17th Floor, New York, NY 10022.

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