



Wireless Phones

From the Office of Minnesota Attorney General Lori Swanson

More and more Americans are using wireless, or cellular, phones. In fact, over 70% of Minnesotans subscribe to wireless phone service! Minnesota Attorney General Lori Swanson 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? Will I use the phone for purposes other than calling people (i.e., email access, internet access, taking pictures, etc.)? Answering these questions will help you to identify a phone and service arrangement that best 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 email and internet access. 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 two 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.

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 long-distance, roaming, or text messaging charges that apply; (6) any applicable taxes and surcharges; and (7) any terms relating to "trial periods" 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. 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?

Wireless carriers often charge \$100 - \$200 per phone for early termination of a contract.

How many minutes do I need and when can I use them?

Determine how many minutes you need by evaluating how much you will use your phone. Also think about when you will be doing most of your calling. Many providers offer plans with a certain number of “anytime” minutes, plus more minutes that can be used during “off peak” times like nights and weekends. Each provider’s standard for the time periods that constitute “nights and weekends” differs, so ask for details when you purchase your plan.

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 a just a guide and that they don’t guarantee coverage in a particular area.

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 by phone, mail, or electronically at the contact information provided at the bottom of this page.