

THE PHONE HANDBOOK

FROM THE OFFICE OF
MINNESOTA ATTORNEY GENERAL
KEITH ELLISON

www.ag.state.mn.us

The Phone Handbook is intended to provide Minnesota consumers with the information they need to make informed decisions in a rapidly changing telecommunications environment. State agency contact and other resource telephone numbers are listed on page 28.

This brochure is intended to be used as a source for general information and is not provided as legal advice.

The Phone Handbook is written and published by the Minnesota Attorney General's Office.

This document is available in alternative formats to individuals with disabilities by calling (651) 296-3353 (Twin Cities Calling Area), (800) 657-3787 (Outside the Twin Cities), or through the Minnesota Relay Service at (800) 627-3529.

The Minnesota Attorney General's Office values diversity and is an equal opportunity employer.

Office of Minnesota Attorney General Keith Ellison

445 Minnesota Street, Suite 1400, St. Paul, MN 55101

(651) 296-3353 (Twin Cities Calling Area)

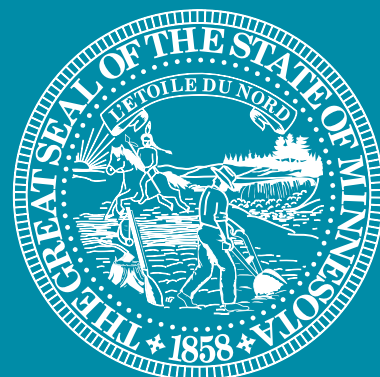
(800) 657-3787 (Outside the Twin Cities)

(800) 627-3529 (Minnesota Relay)

www.ag.state.mn.us

Table of Contents

Local Service	3
Do I Have a Choice for My Local Telephone Service?.....	3
What is the Cost of Local Phone Service?	3
How Can I Reduce the Price of My Local Phone Bill?.....	4
What are the Charges on My Telephone Bill, and are They Required?	5
Is Inside Wire Insurance a Good Deal?	6
How Can I Prevent Disconnection of My Phone Service?.....	7
Is There Any Assistance Available to Help Pay for My Telephone Service?.....	7
Telephone Assistance Plan (TAP).....	7
Lifeline.....	7
Telephone Equipment Distribution (TED).....	7
Telephone Service For the Communication Impaired	8
What if There is a Delay in Obtaining My Telephone Service?....	8
Complaints.....	8
Long Distance	9
Which Long Distance Company is the Best Company?	9
Do I Have to Sign Up With a Long Distance Carrier?	9
A Long Distance “Subscription”.....	10
How Can I Choose the Best Company?	10
Combined Billing or Not?.....	11
Hidden Fees: A Word Of Caution	11
What are the Added Fees and Surcharges on My Long Distance Bill?	11
Alternative Methods for Making Long Distance Calls	12
Prepaid Calling Cards	12
Dial Around.....	13
Wireless (or Cellular) Phones For Long Distance	14
Voice Over Internet Services	14
Phone Fraud	15
Protect Yourself From Fraud	15
Why is My Phone Bill From a New Company?.....	15
What Should I Do if I Have Been Slammed?.....	15
How Can I Prevent Slamming?	15



What is Cramming?	16
What Can I Do if I Get Crammed?	16
How Do I Prevent Cramming?	17
What if I Get Billed for Unauthorized Calls to an Adult Entertainment Service?	17
Charges for Downloadable Adult Access	18
How Can I Prevent Pay-Per-Call Charges?	18
Can I Block 1-900 Numbers?	18

Making Calls Away From Home 19

Things to Consider When Evaluating Whether to Purchase Wireless (or Cellular) Service.	19
What Should I Know About Wireless Contracts?.....	20
Where Will My Phone Work?.....	20
Are Rebates on Wireless Phones and Equipment a Good Deal?	21
The Customer Service Representative I Talked to Wasn't Helpful	21
Why are There Charges on my Wireless Bill for Third-Party Services?	22
What Are My Options When Using a Pay Phone?.....	22

Telemarketing And Privacy 24

How Did They Get My Name?	24
Will Placing My Name on the Do Not Call List Stop Telemarketing Calls?	24
How Else Can I Stop Telemarketers From Calling?	24
Can I Use Caller ID to Stop Telemarketers?.....	25
Calls From Prerecorded Messages	26
Telemarketing Disclosures	27

Resources 28

Referral Guide	28
Clues to a Con	29

Additional publications
are available from the
Minnesota Attorney
General's Office. Contact
us to receive copies or
preview the publications
at www.ag.state.mn.us.

Local Service

Do I Have a Choice for My Local Telephone Service?

Minnesota customers can often choose between companies when signing up for local phone service, though some areas of the state still have only one available provider. To find out if there is competition for telephone service in your area, contact the Minnesota Department of Commerce. The Department of Commerce maintains a searchable database of local service providers available in Minnesota cities, along with contact information for each provider. This searchable database can be found at <https://www.edockets.state.mn.us/eAssessment-public/company/phoneServiceProvider.action>. If you do not have Internet access, Internet access may be available at your nearest public library. You may also contact the Department of Commerce's Telecommunications Division by telephone at (651) 539-1883 or by email at telecom.commerce@state.mn.us.

Technological advances have also given customers increased options for their telecommunications services. Consumers may now obtain service from the cable company, choose to use their wireless phones exclusively, and even place calls over their broadband lines using special equipment and VoIP, or Voice over Internet Protocol, technology. While the service may function essentially the same as traditional landline telephone service, consumers should note that cable, wireless, and VoIP service are not always subject to the same telephone service standards and regulations. Consumers should also consider whether their telephone service will function in case of emergencies and power outages, and whether enhanced 911 (E911) technology, which allows operators to automatically identify a caller's number and location, is supported.

What is the Cost of Local Phone Service?

The cost of local service varies widely. Before selecting a local service provider, call several and request a price list of all the services they offer. This list should give you a good idea of what is available to you and what it costs. If you do not understand the information, ask the telephone company about it. The rates are also part of the company's "tariffs," which are filed with the Minnesota Department of Commerce and available to consumers. **Be sure to ask about all applicable surcharges and fees so that you can compare among service providers.** It is also a good idea to ask in advance what you can expect your first bill to look like.

Before selecting a local service provider, call several and request a price list of all the services they offer.

Companies are increasingly promoting “bundles.” Make sure that the price offered will not expire after a few months.

Companies are increasingly promoting “bundles,” or packages of services combining your local service with extra features like voicemail or call waiting, long distance, Internet, wireless service, and cable or satellite television. When responding to any marketing or offers for bundled services, **make sure that the price offered will not expire after a few months and then increase.** You should note that the price offered in the promotional materials often includes neither surcharges that apply to the individual services within the bundled package nor all applicable taxes. Combined, these additional charges can significantly increase the actual monthly price that you will pay for the bundle of services. You should also note whether you are being asked to sign a fixed-term contract and whether an early termination fee will apply if you seek to cancel any of the services before the end of the contract term.

How Can I Reduce the Price of My Local Phone Bill?

Look closely at your phone bill. Review your extra features, such as call waiting and caller ID, and cancel those that you do not use. Custom packages that include several features for a flat fee are only a value if you consistently use many of the features. The savings in monthly charges could be a lot. For example, if you use “voice messaging,” a service that may cost \$6.95 per month, you will pay \$83.40 in a year! To save money in the long run, you could buy a phone with an answering machine (with remote access) for about \$25.

If you don’t make very many local calls, you may be able to lower your bill by changing your local phone to “measured service.” This means that you will be billed based on your actual per minute local usage instead of a single rate. Since you will be charged an installation fee when setting up a new service, this is the best time to switch from basic service to measured service (or vice versa). Call your local telephone company for details on measured service.

Other features like last-call-return and three-way-calling may be automatically available on your telephone at a cost of about a dollar each time you use them. If you use such services often, it may be cheaper to pay for them on a monthly basis.

What are the Charges on My Telephone Bill and are They Required?

Telephone bills have become more complex in recent years. The following list identifies and describes some of the various charges that you may see on your bill.

- **“911, Tele-Relay, and Telephone Assistance Plan Surcharges”** Local telephone companies are required to collect these monthly fees from all telephone service subscribers. The money is distributed directly to the agencies that operate the services. The 911 surcharge helps maintain the 911 emergency network. The Minnesota Relay Service is a communications service that connects deaf, speech impaired, and hard-of-hearing persons with hearing persons via the telephone. The Telephone Assistance Plan surcharge helps offset the cost of basic telephone service for low-income senior citizens and disabled persons.
- **“Number Portability Fee”** Local telephone companies are allowed to collect this fee to recover costs associated with allowing customers to retain their existing telephone numbers when switching to another local provider. Local companies are permitted, but not required, by the Federal Communications Commission (FCC) to pass on these costs even if a customer has no local service choice. Local telephone companies may continue to assess this charge on their customers’ telephone bills for five years from the date the local telephone company first began itemizing the charge on the bill. Some companies have already stopped billing for this charge.
- **“Federal Access Charge” or “Federal Subscriber Line Charge”** This fee is charged by local telephone companies to all customers to cover part of the cost of operating and maintaining the telephone network used to provide interstate long distance telephone service. The charge is not a government charge or tax. The maximum allowable access charges per telephone line are set by the FCC, but local telephone companies are free to charge a lesser amount or not at all. The fee varies depending on the company providing your service. The maximum charge is currently \$6.50 for a single line.

Added charges and fees can make up a substantial portion of your bill.

- **“Universal Connectivity Fee” or “Universal Service Fee”**
All telephone companies that provide voice service between states and internationally, including wireless and VoIP providers, must contribute a percentage of their revenues derived from these services into the federal Universal Service Fund (USF). This fund helps make local telephone service affordable to rural and low-income consumers. It also helps provide inexpensive Internet access to schools, libraries, and rural health care providers. Although not required to do so, many service providers choose to pass their contribution costs to the USF on to their customers in the form of this charge on customer bills. This charge is not a government-mandated charge or tax, nor is it required to be a separate line item on your bill. The charge may not exceed the provider’s actual cost of contributing to the USF.
- **“Federal Excise Tax”** This tax was imposed in 1898 to help pay for the Spanish-American War. It was designed as a tax on wealthy Americans, back when phone service was considered a luxury. The collection of this tax on long distance service has been eliminated, and the tax will also no longer be imposed on cellular or VoIP services. A three percent excise tax on local phone calls will still be charged.

Is Inside Wire Insurance A Good Deal?

Several local telephone companies sell “inside wire insurance.” Inside wire insurance is an unregulated and optional service. Telephone companies claim that repairs to the wiring inside your home may be costly if you do not have this insurance.

When deciding whether you need this service, keep in mind that damage to inside wires is very rare. In the event you have a problem with your inside wiring, an electrician or other independent repair person may be able to repair it for less than the phone company would charge. If you live in an apartment, it is likely the landlord is responsible to repair any wiring problems. If you are already paying for the insurance, it can be canceled by a simple phone call to your local telephone company.

When deciding whether you need inside wire insurance, keep in mind that damage to inside wires is very rare.

How Can I Prevent Disconnection of My Phone Service?

Your local telephone service can be disconnected only if you fail to pay your local bill. Notice must be given at least five days prior to disconnection, excluding Sundays and legal holidays. Your local telephone service cannot be shut off for failure to pay long distance or “900” calls if you pay the remainder of your bill on time. If you have questions regarding disconnection of utility service, contact the Minnesota Public Utilities Commission.

Is There Any Assistance Available to Help Pay for My Telephone Service?

Assistance programs are available for low-income and other qualified customers. The following assistance programs are available to help you afford basic phone service:

Telephone Assistance Plan (TAP)

TAP is a state program that offers a monthly discount of \$3.50 on local phone service for Minnesotans enrolled in certain government programs or those whose incomes are at or below 135 percent of federal poverty guidelines. The discount is available for local wireline telephone service only. Visit the Minnesota Public Utilities Commission website at www.mn.gov/puc to download an application or learn whether you qualify. You may also direct questions to your local telephone company, the Minnesota Public Utilities Commission, or the Minnesota Department of Commerce.

Lifeline

This is a federally funded program that provides eligible low-income users a discount on monthly charges for one phone line, including a cellular telephone. Qualifying users can receive up to \$9.25 a month in credits. Further information regarding Lifeline, including eligibility requirements, is available at www.lifelinesupport.org.

Telephone Equipment Distribution (TED)

The TED program provides equipment for those who have a hearing loss, speech, and/or mobility impairment that limits their use of a standard telephone. To be eligible, you must have phone service or have applied for phone service, and meet certain income guidelines. Contact the Minnesota Department of Human Services or go to www.mn.gov/dhs/people-we-serve/adults/services/deaf-hard-of-hearing/programs-services/telephone-equipment.jsp for more information or an application.

Assistance programs are available for low-income and other qualified customers.

**Minnesota Department
of Human Services**
444 Lafayette Road N.
St. Paul, MN 55155
(651) 431-2000
www.mn.gov/dhs

Different programs are available for residents of tribal lands. For more information, consult the FCC Consumer Guide entitled *Lifeline: Promoting Telephone Subscriberhip on Tribal Lands*, which is available at www.fcc.gov/guides/promoting-telephone-subscribership-tribal-lands-0.

Telephone Service for the Communication Impaired

If you or someone you know uses a teletypewriter device (TTY), you may want to take advantage of Minnesota Relay Service to make calls between special TTY telephones and standard phones. TTY callers can dial the relay service, give the requested information, and the operator will place the call. The operator will read the TTY-user's words aloud to the voice-user and type the voice-user's words to the TTY-user. All calls are confidential. The service operates 24 hours a day, 365 days a year. To place a call through Minnesota Relay Service, just dial 711 or (800) 627-3529.

What if There is a Delay In Obtaining My Telephone Service?

If there is a delay in obtaining local telephone service, your telephone company may be required to offer you credit on your monthly bill or to provide you with temporary use of a wireless telephone. If you have not obtained service by the date you requested, you should contact your local telephone company to explore your options.

Complaints

If you have a complaint that you are unable to resolve or simply would like to inform someone about the quality of service you have received, please notify the Minnesota Public Utilities Commission. The Minnesota Attorney General's Office also helps resolve problems with telephone companies.

Tip: Get into the habit of keeping any contracts, service agreements, or other written information you get regarding your phone service. They will be very helpful to refer to if you have questions or disputes.

**Minnesota Public
Utilities Commission**
(651) 296-7124 or
(800) 657-3782
TTY: (651) 297-1200
www.mn.gov/puc

Long Distance

Which Long Distance Company is the Best Company?

People often ask the Attorney General's Office which long distance company they should choose. Although we cannot recommend a particular carrier to you, we can give you some information to make your choice easier. Not only are there several companies from which to choose, there are different calling methods to pick from as well. To make long distance calls from home, you can subscribe to a long distance telephone company or use an alternative method as described in this chapter. Also, many telephone companies package or "bundle" services together. These bundles often include long distance. Therefore, you may have long distance service from your local telephone company and not even know it. The Minnesota Department of Commerce now lists all long distance carriers on its website. **You may search the Department of Commerce's website for a list of local and long distance telephone service providers in your area by visiting <https://www.edockets.state.mn.us/eAssessment-public/company/phoneServiceProvider.action>.** (If you do not have Internet access, it may be available at your nearest public library.) You may also contact the Department of Commerce's Telecommunications Division by telephone at (651) 539-1883 or by email at telecom.commerce@state.mn.us.

Do I Have to Sign Up With a Long Distance Carrier?

Joining a long distance company is entirely optional. In many ways a long distance membership can be compared to a health club membership. If you make good use of a health club membership it can be an extraordinary value. If you never make it to the gym, however, it becomes a waste of money to maintain your membership. If you do not make long distance calls or if you simply do not wish to have a long distance company, you can cancel the service at any time. In doing so, you can still make long distance calls. You will just have to use a different method of dialing if you need to make a long distance call. Canceling will probably cost you a one-time fee that is charged by your local telephone company as an administrative cost. Thereafter, you will not be billed for long distance usage fees, minimum monthly fees, or universal service charges if you have no usage.

You may search the Department of Commerce's website for a list of local and long distance telephone service providers in your area.

You may wish to verify your long distance carrier by dialing “00” from your home telephone simply as a precaution. If you wish to make any changes to your long distance service, call your local telephone company. You can also ask the local telephone representative to tell you about its free consumer protection features such as a “PIC freeze” or any third-party billing blocking service that may prevent future problems. Basic protections should be free, so use caution before signing up for expensive enhanced protection services.

A Long Distance “Subscription”

If you subscribe to a long distance carrier, they will carry the calls made from your home phone when you dial 1+ the phone number. In Minnesota, you need to choose a long distance company for two types of calling: one for intra-LATA calling and one for inter-LATA calling. Your intra-LATA company handles long distance calls within your local toll calling area. Your inter-LATA company handles long distance calls outside your local toll calling area including in-state, state-to-state and international calling. Most companies carry both types of calls. Your local telephone company and the Minnesota Department of Commerce can tell you which companies offer these services in your area, and provide contact information for the companies. You may be surprised to learn there are over 200 companies offering long distance service in Minnesota!

How Can I Choose the Best Company?

Do you call mostly within Minnesota? Do you call all across the country? Do you call internationally? What time of day do you make most of your calls? Do you typically make very short or very long calls?

To do your best bargain shopping, you need to be aware of your typical calling activity and other needs. A telephone company can best match a plan to your needs if you explain your distinctive calling habits. Most long distance carriers offer calling plans, like “Unlimited Nationwide Calling” or 1,000 minutes of long distance calls, that cost more per month, but do not include a per-minute fee (unless you go over a cap.) These special plans can be a good deal, but make sure they apply to the type of calls you are likely to make. Other advertised deals may only apply if you “bundle” long distance with other services provided by the company, such as high-speed internet service. In these cases, you may be getting a deal on telephone service, but paying more overall by adding these other services. Other deals usually apply only to calls made outside of our state. Most of the time you will pay more for calls made within Minnesota.

To do your best bargain shopping, you need to be aware of your typical calling activity and other needs.

Combined Billing or Not?

Long distance companies are currently moving toward direct billing of their customers rather than combining their bill with the customers local telephone bill. Recently, many long distance companies have begun to add a charge for billing their services on your local telephone bill. You may be willing to pay a fee for the convenience of writing only one check to cover local and long distance telephone service. Direct billing, on the other hand, can mean less confusion on your local telephone bill and more accountability by your long distance company.

Hidden Fees: A Word of Caution...

When dealing with long distance carriers, make sure you understand all the rates, time of day restrictions, and limits of any promotional offers. Do not focus only on the per-minute price, but make sure to take into account monthly service fees and other charges that could be applied to your account. Minnesota law requires long distance companies to tell you their rates when they are selling their service. They are also required to send you a printed price list when you start service. Be wary of a telemarketer's price quote that sounds too good to be true. Many people report that they did not receive the rates they were quoted over the phone and are unable to remedy the situation. If you opt to switch service over the telephone, it is prudent to wait for the printed material to arrive before you make a large number of calls.

What are the Added Fees and Surcharges on My Long Distance Bill?

Make sure you understand all the rates, time of day restrictions, and limits of any promotional offers made by telephone companies. Many long distance companies have added "pass through fees" and "minimum monthly fees" to their customers' bills. Your telephone company may or may not be willing to negotiate these charges, but do not be fooled into believing they are merely a "tax." Most of these line-item charges are collected at the discretion of the long distance company, and the money stays with the company. If you do not like the price of your calling plan coupled with the fees and surcharges, your best course of action is to shop around for a better fit.

- **"Minimum Usage Fees"** These fees are becoming increasingly common and range from as little as 30 cents to more than \$7 per month. These are fees you pay whether or not you make any calls. Remember to consider this monthly fee when figuring out your average per-minute usage charge. It can make an enormous difference for low volume long distance users.

Make sure you understand all the rates, time of day restrictions, and limits of any promotional offers made by telephone companies.

There are ways to make long distance calls without joining a long distance company.

- **“Universal Connectivity Fee or Universal Service Fee”** This charge is passed along from your long distance company to you to pay for an FCC program that helps pay for telephone and Internet services to libraries, schools, hospitals, and rural areas. The fund also helps assist low-income consumers with initiation costs and monthly fees associated with local telephone service. The amount that long distance companies charge varies considerably. Some companies charge a fixed monthly charge while others assess this charge as a percentage of your bill.
- **“In-State Recovery Fee/Intrastate Access Recovery Charge”** Some companies impose a charge like this to recover amounts they pay your local phone company to carry your in-state long distance and local toll calls over its lines. These fees are generally around \$1.95. These charges are not required by the government.
- **“Carrier Cost Recovery Charge”** This fee helps recover costs for providing long distance service including expenses for regulatory fees, programs and compliance, connection and account servicing. This fee is not a tax or charge required by the government.
- **“Bill Statement Fee”** Some long distance companies assess a charge for putting your long distance charges on your local telephone bill, receiving duplicate bills, or even receiving paper copies of your bill.

Alternative Methods for Making Long Distance Calls

There are ways to make long distance calls without joining a long distance company. The three most common methods are buying a prepaid calling card, using a 10-10 XXX dial around code, or contracting for a cellular phone.

Prepaid Calling Cards

One alternative is to use a prepaid calling card, which works like a debit card and is sold in retail stores or even in vending machines. Their rates can be very low—the company saves a lot of money by not generating a bill for their customers. You dial a toll-free (1-800, etc.) access number, punch in a code, and then the meter runs until the minutes are used.

Some people complain that there are too many numbers to dial, but others believe the low rates and low hassle are worth it. Buy prepaid cards from long distance companies and retail outlets that you trust. Start-up phone companies have been known to fold before consumers have used all of their prepaid minutes. Before you purchase a card, make sure you read and understand all its terms and conditions, which may hold hidden charges or expiration periods. It may also be possible for the price of the service to change at any time, so you may wish to check on the rate periodically before adding additional minutes.

Dial Around

Dial around access codes let you use the 10-10 (or 101) prefix to bypass your regular long distance carrier and purchase calls one at a time from your home phone. **You can ask any long distance carriers for information about dial around services that they offer as most of them have a code.** Many companies advertise 10-10 numbers through TV ads.

Can I Save Money Using 10-10 Companies?

Most of the nationally advertised 10-10 companies are owned and operated by the major long distance companies. For example, MCI owns Telecom USA (10-10-321 and 10-10-220) and Excel owns DimeLine (10-10-811). Since it is hard to identify the actual name of a 10-10 company, finding a toll-free customer service number can be very difficult, but every dial around company has one. You can also ask any long distance carriers for information about dial around services that they offer as most of them have a code.

Ask the company to send you a printed price list before you start experimenting with the company's service. If you cannot contact a company to ask questions before you use their service, you should be concerned about how you will get help if there is a problem after you have been charged.

Most dial around companies charge consumers a monthly service charge and other fees that reduce any per-minute savings. Several 10-10 companies add a Universal Service Fund (USF) fee to the bill as well. Be aware that your regular long distance company may already be charging you this fee, so you could end up paying twice. Also, pay attention to minimum call times when choosing a 10-10 company. Some calling programs have a three-minute minimum or a 50-cent connection fee. Some programs offer a low, flat rate for "Up to 20 Minutes," but that same flat rate applies even if you reach an answering machine or only talk for one minute. If you cannot use the full time, a seemingly good deal can turn into a costly call!

You can ask any long distance carriers for information about dial around services that they offer as most of them have a code.

Many customers are choosing to use their wireless phones to make long distance calls.

While 10-10 services are still available, they are significantly higher priced and less commonly used than when they were first offered and heavily advertised in the late 1990s and early 2000s. Current rates are generally around 20 cents per minute.

Wireless (or Cellular) Phones for Long Distance

Many customers are choosing to use their wireless phones to make long distance calls. If you have a contract that includes long distance calls as part of your fee, this could be an economical way to call long distance. This booklet discusses wireless service at greater length on page 19.

Voice Over Internet Services

Some callers use Internet-based services, many of which are free of charge, to place long distance and international calls. Often the sound quality is good; sometimes it is not. Many services include not only voice but also video, so the callers can see, for example, the new baby! Many other services may be available, such as call forwarding, remote call management, text messaging, and more.

Phone Fraud

Protect Yourself From Fraud

Read your phone bill closely. If you see unfamiliar charges or companies on your bill, contact the company that is billing you and demand an explanation and proof that you authorized the services appearing on your bill. Look out for common types of fraudulent activities mentioned below.

Why is My Phone Bill From a New Company?

“Slamming” is when your long distance or local service provider is switched to another company without your knowledge or permission. You may not know you were slammed until you get a phone bill from a different company often charging higher rates.

What Should I Do if I Have Been Slammed?

If you think you have been slammed, call your preferred phone company to tell them and ask to be switched back to your preferred company. Request that any switching fees be refunded to you. You should also file a complaint with the Minnesota Attorney General’s Office.

Under Minnesota and Federal law, the company that slammed you must prove that you authorized the change in companies. If they cannot, they are required to bear all costs of serving you and of returning your service to your preferred telephone company. You should act promptly in order for this remedy to work effectively. Many companies will offer to re-bill the calls based on the rates of your former company. If the company presents some proof that you, or an adult member of your household, authorized the change, it may be appropriate to resolve the matter by accepting such a “re-rating” of your bill.

How Can I Prevent Slamming?

You can take steps to avoid being slammed. Most importantly, put yourself in control by making it your policy not to switch telephone providers through a telemarketer. If you are interested in switching phone companies, call the companies directly and ask for their best calling plans and promotional rates. If you receive a call from a telemarketer selling telephone service and you are interested in the offer, your best move is to call the company directly to clarify any special deals or rates. Always ask for the rates in writing so you have proof of the offer.

“Slamming” is when your long distance or local service provider is switched to another company without your knowledge or permission.

Cramming is the placement of unauthorized charges on your telephone bill.

To prevent slamming you can also ask your local telephone company for a “PIC Freeze.” This means that your long distance company cannot be switched unless you personally contact your local phone company and request the switch. Regardless of how your long distance service is billed, you need to contact your local telephone company for a PIC Freeze for technological reasons.

Finally, be careful when filling out sweepstakes forms or endorsing “free” checks from telephone companies. These are marketing techniques often used to entice people into switching their long distance service. The fine print on the document that you sign could authorize a new company to provide your long distance service.

What Is Cramming?

Cramming is the placement of unauthorized charges on your telephone bill, and can occur with both landline and wireless telephone services. Both landline and wireless telephone companies may elect to allow third parties to use their telephone bills to bill you for services that these third parties provide, such as information or entertainment services accessed through 900 numbers, premium messaging services, club memberships, voicemail, or Internet services. If you are being billed for services you did not order, you may have been “crammed.” Review your phone bill for charges you don’t recognize. Cramming charges are very easy to overlook and sometimes appear on your phone bill with ambiguous terms such as “charges and credits” or “enhanced services” to make you think they are authorized. **Crammed charges are often buried as line items in your phone bill so be sure to review it carefully each month.**

What Can I Do if I Get Crammed?

If you are being billed for something you did not order, contact your telephone company right away to dispute the unauthorized charges and have them removed from your bill. Be sure to ask for a refund of all payments that you may have mistakenly paid on previous bills. Protect yourself by following up in writing and keeping copies of important documents.

A Minnesota law is intended to help prevent unauthorized charges from appearing on landline telephone bills (the law does not apply to wireless telephone bills), and to simplify the process for getting such charges removed from a bill. Under the law, consumers may dispute any unauthorized third-party charges that appear on their telephone bill by contacting the local telephone company directly. The law states that the local provider is required to remove the charge and to contact the third-party biller on behalf of the consumer. The third-party biller must also provide documentation showing it had the consumer's authorization to place charges on the local telephone bill. If such authorization cannot be provided, the charges (going back no more than six months) must be reversed by the local telephone company.

How Do I Prevent Cramming?

To prevent cramming, contact your telephone carrier to see if it offers the option to block third parties from placing charges on your bill. Most telephone companies, both landline and wireless, now offer customers the option to block some or all third-party charges from being included on customers' bills in an effort to prevent cramming. This service is typically free of charge, and you may contact your telephone company to ask if they provide this protection against cramming. Many times you may also unknowingly give someone permission to charge you for unwanted phone service when you fill out a sweepstakes entry form, sign up for free coupons online, or use a toll-free service like a date line or psychic line. Always read the front and back of any prize registration form, sign-up sheet, or contract that you fill out, especially if it asks for your phone number.

What if I Get Billed for Unauthorized Calls to an Adult Entertainment Service?

Under Minnesota law, if a minor or a vulnerable adult made calls without your authorization to pay-per-call services, such as those to 900 numbers, you are not liable for the calls. You can dispute any charges that you believe are incorrect by calling the company whose toll-free number is listed on your bill, but make sure that you follow up your dispute in writing. **Until the dispute is resolved, you can pay only those portions of the bill with which you agree.** When you send in your payment, call your local phone company and indicate how you want the payment applied. Your local and long distance phone service cannot be disconnected for nonpayment of pay-per-call charges, however, your long distance company may attempt to disconnect your long distance service for nonpayment of international charges.

Under Minnesota law, if a minor or a vulnerable adult made calls without your authorization to pay-per-call services, you are not liable for the calls.

You can get 1-900
number blocking from
your local phone
company at no charge.

Charges for Downloadable Adult Access

Be wary of adult entertainment web pages offering “no credit card” access. These sites may be equipped with programs that download a new icon onto your computer. When the icon is clicked, your Internet Service Provider (ISP) is disconnected and the new program redials your phone to gain access to adult sites by way of an international telephone number. Some of the dialers skirt blocks you may have put on your phone service by using dial around access codes (10-10 numbers). Internet connections that use these numbers are extremely expensive. They are also very difficult to dispute with your long distance company. If you are concerned that access to adult sites may fall into the wrong hands in your home, it may be wise to use an Internet filter or content-control software.

How Can I Prevent Pay-Per-Call Charges?

Talk to your children and other family members about these numbers so that they understand these calls are not free, and in fact can quickly mean bills for hundreds or thousands of dollars. By law, you are not liable for unauthorized calls made by minors or vulnerable adults to pay-per-call services, but getting the charges removed can be a real hassle. You can also block access to many of these services by calling your local phone company’s customer service line.

Can I Block 1-900 Numbers?

You can get 1-900 number blocking from your local phone company at no charge.

Making Calls Away From Home —

There may be times when you want to make calls when you are not at home or work. At these times, you can carry a wireless phone with you or use a public pay phone with a prepaid phone card, calling card number, or just coins.

Things to Consider When Evaluating Whether to Purchase Wireless (or Cellular) Service

Consumers who want a wireless or cellular phone should evaluate their options carefully. **Wireless carriers often require customers to sign long term contracts and charge hefty fees for early termination; be sure to ask about these issues when deciding whether to buy a wireless phone.** A contract for wireless service may represent a one or two year commitment and once you sign the contract it can be costly to get out of it early. Therefore, it is important to choose a service provider and plan that work for you. There are many different companies offering a variety of service plans and equipment. Generally, many of the phones offered by the different carriers are roughly equivalent to each other, so you should mostly focus on the terms of the plan being offered. The right plan for you will depend on the way you will use the phone. You should ask yourself a number of questions before signing a contract for wireless service, including:

- How often will I use my phone?
- At what time of day will I make most of my calls?
- Will most of my calls be local, or will I make domestic or international long distance calls?
- How long am I willing to commit to a particular carrier’s service?
- Will I need only basic phone and text messaging service, or additional services that accompany the purchase of a “smart” phone, such as Internet access, a camera, or other more advanced features?
- Will I use my wireless phone to replace traditional phone service?
- Do I want a plan I will share with other family members?
- Do I need to purchase an additional “data plan” if I intend to access the Internet with my phone?

Wireless carriers often require customers to sign long term contracts and charge hefty fees for early termination; be sure to ask about these issues when deciding whether to buy a wireless phone.

When purchasing wireless phone service, read the contract carefully.

Be aware that the price of wireless service plans are typically advertised before any extra taxes and fees are applied, and data plans allowing you to access the Internet with your phone will also cost you more.

What Should I Know About Wireless Contracts?

When purchasing wireless phone service, read the contract carefully. You can specifically ask the company to explain the amount you will be charged for service, the amount of any government mandated taxes and fees, and variable charges for extra minutes or for roaming outside your service territory. You can also ask for an estimate of the amount of your first bill, which may include more than one month's service. Be aware that some contracts allow wireless carriers to change the price during the term of the contract, and the carrier may also impose a hefty termination fee if you want to cancel the service before the end of the contract. Keep your contract even after you've started your service so you'll have the document if there is a dispute about your service down the road. **Also, be careful about making changes to your service during the term of the contract and ask whether the change will extend the length of the contract term.** If you feel uncomfortable signing a contract, but also feel you need a wireless phone, consider getting a prepaid cell phone. That way your commitment is limited and if you don't like the service, you aren't tied down with a contract.

If you have a "smart" phone and want to access the Internet, you will likely be required to purchase a data service plan in addition to your voice/messaging service plan. These plans can add considerable costs to your total wireless service bill. Data plans can vary based on the amount of data you expect to use, the number of devices on the plan, or other services such as voice and texting that are packaged with the data plan. Prepaid data plans are also available.

Where Will My Phone Work?

A wireless carrier's coverage area is based on the geographic area in which the carrier has built out its network. **While carriers often provide maps showing areas they say they have coverage, these maps may only be rough guidelines of the area where the phone will work.** The companies often say that they do not guarantee that a phone will have coverage in a particular area. When deciding whether to purchase wireless phone service or when choosing between carriers, you may want to ask your friends and neighbors about their coverage with their wireless companies. **You should also inquire whether the carrier offers users a trial period, usually 14 to 30 days, during which a customer can**

return the phone without a penalty if the coverage is insufficient in their area. If the phones work in an area, but the service quality is poor so that calls drop, you experience static, or otherwise have a bad connection, you should document your concerns and contact your carrier right away to make a complaint. Carriers may be more inclined to be responsive to the problem if you call right away, but less inclined to help if you continue your usage and make lots of calls. Beware of the company's offer of a new phone to fix the problem. By getting the new phone, you may be entered into a new contract, and it is possible that the new phone won't work any better in your area than the old one.

Are Rebates on Wireless Phones and Equipment a Good Deal?

It's a good idea to do some homework before signing a wireless contract based on a rebate offer. **Be aware that wireless carrier rebates that come with signing up for a new plan or buying a new phone are typically not instant rebates and can take months to arrive through the mail.** Often the rebates offered aren't instant rebates allowing the customer to get the benefit right away, but instead require the customer to keep their phone packaging and copies of their bills. Customers may not be able to claim the rebate until they have had the phone for some time, and even afterwards it may take a long time for the customer to receive the refund. For this reason, instant rebates are preferable. Consumers should read the fine print, and can even check out a rebate company online to see whether other consumers have had difficulty obtaining a rebate's benefits from a particular company.

The Customer Service Representative I Talked to Wasn't Helpful

If you have difficulty dealing with a wireless carrier's customer service representative, you should ask to speak to a supervisor. Also, document your experience so that you can provide a clear picture of the treatment you received and then file a complaint with one of the government agencies that handle wireless issues. While the wireless companies aren't legally required to provide good customer service, documentation about your experience may make it easier to resolve your complaint.

Be aware that wireless carrier rebates that come with signing up for a new plan or buying a new phone are typically not instant rebates.

Carefully study your bill each month to ensure there are no unauthorized charges buried within the bill.

Why are There Charges on My Wireless Bill for Third-Party Services?

As already discussed above in the section on cramming on page 16, many wireless carriers aren't just charging for their wireless service anymore, but have opened up their bills as a platform for billing for third parties. **Like landline phones, cramming is a problem on wireless phone bills as well. Carefully study your bill each month to ensure there are no unauthorized charges buried within the bill.** Carriers often include extra charges on bills for ring tones, text messaging, and other services downloaded from third parties or through the carrier. If you make a change to your service that will result in an extra charge, you may want to ask the carrier for specific information on the amount of any increase in your monthly bill. Further, you should always review your bill carefully each month to see whether the charges are accurate. If you notice an inaccurate or unauthorized charge, contact your wireless carrier immediately to dispute it. Many carriers will remove recent charges, but may not remove charges that are more than a few months old. Also, if you provide a phone to your child, you may want to set some ground rules in advance about the child's usage and explain that there are extra charges for extra services. You may also want to contact your carrier to find out if they offer blocking for third-party charges on the phone your child uses.

What are My Options When Using a Pay Phone?

Once heavily regulated, pay phones now operate more like vending machines. As a result, pay phone operators set their own prices for the service they provide—sometimes many dollars per minute. Unlike vending machines, however, the price for calling may not be clearly posted. You should carefully review rate information posted near a pay phone for information about per-minute and access charges. Some pay phones are illegally set up to block your ability to use the long distance company of your choice. If you find this to be the case, hang up and try to find another pay phone. Before you make a call, read the fine print posted on the pay phone, and follow some of these options that may help you and your family save money:

- **Calling Card Calls**

Calling cards issued by your long distance company are usually the lowest cost option. **Many calling cards that advertise a low per-minute rate often make up for this low rate by levying significant surcharges and fees on each call, which can quickly eat away at the value of the card.** Make sure you know about any surcharges, monthly fees or minimums, in addition to the rates for using a calling card. Remember to guard your calling card and access numbers. If your card is stolen or abused, it can be difficult to dispute the unauthorized charges.

- **Prepaid Calling Card Calls**

Unlike standard calling cards, prepaid calling cards work like a debit card and are often sold in retail stores or even vending machines. You dial a toll-free access number and then punch in a code. Buy prepaid cards from long distance companies and retail outlets that you trust. **Before you purchase a card, make sure you read the terms and limitations.** Be aware that it is possible that the charges for the service will change even after you purchase the card.

- **Collect Calling Using a 1-800 Access Code**

This is a less perilous way of making the old fashioned “collect call,” and charges for these calls will appear on the bill of the person you are calling. You may save money compared to direct dial and operator assisted calls, but be sure to listen for rate information before the call is connected. The Federal Communications Commission (FCC) requires that companies disclose their prices before your call goes through.

- **Direct Dial Calls**

Calls made by dialing a long distance number and paying the required amount or using your credit card are direct dial calls. Direct dialed calls from a pay phone are not cheap, but there are fewer surprises associated with them.

- **Operator Assisted Calls**

Operator assisted calls, which are long distance calls made from a pay phone by dialing “0” plus the number, are almost always the highest cost, particularly when you use a live operator. In addition, you are limited to the long distance company that provides service for that pay phone.

Before you purchase a card, make sure you read the terms and limitations.

Telemarketing and Privacy

How Did They Get My Name?

Many magazines, credit card companies, banks, clubs, organizations, charities, and retailers offer their customer or donor lists to other businesses for a fee. Professional marketing companies and the credit bureaus that provide information on credit-worthy consumers also compile lists. Your name and phone number may be collected whenever you call a toll-free number, as well as when you fill out surveys or forms on the Internet. Information supplied to the State of Minnesota, such as for your driver's license, may also be sold to marketers. Each time you call someone with caller ID your name and telephone number are revealed unless you block the release of your name and number. Many people with unlisted or non-published numbers are surprised to find out that this information is released when they call someone with caller ID. **Contact your local phone company to find out how to protect your privacy when using caller ID.**

Will Placing My Name on the "Do Not Call List" Stop Telemarketing Calls?

The Federal Trade Commission (FTC) registers consumers on a national Do Not Call list. The best way to register your number is to sign up at www.donotcall.gov.

Unfortunately, placing your name on the Do Not Call list will not stop all telemarketing calls. For instance, Minnesota law still allows charitable organizations and political organizations to continue to place telemarketing calls to Minnesotans on the Do Not Call list. Businesses with a prior relationship with a customer and solicitors who do not intend to complete a sales transaction over the phone are also allowed to legally continue their telemarketing under the Minnesota law.

How Else Can I Stop Telemarketers from Calling?

You have the power to stop unwanted telemarketing calls by requesting that a company remove your name from the company's call list. Follow up with companies in writing and clearly state that you no longer wish to receive any calls from them.

You have the power to stop unwanted telemarketing calls by requesting that a company remove your name from the company's call list.

You can also reduce the number of telemarketers that have your name on their lists by telling the companies and organizations you do business with not to give out or sell your name, address, or telephone number. When you order from a catalog, sign up for utility service, apply for a credit card, or use a check, include a note stating: “Do not rent, trade, sell or give away my name, address, or phone number.” You may request that the State not sell your driver’s license information.

The three major credit bureaus, in addition to maintaining your credit report, sell to companies lists of individuals who meet a certain credit criteria. To remove your name from the generated lists, you should call the “Opt Out” hotline for the three major credit bureaus: Equifax, Experian, and TransUnion, at (888) 5OPT-OUT ((888) 567-8688) or “Opt Out” online at www.optoutprescreen.com.

Can I Use Caller ID to Stop Telemarketers?

Some services are designed to give you more control over incoming calls. These services will have one-time and/or monthly charges and may have only limited success. Caller ID is a service that uses a display on your phone to identify who is calling you. You may lease or purchase a caller ID display unit at a retail outlet or from your local phone company, and you may need to pay your local phone company a monthly fee for the identification data. Because of technical limitations or because callers have blocked the release of the information, caller ID is not able to identify many calls. In addition, callers using computers to place calls to traditional phones can easily falsify their information and appear to be someone else entirely. Caller ID should not be relied upon because it is very easy to falsify. If you are receiving calls from caller ID numbers that are falsified, you may file a complaint with the Minnesota Department of Commerce or the Minnesota Public Utilities Commission. Many telemarketers use these limitations to prevent you from using caller ID to screen them out.

When you use caller ID blocking, your calls show up on the other person’s caller ID box as “anonymous” or “private.” Contact your local phone company to find out how to protect your privacy when using caller ID. Caller ID blocking does not work for calls to toll-free numbers—your telephone number is always released to the company or person you are calling. When calling a toll-free number, you have the right to request that your name and number not be used for telemarketing purposes.

Some services are designed to give you more control over incoming calls.

Federal telemarketing laws are enforced by the Federal Trade Commission and the Federal Communication Commission.

Calls from Prerecorded Messages

Two federal laws, the Telephone Consumer Protection Act (TCPA) and Telemarketing Sales Rule (TSR) and a state law, Minn. Stat. 325E.27, prohibit prerecorded messages to residential telephones, except the following:

- Calls you agree to receive, or from entities with which you have an “established business relationship,” or that do not involve sales or advertising
- Calls from tax-exempt, non-profit entities and emergency safety calls
- A call in which the message is preceded by a live operator who obtains the consumer’s consent before the automatic message is delivered

Prerecorded messages must disclose at the outset of the call that the recipient may ask to be placed on the company’s do-not-call list at any time during the message. The message must state, at the beginning, the identity of the caller and during or after the message, the caller’s phone number. Telemarketers may not use prerecorded message calls unless the consumer has first signed a written agreement to receive such calls.

The TSR is enforced by the Federal Trade Commission (FTC).

You may file a complaint with the FTC as follows:

Federal Trade Commission
600 Pennsylvania Avenue NW
Washington, DC 20580
(877) FTC-HELP ((877) 382-4357)
www.ftccomplaintassistant.gov

The TCPA is enforced by the Federal Communications Commission (FCC). The FCC can issue citations or impose fines against those violating the TCPA. You may file a complaint with the FCC as follows:

Federal Communications Commission
Consumer & Governmental Affairs Bureau
Consumer Inquiries and Complaints Division
445 12th Street SW
Washington, DC 20554
(888) 225-5322 or TTY: (888) 835-5322
www.consumercomplaints.fcc.gov

Telemarketing Disclosures

Anyone soliciting business over the phone must tell you that it is a sales call and who they represent before they make their pitch. If it is a prize promotion, they must tell you that no purchase or payment is necessary to enter or win. If you are asked to pay for a prize, hang up. It's illegal for telemarketers to misrepresent any information, including facts about their goods, investment opportunities, or services. If you think that a telemarketer lied about a product or service, report the company to the Minnesota Attorney General's Office or the Better Business Bureau.

Anyone soliciting business over the phone must tell you that it is a sales call and who they represent before they make their pitch.

Resources

Referral Guide

You may contact the agencies and organizations listed here for additional assistance.

Office of Minnesota Attorney General Keith Ellison

445 Minnesota Street, Suite 1400, St. Paul, MN 55101

(651) 296-3353 (Twin Cities Calling Area)

(800) 657-3787 (Outside the Twin Cities)

(800) 627-3529 (Minnesota Relay)

www.ag.state.mn.us

Better Business Bureau of Minnesota

220 South River Ridge Circle

Burnsville, MN 55337

(651) 699-1111 or (800) 646-6222

www.bbb.org/minnesota

Federal Communications Commission

Consumer & Governmental Affairs Bureau

Consumer Inquiries and Complaints Division

445 12th Street SW

Washington, DC 20554

(888) 225-5322 or TTY: (888) 835-5322

www.consumercomplaints.fcc.gov

Federal Trade Commission

600 Pennsylvania Avenue NW

Washington, DC 20580

(877) FTC-HELP ((877) 382-4357)

www.ftccomplaintassistant.gov

Minnesota Department of Commerce

Telecommunications Division

85 7th Place East, Suite 500

St. Paul, MN 55101

(651) 539-1883

www.mn.gov/commerce

Minnesota Department of Human Services

444 Lafayette Road N.

St. Paul, MN 55155

(651) 431-2000

www.mn.gov/dhs

Minnesota Public Utilities Commission

Metro Square, Suite 350

121 Seventh Place East

St. Paul, MN 55101

(651) 296-7124 or (800) 657-3782

TTY: (651) 297-1200

www.mn.gov/puc

NCL's Fraud Center

c/o National Consumers League

1701 K Street, NW, Suite 1200

Washington, DC 20006

www.fraud.org

Clues to a Con

Be on guard against crooked callers and other con artists who use tactics like these:

- Promise you prizes for buying products such as pens, office supplies, vitamins, beauty and health products, or “Say No to Drugs” merchandise. These products are usually sold at ridiculously high prices. You may be asked to pay \$500 to \$2,000 for items that are worth less than \$100.
- Demand your credit card number or checking account number.
- Pressure you to act quickly.
- Keep you on the phone for long periods of time.
- Offer to send someone (often an overnight delivery service) to pick up your cash or check immediately, or ask you to wire money to them.
- Refuse to send written materials about their products or company.
- Promise to recover money you have lost to other companies.



Consumer Questions or Complaints

The Minnesota Attorney General's Office answers questions regarding numerous consumer issues. The Attorney General's Office also provides assistance in resolving disputes between Minnesota consumers and businesses and uses information from consumers to enforce the state's civil laws. We welcome your calls!

If you have a consumer complaint, you may contact the Attorney General's Office in writing:

Minnesota Attorney General's Office
445 Minnesota Street, Suite 1400
St. Paul, MN 55101

You can also receive direct assistance from a consumer specialist by calling:

(651) 296-3353 (Twin Cities Calling Area)
(800) 657-3787 (Outside the Twin Cities)
(800) 627-3529 (Minnesota Relay)

Additional Publications

Additional consumer publications are available from the Minnesota Attorney General's Office. Contact us to receive copies or preview the publications on our website at www.ag.state.mn.us.

- Car Handbook*
- Conciliation Court*
- Credit Handbook
- Guarding Your Privacy: Tips to Prevent Identity Theft
- Home Building and Remodeling
- Home Buyer's Handbook
- Home Seller's Handbook
- Landlords and Tenants: Rights and Responsibilities*
- Managing Your Health Care
- Manufactured Home Parks*
- Minnesota's Car Laws
- Phone Handbook
- Probate and Planning: A Guide to Planning for the Future
- Seniors' Legal Rights
- Student Loan Handbook
- Veterans and Service Members

**Available in Spanish*

OFFICE OF MINNESOTA ATTORNEY GENERAL KEITH ELLISON

445 Minnesota Street, Suite 1400, St. Paul, MN 55101

(651) 296-3353 (Twin Cities Calling Area)

(800) 657-3787 (Outside the Twin Cities)

(800) 627-3529 (Minnesota Relay)

www.ag.state.mn.us