

Why Are Phone Bills So Confusing?

Telephone bills can be confusing to some consumers because they have become increasingly detailed over the years.

Many phone companies are redesigning their bills to make them easier to understand. However, the charges may still be confusing unless you know some basics of telephone billing.

Key Items to Look For On Your Bill

- ◇ Basic Monthly Charge – This charge on your local phone bill is for the dial tone that enables you to make and receive calls.
- ◇ Local Calling Charge – This charge is for local calls. You may have a “flat rate” telephone plan in which your monthly service charge allows you to make an unlimited number of calls in your calling area. If you have “measured service,” you are limited to the number of calls your monthly service allows. If you make more calls than allowed, you pay an additional charge for each phone call.
- ◇ Local Toll Charge – This charge refers to calls made to places that are not close enough to be in your local calling area, but not far enough away to be handled as long distance calls. These calls are sometimes called “short distance calls.”

- ◇ Long Distance Charges – These charges are for your long distance calls. Most consumers have a “presubscribed” long distance carrier. This is when you dial “1” plus the area code and then the phone number. Once that is done, the access code for the presubscribed carrier is automatically entered and you are charged the rates of that carrier.

There are a number of long distance companies consumers can choose. Calling plans for each company differ, and each company offers many different calling plans. Some plans require you to pay a monthly fee in addition to any long distance charges you incur.

You may also make a long distance call by using a dial around number (10-10), calling collect, using a calling card, or using a pre-paid calling card.

- ◇ Pay-Per-Call Services – These calls are provided through 900 (and some 800) numbers. The rates for these calls are set by the service providers, not the telephone companies.
- ◇ Miscellaneous Services – Charges for caller ID, call waiting, voice mail, paging, and internet will be found in this area of your phone bill.
- ◇ Directory Assistance – There is a charge for all directory-assisted calls. These calls are placed by dialing 411 or 555-1212. The rate per call will depend on a number of factors. Check with your local telephone company to find out the least expensive way to place a directory-assisted call.

- ◇ Lifeline Surcharge – The PSC approved this charge to help eligible low-income consumers maintain basic phone service.
- ◇ Local Number Portability Charge – The Federal Communications Commission requires local telephone companies to charge this fee so consumers can keep the same phone number when changing local service providers.
- ◇ State Subscriber Line Charge – Local phone companies assess this fee to recover the cost of providing lines for services within the state, such as intrastate long distance and local exchange service.
- ◇ Subscriber Line Charge or Interstate Subscriber Line Charge – This is a fee that the FCC allows local phone companies to charge to recover a portion of the costs of completing long distance calls across state lines on their local networks.
- ◇ Universal Service Charge – This fee is charged as part of a federal program which provides funding for telecommunication services for those living in parts of the country that are expensive to serve.
- ◇ Telecommunications Relay Service – This fee covers the cost for providing a “translation” service for calls between TTY (a type of text telephone) users and people using a traditional telephone.
- ◇ 911 Surcharge – This is imposed by your local government to cover the costs of providing 911 access to emergency services.

- ◇ Federal Tax – This fee is imposed by Congress.
- ◇ State Tax – This fee is imposed by the General Assembly.
- ◇ School Tax – This fee is imposed by a unit of local government.
- ◇ Inside Wiring Plan – This is an optional service that consumers may cancel.
- ◇ Trouble Determination Service – This is an optional service that consumers may cancel.

Tips For Reading Your Bill

- * Read your bill carefully each month. Make sure you are only being charged for services you have authorized.
- * Make sure you recognize all the company names listed on your bill. If you do not recognize the company, call the company and inquire about the charge.
- * Look for any calls that you did not make or charges for any services you did not agree to buy.
- * Check that the rates you were charged are the correct rates for your plan.
- * Make sure you understand all the charges on your phone bill. If you do not, contact the company listed on that section of the bill.

If you notice that there are mistakes on your bill, first call the company. If you are unable to resolve your complaint with the company, you may call the Kentucky Public Service Commission toll free at 1-800-772-4636.

How Can I Save Money On My Long Distance Telephone Bill?

- ⇒ Think about when you use your phone service. Do you make most of your calls at night or during the day? During the week or weekend? Looking at old long distance bills can help.
- ⇒ Call your long distance telephone company and their competitors to inquire about which calling plans best suit your calling pattern.
- ⇒ You may even want to consider dropping your long distance company if you make very few calls. You will no longer be able to dial “1” plus the area code and number to make long distance calls, but you can still make long distance calls by using dial around companies (10-10) or pre-paid phone cards. If you decide to use a dial around company or a pre-paid phone card, make sure you understand any charges associated with those services.

For additional questions about telephone charges, you can contact the following:

Federal Communications Commission
Common Carrier Bureau
445 12th Street, SW
Washington, DC 20554
1-888-225-5322
- OR -
Kentucky Public Service Commission
P.O. Box 615
Frankfort, KY 40602
1-800-772-4636

A Consumer's Guide to Telephone Charges

