



# Your Money

## Good News: Your Telephone Bill Is Getting Lower

(NAPSA)—In an era when the cost of living keeps increasing, the cost of telephone calls are getting cheaper for most Americans. The reason, surprisingly, is government policies that for once are working just about as intended. According to a recent study by the Competitive Telecommunications Association (CompTel), Americans stand to save more than \$9.2 billion a year on local phone calls as more companies bid for their business. The average saving for individuals comes to about \$90 a year for each phone line.

The decline in phone bills is a direct result of a 1996 federal law designed to give consumers more choices by requiring the Baby Bell companies—BellSouth, SBC, Verizon and Qwest—to permit competitors' access to the phone network they inherited after the break-up of AT&T. In exchange for letting competitors offer local phone service, Congress said the Bells could begin selling long distance service for the first time. In the last two years, regulators in many states have used the 1996 law to set reasonable wholesale phone rates to encourage competition.

Millions of Americans responded by changing local phone

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companies, but even those who don't switch are saving money as telephone companies battle for customers.

“In states where regulatory decisions have led to strong competition, consumers are benefiting from substantially lower bills—whether or not they change carriers—as phone companies cut rates in response to competition,” says CompTel\* President H. Russell Frisby, Jr.

Frisby says a recent decision by the Federal Communications Commission (FCC) to maintain the requirement that phone companies share the phone network means consumer costs should continue to fall in many parts of the country.

“The FCC majority stood up for consumers,” Frisby adds. “Their vote means Americans will continue to have choices, and continue to benefit from good deals as competitors vie for their business.”

A separate study by the Boston

research firm Economics and Technology says small businesses can also benefit from lower phone bills. Individual firms could save as much as \$41,000 a year on telecom services, and as competition spreads nationwide, collective savings for small businesses will total about \$6 billion, the study estimated.

All told, consumers and small business customers will save more than \$15 billion a year on their phone bills because of rules passed by Congress and endorsed by a majority at the FCC.

\* *CompTel is the leading association representing competitive telecommunications companies in virtually every sector of the marketplace: incumbent local exchange carriers, competitive local exchange carriers, long-distance carriers of every size, wireless service providers, Internet service providers, equipment manufacturers, and software suppliers.*