



# Choosing a Cell Phone Plan - The Basics

Cellular telephone service is an increasingly popular way for residential consumers to stay connected by making and receiving calls whenever they wish and wherever they are (coverage may not be available in all areas). To assist you in making informed choices, the Office of the Ohio Consumers' Counsel (OCC), the residential utility consumer advocate, has prepared this fact sheet about the basics of selecting the right cell phone provider and service plan for you. Details will vary from company to company and competitive offers, rates and calling areas often change.

## Service plans

Most cell phone providers offer three types of calling plans: local, regional and national. Each type specifies a particular designated calling area (also referred to as a "home area") where you may make or receive calls using the bundle of minutes contained in the plan. Calls made outside the calling plan area can carry a per-minute, long-distance charge. Remember, most companies subtract minutes from your plan for calls you receive as well as for calls you make from your cell phone.

"Local" plans have the smallest calling area and cover a metropolitan area or part of a state.

"Regional" plans have a calling area that covers several states. "National" plans include calling areas throughout the contiguous 48 states.

## Roaming

"Roaming" charges could apply if you make or receive calls while outside your calling (or "home") area or if your provider does not have its own facilities in the area. In these circumstances, you should be aware of the roaming charges as well as any long distance charges and connection fees that may apply. In addition, there will be areas of the country where your cell phone will not be able to make or receive calls due to coverage gaps. Be sure to look at the coverage maps of each provider before signing up for service and ask if the provider owns its own facilities in the coverage area.

## Minutes

Cell phone providers offer service plans that include bundles of "peak" and "off-peak" minutes. Any additional minutes used to make or receive calls carry a per-minute charge.

Peak (also referred to as "daytime" and "anytime") minutes can be used during the business day and early evening. Off-peak minutes can be used only during nights and/or weekends. Definitions of the peak and off-peak hours vary among providers. Some providers' service plans include an additional bundle of minutes that can be used to call other cell phones on that provider's network. Some plans include unlimited calling to other customers of the same provider.

In addition, plans are available that allow minutes to be shared among family members using multiple cell phones and numbers. One monthly bill includes all the family's charges.

Consumer need to remember that in many cases they are charged for each text message or photo that they send. Packages may be available to allow for unlimited texting or photos.

## "Prepaid" plans

Most cellular companies offer a plan that allows you to prepay for a specific number of minutes instead of entering into a one or two-year service agreement. You can "recharge" your plan at any time by paying for additional minutes. Many prepaid plans do not carry a service fee but may charge a higher per-minute calling rate than service agreements. Before beginning a prepaid service, be sure to compare the cost of the "prepaid" minutes with the monthly cost of the provider's one and two-year service plans

## Features

Many providers include features like Caller ID, Call Waiting, 3-Way Calling, Call Forwarding and Voice Mail in various service plans. You may wish to consider these features offered by cell phone providers as you compare offers. Be sure to ask if these features carry any additional charges.

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## Service agreements

When you purchase a cell phone and sign up for a service plan, you will enter into an agreement with that provider. Many agreements expire after one or two years and carry a substantial cancellation fee if you decide to discontinue service early. Some providers offer special discounts for signing up with a one or two-year agreement and/or allow you to pay a higher rate for month-to-month service.

Many providers allow you to make changes from one plan to another during the length of the agreement. You should find out if a change will extend the length of the agreement or if any penalties or cancellation fees apply before requesting a change.

## Safety

Many consumers look to cell phones as a resource in case of emergency. While emergency assistance can be received, you should always give your cell phone number (including area code) and exact location to a 9-1-1 operator or other emergency personnel. Unlike calls made from a traditional telephone, the location of a cell phone call cannot always be automatically traced. Eventually, "Enhanced 9-1-1" technology will allow emergency operators to identify the approximate location of a cell phone call.

## Switching Providers

Before switching cellular companies, customers who wish to keep their number should know that:

- ▶ they need to bring a recent cell phone bill to their new company so that the exact name and address is matched to their existing number.
- ▶ they should expect to purchase a new cell phone to be able to receive service from a new provider.
- ▶ most cell phone numbers may only be transferred within the same metropolitan area.
- ▶ termination fees and other payments required under a customer's current contract may apply.
- ▶ a cell phone company may not prevent a customer from taking his or her number to a

different carrier, even if that customer owes an outstanding balance or a termination fee.

- ▶ most companies do not prorate a partial month's service, but charge for a full month's service even if the service is changed to a new provider at the beginning of a month.

## Questions To Answer Before Shopping

The OCC recommends answering the following questions before shopping for cellular service:

- ▶ How often do I plan on using my cell phone?
- ▶ At what time of day will I make most of my calls?
- ▶ Do I expect to make mostly local, regional or nationwide calls? What areas of my state and nation will I be calling regularly? Are these areas covered? Which provider (s) provide service in these areas and do they own their own facilities? Will cell phone calls to other cell phones in the same network be included or will they cost me minutes?
- ▶ How much am I willing to spend for monthly service?
- ▶ How long am I willing to stay with the service provider?
- ▶ Which features like Voice Mail, Caller ID and Call Waiting are most important?
- ▶ Will I use a cell phone to replace my traditional telephone service?
- ▶ Do I want other family members to share a plan?

## Where to go next

Perhaps you have contacted different companies and received information about the plans those companies offer, but you still cannot decide which is best. It may be time to contact a service that can help compare the various plans of major cell phone providers. **Letstalk.com** and **lowermybills.com** are two websites that may serve as good resources. There are also many other online resources that may assist you in your decision.

*The Office of the Ohio Consumers' Counsel is an equal opportunity employer and provider of services.*

**For additional information from the Office of the Ohio Consumers' Counsel:**

**Call: 1-877-PICKOCC (1-877-742-5622) toll free or (614) 466-8574**  
**Write: 10 West Broad Street, 18th Floor, Columbus, Ohio 43215-3485**  
**E-mail: [occ@occ.state.oh.us](mailto:occ@occ.state.oh.us) • Internet Address: [www.pickocc.org](http://www.pickocc.org)**