

## ***Top-10 Questions Customers Are Asking***

**1. What is the federal “subscriber line charge” (SLC)?**  
*(bill charges)*

- A. The Federal Communications Commission authorizes local telephone companies to recover a portion of the costs of the facilities we use to connect your home or business for services through a monthly assessment on all residential and business customers. The federal “subscriber line charge” assessment is part of the FCC’s effort to support competition in the telecom market. The federal SLC is a flat monthly charge assessed directly on your bill.

In July 2003, the federal SLCs for customers of community based telecom providers increased to a maximum of \$6.50 for residential and single-line business customers, and as much as \$9.20 per line for multi-line businesses.

**For a more detailed answer, see Q-9**

**2. What is the Federal Universal Service Charge (FUSC)?**  
*(bill charges)*

- A. The “Federal Universal Service Charge” (FUSC), also authorized by the FCC, is not part of your local service rate. The purpose of this charge is to help to keep rates affordable for all Americans, regardless of where they live. The amount of the FUSC on your monthly bill depends on the services you order and the number of telephone lines you have. In most cases, it is applied as a *percentage* of the interstate and international toll charges you incur each month.

The federal Universal Service Fund assists with the costs of providing “affordable” telecommunications service to low-income individuals and to residents in rural, high-cost areas. In addition, Congress has expanded the program to help schools, libraries, and rural health care providers obtain leading-edge services, such as high-speed Internet access. All providers of telecom services contribute to the support of these universal service programs.

**For a more detailed answer, see Q-10**

**3. How do I sign up for the Do-Not-Call list that prevents telemarketers and others solicitors from calling me at home?**  
*(local service/bill charges)*

- A. In response to consumer concerns about unwelcome telemarketing calls, the FCC and the Federal Trade Commission established the national Do-Not-Call Registry. The registry applies to all telemarketers (with the exception of certain non-profit and political organizations) and covers both interstate and intrastate telemarketing calls. Commercial telemarketers are not allowed to call you if your number is listed on the registry.

Consumers may register their residential telephone number, *including wireless numbers*, on the national Do-Not-Call Registry at no cost by telephone or on the Internet. To register by telephone, you should call 1-888-382-1222. For TTY, call 1-866-290-

4236. You must call from the phone number you wish to register. You may also register by Internet at [www.donotcall.gov](http://www.donotcall.gov). Inclusion of your telephone number on the national Do-Not-Call Registry will be effective three months following your registration.

**For a more detailed answer, see Q-20**

**4. Why can't I get service from the long-distance company I want? Moreover, why can't I get the long-distance rate plans I see advertised?**

*(long-distance service)*

A. Many national long-distance companies do not offer service or their advertised rate plans in rural areas. Thus, many of the customers we serve find only frustration when they try to select a long-distance company, make a "10-10" call (10-10-321, for example), or pick a calling plan they've seen advertised on TV. When customers ask for an explanation, the long-distance companies usually point to us, the "local" company, as the reason why certain carriers, services, or advertised calling plans are not available. We'd like to make it clear that we have no say in a long-distance company's decision to offer service, rates, or calling plans here in our area. For a long-distance carrier to provide service here or to offer you 10-10 calling options, it must request that we program our switching facilities to recognize its "identification" code – or particular 10-10 code. If the long-distance company does not make the request, we cannot process the call.

Choosing a long-distance calling plan is an even more direct issue. These calling plans are unique only in their pricing; there are *no* technical or service-related factors that require a local company to play *any role at all* in a long-distance company's decision to make a calling plan available to certain customers or in certain areas. The only decision is the long-distance company's willingness to offer its plan wherever and to whomever it chooses, and its obligation to offer non-discriminatory rates.

**For a more detailed answer, see Q-38**

**5. What is DSL and what benefits does it offer me?**

*(broadband DSL service/high-speed Internet access)*

A. DSL (Digital Subscriber Line) technology provides high-bandwidth (high-speed) network connections to individual homes and businesses. DSL uses the same line as your regular telephone service, but it can provide the higher data speeds because it uses digital modems. The digital modem technology "converts" your telephone line to use the additional, data capacity.

In a nutshell, DSL technology offers three major advantages over dial-up Internet access or data service: *much higher speeds, a constant "always-on" connection, and talk-and surf capability*. What's causing all the excitement is, first of all, speed. DSL can deliver more than 100 times the network performance of a standard analog (dial-up) modem. The second major advantage is access. DSL is "on" all the time, so users do not have to dial their Internet service provider each time they want to "access" the Internet. Finally, with DSL, you don't need a second line to keep your line "open." DSL lets you talk and surf at the same time on the same line.

**For a more detailed answer, see Q-41—Q-43**

- 6. What is VoIP service? Will it allow me to make phone calls from my computer? Do I need DSL or other broadband connection to use it?**  
*(broadband DSL service/high-speed Internet access)*

*A.* VoIP service refers to “Voice over Internet Protocol,” which in a general sense means using Internet technology (protocol) to transmit and deliver voice communications. Rather than using the traditional “circuit-switched” (two-way) analog telephone network, VoIP “digitizes” the voice signal into information “packets” that are sent over the Internet or computer network, like data or e-mail. The packets are reassembled at the other end of the connection to produce the voice signal. Until recently, IP network-delivered voice service has been constrained by very poor quality and limited reliability. Recent advancements in IP technology have improved the quality of digitized voice service, and IP networks are becoming more and more capable of carrying voice communications on a par with the traditional network.

Currently, most VoIP service is what’s known as “peer-to-peer,” which means computer to computer; *i.e.*, both parties must have the same type of IP software and both must be logged on at the same time. Also becoming more widely available are computer-to-phone and phone-to-phone VoIP applications. From a technical starting point, users must have a broadband connection (DSL, cable modem, or other) to take advantage of VoIP and other IP-enabled services. Since VoIP is Internet-based, it has developed independent of the policy and regulatory realm that has governed the national telephone network. There remain serious misgivings about the IP network’s current lack of E-911 capabilities and the inability of law enforcement officials to track and “tap” packet-based voice signals. Congress, the FCC, and state lawmakers are currently investigating how to promote the rollout of VoIP and other IP-enabled services at the same time as they safeguard the universal service, emergency, law enforcement, consumer privacy, and other social policy objectives attained and promoted through the national switched telephone network for almost a century.

**For a more detailed answer, see Q-47**

- 7. Is all wireless service the same?**  
*(wireless service)*

*A.* Currently, wireless service is either analog (the “older” type) or digital (PCS [personal communications service] and other “newer” types). Analog transmits the voice signals through the air using radio waves, while digital converts the voice signals to computer “ones and zeros” that are transmitted through electronic pulses and reassembled after delivery. Converting to digitized voice signals allows computer processing, which eliminates much of the static background noise; offers clearer, more secure calls; and, includes more features than analog.

Generally, wireless coverage, the geographic area where you can use your wireless phone, is broader with analog technology – most of the country, including rural areas, has analog coverage. Digital has developed more recently, so coverage still tends

to be in more-populated, highly traveled areas. As wireless carriers upgrade their networks to expand their coverage, however, much of the nation should be accessible to digital service in the near future.

**For a more detailed answer, see Q-48**

**8. How is wireless coverage set up and how does roaming work? If I'm in my service area, why are there dropped calls and dead spots?**

*(wireless service)*

A. The area where you can make and receive wireless calls is determined by where your carrier has a license and where it has built out its network. You should have a "coverage" map of the particular geographic area served by your wireless carrier. When you travel beyond your carrier's area, you still may be able to use your wireless service – provided by the carrier in the area where you are traveling. This is called *roaming*. Even if a wireless carrier has not constructed towers and built out its network, roaming allows its customers to connect using another carrier's network. If your wireless carrier has a "roaming agreement" with another carrier and if your wireless handset allows roaming, you will be able to connect with the other network to use your wireless service.

Even within your carrier's coverage area, limitations in facilities and capacity can cause problems in wireless call completion. If the carrier's network fails to hand off calls in progress as a customer travels from one coverage area to another, a "dropped call" results. A large number of callers using the network at the same time can strain capacity, so others will get a busy signal when they try to connect. Terrain also affects coverage, causing "dead" spots – areas where service may not be available because the signal between the handset and the tower is blocked or impeded. Coverage is also affected by the type of handset you have. Wireless phones can be single-mode; *i.e.*, connect to either an analog or digital network, but not both, or dual-mode; *i.e.*, work with both analog and digital. Obviously, the more networks your handset can connect with, the broader your coverage. Generally, dual-mode or digital handsets will automatically switch to analog in areas where digital service is not available; likewise, digital technology can switch a call to analog – and maintain voice quality – if the caller travels outside a digital service area. However, the reverse does not hold: analog handsets do not work on a digital system. Digital wireless requires a digital-capable handset.

**For a more detailed answer, see Q-49**

**9. What is the Federal Universal Service Charge listed on my long-distance bill? Do all long-distance companies charge the same fee?**

*(long-distance charges)*

A. This charge (also called the Universal Connectivity Fee or Carrier Universal Service Charge) is similar to the FUSC for local service. All telecom providers are required to contribute to the support of federal universal service. Federal regulators are responsible for assessing, currently on a quarterly basis, the long-distance FUSC as a percentage (to date, in a range of 7% to 9%) of your state-to-state and international toll charges. The FCC prohibits any telecom provider from charging a percentage above the

mandatory federal level. However, the FCC does allow companies to include additional “administrative” or “regulatory” fees on customers’ bills, and many of the large national long-distance companies have done so. On the other hand, most long-distance subsidiaries of community based telecom providers have not added any such new fees – in fact, many do not pass the long-distance FUSC on to their customers at all.

**For a more detailed answer, see Q-21**

**10. What is wireless LNP? How do I “port” my number to a wireless carrier? If I change my phone number to a wireless carrier, how does that affect my traditional local telephone service?**

*(wireless service)*

A. New federal rules allow customers to “port” their telephone numbers, wireline or wireless, to another carrier. All telecom providers must support number portability – both wireless-to-wireless and wireline-to-wireless – beginning May 24, 2004, PROVIDED a wireless carrier makes a specific request. In order for customers to “port their number” (change carriers), the new (wireless) carrier to which you wish to port your number must send us a request to establish an agreement/process that will allow us to do that.

As a community based telecom provider with deep ties here in our service area, we want you to know exactly what it means to port your telephone number, and to give you an idea of some of the service differences between wireline phones and what you can expect from wireless, among which are:

- If you port your traditional phone number to a wireless carrier, you will be disconnecting your wireline phone and terminating your traditional local service.
- You will no longer have unlimited local calling; you will have to keep tabs on the number of minutes that are included in your wireless plan; in wireless service, all calls – both those you make and those you receive – count against your total minutes.
- You will have to arrange with your wireless carrier for a directory listing and directory assistance services.
- You will no longer be able to access the Internet using a local, unlimited dial-up connection; in some cases, you may be able to connect your wireless phone to your PC to access the Internet, but you are likely to need additional hardware and/or software; also, you must keep in mind that time spent on the Internet will count against the minutes in your wireless plan.
- In an emergency, E-911 service can pinpoint your traditional home phone, but in most cases, not your cell phone.
- In general, a phone number can only be assigned to a single wireless phone. With wireline service, you can have additional phones (or extensions) in your house that hook up to the same number.
- If your home is in an area that does not get clear wireless reception, your calls could be unclear or have a tendency to drop. Be aware that the type of wireless reception you get at home now is the quality you can expect for all your calls.

**For a more detailed answer, see Q-51**

## ***Billing Issues (Truth in Billing)***

The Federal Communications Commission (FCC) has a number of requirements and standards that community based telecom providers, other local telephone companies, and most telecom companies must follow in billing their customers. These rules are commonly referred to as “Truth in Billing” (TIB). The FCC established the TIB rules to help consumers better understand how they are billed for telecom services and to combat slamming, cramming, and other telephone fraud and abuse.

As your local company, we’ve always tried to ensure that the bills we send you are clear and understandable. For us, customer service is not just a slogan – it’s the cornerstone of our mission. We make it our policy to encourage you to contact us about any problem or question you have about your bills, service, or any other issue.

In summary, the rules are designed to ensure that your bill is clearly organized and that you can identify the service provider associated with each charge. In addition, your bill must include a clear description of all charges and list a toll-free number for you to call for further explanation.

### **Q-1. I do not recognize a company listed on my bill. Who are they, and why are they billing me?**

- A. Your bill must include the name and toll-free telephone number of any company that has charged you for its services, along with the charges for those services. If you don’t recognize the company or have questions about the services for which you’ve been billed, call the company to ask for more information about the services.

Some service providers do not bill their customers directly, so they contract with local companies to bill for them. These providers send us your usage data electronically, and we use that information to bill on their behalf. Increasingly, telemarketers and con artists are using customers’ phone numbers to post unauthorized and fraudulent charges in the billing data sent to us. These charges can be for many things, but the result is that the charges are included in the data. We have no way to monitor its accuracy. The billing rules are intended to make sure that the format of your bill helps you more easily identify any unauthorized or fraudulent charges.

### **Q-2. Why are the charges from each company listed separately?**

- A. The TIB rules require that we organize your bill so that charges from each company billing you for service appear separately. For example, if you have chosen one long-distance company for your regional (intraLATA) long-distance calls and another for your out-of-region and state-to-state (interLATA) calls, your bill lists the calls separately.

### **Q-3. A company has listed charges on my bill for telecom services that I do not understand, and the description is unclear. How can I get them explained?**

A. You may find charges on your bill that are not from your local company. The name and toll-free number of the company charging you for telecom services are listed in the section where those charges appear. You should call that company for an explanation. You can also dispute the charges and request that the company remove them from your bill. As your local telecom provider, we remind you that as part of our service commitment, our business office is always available if you have questions about your bill. If you have any difficulty in contacting the service providers listed on your bill, or if you're not satisfied with the response you get, we'll help you resolve the problem.

**Q-4. There is a statement on my bill that says, "This company did not bill you for services in the previous billing cycle." What does that mean?**

A. The FCC rules require that customers be notified of a "new" service provider any time a bill includes charges from a company that did not bill the customer for services in the previous billing cycle. However, such notification applies only to "subscribed" services; *i.e.*, when a service provider has a continuing relationship with a customer and likely places *regular* or *periodic* charges on your bill. For example, long-distance surcharges, voice mail, and other services that continue until you cancel them, are subject to the notification rule. On the other hand, services billed on a per-transaction basis, such as directory assistance, dial-around (10-10) toll calls, and other "non-recurring" pay-per-call services, are not subject to the notification requirements.

**Q-5. If I want to dispute a charge that appears on my bill – and don't pay the charge – will my local service be disrupted?**

A. We identify all charges on your bill that, if not paid, could result in the disconnection of your basic local service; such services are listed as "deniable" charges. Our (STATE PUC) designates the charges we must classify as "deniable," and those charges are so identified on your bill. Non-payment of other, "non-deniable" charges can result in the termination of the specific service, but will *not* lead to the disconnection of local service. If you don't recognize the charges, you should call the toll-free number listed on the bill within 60 days to ensure there is no interruption of the service in question.

**Q-6. I am confused about some of the toll-free numbers listed on my bill. Is the actual service provider always the appropriate party for me to contact?**

A. Some companies bill you directly. Others rely on third parties, known as "billing agents" or "aggregators," to bill for them. Thus, the actual service provider is not always the appropriate party to contact if you have questions or problems. In fact, some providers contract with third-party billing agents or aggregators just to handle inquiry and dispute resolution of the charges placed on your bill.

The rules require that the toll-free number listed on your bill as the "inquiry contact" – regardless of who it is – must connect you to someone who has "sufficient knowledge and authority" to resolve account inquiries and requests for adjustment. The FCC allows the use of inquiry contacts because of consumer concerns about the complexity of their bills and because of increased fraud and abuse.

**Q-7. Are service providers required to list their business address? How can I contact a provider if I'm not satisfied with the resolution reached on the phone?**

- A. Service providers are not required to include their business address on each bill for consumer inquiries and complaints. However, they are required to make their business address available to consumers on request through their toll-free number.

## ***Monthly Bill Charges***

### **Local Service Charges**

**Q-8. What is the basic local service rate and how is it billed?**

- A. In most cases, the basic local service rate covers *dial tone* – the connection that allows you to make and receive local (non-toll) calls. In some states, local service is also authorized on a measured (usage) basis. Failure to pay the basic local service rate and applicable taxes and fees will result in disconnection and loss of service.

Local telephone service is billed one month in advance – and is usually due within 10-15 days of receipt. Charges for usage, on the other hand, are billed only after a particular service; *e.g.*, long-distance calls, calling card, wireless, etc. is used.

### Surcharges

**Q-9. What is the federal “subscriber line charge” (SLC)?**

- A. The Federal Communications Commission authorizes local telephone companies to recover a portion of the costs of the facilities we use to connect your home or business for services through a monthly assessment on all residential and business customers. Commonly known as the federal “subscriber line charge,” this assessment is part of the FCC’s effort to support competition in the telecom market. The federal SLC is a flat monthly charge assessed directly on your bill.

In July 2003, the federal SLCs for customers of community based telecom providers increased to a maximum of \$6.50 for residential and single-line business customers, and as much as \$9.20 per line for multi-line businesses. The SLC levels of community based telecom providers are the same as those assessed by larger, urban companies.

The FCC established the federal SLC as a way to reduce the “access charges” paid by long-distance companies but still compensate local companies for the use of our networks by those carriers to gain “access” to their customers. For competitive purposes, the FCC decided to make end-user customers more directly responsible for the costs incurred in providing them service and that the “access charges” paid by long-distance companies

should be reduced. Thus, it is important to note that the SLCs result in no additional revenue for local telephone companies.

**Q-10. What is the Federal Universal Service Charge (FUSC)?**

- A. The “Federal Universal Service Charge” (FUSC), also authorized by the FCC, is not part of your local service rate. The purpose of this charge is to help to keep rates affordable for all Americans, regardless of where they live. The amount of the FUSC on your monthly bill depends on the services you order and the number of telephone lines you have. In most cases, it is applied as a *percentage* of the interstate and international toll charges you incur each month.

The federal government maintains national programs to support universal telephone service. The federal Universal Service Fund assists with the costs of providing “affordable” telecommunications service to low-income individuals and to residents in rural, high-cost areas. In addition, Congress has expanded the program to help schools, libraries, and rural health care providers obtain leading-edge services, such as high-speed Internet access. All providers of telecom services contribute to the support of these universal service programs.

**Q-11. Where do the federal SLC and FUSC fees go?**

- A. The SLC and FUSC fees go to federal administrative agencies created to oversee and manage the funds. The federal SLC fees are re-distributed to local telephone companies based on our specific costs. These funds enable community based telecom providers serving isolated, high-cost rural areas to recover some of the costs of the facilities used to connect your home or business. The FUSC fees allow us to recover our assessments for the federal universal service programs. A portion of the funds collected from the Federal Universal Service Charge is distributed to keep rates in high-cost rural areas at or near the national average.

**Q-12. What does “universal service” mean to me?**

- A. For the last 70 years, the nation has made a policy commitment to make telephone service available to as many Americans as possible – rich or poor, rural or urban. When Congress passed the Communications Act in 1934, it established the concept of **universal service** as a principle to promote the development and reach of the national telephone network by distributing costs across various services and users in order to connect all segments of the American public.

Universal service recognizes the economic reality that the cost of providing telephone service in rural areas is significantly higher than in well-populated, urban parts of the country, but that the nation *as a whole* benefits from a network that connects as many Americans as possible. We can look on universal service as a system by which everyone benefits because everyone else has a telephone. Thanks to universal service, all Americans, no matter where they may live, have been assured of quality telephone service at reasonable rates.

**Q-13. How does the universal service support system work?**

- A. Traditionally, long-distance carriers paid *access charges* to local companies for “access” to the local network to enable customers to make or receive long-distance calls. These access-charge dollars reflected a legitimate cost of business, compensating local companies for the long-distance carriers’ use of our networks. Universal service support and access charge revenues are essential to community based telecom providers. These programs help companies serving rural areas keep local rates affordable and comparable to rates in urban areas where the population is more densely clustered and costs are not as high. We continue to rely on this support today, given the costs of the equipment and facilities necessary to make new and advanced services available to rural customers.

**Q-14. Do all local telephone companies receive universal service support?**

- A. No, all local companies do not qualify for this support. While most telecom providers contribute to universal service, the companies that serve large cities and urban markets are not likely to qualify for federal Universal Service Fund support. Thus, through their SLC and FUSC payments, customers of large urban-based companies are helping to keep local rates “comparable” and “affordable” for those served by community based providers and other rural companies. This mutual social benefit is the very objective that universal service was designed to achieve.

*(For Companies in States with a State USF End-User Charge)*

**Q-15. What is the (STATE) Universal Service Charge?**

- A. In addition to federal programs, some states collect fees to support their own universal service programs. Like other telecom providers in (STATE), we collect fees for the (STATE) Universal Service Fund that is administered by the (STATE PUC). The (STATE) Universal Service Charge supports universal service programs within our state. Most, if not all, telecom providers in the state contribute to the (STATE) Universal Service Fund to help keep basic local rates affordable for all state residents.

The (STATE PUC) authorizes telecom providers to recover their universal service contributions through a customer surcharge. The (PUC) uses the (STATE) Universal Service Fund to ensure that companies in high-cost areas have sufficient financial support to keep basic local rates affordable for all (STATE) citizens. As with federal support programs, the (STATE) Universal Service Fund is distributed to individual companies based on the costs we incur in serving our particular areas of the state.

**Q-16. What does the E 911 charge cover?**

- A. The E-911 charge is a state/local government charge to fund emergency-911 services, such as fire and rescue.

**Q-17. What is the Local Number Portability (LNP) Charge?**

- A. The Telecommunications Act of 1996 requires that telecom providers allow customers to keep their existing telephone numbers when they switch from one service provider to another. The Local Number Portability (LNP) charge is a fixed, monthly charge established by the FCC to allow local companies to recover some of our costs to provide telephone number “portability” to customers.

(For additional information on LNP charges, see **Q-51**.)

**Q-18. What is the Telecommunications Relay Services (TRS) Charge?**

- A. Local telephone companies offer Telecommunications Relay Services (TRS) to help hearing- or speech-impaired individuals communicate via the telephone. TRS is required by Title IV of the Americans with Disabilities Act and to the extent possible, must be “functionally equivalent” to standard telephone services. Communications assistants (CAs) relay the content of calls between users of special text telephones (TTYs) and users of traditional telephones. For example, a TTY user can use the phone by calling a TRS provider (or relay center), where a CA will place the call to the voice user and relay the conversation by transcribing spoken content for the TTY user and reading text aloud for the voice user.

Costs for *intrastate* TRS (that is, TRS calls made within a state) are paid by the individual states. Generally, states recover the TRS costs through a small assessment on all telephone customers in the state. The TRS charge is used to fund the relay centers and special equipment that assist hearing- and speech-impaired persons to communicate. Costs for *interstate* TRS (state-to-state TRS calls) are paid through the Interstate TRS Fund, which is supported through contributions from all interstate carriers.

**Q-19. What taxes are included on my bill?**

- A. Your bill includes the 3% federal excise tax levied by the federal government that applies to all telecom services, not just local service. In addition, many state, local, and/or municipal governments impose taxes on telecom services and, if applicable, these taxes are listed on your bill. In some states, these charges may appear as a “gross receipts” or “franchise” tax.

**Q-20. How do I sign up for the Do-Not-Call list that prevents telemarketers and others solicitors from calling me at home?**

- A. In response to consumer concerns about unwelcome telemarketing calls, the FCC and the Federal Trade Commission established the national Do-Not-Call Registry. The registry applies to all telemarketers (with the exception of certain non-profit and political organizations) and covers both interstate and intrastate telemarketing calls. Commercial telemarketers are not allowed to call you if your number is listed on the registry.

You can register your phone number for free, and it will remain on the national Do-Not-Call Registry for five years. You may re-enter your number on the list when the five years have passed, and you may remove your name from the list at any time. The Do-Not-Call Registry will not prevent all unwanted calls. It does not cover:

- calls from organizations with which you have established a business relationship;
- calls for which you have given prior written consent;
- calls which are not commercial or do not include unsolicited advertisements;
- calls by or on behalf of tax-exempt non-profit organizations.

Consumers may register their residential telephone number, *including wireless numbers*, on the national Do-Not-Call Registry at no cost by telephone or on the Internet. To register by telephone, you should call 1-888-382-1222. For TTY, call 1-866-290-4236. You must call from the phone number you wish to register. You may also register by Internet at [www.donotcall.gov](http://www.donotcall.gov). Inclusion of your telephone number on the national Do-Not-Call Registry will be effective three months following your registration.

## Long Distance Service Charges

### **Q-21. What is the Federal Universal Service Charge on my long-distance bill? Do all long-distance companies charge the same fee?**

- A. This charge (also called the Universal Connectivity Fee or Carrier Universal Service Charge) is similar to the FUSC for local service. All telecom providers, including long-distance companies, are required to contribute to the support of federal universal service.

Federal regulators are responsible for assessing, currently on a quarterly basis, the long-distance FUSC as a percentage (to date, in a range of 7% to 9%) of your state-to-state and international toll charges. The FCC prohibits any telecom provider from charging a percentage above the mandatory federal level. However, the FCC does allow companies to include additional “administrative” or “regulatory” fees on customers’ bills, and many of the large national long-distance companies have done so. On the other hand, most long-distance subsidiaries of community based telecom providers have not added such new fees – in fact, many do not pass the long-distance FUSC on to their customers at all.

### **Q-22. My long-distance bill includes a “one-bill” charge. How can I get my local and long-distance charges on a single bill without being charged?**

- A. Some long-distance companies charge as much as \$1.50 per month to combine long-distance charges and local charges on the same bill. These companies include this charge in the billing information they submit to the local company with whom they contract to bill for them. A local company that bills for a long-distance company does not authorize a one-bill fee.

Some local companies still bill for AT&T, and in those cases, customers can continue to get both charges on one bill – though AT&T mandates the “one” or “combined” bill charge in many areas. Other carriers; *e.g.*, MCI and Sprint, usually bill on their own, so a “combined” bill is not available. Because of recent developments in long-distance, many community based telecom providers no longer have billing relationships with AT&T. Thus, AT&T directly bills its customers, and the long-distance calls those customers make are included on a separate AT&T bill.

With many community based telecom providers now offering long-distance service, customers who want their local and long-distance charges on one combined bill can select their local, long-distance provider as their preferred carrier. Long distance service provided by these companies generally offer rates and plans comparable to those of national carriers. At the same time, community based companies offer the advantage of a long-distance alternative closer to home – with service from people you know and trust.

**Q-23. I'm confused about the rates I've been charged for my long-distance calls. How are my 1+ calls charged?**

- A. Your bill lists charges for the individual long-distance calls you've made using the long-distance company you've chosen as your preferred, 1+ carrier. Long distance rates differ significantly depending on the type of call you make; *i.e.*, out of region (state-to-state) or regional; interLATA or intraLATA. Also, calls are generally priced based on duration and time-of-day. Most long-distance companies have "basic rate" service (no calling plan) with rates that are much higher than those they feature in their calling plans, which offer reduced per-minute rates, but require a monthly "buy-in" fee that remains constant regardless of the number of 1+ calls a customer makes.

## **Slamming**

The FCC has given state regulatory commissions the responsibility to investigate and resolve customer complaints about unauthorized changes to their preferred local and/or long-distance carrier(s) – if a state commission declines, then the FCC assumes responsibility. All carriers, local and long-distance alike, must comply with the rules on preferred carrier changes. The states have the option of administering the preferred carrier change rules, and can do so either through the state regulatory commission or other agency charged with resolving unauthorized changes. Because either the state or the FCC may be the administrator, the rules refer to the responsible agency as the "relevant governmental agency" (RGA).

### Slamming – Unauthorized PIC (Preferred Interexchange Carrier) Changes

**Q-24. What is slamming?**

- A. You have the right to choose any certified long-distance carrier that offers you service and to change your preferred carrier (PIC) whenever you wish. *Slamming* is the unauthorized and illegal switching of a customer's preferred long-distance company. If you've been slammed, you have the right to be switched back to your chosen carrier at no cost.

**Q-25. I have been billed for long-distance charges from a company I did not choose as my preferred carrier. What do I do to get these charges removed from my bill?**

- A. Customers who believe they've been slammed; *i.e.*, that there has been an unauthorized change in their PIC selection, should inform us immediately. Once we receive notification of an unauthorized PIC change, we will do the following:

- Notify you that there is a 30-day absolution period and that you should not pay those charges on your bill.
- Refer you to the RGA (state regulatory commission or FCC Consumer Information Bureau, whichever applies).
- Immediately notify your authorized carrier; *i.e.*, your preferred carrier prior to the alleged slamming, and identify the unauthorized carrier.
- Immediately notify the unauthorized carrier; *i.e.*, the current PIC as a result of the switch, and identify the authorized carrier.

*NOTE: Community based telecom providers should make available to their CSRs the telephone number of the PUC or RGA (if different), or the FCC's Consumer Information Bureau (if applicable).*

**Q-26. What will the RGA do when an unauthorized PIC change is reported?**

A The FCC rules require that:

- Any carrier informed by a customer of an unauthorized PIC change must direct the customer to the relevant governmental agency (RGA).
- After receiving a complaint, the RGA will notify the alleged unauthorized carrier and order that the carrier remove from the customer's bill all unpaid charges for the first 30 days after the unauthorized change (slam) took place, pending determination of whether an unauthorized change has actually occurred.
- Within 30 days of notification, the alleged unauthorized carrier must provide to the RGA valid proof of verification of the customer's PIC change, which must comply with the FCC's authorization and verification rules.
- Failure by the carrier to respond or provide proof of verification will be presumed to be clear and convincing evidence of an unauthorized change (slam).
- If the RGA determines that an unauthorized change (slam) has occurred, it will order the unauthorized carrier to comply with the 30-day absolution rule and/or the reimbursement rules.

**Q-27. What does the 30-day absolution period cover?**

A. The 30-day absolution period refers to the first 30 days after an unauthorized PIC change (slam) has been made. The customer is not responsible for any charges during that period, as long as the charges have not been paid. If the customer has already paid the charges, the reimbursement rules apply (see next question). Any local telephone company, unauthorized long-distance carrier, or authorized long-distance carrier receiving a report of an unauthorized change must inform the customer of the 30-day absolution period.

The alleged unauthorized carrier may challenge the validity of a slamming complaint, but it must remove unpaid charges from a customer's bill, whether or not it challenges the allegation. Should the RGA investigation indicate that the PIC change was authorized, the charges will be reinstated.

**Q-28. What if I already paid the unauthorized carrier? Can I still get reimbursed for charges incurred during the first 30 days?**

- A. If it is determined that an unauthorized change (slam) has occurred and the customer has already made payment to the unauthorized carrier for charges applicable to the first 30 days, the customer is entitled to a refund equal to 50% of the charges paid. The authorized carrier must remit the 50% refund to the customer within 10 days of receiving payment from the unauthorized carrier. The customer has the option of requesting that the authorized carrier re-bill the unauthorized charges at the authorized carrier's rate. In either case, however, the customer will actually receive the refund only if the unauthorized carrier remits the funds to the authorized carrier.

**Q-29. What about unpaid charges incurred after the 30-day absolution period?**

- A. If the customer has charges from an unauthorized carrier for calls made after the 30-day absolution period and for which payment has not been made, the unauthorized carrier must remove the charges from the bill and forward the billing information to the authorized carrier. The authorized carrier will bill the customer for unpaid calls carried by the unauthorized carrier after the 30-day absolution period, either at its own rate or at a rate equal to 50% of the unauthorized carrier's rate. If the authorized carrier chooses to bill the calls at the 50% rate, the customer has the right to reject that method and request the authorized rate.

**Q-30. What must the unauthorized carrier do after it receives notification of a slamming complaint?**

- A. Under the rules, the alleged unauthorized carrier must do the following:
- Inform the customer of the 30-day absolution period.
  - Refer the customer to the state RGA or, if appropriate, the FCC Consumer Information Bureau.
  - Remove the unpaid charges from the customer's bill.
  - Refer the complaint to the RGA for resolution.
  - Provide proof of verification, if available, to the RGA within 30 days of notification of the complaint, or sooner if required by state rule.
  - Depending on the resolution of the complaint by the RGA, comply with all relevant liability rules, absolution procedures, and reimbursement procedures.

**Q-31. How can I prevent being slammed?**

- A. First, always check your bill carefully. If you find charges from a long-distance company that you don't recognize or didn't choose as your preferred carrier, chances are you've been slammed. Contact us, and we'll help you resolve the problem. You've probably received telemarketing calls or promotional mailings "urging" you to switch or "verifying" you have switched. If you don't want to change your long-distance carrier,

tell the caller or respond to the mailing that you don't want their service. To be safe, call us to confirm you're still being served by the long-distance company you've chosen.

Remember, it is against the law for any carrier to submit a change of your selection of a service provider that does not comply with prescribed procedures. In more basic terms, the FCC has issued specific rules to discourage slamming. You should note, however, that these same rules prohibit local telephone companies from verifying the change orders submitted by long-distance carriers. As a service to customers, we provide an extra level of slamming protection for you – in the form of a “preferred carrier freeze.”

### PIC (Preferred Interexchange Carrier) Freezes

Most community based telecom providers offer customers protection from slamming and unauthorized changes in their long-distance company; that is by choosing a *PIC (Preferred Interexchange Carrier) Freeze*. By notifying us that you wish to “freeze” your long-distance company or companies (if you have selected one company as your interLATA [out-of-region] PIC and another for your intraLATA [regional] PIC), you can avoid being slammed.

If you request a PIC freeze on your long-distance service, your preferred carrier cannot be changed without your direct authorization, either written or verbal. There is no charge for this service – all you need to do is sign a PIC Freeze form. If you'd like to take advantage of this protection, just call our business office, and a Customer Representative will help you.

#### **Q-32. What is a preferred carrier freeze?**

- A. As protection against slamming, local telephone companies offer a preferred carrier (PIC) freeze, a service that enables you to prevent any change to be made in your selection of a “preferred” long-distance provider, unless you first gives us *express consent* to lift the freeze. Local companies make PIC freezes available to customers, regardless of the company selected as the preferred long-distance carrier, and comply with various requirements on the materials we send out about PIC freezes. In addition to specific information about any charges, we'll also include a clear explanation and description of the specific procedures necessary for you to lift the freeze.

Customers must request separate PIC freezes for: (1) regional (intraLATA/intrastate) long-distance service, and (2) state-to-state (interstate/interLATA) and international long-distance service. We must obtain separate authorizations for each service for which you request a freeze.

### Ordering a PIC Freeze

#### **Q-33. How are freeze orders accepted?**

- A. The FCC requires that customers be able to impose (or lift) a PIC freeze by contacting their local telephone company. Local companies may not accept freeze orders from a carrier on your behalf. You can make a PIC change and a PIC freeze at the same time, but in such cases, we must verify both your carrier change and freeze requests.

**Q-34. Are separate authorizations required for multiple services?**

- A. Yes. Separate authorizations are required for each service for which you request a PIC freeze. You have the option of using any authorization and verification method allowed by the FCC; *i.e.*, a written Letter of Authorization (LOA), third-party verification, or Internet/online LOA.

## **Cramming**

**Q-35. What is cramming?**

- A. Telephone numbers have become more like account numbers. Long-distance companies and other service providers that do not bill customers themselves contract with local companies to bill for them. These companies send the billing data to us electronically, and we use it to bill customers on their behalf. More and more, telemarketers, con artists, and other criminals are using phone numbers for *cramming*, the unauthorized, deceptive, and fraudulent posting of charges in the billing information sent to local companies. In essence, cramming refers to charges you find on your bill for services you did not authorize, order, or receive. Because we do not have the authority to screen the data, we rely strictly on the information sent to us.

The charges commonly found in cramming abuse can be for many things; *e.g.*, voice mail, personal 800 numbers, 900 services, sweepstakes, and other marketing offers. In addition, you may find charges listed for legitimate services, but ones you did not order or authorize, as well as for “fees,” “memberships,” “usage,” or other services described only in general terms – or not at all. Cramming charges are often difficult to identify and can be detected only if you carefully review your bill each month.

**Q-36. I have found charges on my bill for services I did not order or authorize. How do I get these charges removed from my bill?**

- A. If there is a charge on your bill that is unauthorized or fraudulent, you don't have to pay it. But you do have to notice it! If you find a charge on your bill for something you didn't authorize, call the company that charged you. Ask for an explanation of the charge and request adjustments or refunds for incorrect or unauthorized items. Since company information can often be hard to get, you can also call us. We have procedures in place to help you respond to incorrect charges listed on your bills.

**Q-37. Are there rules in place to protect me against cramming and fraud?**

- A. Yes, to combat cramming abuse, the FCC has issued rules known as “Truth-in-Billing” guidelines (see **Q-1-7**) to help customers become more diligent and responsible in reviewing their bills. The rules require service providers to clearly organize their bills and to comply with the following requirements:

- The bill must clearly identify the name of the service provider associated with each charge.
- When two or more service providers appear on the same bill, the charges must be separated by company, and bills must include clear and conspicuous notification of any new service providers.
- Charges listed on the bill must be accompanied by a brief, non-misleading, plain-language description of the services rendered. The description must be sufficiently clear in presentation and specific enough to enable customers to accurately assess that the billed services correspond to those they requested and received, and that the charges assessed are consistent with customers’ understanding of the quoted rates.
- The bill must contain clear and conspicuous disclosure of any information that customers need to make inquiries about, or contest, the charges. A toll-free number must be displayed for customers to inquire or dispute any charge.

## *Long Distance Service*

### **A Local Solution to Long-Distance Confusion**

With new technologies redefining the very nature of long-distance voice service, it’s probably accurate to say that customers are more confused than ever about their options. Issues continue to arise in long-distance that can seriously affect you. The national long-distance companies are promoting policies that may place the customers of community based telecom providers at severe disadvantage. And when customers ask why, the big long-distance carriers usually blame us. So, we want to give you a better explanation of the issues.

Some local telephone companies still provide billing and collection services for long-distance companies. Generally, we did this because it’s what our customers wanted – to get the convenience of one consolidated bill for all their telecom services, rather than separate bills from each company. However, competition and problems in long-distance for rural customers have undermined the nature of such billing arrangements. As a result, most local companies no longer bill for the long-distance companies.

#### **Q-38. Why can’t I get service from the long-distance company I want? And, why can’t I get the long-distance rate plans I see advertised?**

- A. Many national long-distance companies do not offer service or their advertised rate plans in rural areas. Thus, many of the customers we serve find only frustration when they try to select a long-distance company, make a “10-10” call (10-10-321, for example), or pick a calling plan they’ve seen advertised on TV. When customers ask for an explanation, the long-distance companies usually point to us, the “local” company, as the reason why certain carriers, services, or advertised calling plans are not available.

As your local telecom provider, we’d like to make it clear that we have no say in a long-distance company’s decision to offer service, rates, or calling plans here in our area. For a long-distance carrier to provide service here or to offer you dial-around (10-10) calling

options, it must request that we program our switching facilities to recognize its “identification” code – or particular 10-10 code. If the long-distance company does not make the request, we cannot process the call.

Choosing a long-distance calling plan is an even more direct issue. Long distance calling plans are unique only in their pricing; there are *no* technical or service-related factors that require a local company to play *any role at all* in a long-distance company’s decision to make a calling plan available to certain customers or in certain areas. The only decision is the long-distance company’s willingness to offer its plan wherever and to whomever it chooses, and its obligation to offer non-discriminatory rates.

**Q-39. Why are my long-distance rates so high?**

- A. You must be careful to read and understand all terms and conditions before you can expect to see any “5-cent anytime” benefits. Since many long-distance companies choose not to offer their low-rate plans here, that means if you want their service, you’re stuck with their “basic” rates, usually *well above* any advertised specials.

First of all, you must first find out if the low rates and calling plan you want is even offered *here*. And, if it is, you still have to look closely at the fine print or you may wind up surprised by higher rates than expected and additional charges. Despite all the hype, lower rates are *not* automatic, may apply *only* to interstate (state to state) calls, and usually come with other strings attached. Some plans specify defined hours during which the lower rates apply; off-hour calls are billed at much higher rates. Also, most plans include a monthly “buy-in” charge, and some even require a “set-up” fee.

**Q-40. Are there alternatives to the national long-distance companies? Can I continue to get one bill for my local and long-distance charges?**

- A. Many community based telecom providers provide their customers a long-distance option that’s “closer to home.” Expecting that rural customers won’t see better service from the big long-distance companies, we concluded that if our customers were to have a real prospect of better long-distance service, it would have to come locally ... from here in the community ... from your local telecom provider.

So, that’s just what we did. We offer long-distance service that’s quite unlike what you may be used to: Competitive rates and calling plans, but with the advantage of the one-to-one service quality you expect from a company based here in the community ... and made up of friends and neighbors, not remote service centers and 800 numbers. We’re proud to offer you a long-distance choice and to provide you the continued convenience of one bill for all your telecom needs.

***Broadband Services/High-Speed Internet Access  
Digital Subscriber Line (DSL)***

By now, most customers know about high-speed Internet access and DSL (digital subscriber line) technology. Minus the jargon, DSL provides a faster connection to the Internet – over your existing telephone line. With DSL, users can connect to the Internet at speeds more than 20 times faster than a dial-up connection. And, DSL lets you browse the Web or check e-mail without tying up your regular telephone line.

Over the last few years, community based telecom providers have made tremendous progress in making DSL available across rural America. We've worked hard to make high-speed Internet access a reality for as many of our customers as possible. The advanced services made possible by DSL and other broadband technologies are growing rapidly in popularity and demand.

### Benefits

With DSL service, users enjoy:

- High-Speed Access – download pictures and graphics almost instantly
- A Constant Connection – always-on access; you don't have to dial up each time you go online, so there's no waiting or busy signals
- No Second Line – you can use the same line for both your telephone service and your Internet connection
- Call-and-Surf Capability – DSL lets you talk on the telephone while another family member surfs the web
- A Dedicated Connection – the DSL connection is dedicated; unlike cable modems, DSL is not a shared technology, so there is no slowing down as other users log on

### Some Things to Remember about DSL

- DSL technology is distance-sensitive. DSL becomes less consistent as the distance increases from the equipment/remote office that serves your home or business.
- While we provide all DSL users the requested amount of bandwidth (speed) our network allows, actual transmission speeds may vary from time to time.
- High-speed data transmission may cause noise on your telephone line; a filter may be needed on the telephone to prevent noise that may come through the wire and interfere with your voice calls.
- DSL service requires a *digital* modem to connect with the Internet.

### **Q-41. What is DSL?**

- A. DSL (Digital Subscriber Line) is a technology that provides high-bandwidth (high-speed) network connections to individual homes and businesses. DSL uses the same line as your regular telephone service, but it can provide the higher data speeds because it uses digital modems. Over the last few years, DSL has become more widely available across the country, even in rural areas. While early DSL applications were plagued by installation and/or service problems, advances in technology, increased deployment, and higher demand have eliminated some of the “growing pains” and led to improved service

quality. As a consequence, DSL has become a valuable network service for those who demand high-speed Internet access.

**Q-42. How does DSL work over regular telephone lines?**

- A. The key to Digital Subscriber Line technology is the modem; the line itself is actually the same telephone wire you've always had. From the user's point of view, the DSL modem that you purchase *as part of* the service talks to another DSL modem located at the service provider's location; in essence, the modems send data back and forth, without affecting voice communication over the telephone line. The digital technology "converts" your line to use the additional, data capacity. As a result, DSL users can "share" the line at the same time both for their digital (data) and analog (voice) calls. Thus, you can surf the Web even as you talk on the phone.

**Q-43. What service benefits and advantages does DSL offer?**

- A. DSL technology offers three major advantages over conventional, dial-up Internet access: *much higher speeds, a constant "always-on" connection, and talk-and surf capability.*

1. Speed – DSL can deliver more than 100 times the network performance of an analog (dial-up) modem. While the exact speed depends on a customer's location, most DSL connections easily outperform standard modems by a factor of 20 or more. Because DSL uses the same telephone wiring as analog modems, it may not be immediately obvious how it achieves such high speeds. In essence, DSL works on the unused (high) frequencies of your line. DSL modems contain an internal signal *splitter* that directs voice signals to the voice (low) frequencies and data signals to the higher frequencies.

2. Access – a DSL connection is "on" all the time. DSL users do not have to dial their Internet service provider each time they want to "access" the Internet. You should be aware, however, that an always-on connection, such as DSL, does have security issues. It's a good idea for DSL users to install personal firewall products on their home networks to guard against external attacks.

3. Talk and surf – with DSL, you don't need a second line to keep your line "open." With the splitter sending the voice and data signals to "different parts" of the line, DSL users enjoy simultaneous access to both the telephone (voice) and the computer (data). Thus, customers who might otherwise have needed a second line for Internet access don't need one with DSL service.

**Q-44. Are there any service-related problems with DSL? Is it available everywhere?**

- A. Some companies initially experienced difficulties in deploying DSL. For the most part, the problems have been concentrated among the large, urban-based companies with vast networks they did not upgrade regularly. Nationwide, some customers report difficulties in transitioning to DSL, and for some of the larger companies, it can take a surprisingly long time to install DSL. But most community based telecom providers have not experienced similar delays.

DSL service is now available across much of the U.S., but it's still not offered everywhere. While the technology has improved significantly since DSL was introduced, its availability is still tied to the physical location of the customer; *i.e.*, how close a customer is to the equipment that connects the homes and business in that area to the provider's central office. As a rule of thumb, DSL runs about 18,000 feet (3.5 miles) from the central office or remote switch that serves an area. In addition, some DSL technologies restrict these physical distances even further, to limits as low as 1,000 feet (0.2 miles), depending on the actual transmission speeds.

In addition to the distance restrictions, phone lines must be "qualified" for DSL. Even if the connection point is less than 18,000 feet from the equipment, the line must possess sufficient electrical-quality characteristics. Many technical details, outside the customer's control, determine whether a telephone line is of sufficient "quality" to support DSL. One particularly technical problem for DSL is the use of "load coils, which are small electrical devices that improve the telephone line's ability to transmit voice calls. Many companies, especially larger ones, have relied on load coils over the years to improve service quality. But, while load coils work effectively on the low (voice) frequencies, they adversely affect the high (data) frequencies. Basically, DSL service will not run over load coils.

Once the service is installed, some customers complain that the technology is sometimes unreliable – for example, dropping connections unexpectedly. This has not been a major problem for us, but customers may experience slower-than-expected speeds on occasion. In fact, the issue of speed (available bandwidth) comes up frequently. We provide all customers up to the requested amount of bandwidth within our network, but we remind you that actual transmission speeds vary.

True to our tradition of quality service, community based telecom companies intend to offer DSL that's as reliable and dependable as our voice service. We're confident that, compared with standard dial-up Internet access, DSL connection will prove a valuable addition for home and small-business networks for years to come.

**Q-45. I understand there are many kinds of DSL. What are they, and what do they mean to me?**

- A. The term, Digital Subscriber Line, actually refers to a *group* of related network technologies, rather than just one. While it is probably not necessary to describe each to most users, it is important to note several "technical" DSL aspects. First, DSL's high speed goes in two directions: *Downstream* refers to web pages or content you view or download on your computer; *upstream* refers to files or content you send from your computer to someone else. In addition, in denoting direction, DSL is divided into: symmetric and asymmetric; *symmetric* DSL service provides identical data rates upstream and downstream; *asymmetric* DSL generally has faster rates downstream than it does upstream. Thus, "asymmetric" DSL service provides higher downstream data rates, but at the expense of upstream speed. Many typical uses of the web – such as file downloads and general browsing – benefit from greater downstream bandwidth but

require relatively little in the opposite direction. On the other hand, symmetric DSL services provide the same bandwidth (speed) both upstream and downstream, but some require two or more phone lines to deliver that rate in both directions. Finally, a more advanced variation of the technology Very High Data-Rate DSL (VDSL), works over a more limited physical distance than other forms of DSL. While the maximum length for VDSL is only about 4,500 feet, it achieves the highest data rate (roughly 51,840 Kbps), and the bandwidth levels supported by VDSL makes possible certain high-end video applications.

**Q-46. Is DSL the only way I can get high-speed Internet access and broadband services?**

- A. No, there are several technologies that offer consumers high-speed broadband Internet access. One way to look at it is that the high-speed access *service* is basically the same; what's actually different is the *pipe* that delivers it to your home or business:
- *Cable modems* provide high-speed, always-on Internet access using cable television lines. Cable modems support network speeds comparable to DSL. Because it is an older technology with fewer technological hurdles, high-speed access via cable modems is more prevalent than DSL. Unlike DSL service (that offers *dedicated* bandwidth), however, cable modems use *shared* bandwidth, which means that the actual performance of the cable modem depends on how many other users are in the area and online at the same time.
  - *Satellite data service* is an option, especially for those out of the reach of DSL or cable service. Currently, satellite-delivered access works at roughly one-third the speed of DSL – sometimes, less. Like DSL, satellite bandwidth is dedicated, so speeds won't drop when others use it. The satellite "mini-dish" systems weren't initially designed for two-way communications (they're the same ones that deliver video programming), so satellite access to the Internet generally requires an analog phone line and modem for outgoing (upstream) traffic. Satellite providers, however, are beginning to deploy technology that allows a small dish system to transmit data back to the satellite, but the pricing is still significantly higher than DSL or cable modems.
  - *Broadband over Power Lines (BPL)* is an even newer, still-developing technology to provide high-speed broadband services over the same lines that carry electric power to homes and businesses. The widespread deployment of BPL awaits further testing and regulatory review.

**Q-47. What is VoIP service that I've heard so much about? Is it available here? Will it allow me to make phone calls from my computer? Do I need DSL or other broadband connection to use it?**

- A. VoIP service refers to "Voice over Internet Protocol," which in a general sense means using Internet technology (protocol) to transmit and deliver voice communications. Rather than using the traditional "circuit-switched" (two-way) analog telephone network,

VoIP “digitizes” the voice signal into information “packets” that are sent over the Internet or computer network, like data or e-mail. The packets are reassembled at the other end of the connection to produce the voice signal. VoIP is one of the individual components of a larger, more wide-ranging concept of “IP-enabled services” that have developed as an offshoot of the Internet and its technology.

As most Americans are well aware, the growth of the Internet has generated intense interest and popularity in individual access to a boundless sea of web sites. In turn, the availability of broadband (high-speed) network facilities has fed the growth of additional web-based applications and services, including video. In addition to its data/web surfing applications, IP network technology also is able to transmit voice signals – by breaking them down into information packets just like data (e-mail). Until recently, however, IP network-delivered voice service has been constrained by very poor quality and limited reliability. Recent advancements in IP technology have improved the quality of digitized voice service, and IP networks are becoming more and more capable of carrying voice communications on a par with the traditional network. In fact, VoIP services are increasingly being used to carry long-distance traffic, as well as to meet many business-related applications.

Currently, most VoIP service is what’s known as “peer-to-peer,” which means computer to computer; *i.e.*, both parties must have the same type of IP software and both must be logged on at the same time. Also becoming more widely available are computer-to-phone and phone-to-phone VoIP applications. From a technical starting point, users must have a broadband connection (DSL, cable modem, or other) to take advantage of VoIP and other IP-enabled services, so policymakers hope that the benefits of “Internet voice” and other such services will increase American consumers’ acceptance of high-speed, broadband service – and its cost – and, thus, hasten broadband deployment across all segments of the economy, rural and urban.

Since VoIP is Internet-based, it has developed independent of the policy and regulatory realm that has governed the national telephone network. Similarly, the strong “Don’t tax the Internet” dictates of federal and state governments have also complicated the deployment of VoIP services to the general consumer market. And, there remain serious misgivings about the IP network’s current lack of E-911 capabilities and the inability of law enforcement officials to track and “tap” packet-based voice signals. Without getting into all the details, Congress, the FCC, and state lawmakers are currently investigating how to promote the roll-out of VoIP and other IP-enabled services at the same time as they safeguard the universal service, emergency, law enforcement, consumer privacy, and other social policy objectives attained and promoted through the national switched telephone network for almost a century. To illustrate, the FCC has just begun a formal hearing on how it should continue to encourage new Internet-based technologies even as it preserves the value and sanctity of America’s national communications network.

## *Wireless Services*

Perhaps nothing illustrates the revolutionary change in telecom services more dramatically than the soaring demand and widespread acceptance of wireless. In most urban markets, customers have been able to pick and choose from as many as six competing providers – that is, until recent consolidation has begun to reduce the carrier mix – and wireless now boasts more than 75 million “regular” users and as much as 65% penetration nationwide.

Despite the fallout caused by intense competition and cost demands, wireless promises further development as the technology improves and broadband data becomes more widespread. In fact, one of the few things holding back the wireless surge is the lack of available spectrum, as the FCC continues to juggle the distribution of frequencies to wireless carriers, broadcasters, satellite companies, and others. Indeed, spectrum scarcity has forced the FCC to adopt a large-market, geographic stamp to its licensing approach.

For community based telecom providers, wireless poses many challenges. Many rural companies already offer cellular and/or PCS services through their existing licenses. Caught on the short end of spectrum availability and often shut out by the large-market bias, companies serving rural and high-cost areas have little opportunity to acquire additional spectrum. The decision to combine rural and urban areas in distributing spectrum works to the distinct disadvantage of rural companies and customers. The bigger the market, the more certain it is that only large companies, with vast financial resources – but little incentive to extend wireless service to rural communities – can bid for the licenses. Lumping urban centers together with less-profitable rural areas ups the auction price for small carriers seeking to serve their customers. For all – but especially, rural companies -- the spectrum allocation system drives up the minimum bids, required down payments, and up-front costs.

Spectrum remains a vital asset for community based telecom providers. Even with the severe geographic and terrain challenges inherent in building out cellular and PCS operations in remote areas, wireless technologies often offer the best – perhaps, only – option to get broadband to all of rural America. The ability of rural companies to offer wireless could well prove the deciding factor in whether Americans in the most remote areas ever enjoy access to advanced services. What’s more, access to alternative means of communication, particularly wireless, is critical in times of national crisis. Without question, all technologies must be accessible to rural citizens.

More recently, a new wireless issue has arisen to attract intense interest and scrutiny from regulators, the industry, and customers alike – that is, the issue on wireless number “portability.” New federal rules allow customers to “port” their telephone numbers, wireline or wireless, to another carrier. Now, community based telecom providers that receive a *bona fide* request from a wireless carrier must support number portability – both wireless-to-wireless and wireline-to-wireless – beginning May 24, 2004.

**Q-48. Is all wireless service the same? What’s the difference between analog and digital?**

- A. Currently, wireless service is either analog (the “older” type) or digital (PCS [personal communications service] and other “newer” types). Analog transmits the voice signals through the air using radio waves, while digital converts the voice signals to computer “ones and zeros” that are transmitted through electronic pulses and reassembled after

delivery. Because these digitized voice packets use computer processing, digital wireless eliminates much of the static background noise; offers clearer, more secure calls; and, includes more features than analog.

On the other hand, wireless coverage, the geographic area where you can use your wireless phone, is currently broader with analog technology – since it was used when cellular service was first deployed. A large part of the country, including almost all rural areas, has analog coverage. Digital technology has developed more recently, so coverage still tends to be in more-populated, highly traveled areas. As wireless carriers upgrade their networks to expand their coverage, however, much of the nation should be accessible to digital service in the near future. In fact, the wireless industry itself points out frequently that it is working to phase out analog service over the next few years.

**Q-49. Where can I use my wireless phone? How is coverage set up, and how does roaming work? If I'm in my service area, why are there dropped calls and dead spots?**

- A. The area where you can make and receive wireless calls is determined by where your carrier has a license and where it has built out its network. Wireless networks work like grids that divide regions or service areas into smaller cells – you should have a “coverage” map of the particular geographic area served by your wireless carrier. Within your service area, the carrier’s network senses when your signal is weakening and automatically “hands off” your call to the wireless antenna in the next cell. When you travel beyond your carrier’s area, you still may be able to use your wireless service – in this case, provided by the wireless carrier in the area where you are travelling. This is called *roaming*. Even if a wireless carrier has not constructed towers and built out its network, roaming allows its customers to connect using another carrier’s network. If your wireless carrier has a “roaming agreement” with another carrier and if your wireless handset allows roaming, you will be able to connect with the other network to use your wireless service (roaming usually requires additional cost, see **Q-50**). When you’re roaming, your handset electronically registers with that carrier/market to alert your carrier where you are and that you’re making use of the roaming arrangement.

Even within your carrier’s coverage area, limitations in network facilities and capacity sometimes cause problems in wireless call completion. If the carrier’s network fails to hand off calls in progress as a customer travels from one coverage area to another, a “dropped call” results. A large number of callers using the network at the same time can strain capacity, so others will get a busy signal when they try to connect. The terrain also affects coverage, causing “dead” spots – areas where service may not be available because the signal between the handset and the tower is blocked or impeded. In addition, wireless signals often fade inside buildings or underground. Wireless providers are working on network improvements to eliminate these types of problems.

Coverage is also affected by the type of handset you have. Wireless phones can be single-mode; *i.e.*, connect to either an analog or digital network, but not both, or dual-mode; *i.e.*, work with both analog and digital. (Tri-mode wireless phones are now coming on the market, as digital cellular technology is more widely deployed.) Obviously, the more networks your handset can connect with, the broader your coverage.

Generally speaking, dual-mode or digital handsets will automatically switch to analog in areas where digital service is not available; likewise, digital technology can switch a call to analog mode – and maintain high voice quality – if the caller travels outside a digital service area. However, the reverse does not hold: analog handsets do not work on a digital system. Digital wireless requires a digital-capable handset.

**Q-50. How does wireless pricing work? Are wireless plans, minutes, and terms similar to those for my wireline (home) service?**

A. One side effect of the competitive success of wireless has been the rise of complex and confusing pricing plans and service conditions. Even the most basic aspects of service can require painstaking attention to detail. For example, in the buckets of minutes included in some plans, “nighttime” rates don’t start until 9:00 p.m., and “weekends” may not include holidays. Customers should familiarize themselves with the “fine print” in their plans:

- Pricing plans and buckets of minutes: Most wireless plans include a number of minutes per month – its service “bucket” – at a specified monthly rate; any usage over that amount is charged on a per-minute basis. Unused minutes usually expire at the end of the month, or billing period, though some carriers now offer plans with “rollover” minutes. Many carriers also vary their plans by specifying where customers can use their service without incurring additional long-distance or roaming charges.
- Classifying usage: Many wireless plans include a bucket of minutes that can be used “anytime” vs. minutes (usually more) that can be used only at certain times, generally nights and weekends. Remember, “nights” and “weekends” are defined differently depending on the carrier. Similarly, some plans still charge different rates for “peak” and “off-peak” minutes, again defined by the carrier. Also, wireless calls to locations outside the carrier’s coverage area generally are charged additional “long-distance” fees. Recently, however, some carriers have begun to eliminate per-minute long-distance rates in some of their plans.
- Who pays for a wireless call? Unlike traditional phone (wireline) service, wireless pricing requires customers to pay both for the calls they make (outgoing) and the calls they receive (incoming). The FCC has floated proposals to change this practice and adopt a “calling party pays” policy for wireless, but has yet taken no action.
- Roaming and nationwide calling: Wireless providers traditionally have charged “roaming” fees, usually per minute of use, for calls outside a customer’s service area using the network facilities of another carrier with whom they have a roaming agreement. With wireless growing so competitive, however, roaming charges are another fee that some carriers have eliminated in the effort to win market share with “nationwide” pricing plans. Many national carriers now allow customers to select a plan with minutes that can be used on a nationwide basis with no additional fees. “Nationwide,” however, does not mean the same thing to all; to some carriers,

nationwide means within reach of its antenna towers – when you’re switched to another network, the rate goes up; to others, it means only other digital networks – meaning you’re out of luck if you’re calling into an analog network.

- Service agreements: Wireless carriers usually require customers to sign contracts or service agreements of specific duration, usually, at least one year, to qualify for a service plan. Most impose a penalty for early termination.

**Q-51. What is wireless LNP? How do I “port” my number to a wireless carrier? If I change my phone number to a wireless carrier, how does that affect my traditional local telephone service?**

- A. New federal rules allow customers to “port” their telephone numbers, wireline or wireless, to another carrier. Even community based telecom providers must support number portability – both wireless-to-wireless and wireline-to-wireless – beginning May 24, 2004, PROVIDED a wireless carrier makes a specific request in a given service area. In order for customers to “port their number” (change carriers), the new (wireless) carrier to which you wish to port your number must send us a request to establish an agreement/process that will allow us to do that. After receiving such a request, it generally takes a local company about six months to work through the expected network and related processes required for us to be able to port numbers.

As a community based telecom provider with deep ties here in our service area, we want you to know exactly what it means to port your telephone number, and to give you an idea of some of the differences in service between traditional wireline phones and what you can expect from a wireless carrier.

- If you port your traditional phone number to a wireless carrier, you will be disconnecting your wireline phone and terminating your traditional local service.
- You will no longer have unlimited local calling; you will have to keep tabs on the number of minutes that are included in your wireless plan; in wireless service, all calls – both those you make and those you receive – count against your total minutes.
- You will have to arrange with your wireless carrier for a directory listing and directory assistance services.
- You will no longer have access to other telecom services, or such things as alarm monitoring and video pay-per-view, connected or confirmed through your local wireline phone.
- You will no longer be able to access the Internet using a local, unlimited dial-up connection; you will have to use your wireless phone for Internet service.
- In some cases, you may be able to connect your wireless phone to your PC to access the Internet, but you are likely to need additional hardware and/or software; also, you must keep in mind that time spent on the Internet will count against the minutes in your wireless plan.
- You will be unable to reach someone at home who does not have their cell phone turned on or with them.

- In an emergency, E-911 service can pinpoint your traditional home phone, but in most cases, not your cell phone.
- You must keep your wireless phone charged at all times; if there is a power outage and your phone is not charged, or the battery wears down, you will have to wait until power is restored before you can charge your phone.
- In general, a phone number can only be assigned to a single wireless phone. With wireline service, you can have additional phones (or extensions) in your house that hook up to the same number.
- If your home is in an area that does not get clear wireless reception, your calls could be unclear or have a tendency to drop. Be aware that the type of wireless reception you get at home now is the quality you can expect for all your calls.

## **Conclusion**

Throughout their history, community based telecom providers have maintained a simple philosophy: To provide a variety of quality services at affordable rates to the residents and businesses they serve. All the while, these companies share the common conviction that they do not serve just “customers” – they bring essential services to friends and neighbors. Thanks to their dedication, hard work, and belief in their communities, independent providers have kept rural America an active partner in the national telecommunications network.

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