

Serving Colorado's Utility Consumers

BIG 3 INCREASE LONG-DISTANCE RATES

SMALL COMPANIES OFFER BARGAINS

The OCC's latest long-distance rate comparison shows AT&T, MCI WorldCom and Sprint are raising their basic rates 10 to 20 percent. These "basic rates" are the worst rates offered by the country's 3 largest long-distance companies and are often their default rate. For example, if AT&T has been your long-distance company for many years, or you just signed up with AT&T without asking for 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 a minute daytime, 29.5 cents evenings, and 18.5 cents on weekends.

MCI's basic rates are about the same for daytime and evenings, but drop to 10 cents per minute on Sundays. Sprint's basic rate plan offers 30 cents a minute during the week and 10 cents on weekends. **Basic rates are a bad deal!** If you are paying these high basic rates now, switch to a discount plan with the same carrier, or pick one of the small companies from our rate chart that offers lower per minute rates (and all of them do) with no monthly fee or minimum.

SHOPPING TIPS

Our rate comparison includes the 15 companies that seemed, from our research, to have 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. Also, many carriers will offer cheaper rates, such as an "on-line" plan if you sign up with them through the Internet, or if you pay your long-distance bill with a major credit card, or both.

In choosing a long-distance company, it is important to match your calling patterns to the calling plans offered. Note when you make your calls (daytime, evenings, weekends), where you make them (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 some recommendations based on low, average and high call volumes and where calls are made. The basis for our picks is on page 4. Here are the **best rate plans for:**

Low Volume Users:	Telecom Affiliates, Equal Net, Unitel
Average Volume Users:	Univance, EqualNet, Telecom Affiliates
High Volume Users:	Univance, EqualNet, Telecom Affiliates
State-to-State Calls Only:	Unitel, RSL Communications
Local Toll Calls Only:	Telecom Affiliates, C-Com, Qwest

In the **surcharges matter** department, be sure to comparison shop the federal universal service fund charge—usually called the USF or Federal Universal Service Fund, but AT&T calls it the Universal Connectivity Charge while Sprint calls it the Carrier Universal Service Charge or CUSC. It's the last column on our chart. The charges range from a low of 6.7% (C-Com) to a high of 11.5% (AT&T). We explain this and the other surcharges on your bill on pages 7 and 8.



Office of Consumer Counsel

Residential Long-Distance Rate Comparison

February 2002

CARRIER, PHONE NUMBER, AND WEB SITE	ANYTIME RATE PLANS PER MINUTE RATES Fees and Billing Increments*	EVENING/WEEKEND PLANS PER MINUTE RATES Fees and Billing Increments*	CALLING CARDS PER MINUTE RATES Fees and Billing Increments*	FEDERAL UNIVERSAL SERVICE FUND CHARGE
American Telecom Network 888-487-4732 www.callatn.com	ULTRAcall 1+ State-to-state: 6.9¢ InterLATA: 10.5¢ IntraLATA: 10.5¢ No monthly fee or minimum 18:6		13.9¢ 6:6	9.9% of all long-distance charges (Federal Universal Service Fund or FUSF)
AmeriCom (800) 820-6296 www.americom.com	Simplicity Dial 1 State-to-state: 5.4¢ InterLATA: 12.9¢ IntraLATA: 12.9¢ No monthly fee or minimum 18:6		12.9¢ 18:6	9.9% of state-to-state and international long-distance charges (USF or Universal Service Fee)
AT&T (800) 222-0300 www.att.com	One Rate 7¢ Plan State-to-state: 7¢ InterLATA: 8¢ IntraLATA: 8¢ \$3.95 monthly fee \$1.25 In-state Connection Fee Available to customers who select AT&T for intraLATA service. 60:60	One Rate Off-Peak II State-to-state: 5¢ evenings 7pm–7am & weekends 10¢ M–F 7am–7pm InterLATA: 8¢ IntraLATA: 8¢ \$4.95 monthly fee \$1.25 In-state Connection Fee 60:60	One Rate Calling Card Plan 25¢ \$1 monthly fee 60:60	11.5% of state-to-state and international charges (Universal Connectivity Charge or UCC)
C-COM (800) 301-0788 www.c-comld.com	State-to-state: 7.9¢ InterLATA: 8.9¢ IntraLATA: 8.9¢ No monthly fee or minimum 18:6		15¢ 60:60	6.67% of state-to-state and international long-distance charges (Federal Universal Service Fund)
Capsule Communications, Inc. 800-545-4141 www.fivepenniesld.com/biz	State-to-state: 4.9¢ InterLATA: 11.45¢ IntraLATA: 11.45¢ \$20 monthly minimum or \$1.99 fee 60:30		10¢ \$2.00 set-up fee 30:6	7.23% of all long-distance charges (Universal Service Fund)
EqualNet (800) 525-9510 www.equalnet.com	State-to-state: 5.9¢ InterLATA: 9.9¢ IntraLATA: 9.9¢ No monthly fee or minimum 18:6 State-to-state: 4.9¢ InterLATA: 9.9¢ IntraLATA: 9.9¢ \$2.49 monthly minimum 18:6		14.9¢ 60:60	8.9% of long-distance charges (USF)

CARRIER, PHONE NUMBER, AND WEB SITE	ANYTIME RATE PLANS PER MINUTE RATES Fees and Billing Increments*	EVENING/WEEKEND PLANS PER MINUTE RATES Fees and Billing Increments*	CALLING CARDS PER MINUTE RATES Fees and Billing Increments*	FEDERAL UNIVERSAL SERVICE FUND CHARGE	
GTC Telecom (800) 486-4030 www.gtctelecom.com	State-to-state: 5¢ InterLATA: 12¢ IntraLATA: 12¢ \$1.95 monthly fee 60:60		Not yet available	8.3% of long-distance charges (USF)	
MCIWorldCom (800) 444-3333 www.mciworldcom.com	7¢ Anytime State-to-state: 7¢ InterLATA: 14¢ IntraLATA: 10¢ \$4.95 monthly fee 60:60	12¢ Anytime 12¢ 14¢ 10¢ \$5 monthly minimum 60:60	All Week 7pm–7am & weekends: 5¢ M–F 7am–7pm: 10¢ InterLATA: 14¢ IntraLATA: 10¢ \$4.95 monthly fee 60:60	2 Fee 15¢ \$2 monthly fee 60:60	9.9% of state-to-state and international long-distance charges (Federal Universal Service Fund)
PowerNet Global Communications (877) 599-3087 www.pngcom.com	State-to-state: 6.9¢ InterLATA: 12.9¢ IntraLATA: 12.9¢ No monthly fee or minimum 18:6		12.9¢ 18:6	9.9% of state-to-state and international usage (Universal Service Fund)	
Qwest Corporation (800) 244-1111 www.qwest.com Qwest Corporation does not offer state-to-state or interLATA long-distance in Colorado.	Super Savings Plan IntraLATA: 9¢ No monthly fee or minimum	Basic Local Long Distance Rates IntraLATA: 8¢ evenings 5pm–8am & weekends 17.5¢ M–F 8am–5pm	Unrestricted Calling Card 20¢ 80¢ surcharge per call or 30¢ with no surcharge	None	
RSL COM USA (800) 266-2006 www.rslusa.com	State-to-state: 4.9¢ InterLATA: 13.9¢ IntraLATA: 13.9¢ No monthly fee or minimum 6:6		State-to-state: 15¢ In-state: 23¢ 18:6	7.0% of state-to-state and international calls (Federal Universal Service Fund Surcharge)	
Sprint (800) PIN-DROP which is (800) 746-3767 www.sprint.com	Sprint Nickel Anytime State-to-state: 5¢ InterLATA: 12¢ IntraLATA: 12¢ \$8.95 monthly fee \$1.30 Colorado Cost Recovery Charge 60:60	Sprint Nickel Nights State-to-state: 5¢ evenings 7pm–7am 10¢ daytime 7am–7pm InterLATA: 12¢ IntraLATA: 12¢ \$5.95 monthly fee \$1.30 Colorado Cost Recovery Charge 60:60	25¢ \$1 monthly fee 60:60	9.9% of all state-to-state and international retail charges billed (Carrier Universal Service Charge or CUSC)	
Telecom Affiliates (800) 754-1001 www.ltecommunications.com	State-to-state: 7.9¢ InterLATA: 7.9¢ IntraLATA: 7.9¢ No monthly fee or minimum 30:6		15¢ 30:6	6.9% of state-to-state and international long-distance charges (Federal Universal Service Fund)	
Unitel 800-499-5912 www.unitelagent.com	Flat Rate Long Distance Service State-to-state: 4.5¢ InterLATA: 12.4¢ IntraLATA: 12.4¢ No monthly fee or minimum 18:6		14¢ 18:6	7.7% of state-to-state and international long-distance calls (Universal Service Fund)	

CARRIER, PHONE NUMBER, AND WEB SITE	ANYTIME RATE PLANS PER MINUTE RATES Fees and Billing Increments*	EVENING/WEEKEND PLANS PER MINUTE RATES Fees and Billing Increments*	CALLING CARDS PER MINUTE RATES Fees and Billing Increments*	FEDERAL UNIVERSAL SERVICE FUND CHARGE
Univance Telecommunications (800) 864-4306 www.univance.com	U4.9R State-to-state: 4.9¢ InterLATA: 9.9¢ IntraLATA: 9.9¢ \$3.95 monthly minimum 60:30		10¢ 25¢ connection fee per call 60:60	8.25% of state-to-state and international long-distance charges <i>(Federal USF)</i>

*The billing increment is the time customers are billed for fractions of a minute during a call. See page 6 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 their service through the Internet, pay your monthly bills by credit card, or both.

Best Anytime Long-Distance Rate Plans

Low Volume Users

1. Telecom Affiliates
2. EqualNet
3. Unitel

Average Volume Users

1. Univance
2. EqualNet
3. Telecom Affiliates

High Volume Users

1. Univance
2. EqualNet
3. Telecom Affiliates

Notes:

- This analysis assumes 50% State-to-State, 25% InterLATA, and 25% IntraLATA 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.

IF PROTECTING YOUR PRIVACY IS IMPORTANT...

In December and early January, Qwest sent you a bill insert that contained important information about your privacy, but it was very confusing. Most consumers threw these notices out. Although Qwest has delayed the implementation of this policy, here is what you need to know.

Qwest had originally planned to share your personal account information with related companies (Qwest Wireless, Qwest Long-distance, etc.), and possibly other companies **unless** you called Qwest to tell them not to share your account information.

Customer account information includes the phone numbers you call, the phone numbers of those who call you, the length of your calls, the telephone products and services you have, how many lines you have, information about wireless services and the wireless calls you make. Some of this information is very sensitive and is referred to in the industry as customer proprietary network information.

The OCC objected to Qwest requiring its customers to call to stop them from disclosing your private information (called the “opt-out” approach) and instead recommended that telephone companies be required to get your permission before they disclosed your personal account information (the “opt-in” approach). Because of objections raised by the OCC and thousands of customers, Qwest has delayed the implementation of this plan. Qwest will now wait until the Federal Communications Commission makes a final decision about how and when a company can share this information. Until that time, Qwest will not share your private account information.



Helpful Hints

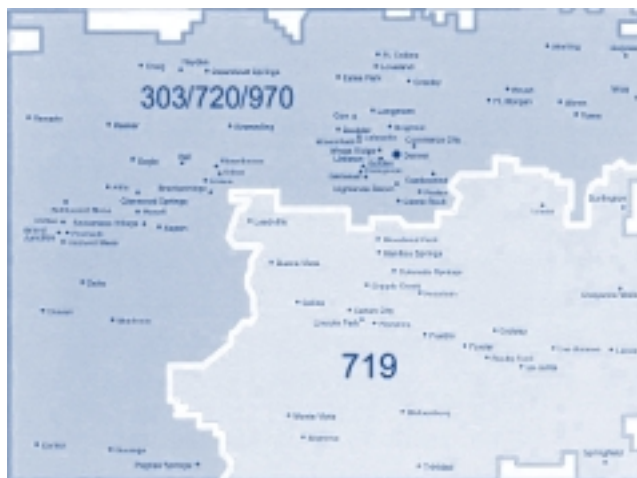
Long-distance rates and calling plans are confusing with a dizzying array of choices. In addition to the rates, there are monthly fees or minimums and a federal charge of varying amounts that add to your monthly long-distance bill. The Office of Consumer Counsel's rate comparison chart, together with 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. If you make most of your long-distance calls during the day, look for the lowest daytime rate. If you make most of your calls in the evenings or on weekends, find the cheapest evening/weekend plan. **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 per-minute 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 interLATA and intraLATA rates on our chart. Remember, you can choose a different company for state-to-state and for intraLATA 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.**

What is a LATA?

A LATA is a Local Access Transport Area. Colorado has two LATAs. The northern LATA is made up of the 303/720 and 970 area codes. The southern LATA includes the entire 719 area code. Calls within each of these two LATAs are intraLATA long-distance calls, often referred to as local long-distance or local toll calls. Calls between the two LATAs, for example from Denver to Colorado Springs, are interLATA long-distance calls.



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 local long-distance or state-to-state 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 by credit card, or both. Also, the major long-distance companies have "basic rates"—avoid them! Basic rates are their highest rates.**

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 <http://www.abelltolls.com>. A Bell 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.

(continues on page 6)

(Helpful Hints from page 5)

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-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.online-choice.com (a buyers' club); 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 at <http://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).

Are prepaid calling cards a good deal?

Some good deals can be found, but you have to shop carefully. You can buy prepaid cards from stores (like Sam's Club and Costco), telephone companies, and others. The card comes with a set number of minutes for a set price. You get a 1-800 access number and an account number to dial before dialing your phone number. These are useful for making calls away from home. Be careful to read the fine print and determine the price per minute before you buy. Look for hidden charges and check for expiration dates. Use a well-known company to ensure the company doesn't go out of business before you use up your minutes. Sam's Club and Costco offer prepaid cards at less than 5 cents per-minute.

What about 10-10 dial around numbers—are they a good deal?

Like prepaid calling cards, you can find some good deals, but shop carefully. Check the web sites we have listed previously that evaluate the 10-10 dial around companies to find the bargains and avoid the hidden charges. One caution: the rates can change without notice, so stay alert.

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

Unfortunately, no. But you can keep that federal charge to a minimum by comparing the amount charged when you are comparing carriers' long-distance rates. "A Bell Tolls" reports that the industry average for the USF charge is about 8.6%.

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 every 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 \$1.30 for its "Colorado Cost Recovery" fee. Additionally, AT&T charges a "Single Bill Fee" of approximately \$1.50 per month in order to have your long-distance charges appear on your local service bill while EqualNet increases its rate to \$0.10 per minute for this service. 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 18:6 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 HARD TO 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** like call waiting and Caller ID.
- **Unregulated Services** like voice messaging.
- **Long-Distance:** Local long-distance service from Qwest and other companies and state-to-state long-distance charges from AT&T, MCI, Sprint and other carriers.
- 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 annual Federal Access Charge was increased to \$5.00 per month for your first phone line, and \$7.00 for each additional line. The charge for your first line may increase to \$6 on July 1, 2002, and \$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 gets most of this money because it has most of the high cost customers. Currently, the charge is 2.8% 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 Commission-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.

911 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 "USF" by other carriers. Long-distance companies pay into this fund and pass the costs on to their customers. The FCC

(continues on page 8)

(Your Bill from page 7)

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 consumers and consumers living in high-cost areas. It also provides support for schools and libraries, and rural health care providers. The amount of the charge varies greatly by carrier, so shop around.

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 among 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 utility cases and policy issues before the Colorado Public Utilities Commission (PUC), federal agencies and the courts. The OCC promotes affordable, reasonably priced, high quality, reliable service for Colorado's consumers.

PRSRPT STD
U.S. POSTAGE PAID
DENVER CO
PERMIT 738

Office of Consumer Counsel
1580 Logan Street, Suite 740
Denver, CO 80203
M 362500450