

Before the
Federal Communications Commission
Washington, DC 20554

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APR 25 1996

In the Matter of)
Policy and Rules Concerning the)
Interstate, Interexchange Marketplace)
)
)
Implementation of Section 254(g) of the)
Communications Act of 1934, as amended)

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

CC Docket No. 96-61

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COMMENTS
OF
THE TELECOMMUNICATIONS RESEARCH AND ACTION CENTER

The Telecommunications Research and Action Center (TRAC), by its undersigned counsel, hereby submits comments in the above referenced matter. TRAC is a Washington, DC based 501(c)(3) consumer education and advocacy organization. For the last ten years, TRAC has published **TeleTips®**, a periodic newsletter that provides comprehensive consumer information and rate comparisons on interstate long distance telephone service. A copy of the March 1995 chart is attached.¹

TRAC will focus its comments on the question of whether the Commission should exercise its discretion, as it tentatively has decided to do, to prohibit the filing of tariffs by non-dominant interexchange carriers. The Commission proposes to order non-dominant carriers to not file tariffs. Instead, they will be required to make available at their offices

¹ The most recent version of the TRAC chart is dated November 1995, and is available from TRAC, P.O. Box 27279, Washington, DC 20005, for \$3.00 and stamped, self-addressed business size envelope. A new chart will be released within the month.

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rate and service information for the Commission upon request, but not to the general public.

TRAC appreciates the Commission's goal of reduced regulation and increased competition in the interexchange market. However, making access to price information by customers very difficult will not achieve the desired result, but instead is likely to distort the market. TRAC supports an alternative approach that will result in more ready availability of price information to most consumers while still promoting the pro-competitive objectives of the Commission and the Telecommunications Act of 1996. Specifically, TRAC proposes the Commission allow any carrier² to elect, in-lieu of filing a traditional tariff, to meet a requirement for certified disclosure for off-the-shelf services of price, terms and conditions.

TRAC proposes that this information be filed with the Commission and be made public via the internet at the expense of the carriers. Alternatively, the Commission should require that certified rates and conditions be kept in a public file on the premises of the carriers AND disclosed on the internet via either the FCC Web Site or the web site of an independent party. Finally, the Commission should require that all carriers file each year a plan to educate consumers on how to determine the price and cost of long distance services and to be effective shoppers for such services

² TRAC believes that the same proposal could apply to dominant as well as non-dominant carriers with respect to off-the-shelf pricing. Current tariffs tend to be unduly complicated and hard to understand. It would be in the consumer and public interest for all carriers to comply with an alternative publication of rates in an easy to use and obtain format.

PRICE DISCLOSURE IS PRO-COMPETITIVE

The Commission has mistakenly determined that it is pro-competitive to make it difficult for consumers to learn the cost of long distance telephone service. Its proposed conclusions are based upon its tentative findings, as required under the Telecommunications Act of 1996, that (1) filing of tariffs is not necessary to ensure that the charges, practices, classifications ... are just and reasonable, and are not unjustly or unreasonably discriminatory;³ (2) filing of tariffs is not needed for the protection of consumers and (3) forbearance from requiring such filings is consistent with the public interest. The Commission states that it can rely on its complaint process to protect consumers and address unreasonable and discriminatory pricing practices.

This approach to disclosure of pricing information is off the mark and therefore a mandatory requirement that non-dominant carriers not file tariffs would be illegal. It is a fundamental principle that a competitive, consumer driven market depends upon consumer decisions based on "known market prices."⁴ When buyers lack information about goods or services, they make decisions that mis-allocate resources.⁵ Yet, the NPRM takes the

³ TRAC believes that there continues to be widespread unreasonable and unjust price discrimination in the market place today. It would be helpful if the Commission took this opportunity to clarify the leeway providers of interexchange service have in price discrimination under the new Act. Indeed, without such clarification, the Commission's diminishing resources could be further taxed by massive consumer complaints over pricing practices. For example, it is generally regarded to be the law that similarly situated customers with similar calling habits ought to be provided with the same rates. Yet, today, long distance carriers are engaged in a hodgepodge of service offerings. Thus, one plan may be "closed" to new customers, requiring all new consumers to sign up for more expensive "open" plans. Thus, neighbors with identical calling patterns would end up paying different rates for identical calls based only on when they elected to sign up for a service. Such discrimination under the 1934 Act traditionally would be illegal, yet it is a practice engaged in today by most carriers.

⁴ *E.g. Phillip Areeda, Antitrust Analysis, Problems, Text, Cases 6-10* (2nd Ed., Little Brown, 1974).

⁵ *See, Meier & Garman, Regulation and Consumer Protection, Chapter 19, pp 430 et. seq.* (2nd Ed., DAME Publications, 1995).

position that it is pro-competitive to make it harder for consumers to know market prices! (NPRM Para 31).

The goal of the Commission should be to promote a market place that empowers most consumers to make informed decisions about which long distance service to purchase based on the actual prices available to them. It is axiomatic that the more informed the consumer the more competitive the market. The challenge facing consumers is that there is already misleading and conflicting price claims that make effective shopping difficult. Competition is harmed if purchasing decisions are based on incorrect information or mis-impressions.

Consumers continue to be confused. The TeleConsumer Hotline, a nonprofit education service sponsored by the Consumer Federation of America and TRAC, with support from AT&T, MCI, Sprint, Bell Atlantic, NYNEX and Pacific Telesis, continues to get thousands of calls from consumers asking how to chose a long distance company. Nearly 17 % of the Hotline's calls continues to be this basic, fundamental question almost 10 years after the break-up and it is the single most frequently asked question.

Perhaps the best evidence of market failure in terms of informed consumer decision making is the fact that most interexchange long distance consumers continue NOT to be on a discounted long distance calling plan.⁶ An informed consumer knowing actual prices and acting rationally would always opt for the lowest available price. Even within

⁶ *Consumer Long Distance: The Battle for Simplicity and Differentiation*, p. 11 (The Yankee Group, May 1995) According to the Yankee Group, in 1993 70 percent of consumers were not a member of a discount calling plan, and in 1994, 67% were not.

their own preferred carrier, most consumers are paying standard rates for long distance telephone service. Yet, almost any consumer will pay less if he/she is on one of the carrier's discount calling plans.

Consumers who don't know how to make the choice or whose choices are based on mis-information distort the market. If people think they are buying an inexpensive service, but are buying from a higher priced competitor or if a consumer thinks that all prices from all carriers are about the same, then the market will not work. In fact, that appears to be the case today. If that were not true AT&T, would have a lower market share because there are almost always less expensive carriers and plans than AT&T offers. The FCC should be concerned about promoting greater consumer access to pricing information, not making it more difficult to obtain that information.

THE COMMISSION SHOULD PROMOTE PRICE DISCLOSURE

The Commission has decided that if it makes it harder for competitors to determine each others prices then there is likely to be more competition and more competitive pricing. (NPRM para 31). It is self-evident, however, that if AT&T, MCI and Sprint are not in a position to learn each other's prices, individual consumers won't possibly be able to obtain such information.⁷

TRAC currently publishes its chart and relies upon carriers to provide it with the price information for its various calling baskets. TRAC requires access to independently

⁷ Of course, the large carriers will always be able to determine the pricing structure of their competitors. First, they can have their employees pose as customers and obtain the information. Increasingly, companies are being paid to collect and analyze consumer phone bills to determine price and usage patterns. Such research is expensive and to the extent that it is necessary to perform such research to be an effective competitor in the market, it is a barrier to entry, not an incentive to lower prices.

produced information from the carriers to assure the accuracy of the information it receives. TRAC has in the past been confronted by carriers providing mis-information for its chart in an effort to gain a competitive advantage.

The consumer and the public interest are both served if there is ready access to reliable price information for the typical, off-the-shelf products purchased by most consumers. We do not believe there needs to be disclosure of contract prices agreed to between carriers and their largest customers. The analogy is perhaps best to that of auto dealers. There are, of course, fleet pricing strategies for big contracts involving large volumes of cars. The pricing strategies and specifics of such agreements are likely to be proprietary. Disclosure of these prices would be anti-competitive. On the other hand, if there were no retail prices posted for cars sold to individual users, it would be impossible for the typical consumer to comparison shop. Indeed, it still is difficult for most consumers to learn the “true” price of autos, unless they have access to “list” prices.

THE COMMISSION SHOULD MAINTAIN A MANDATORY TARIFF REQUIREMENT UNLESS CARRIERS COMPLY WITH AN ALTERNATIVE, CONSUMER FRIENDLY PRICE DISCLOSURE SYSTEM

Consumers benefit from having high quality, reliable price comparisons so they can make accurate decisions about long distance (and eventually local) carriers. The goal should be to make price comparison information available in a form that can be utilized by intermediaries such as the press, consumer groups and others.

TRAC proposes that the Commission require that all tariffs be filed by carriers, whether dominant or not, unless a carrier agrees to participate in a program to publicize its

rates and conditions via the internet. There are two options. One option would be for the Commission to specify a uniform disclosure model, and the information then would be made available over the Commission's internet site. The information could readily be provided in html format for posting by Commission staff. Alternatively, each carrier could establish its own web page with a link set up on the FCC page.

The second option is for the Commission to authorize the carriers to file their prices with an independent third party. That third party could then undertake the publication of the materials in appropriate formats.

Finally, the Commission should encourage commitments to consumer education by the carriers. TRAC proposes that on an annual basis each carrier file a plan for undertaking consumer education efforts aimed at informing consumers on how best to select and purchase competitive telecommunication services. These efforts should provide consumers with the information necessary to locate and evaluate comparative information for competitive services.

TRAC's proposal is similar to one made by Vice President Gore during a speech at the National Association of Broadcasters on April 16, 1996. In that speech, he made a proposal for a "Family Right-to-Know" initiative:

Here's how this Family Right-to-know plan would work. Broadcasters would continue placing in their public files at their stations the same information they already provide -- for example, which programs they consider education, when those programs air, and what their education content is. And broadcasters would continue to file their public reports.

But along with doing that, this material would be filed on a computer disk or by electronic mail. The FCC would then post this information on its home page on the World Wide Web

The Commission's proposal that carriers keep rates available on their premises, albeit not publicly available, is similar to the requirement that broadcasters maintain a public file at their stations. In this instance, we are not suggesting that the files must be made public at that location, which could be unduly burdensome, but instead that they be filed with the Commission and posted directly or through a link on the FCC home page.

CONCLUSION

TRAC believes the Commission record does not support the proposal that all non-dominant carriers be ordered not to file tariffs. Indeed, we believe that making prices for off-the-shelf services more widely available in a user friendly format is pro-competitive, in the consumer interest and in the public interest. The Telecommunications Act of 1996 requirement for discretionary deregulation is *prima facie* not met by this proposal.

TRAC's proposal is to provide an option to tariff filing that in fact serves the public interest and meets the requirements of the 1996 Telecommunications Act.

Respectfully Submitted,



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TRAC Tele-Tips

A PUBLICATION OF THE TELECOMMUNICATIONS RESEARCH & ACTION CENTER

Long Distance Comparison - Residential

Chart No 29

March 1995

Saving Money on Your Long Distance Bill

"Which long distance company is the cheapest?" "I'm confused by all the claims from long distance advertising." "How do I know which company or plan is best for me?"

These are the questions asked most frequently by consumers today who are **bombarded by advertising and marketing claims** of long distance carriers. TRAC's Tele-Tips has been helping consumers answer these questions for over a decade.

Getting the best deal on long distance service is in fact more difficult than ever before. With more long distance carriers offering services today, just picking a long distance provider isn't enough. To be certain you're getting the best deal, you must also be sure that you're on the right calling plan. Meanwhile, calling plans offered by different carriers are also changing. Plans offered one year may disappear the next. A plan that is the cheapest one year can suddenly become the most expensive offered by that carrier.

Consumers can save money on their long distance phone bill, and TRAC's Tele-Tips Residential Long Distance Chart is the best and easiest way to get those savings.

Your "Long Distance Check-Up"

Saving money on your long distance bill means *periodically* conducting a "long distance check-up." How often you should conduct this check-up depends on how much you spend on long distance services. The higher your long distance bill, the more often you should conduct a check-up. Rates and services tend to change around the first of the year, so that's a good time to conduct

an "annual check-up." However, new plans and programs can be offered at almost any time. So if you're a very heavy long distance user, you might want to do a check-up every three months!

There are other times when a long distance check-up is appropriate. For example, when you move, you'll be asked to select your one-plus long distance carrier for your new telephone number. Use this as an opportunity to review your options. Your calling patterns are also likely to change with major lifestyle changes. For example, when a child goes away to college, or moves back into the home after college, your and their long distance calling habits are likely to change. That is a perfect time to do a long distance check-up.

Conducting your check-up is easy. Just follow the steps listed below. But you can also keep on top of your options by simply calling your long distance carrier. The toll-free 800 number for each carrier in the chart is included in the Features and Services section of Tele-Tips. When you call, ask your carrier if you're on the least expensive calling plan they offer. Make sure that when they look at your records they compare a "typical" calling month.

How to Use the TRAC Chart

Determine Your Own Calling Patterns. Examine at least three typical months of your own long distance (inter-state) phone bill. (Usually included with your local phone bill.) Look at when you call most frequently (daytime, evening, night/weekend or a combination of these).

Look at how many minutes you typically talk. Determine if there is any pattern to your calls, like calling to only one or two numbers, one or two area codes all the time, etc.

Select Your Category in the Chart.

TRAC has created three typical "calling baskets" that are intended to reflect three distinctly different calling patterns based on the time of day you call most often. For example, if you make your calls during all parts of the day and week, essentially a mixed day/weekend pattern, then consider "Average Daily Use." If most of your calls are mainly at night and weekends, use that section, and likewise if you call mainly during the day, use the "Heavy Day Use" section.

You then need to find the call levels (minutes/dollars) that most closely match the number of minutes or the amount of money you typically spend in one month. You can do this by totalling the number of minutes you used for three months and dividing by three. This gives you the average number of minutes you use in a month. You should do the same thing with the dollar amount of your long distance bill. Then use this information to find the column that most closely reflects your calling level.

Compare Plans. Once you find the column in the category that best matches your typical calling pattern, look for the least expensive plans. Then carefully read the plan descriptions for each, making sure that you meet all the plan requirements to get the price shown in the chart.

(Continued on Page 11)

TRAC's Long Distance

PLANS	AVERAGE DAILY USE ¹					
	5 Calls	10 Calls	15 Calls	30 Calls	50 Calls	150 Calls
	54 Min	108 Min	162 Min	318 Min	522 Min	1572 Min

HEAVY		
5 Calls	10 Calls	15 Calls
54 Min	108 Min	162 Min

Standard Rates ⁴

AT&T Dial-1	\$12.15	\$22.89	\$32.13	\$57.57	\$97.23	\$288.51
LCI Basic	\$11.85	\$22.59	\$31.83	\$57.27	\$96.93	\$288.21
LDDS Dial USA	\$10.66	\$20.19	\$22.77	\$52.33	\$87.17	\$257.23
Matrix Standard Basic	\$10.96	\$20.66	\$29.00	\$51.95	\$87.73	\$260.28
MCI Dial-1	\$12.10	\$22.79	\$31.98	\$57.27	\$96.73	\$287.01
Sprint Standard	\$12.15	\$22.89	\$32.13	\$57.57	\$97.23	\$288.51

\$14.13	\$25.59	\$35.91
\$13.83	\$25.29	\$35.61
\$12.35	\$23.37	\$32.08
\$12.75	\$23.09	\$32.40
\$14.08	\$25.49	\$35.76
\$14.13	\$25.59	\$35.91

Flat-Rate Plans ⁵

LCI All America Plan	\$9.75	\$17.97	\$25.77	\$45.03	\$78.21	\$231.03
LDDS Home Advantage	\$12.02	\$15.72	\$22.32	\$38.52	\$66.72	\$196.32
Sprint Sense * †	\$12.09	\$19.65	\$23.49	\$40.29	\$69.57	\$204.09

\$10.77	\$19.05	\$27.45
\$13.82	\$18.12	\$25.92
\$14.25	\$22.53	\$27.81

Discount Plans Based on How Much You Call ⁶

AT&T True USA	\$12.15	\$20.83	\$26.15	\$46.51	\$68.74	\$202.63
AT&T True Savings *	\$12.15	\$17.73	\$24.66	\$40.97	\$68.74	\$202.63
Matrix SmartWorld Basic	\$9.89	\$18.53	\$25.93	\$46.33	\$78.16	\$231.68
Sprint the Most II	\$12.15	\$22.89	\$32.13	\$46.51	\$68.74	\$188.32

\$12.94	\$23.26	\$29.18
\$11.16	\$19.76	\$27.50
\$11.47	\$20.66	\$28.95
\$14.13	\$25.59	\$29.18

Discount Plans Based on Who or Where You Call ⁷

AT&T Select Saver	\$12.61	\$21.16	\$29.66	\$49.47	\$86.51	\$250.85
AT&T Simple Savings	\$12.15	\$22.89	\$32.13	\$45.86	\$77.97	\$230.31
MCI New Friends & Family *	\$8.38	\$15.92	\$22.16	\$36.89	\$62.05	\$181.91

\$14.49	\$23.63	\$34.12
\$14.13	\$25.59	\$29.59
\$10.29	\$17.98	\$25.04

Discount Plans Based on What Time of Day You Call ⁸

Allnet HomeSaver	\$9.66	\$17.76	\$25.05	\$42.96	\$74.19	\$217.65
AT&T AnyHour Plan	\$13.00	\$18.28	\$24.22	\$39.94	\$70.42	\$210.52
AT&T Evening Plus	\$13.74	\$20.64	\$28.56	\$48.24	\$81.06	\$236.52
AT&T ROA Bonus	\$16.12	\$23.56	\$28.98	\$47.03	\$78.20	\$227.77
AT&T ROA 24-Hr Plan	\$17.04	\$23.99	\$29.08	\$46.29	\$76.09	\$218.96
AT&T ROA Half Hour	\$12.66	\$20.94	\$29.23	\$51.27	\$86.36	\$254.81
Matrix SmartWorld Day	\$10.01	\$18.37	\$26.43	\$46.34	\$80.54	\$238.19
MCI AnyTime	\$12.15	\$17.43	\$23.37	\$38.97	\$68.91	\$206.55

\$12.09	\$21.00	\$28.29
\$13.00	\$18.28	\$26.02
\$18.66	\$25.50	\$34.26
\$19.81	\$27.34	\$34.50
\$20.25	\$27.09	\$33.64
\$15.95	\$24.42	\$34.09
\$10.67	\$18.97	\$27.39
\$12.15	\$17.43	\$24.99

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FOOTNOTES

"Average Daily Use," "Heavy Night and Weekend Use" and "Heavy Day Use" are each calculated to contain short, medium and far interstate long distance calls. The three samples differ on the amount spent, number of minutes and percentage of calls made through the rate/time periods. All prices include 3 directory assistance calls. All rates are for direct-dialed calls.

- "Average Daily Use" consists of 25% of calls made during the day, 45% in the evening and 30% made during night/weekend hours.
- "Heavy Day Use" consists of 50% of calls made during the daytime hours, 20% made during the evening hours and 30% made during the night/weekend hours.
- "Heavy Night and Weekend Use" consists of 45% of calls made during the daytime hours, 25% made during the evening hours and 30% made during the night and weekend hours.
- "Standard Rates" are the basic phone plans carriers offer without fees. All discounts are calculated from this rate.
- "Flat-Rate Plans" are calculated at a flat rate per minute, regardless of the distance of the call. Rates may vary based on the time of day you call. Check the Plan Descriptions for more information about each plan.

Comparison Chart

DAY USE ²			HEAVY NIGHT AND WEEKEND USE ³						PLANS
30 Calls 318 Min	50 Calls 522 Min	150 Calls 1572 Min	5 Calls 54 Min	10 Calls 108 Min	15 Calls 162 Min	30 Calls 318 Min	50 Calls 522 Min	150 Calls 1572 Min	
\$64.95	\$114.87	\$330.33	\$10.95	\$19.23	\$27.63	\$47.55	\$82.23	\$242.55	AT&T Dial-1
\$64.65	\$114.57	\$330.03	\$10.65	\$18.93	\$27.33	\$47.25	\$81.93	\$242.25	LCI Basic
\$58.26	\$100.30	\$290.61	\$9.97	\$17.51	\$25.39	\$41.25	\$74.67	\$220.52	LDDS Dial USA
\$58.59	\$103.63	\$297.96	\$9.89	\$18.30	\$24.93	\$43.87	\$74.27	\$219.11	Matrix Standard Basic
\$64.65	\$114.37	\$328.83	\$10.90	\$19.13	\$27.48	\$47.25	\$81.73	\$241.05	MCI Dial-1
\$64.95	\$114.87	\$330.33	\$10.95	\$19.23	\$27.63	\$47.55	\$82.23	\$242.55	Sprint Standard
\$48.93	\$85.41	\$251.61	\$9.09	\$15.93	\$22.53	\$39.63	\$68.79	\$203.91	LCI All America Plan
\$46.32	\$81.12	\$237.72	\$11.42	\$13.32	\$18.72	\$32.52	\$56.52	\$166.32	LDDS Home Advantage
\$49.65	\$86.85	\$253.77	\$11.37	\$16.77	\$19.17	\$33.09	\$57.33	\$168.09	Sprint Sense * †
\$52.41	\$81.08	\$231.91	\$10.95	\$17.53	\$22.55	\$38.49	\$58.24	\$170.46	AT&T True USA
\$46.14	\$81.08	\$231.91	\$10.95	\$14.99	\$21.29	\$36.23	\$58.24	\$170.46	AT&T True Savings *
\$52.28	\$92.28	\$265.11	\$8.93	\$16.41	\$22.31	\$39.13	\$66.19	\$194.98	Matrix SmartWorld Basic
\$52.41	\$81.08	\$215.50	\$10.95	\$19.23	\$27.63	\$38.49	\$58.24	\$158.44	Sprint the Most II
\$57.72	\$99.80	\$292.33	\$12.10	\$18.68	\$26.21	\$44.79	\$75.59	\$217.21	AT&T Select Saver
\$52.17	\$92.46	\$264.87	\$10.95	\$19.23	\$27.63	\$38.70	\$66.36	\$195.20	AT&T Simple Savings
\$42.53	\$73.83	\$207.78	\$10.90	\$13.82	\$19.12	\$32.14	\$52.72	\$153.10	MCI New Friends & Family *
\$54.75	\$93.63	\$273.54	\$8.85	\$14.52	\$20.19	\$37.29	\$62.85	\$182.82	Allnet HomeSaver
\$47.74	\$84.82	\$251.92	\$13.00	\$18.28	\$24.22	\$38.74	\$63.82	\$180.52	AT&T AnyHour Plan
\$60.42	\$105.66	\$300.60	\$12.12	\$16.80	\$22.74	\$38.10	\$65.10	\$188.28	AT&T Evening Plus
\$59.80	\$104.82	\$296.87	\$13.27	\$16.56	\$22.45	\$37.30	\$63.66	\$183.31	AT&T ROA Bonus
\$56.98	\$98.67	\$277.09	\$14.36	\$17.64	\$23.53	\$38.23	\$64.27	\$182.62	AT&T ROA 24-Hr Plan
\$61.38	\$108.37	\$310.23	\$10.13	\$17.05	\$23.63	\$40.68	\$70.27	\$206.45	AT&T ROA Half Hour
\$48.68	\$84.86	\$250.49	\$9.47	\$17.70	\$23.91	\$43.03	\$73.16	\$217.07	Matrix SmartWorld Day
\$45.99	\$81.87	\$243.81	\$12.15	\$17.43	\$23.37	\$37.89	\$62.97	\$179.55	MCI AnyTime

6. Under "Discount Plans Based on How Much You Call," customers receive discounts from the carrier's standard rates based on the volume of calls made by the customer.

7. Under "Discounts Based on Who or Where You Call," additional discounts are applied to calls made to phone numbers or area codes selected by the customer (i.e., an MCI customer calling an MCI customer). Check Plan Descriptions for more information.

8. Under "Discounts Based on What Time of Day You Call," per minute rates for calls made during designated times are lower than standard rates. Customers should select plans which discount calls during times they call most frequently.

* AT&T, MCI and Sprint each offer a program to provide additional discounts to customers through the redemption of reward "points" granted based on the amount of usage. The plans differ somewhat and you should check with the carrier for details. The programs are called AT&T True Rewards (sm), MCI Friends and Family Extras (sm) and Sprint Rewards (sm).

† Sprint customers signing up for Sprint Sense before June 1, 1995 will never pay \$3.00 monthly fee. For those signing up after June 1, the \$3.00 monthly fee only applies to customers spending less than \$25.00 per month.

FEATURES AND SERVICES

FEATURES AND SERVICES ¹	Allnet	AT&T	LCI	LDDS
Toll free numbers for opening an account & customer service ²	1-800-783-2020	1-800-222-0300 1-800-235-0900 (Spanish)	1-800-524-4685	1-800-275-0100
Equal access code ³	10444	10288	10432	Varies
Equal access code dialing method ⁴	Casual/ same rates, no volume discounts	Casual/ same rates	Casual/ same rates	Casual/ same rates, no volume discounts
Service available from	Universal	Universal	Universal	Universal
Service available to	Worldwide	Worldwide	Worldwide	Worldwide
Long distance directory assistance	69 per call	75 per call	65 per call	64 per call
Calling card	800 service from any phone in the US, no surcharge (Access Card)	From any phone in the US 80-call surcharge (ATT Calling Card)	800 service from anywhere in the US (WorldCard Plus: 35 cents per call surcharge)	800 service from anywhere in the US
Minimum monthly bill	None	None	None	None
Rate/time period changes ⁵	Rates don't change	Rates change	Rates change	Rates change
Leading plans	Allnet Homesaver	AT&T True USA AT&T True Savings	LCI All America	LDDS Home Advantage
Credit card payment	Visa, Master Card, American Express	Visa, Master Card, American Express, all major credit cards	None	None
How to credit wrong numbers	Call 1-800-783-2020	Call local company or call 1-800-222-0300	Call 1-800-860-2255	Call 1-800-275-0100
Switchover fee credit ⁶	Yes	Yes	Yes	Yes
How to cancel	Call 1-800-783-2020	Call local company or 1-800-222-0300	Call 1-800-860-2255	Call 1-800-275-0100
950 access service ⁷	950-1044	N/A	950-1432	N/A
Customer service equipped with TTY ⁸	Yes 1-800-350-2326	Yes 1-800-833-3232	Yes 1-800-860-0078	No
TTY discount ⁸	No	Yes	No	No
Exemption from long distance directory assistance for consumers unable to use the telephone due to vision, motion or cognitive impairment	No	Yes	No	No
Residential 800 number	Yes	Yes	Yes	Yes
Ability to call home from abroad	Yes, (selected countries)	Yes	Yes	Yes

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COMPARISON CHART

Matrix	MCI	Sprint
1-800-282-0242 1-800-890-0323 (Spanish)	1-800-444-3333 1-800-950-HOLA (Spanish)	1-800-746-3767 or 1-800-877-0280 (Spanish)
10780	10222	10333
Casual/ user billing on international calls	Casual/ same rates, no volume discounts	Casual/ same rates, no volume discounts
Universal	Universal	Universal
Worldwide	Worldwide	Worldwide
.68 per call	.75 per call	.75 per call
800 service from anywhere in the US, toll-free access from over 49 countries, .30/call domestic surcharge	950/800 service from any phone in the US (MCI Card) .75/call surcharge	800 service from anywhere in the US (FONCARD) 80/call surcharge
None	None	Depends on plan
Rates change	Rates change	Rates change
Matrix SmartWorld Basic	MCI New Friends and Family	Sprint Sense
None	Visa, Mastercard American Express, Discover Card	Visa, Mastercard American Express Discover Card
Call 1-800-282-0242	Call 1-800-444-3333	1-800-877-4646 or dial "00" for immediate credit
Yes	Yes	Yes
Call 1-800-282-0242	Call 1-800-444-3333	Call 1-800-877-4646
N/A	N/A	N/A
Yes 1-800-354-3335	Yes 1-800-333-0700	Yes 1-800-735-2988
No Dir. Asst. Charge	Yes	Yes
Yes	Depends on situation; call 1-800-735-2988	Yes
Yes	Yes	Yes
Yes	Yes	Yes

FACTORS TO REMEMBER

BEFORE you make a final decision, verify the rates and services by calling the toll free number listed in the chart. Also check in-state and international rates as well.

2. **TOLL-FREE NUMBERS.** If the toll-free number listed does not work in your area, call toll-free long-distance information at 1-800-555-1212.

3. **EQUAL ACCESS CODES** are numbers dialed to use a long distance carrier if it's not your primary carrier. You can use any company serving your area by dialing the company's equal access code, then 1, area code and number. Code dialing is often valuable if rates change and you want to use another carrier, if your primary carrier is experiencing technical difficulties, or if for any other reason you don't want to use your primary carrier. Some companies require you to open an account before you can place a call using the code dialing method. Others do not. See Casual Calling below for details.

4. **CASUAL CALLING** is the ability to use a long distance carrier with code dialing but without the need for opening an account. If a company permits casual calling, you can use it simply by dialing the equal access code. You're billed for these calls by your local telephone company. Note that rates for casual calls may differ from rates for the same calls by the same company when it's the primary carrier.

5. **RATE/TIME PERIOD CHANGES.** Some companies' rates are based on the time period (Day, Evening, Night/Weekend) in which the call is started. Others change their rates for the call as the time period changes during the call's duration.

6. **SWITCHOVER FEES** are charged by your local telephone company for changing your primary carrier. You can change your primary carrier as often as you would like, but the fee for switching is usually between \$5 and \$15. Most companies will give credit against your long distance bill for the switchover fee. A company's official policy may differ from actual practice.

7. **950 SERVICE** is a toll free access number used to reach the company while away from home or if you're not in an equal access area. A 950 call can also be made from most pay phones without depositing a coin. If you have a local measured service, a 950 call will not be charged as a local call.

8. **TTY (Text Telephone)** is a machine that employs graphic communication in the transmission of coded symbols through a wire or radio communications system. TTY means the same as "TT" and "TTD", or "telecommunications device for the deaf."

RESIDENTIAL PLAN DESCRIPTIONS

Standard Rates

AT&T Dial-1 long distance service enables consumers to call anywhere in the United States and to over 280 countries and areas around the world. Around-the-clock customer service for billing and service inquiries is available in eight languages. AT&T provides 24-hour directory assistance for collect, person-to-person and billed-to-third party calls, dialing information, rate quotes, credit for misdialed calls, busy-line verification and emergency interrupt service. AT&T Operator Services for the Deaf provides the same services for users of text-telephones. AT&T Telecommunications Relay Service enables hearing- and speech-impaired customers using text-telephones to converse with others using standard telephones. AT&T provides special discounted prices on long-distance calls for consumers who are certified as disabled. AT&T has three calling periods for domestic calls: Day, Evening and Night/Weekend. Evening prices are, on average, 30% less than Day calls, Night/Weekend prices are, on average, 47% less than Day calls. AT&T also provides discounts on 10 holidays. When away from home, callers can ensure their calls are placed on the AT&T long distance network by dialing 1-800-CALL-ATT.

LCI Basic LCI's basic residential calling rates apply only to "casual" callers who have not directly contacted LCI to become a customer (i.e., they have subscribed to LCI through the local phone company). Callers who subscribe directly with LCI are automatically placed on the All America Plan (sm), the one and only residential plan marketed by LCI, featuring the simplicity of flat rates and savings through billing in six-second increments. Once identified and with customer permission, LCI places "casual" callers on the All America Plan.

LDDS Dial USA is an easy 1+ long distance service available to residential customers throughout the United States. Customers can call across the city, around the state or coast-to-coast, as well as internationally to more than 230 countries using simple dialing procedures. LDDS offers 24-hour, bilingual operators to assist customers in placing calls, setting up conference calls, or enjoying other LDDS services.

Matrix Standard Basic provides direct-dialed long distance service to anywhere in the U.S. and to more than 220 countries around the world. Matrix has three calling periods for domestic calls: day, evening and night/weekend. Features include Matrix Customer Service, available for call-credit, billing questions, rate quotes, Spanish and Korean language support, residential 800 service and free Matrix Calling Card for away-from-home calling. The Matrix Calling Card allows callers to place direct dial calls via toll-free access from anywhere in the U.S. and from over 49 countries to the rest of the world. Matrix Standard Basic has no monthly recurring charges or minimum usage requirements. Matrix Standard Basic customers can also save up to 35% with special holiday rates on designated holidays.

MCI Dial-1 provides direct-dialed long distance service to and from anywhere in the United States, Puerto Rico and the U.S. Virgin Islands, as well as to over 250 countries around the world. MCI has three calling periods: day, evening and night/weekend. Customer Service is available for billing, service and other inquiries 24 hours a day, seven days a week. MCI Operators are also available 24 hours a day, 365 days a year for assistance with domestic and international collect, person-to-person and third-party billing. MCI Operators can also provide rate quotes, credits and domestic and

RESIDENTIAL PLAN DESCRIPTIONS

international dialing information. MCI offers operator services and customer service in 10 different languages. "Dial 1" customers receive up to 35% savings with special holiday rates on designated holidays. "Dial 1" may also be combined with MCI's Friends & Family, Friends & Family II and Best Friends.

Sprint Standard provides 1-plus dialing to anywhere in the U.S. and to more than 290 countries and locations around the world. Sprint has three calling periods for domestic calling: day, evening and night/weekend. Features include Sprint Customer Service, available 24 hours a day, 7 days a week in both English and other languages. Customer Service Representatives can provide immediate call credit, billing or balance due information, rate quotes, service availability and other assistance. Sprint Operators are also available 24 hours a day for any special calling needs. Sprint's FONCARD and Voice FONCARD are available for away-from-home calling, including special features such as conference calling, message delivery, and International Access for calling from international destinations to the U.S.

Flat-Rate Plans

LCI All America Plan provides flat rates, which vary only by the time of day a call is placed, and features six-second increments (rather than rounding calls up to the next full minute). According to industry analysts, six-second rounding can reduce the number of minutes consumers are billed each month by up to 10%. The All America Plan requires no enrollment fees, monthly fees or monthly minimums. Other features of the All America Plan include World Card Plus, a calling card featuring flat rates, billing in six-second increments and a 35 cent surcharge. In addition, LCI offers its residential customers a Home 800 number and bills customers for this flat-rate service only when it is used. Finally, LCI residential customers automatically qualify for the Holiday Calling Program, which offers 30 minutes of interstate calling at one penny-per-minute on eight designated holidays during the year. LCI customer service representatives are available to assist callers 24 hours a day, seven days a week, 365 days a year.

LDDS Home Advantage offers residential customers direct dial calling anywhere in the USA, as well as to over 220 countries worldwide. Simple, flat-rate pricing and two rate periods ensure an easy to understand monthly bill. Rate reductions during off-peak hours, when most residential calls occur, offer maximum savings. Security codes are available to prevent unauthorized use, and a vanity feature provides easy-to-remember numbers for kids away at school, or elderly relatives in other locations. These services may be combined with the OnLine Calling Card, with its voice messaging features and surcharge-free domestic calling.

Sprint Sense is a simple, straightforward calling plan that gives a clear bottom line price for long distance calls. From 7PM to 7AM Monday through Friday, and all day Saturday and Sunday, all state-to-state calls are only 10 cents per minute. All state-to-state calls placed during the day are only 22 cents per minute. With this flat rate per minute, Sprint customers know exactly what they will pay for each call. In-state calls are based on the same time periods with the same single rate, which is state-specific. Direct-dial, FONCARD and operator-assisted calls receive the benefit of the two time periods and simple low rates. A monthly fee of \$3 will apply to customers who spend less than \$25 a month; this monthly fee is waived for customers who sign up for Sprint Sense before June 1, 1995.

RESIDENTIAL PLAN DESCRIPTIONS

Discount Plans Based on How Much You Call

AT&T True USA (sm) provides customers with discounts on monthly usage based on the amount the customer spends each month on AT&T long distance calls anywhere in the U.S. Members receive a 30% discount on monthly bills of \$75 or more, a 20% discount on bills of \$25 to \$74.99, and a 10% discount on bills of \$10.00 to \$24.99. Qualifying calls include domestic direct-dialed, AT&T Calling Card and operator-handled calls. There are no sign-up fees, monthly charges or calling circles. AT&T's standard rates apply when members make less than \$10.00 in qualifying calls in a given month.

AT&T True Savings offers savings of 25 or 30% for program members who spend at least \$10 a month on qualifying domestic AT&T calls. Members receive a 30% discount on monthly bills of \$50 or more and a 25% discount on bills of \$10 to \$49.99. Qualifying calls include domestic direct-dialed, AT&T Calling Card and operator-handled calls. There are no sign-up fees, monthly charges or calling circles. AT&T's standard rates apply when members make less than \$10.00 in qualifying calls in a given month.

Matrix SmartWorld Basic provides automatic discounts on all direct-dialed long distance calls to anywhere in the U.S., and to more than 220 countries around the world. SmartWorld Basic customers receive an additional 5% discount on all usage starting in the 7th month of service. Matrix has three calling periods for domestic calls: day, evening and night/weekend. Features include 24-hour Matrix Customer Service, available for call-credit, billing questions, rate quotes, Spanish and Korean language support as well as other inquiries; residential 800 service; and a free Matrix Calling Card for away-from-home calling. The Matrix Calling Card allows callers to place direct-dial calls via toll-free access from anywhere in the U.S. and from over 49 countries to the rest of the world. Operator assist/help desks are also available 24 hours a day, 365 days a year for calling card calls from over 69 countries to the U.S. and Canada. Billing is rendered via the local telephone company for the customer's convenience of writing a single check for both local and long distance service. There are no monthly recurring charges, sign-up fees or minimum usage. SmartWorld Basic customers can also save up to 35% with special holiday rates on designated holidays.

Sprint The Most II offers volume discounts, and is designated for those spending \$30 or more per month in domestic long distance calling. There is no monthly fee, and the savings are automatic. Consumers can call any time of the day to receive the volume discounts--there are no restrictions. The following discounts apply: 20% discount off all domestic calls at home/away from home when spending \$30.00-\$74.99; 30% discount off all domestic calls between \$75.00-\$149.99, 35% discount off all domestic calls totalling \$150 or more. In state, state-to-state, international calls, FONCARD calls, Voice FONCARD calls and operator-assisted calls contribute toward the \$30 spending requirement.

Discounts Plans Based on Who or Where You Call

AT&T Select Saver (sm) offers special prices for consumers who make frequent calls to a specific area code. From Monday through Friday, 5 PM to 8 AM, and all day Saturday and Sunday, subscribers pay 12 cents a minute for calls to their selected area code. Calls to that area code are 21 cents a minute when placed Monday through Friday, 8 AM to 5 PM. Select Saver subscribers also receive a 5% discount on state-to-state, direct-dialed calls to area codes other than their selected one. The monthly fee for Select Saver is \$1.90.

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AT&T Simple Savings (sm) gives a 25% discount on all state selected area code, each month the subscriber spends at least \$30 a month on qualifying AT&T long distance calls. Simple Savings also gives 15% off all other qualifying calls, which include domestic direct-dialed, calling card and operator handled AT&T calls. There is no enrollment fee or monthly charge.

MCI New Friends & Family offers automatic discounts based on monthly spending. Customers spending between \$9.50 and \$49.99 receive an automatic 25% discount on all direct dialed calls in the U.S. Customers spending greater than \$50 receive an automatic 30% discount off all direct dialed calls in the U.S. After spending just \$9.50, a 50% discount is awarded on all calls placed to a Calling Circle member who is also an MCI customer.

Discounts Plans Based on What Time of Day You Call

Allnet Homesaver offers customers discounts when they call during evening hours. Other standard product features include: 1) two rate periods with flat rate pricing; 2) the evening/night period starts at 5:00 pm; 3) economical six-second billing; 4) Allnet Access calling card for away-from-home calls; 5) international calling capability with an optional calling plan for frequent international callers; and 6) a Homesaver 1-800 number family and friends can use to call the customer. Allnet Homesaver is supported by a 100% digital network and 24 hour customer service.

AT&T AnyHour Saver is designed for consumers who place long distance calls at all times of the day. For a \$10.75 monthly fee, subscribers can place one hour of state-to-state direct-dialed calls at any time. The initial hour is filled with the most expensive minutes. Daytime calls are applied first, followed by evening and then night/weekend calls. After the first hour is used, additional calls are billed at 21 cents a minute on weekdays (Monday through Friday, 8 AM to 5 PM), and 11 cents a minute at all other times. AnyHour Saver also offers a 5% discount on international and in-state direct dialed long distance calls not already discounted under another plan.

AT&T Evening Plus (sm) is designed for consumers who place their long distance calls primarily in the evening and on weekends. For \$8.25 a month, customers receive one hour of direct-dialed, state-to-state calls, Sunday through Friday, 5 PM to 8 AM and all day Saturday and Sunday until 5 PM. After the first hour, calls are 11 cents a minute. Evening Plus also gives subscribers a 5% discount on international and in-state calls not discounted under another plan as long as the total amount discounted does not exceed the customer's total charges for state-to-state calling.

AT&T Reach Out America Bonus is designed for people who place many of their calls during nights and weekends, but call at other times too. For \$8.25 a month, the plan offers consumers one hour of direct-dialed state-to-state calls Sunday through Friday, 10 PM to 8 AM, and all day Saturday and Sunday until 5 PM. After the initial hour is used, additional calls during plan hours are \$.11 a minute. Also customers receive a 40% discount on all AT&T direct-dialed, state-to-state evening calls (Sunday through Friday, 5 PM to 10 PM). This plan also gives 5% off all international calls and a 5% discount on in-state calls not discounted under another plan, as long as the amount discounted does not exceed the customer's total charge for state-to-state calls.

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AT&T Reach Out@ America 24Hour plan offers consumers one hour of direct-dialed, state-to-state calls, Sunday through Friday, 10 PM to 8 AM and all day Saturday and Sunday until 5 PM, for \$9.50 a month. After the initial hour is used, calls during plan hours are 11 cents a minute. Also, direct-dialed, state to state calls placed are discounted 40% during the evening (Sunday through Friday, 5 PM to 10 PM) are discounted 40%, and 10% during the day (Monday through Friday 8 AM to 5 PM). Direct-dialed in-state calls receive a 5% discount. The evening, day and in-state discounts apply only to calls not discounted under another plan and may not exceed the customer's total monthly charge for state-to-state calls.

AT&T Reach Out@ America Half-hour plan offers consumers one half hour of direct-dialed, state-to-state calls, Sunday through Friday, 10 PM to 8 AM, all day Saturday and Sunday until 5 PM, for \$4.00 per month. After the initial half hour is used, calls during plan hours are \$.12 a minute. Also, customers receive a 20% discount on all AT&T direct-dialed, state-to-state evening calls (Sunday through Friday, 5 PM to 10 PM). In addition, Reach Out America Half-hour plan offers a 5% discount on international and in-state direct-dialed long distance calls not already discounted under another plan.

Matrix SmartWorld Day service is designed for customers who primarily call during the day. It offers the rate of 17.9 cents per minute for all state-to-state day calling anywhere in the U.S., Puerto Rico and the U.S. Virgin Islands. State-to-state calling during the evening calling period is 14.9 cents per minute, and 12.9 cents per minute during the night/weekend calling period. There are no sign-up fees, no minimum billing requirements, and no restrictions on who you call to get these savings.

MCI AnyTime is designed for customers who call primarily during the day. For \$9.90/month, subscribers receive one hour of state-to-state calls anywhere in the U.S., Puerto Rico and the U.S. Virgin Islands. The more expensive day calls are applied to the initial sixty minutes of calling. Plan rates after the initial hour are \$.20/min during the day and \$.11/min during the evening and night/weekend for all interstate calls. Customers also receive a 5% discount off of MCI's basic rates on all direct-dialed in-state and international calls, 24 hours a day. MCI AnyTime may also be combined with MCI's Friends & Family, Friends & Family II and Best Friends

(continued from Page 1)

Check it Out. Once you think you've found one or two possible plans, research them with the carriers. Call the carrier using the 800 number shown in the Features and Services section of Tele-Tips and confirm that this plan would be the best for you with that company. Also check the Features and Services section to determine if there are other considerations about the plan or carrier that are important to you.

"Code Calling"

No matter which company you pick as your primary 1-plus carrier, you can use other companies by dialing a five digit access code ("10" plus a different three digit number for each carrier.) All long distance carriers have such codes, but they often prefer that you select them as your 1-plus or default carrier. For example, AT&T can be used to carry calls from telephones that are pre-subscribed to another carrier simply by dialing 10288, then "1" or "0" and the area code and

number. MCI's code is 10222 and Sprint's is 10333. (See the Features and Services section of the chart.) You also may want to use these codes if for some reason you are having difficulty completing a call with your primary carrier.

Increasingly, consumers are receiving mail from long distance companies that offer only five digit code calling. These companies urge consumers to use them for long distance because they are "cheaper," by dialing the five digit code and without changing the 1-plus company. You can compare these claims by trying out the service for a month and comparing what your bill is with them to what your bill was with your primary carrier from the previous month.

Plans Change Frequently

Competition between long distance companies is intense, resulting in frequent changes of their rates and services. The information on this chart changes accordingly, and was accurate and complete as

of March, 1995. TRAC periodically updates its information and recommends that you do the same. An updated chart can be obtained by sending \$3.00 and a stamped, self-addressed envelope to TRAC, PO Box 12038, Wash., DC 20005.

About TRAC

TRAC is a non-profit, tax-exempt membership organization based in Washington, D.C. Its primary goal is to promote the interests of residential telecommunications users.

TRAC's staff researches telecommunications issues and publishes Tele-Tips Residential and Small Business Long Distance Charts to help consumers make informed decisions regarding their long distance options.

TRAC is governed by a Board of Directors, made up of prominent leaders of the consumer, religious and civil rights movements.

TRAC MEMBERSHIP APPLICATION

YES! I want to join TRAC and the fight to keep the cost of telephone service affordable. Membership is tax-deductible. Members receive two residential and two business issues of Tele-Tips per year. Other publications and updates may also be sent periodically.

	<u>1 YR</u>	<u>2 YR</u>
Individual Membership	\$25	\$40
Business or Association	\$50	\$80
Student	\$10	\$18
Sustaining	\$250	
Other Contribution	\$ _____	

NAME: _____

ADDRESS: _____

CITY: _____ STATE: _____ ZIP: _____

PAYMENT: _____ Check or Money Order (Make Payable to TRAC)

Mail this form to TRAC, PO Box 12038, Washington, DC, 20005.