

look of it, long-distance rates are heading nowhere but down.

But more than 60 percent of the nation's 97 million households don't subscribe to a long-distance discount plan, according to industry estimates—and their rates have been going up.

The non-discounted "basic" rates that they pay have risen nearly 20 percent since 1991, in part to help finance the discount plans that they're ignoring.

This fact is central to a debate over a broad telecommunications bill now before Congress. The country's seven Bell telephone companies, barred from the long-distance business by court order, argue that five times since 1991 the Big Three long-distance carriers have raised "in lock step" the basic rates that most Americans pay. The long-distance industry isn't really competitive, they say, and would benefit from the immediate entry of the Bell companies.

Long-distance companies counter by saying that's the wrong way to look at it: Most of the country's long-distance calls are made by people on discount plans, they say. Those who aren't on the plans hardly call long distance at all.

The Senate last month passed a bill giving the Bells rights to gradually enter the long-distance business.

The House is scheduled to take up its version of the bill later this month.

In the past 10 years, discount programs have emerged as the chief tool of competition between AT&T, MCI and Spring, which account for about 95 percent of the \$75 billion-a-year long-distance industry, according to the Yankee Group research firm. But to belong to such a plan, you have to sign up.

"If you're not on a plan, get on one," said Brian Adamik, director of consumer communications at the Yankee Group.

The right plan depends on your calling habits, according to the Washington-based consumer group Telecommunications Research & Action Center.

The True Savings plan of market leader AT&T, for instance, offers 25 percent to 30 percent off most domestic long-distance calls, as long as you make at least \$10 in calls a month.

MCI's New Friends and Family matches that, then tosses in 50 percent discounts to customers who call within a "calling circle" of relations or pals who also subscribe to MCI.

Sprint tries to make things simpler with a flat rate of 10 cents a minute. Time-of-day restrictions often apply.

The first question most consumers ask when they see those promises of long-distance discounts is "based on what?" The answer is, basic rates, which often rise even as the discounted prices fall.

Long-distance carriers say the Bells are focusing on basic rates unfairly, and point to their discount plans as evidence that their industry is competitive.

Long-distance rates overall have declined about 70 percent since the AT&T breakup, they said, adding that the Bells should not be allowed into their market until the Bells first show they couldn't use their control of local phone networks, through which most long-distance calls pass, to favor their long-distance services.

The question then becomes: How many people pay basic rates—and how many calls do they make?

Surveys by AT&T, PNR Associates of Philadelphia and the Yankee Group all arrive at the conclusion that about 60 million households don't belong to a plan.

For about half of them, it's hardly worth the bother of signing up: About 30 million spend less than \$10 a month on long-distance calls, according to the Yankee Group, and

wouldn't benefit from the discount plans, which generally don't provide discounts unless the customer spends at least \$10 a month.

That leaves about 30 million households that would benefit from joining a plan.

But, for a variety of reasons, they don't. "The typical individual thinks there's something attached," said Deanna Weaver of Burke, who recently joined her first discount program. "There isn't any risk, but some people find it hard to believe."

Many people also may simply be tuning out the ads.

Of 1,000 people surveyed in a recent poll by the public relations company Creamer Dickson Basford, 78 percent said they are tired of ads promising that one calling rate is cheaper than another.

To long-distance companies, customers who spend next to nothing every month are the equivalent of people who hog tables at a restaurant and order only soft drinks. In many cases, carriers lose money serving them. AT&T estimates it costs \$3 to \$5 a month to service a single customer, which includes the cost of billing and payments into various federal telephone funds.

People who hardly call at all typically are basic-rate customers. Long-distance companies argue that it's not unfair to edge their rates up, so as to lower the numbers who are money-losing propositions.

DEPARTMENT OF LABOR, HEALTH
AND HUMAN SERVICES, AND
EDUCATION, AND RELATED
AGENCIES APPROPRIATIONS
ACT, 1996

SPEECH OF

HON. SHERWOOD L. BOEHLERT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1995

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2127) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies, for the fiscal year ending September 30, 1996, and for other purposes:

Mr. BOEHLERT. Mr. Chairman, I rise in strong support of the Greenwood amendment—an amendment that really ought to be noncontroversial.

For starters, this amendment has nothing to do with abortion. Title X programs do not fund abortions. What these programs do instead is help over 5 million women to receive many primary health care services. Title X clinics serve as the entry point to the health care system—and the only source of services that would otherwise be unavailable to many women.

In addition, title X funding helps deter unintended pregnancies, particularly teenage pregnancies. Members of this House who argued so strenuously for the need to reduce teenage pregnancies during the welfare debate, ought to be the strongest supporters of family planning. But strangely, this is not the case.

Family planning also helps save the American taxpayers \$1.8 billion annually. How? Every dollar spent on family planning saves \$4 that would otherwise be spent on medical and welfare costs.

In short, family planning improves both the Nation's health and its economy. It should not

become the victim of unrelated ideological struggles. I urge my colleagues to support the Greenwood amendment.

COMMUNICATIONS ACT OF 1995

SPEECH OF

HON. JOHN L. MICA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 1555) to promote competition and reduce regulation in order to secure lower prices and higher quality services for American telecommunications consumers and encourage the rapid deployment of new telecommunications technologies:

Mr. MICA. Mr. Chairman, as we move forward on telecommunications, I want to ensure that we do not enact any provision that could result in existing radio users being deprived of the ability to operate, expand, and modify as necessary their radio systems. This would be especially true of noncommercial internal use radio systems, operated by safety providers like AAA. These systems are important in protecting the safety and security of the American public. Last year, for example, AAA responded to over 22 million calls for emergency assistance relying heavily on its radio dispatch system. I would therefore urge the House and Senate conferees on the telecommunications bill to reject any provision which would put at risk this public safety service.

SEAFOOD MONTH PROCLAMATION

HON. ANDREA H. SEASTRAND

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 11, 1995

Mrs. SEASTRAND. Mr. Speaker: Whereas seafood is a nutrient-dense food, offering large quantities of protein and significant amounts of vitamins and minerals, without high levels of fat and calories;

Whereas the commercial fishing industry employs more than 350,000 workers in the United States;

Whereas recent figures show that commercial fishing industry contributed more than \$16 billion to the Nation's annual gross national product;

Whereas Government figures show seafood consumption continuing to increase above 15 pounds per capita;

Whereas more than 300 species of California-caught fish are delivered to markets throughout the world each year;

Whereas the Morro Bay Estuary, with 2,300 acres of mudflats, wetlands, eel-grass beds, and open water, has been designated a national estuary and granted Federal funds for development of a management plan to protect the bay, including a nationally significant demonstration project to validate how beneficial use, such as commercial fishing and oyster farming, can continue to be compatible with wildlife habitat;

Whereas October has been designated National Seafood Month by the National Fisheries Institute;

August 11, 1995

CONGRESSIONAL RECORD — *Extensions of Remarks*

E 1701

Whereas for 14 years people from all over the world have been coming to Morro Bay, CA to enjoy the Harbor Festival;

I recognize before Congress the Morro Bay Harbor Festival—which is sponsored by the

California Seafood Council and held the first full weekend of every October to focus public awareness on the commercial fishing industry, seafood industry, and coastal environment—as the official national launch event for Na-

tional Seafood Month; I would further like to commend those who have put so much effort into making the Harbor Festival one of the country's most worthy, successful, and enjoyable events.