



# Wireless Phones

From the Office of Minnesota Attorney General Keith Ellison

More and more Americans are using wireless, or cellular, phones. In fact, over 90 percent of adults in this country have wireless phone service! Minnesota Attorney General Keith Ellison suggests that consumers use the following guidelines when purchasing wireless service.

## Why do I want wireless phone service?

Ask yourself: why do I want wireless service? How much will I use the phone? Will I use the phone mostly for travel, around town, or at home? Who will I call and from where? Answering these questions will help you to identify a calling plan that suits your needs.

## What phone should I choose?

Some wireless phones offer call waiting and caller ID features, while others offer text messaging, cameras, and data usage. If you are simply interested in a phone for emergencies or for making calls, and won't take pictures or surf the web, you may wish to buy a simpler phone. If you need your phone for business travel and plan to use it to stay connected with your office or with clients, you may want more extensive features.

## Should I purchase a calling "plan" or prepaid calling "minutes"?

There are 2 principal ways to pay for wireless phone service. One way to get service for your phone is to purchase a calling plan, which allows you to use your phone up to a certain number of minutes per month in return for a pre-determined monthly fee (e.g., up to 500 minutes per month for \$50 per month). In addition, some wireless carriers also offer "unlimited" calling plans that allow for unlimited or nearly-unlimited use of a phone for a higher monthly fee (e.g., \$99 per month for "unlimited" access). In most cases, these "plans" require a minimum contract commitment of one or two years, although some wireless carriers sell plans that may be cancelled at any time. If you choose a "plan,"

you will receive a monthly bill for your service.

Another way to get service for your phone is to purchase a specific number of calling "minutes" that can be used until they are gone or until they expire. If you use your phone relatively infrequently, this can be cheaper than paying a monthly fee for service you don't often use or don't use in full. However, even prepaid calling minutes usually have an expiration date. You may wish to purchase prepaid calling minutes if you are uncomfortable agreeing to a long-term contract for wireless service, as you will not incur any ongoing financial obligation beyond the minutes that you purchase. However, since you will not be signing a long-term contract with this program, the terms of the prepaid minutes may change.

## How much data do I need?

These days, wireless phones can be used for much more than phone calls. In addition to browsing the Internet, people can now watch a movie or TV show, play music, or use social media applications on their phones. These features use data, and it is good to know how much data you need in order to buy the right data plan. If you already have a wireless phone with a data plan, you can look at recent bills to see how much data, on average, you use. If you do not have a data plan, then you can consider several factors to estimate your data needs:

- If you have a Wi-Fi Internet connection at your home, you can connect your wireless phone to that network in order to save data.
- If you plan to stream movies, TV shows, or music on your wireless phone using data, then you might need a plan with a high data allowance or even an unlimited data plan.
- If you do not plan to use your phone in this way, then a much smaller data plan, or even no data plan at all, may be most appropriate.

## What are the other terms of my wireless plan?

There are many terms to a wireless plan in addition to the length of the contract commitment and the amount of the early termination fee. Before agreeing to a wireless plan, you should make sure that you understand all of the terms of the plan, including:

1. the calling area for the plan;
2. the number of airtime minutes included in the plan and when those minutes can be used (e.g., anytime, nights and weekends, etc.);
3. the monthly access fee or base charge for the plan;
4. whether any activation or set-up fees apply;
5. any data, long-distance, roaming, or text messaging charges that apply;
6. any applicable taxes and surcharges; and
7. any terms relating to “trial periods,” early termination fees, or refunds.

## What charges can I expect to see on my first bill?

The price for a wireless phone plan generally includes a monthly fee. This is usually the advertised rate and is typically contingent on a one or two year contract. Your first bill may include charges for your first full month of service, plus a pro-rated amount for part of a prior month if you started service during the middle of a billing cycle. In addition, your bill will include taxes and may also contain charges that the wireless carrier is permitted to pass through to its customers, like a contribution to the Universal Service Fund. Your first bill may also include additional costs for the phone itself, an activation fee, and postage and handling charges.

## How long will my service contract last and under what circumstances will it be extended?

To get certain monthly plan rates, you may need to enter a one or two year contract. You may not actually sign a contract, however, because many requests for service are processed on the phone or electronically. The company may consider your activation or use of the phone as your agreement to the terms of the contract. You should ask your wireless provider for a copy of your contract and a written copy of all terms of your plan. Also, during the duration of your contract, be careful when you make changes to your service. In some instances, adding extra minutes, purchasing a new phone, adding a line or a family member to your service, or other simple changes may begin a new contract term.

## What is the termination fee if I cancel my service early?

An early termination fee could be charged if the service contract is cancelled, or terminated, before the end of the term of the contract. The amount of an early termination fee could change based upon the type of phone and/or the length of time remaining on the contract at the time of cancellation.

## What are variable services and how much do they cost?

Variable services include roaming, long distance, and text messaging fees. You should specifically ask about the fees for these types of services when you sign up for a plan. “Roaming fees” are charges for calls made and received outside of your provider’s network or calling area. Carriers often provide free long distance calling for calls made within their network, but may charge for long distance calls made outside the network. Carriers also may charge extra for international long distance calling. Many contracts now include a standard charge for text messaging service up to a certain number of messages and impose additional charges for text messages sent or received over that number. Your bill may also include charges for services provided to you by third parties, such as ring tones or games. You should pay close attention to your invoice to make sure that these charges are proper.

## Does the wireless service provider have adequate coverage?

Ask to see a map of the service provider's coverage area. Some providers' websites have maps that show the strength of their coverage down to a street-by-street level. Be aware, however, that the wireless providers say that coverage maps are just a guide and that they don't guarantee coverage in a particular area. The maps may also be based on reception of wireless signal outdoors, and signal strength may differ indoors.

## Is there a "free trial period"?

Some wireless carriers provide a trial period, usually 14 to 30 days, during which you can return your phone and opt out of your contract if you are not satisfied with the service. If a trial period is offered, you should use that time to determine if the phone and plan really suit your needs. For instance, your phone may work in your driveway, but not in your home office in the basement. Unless you want to make all your calls from your car, the service probably isn't going to work for you. If your phone does not work exactly as you expected or doesn't work where you need it to, you should try to return your phone or otherwise resolve your problem quickly. Keep records of your contact with the company to help you verify your conversations. After the trial period expires, wireless providers impose early termination penalties for cancelling service.

## Should I buy a phone for my child?

Many parents now purchase phones for a child to use so that they can keep in touch after school or in an emergency. Parents have sometimes discovered, however, that their children have also used the phones to call their friends or for text messaging, and that the children can download additional services. These activities can lead to higher wireless phone bills with additional charges. Parents who wish to purchase a phone for a child should consider talking with their child about the charges for wireless services, setting ground rules, and monitoring their child's usage. Parents should also inquire about whether certain services can be blocked from their child's phone.

## What if I have a problem with my wireless service?

If you have a problem or concern about your wireless phone service, act quickly to resolve your issue. Keep records of your efforts to solve your problem, including the time of your call, the name of your customer representative, and the action that was taken. If you decide that you need further assistance or have additional questions regarding wireless phones or another consumer issue, you may contact the Minnesota Attorney General's Office:

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