

UMaine seeks new men's basketball coach | U.S. CELLULAR ENTERS THE PORTLAND MARKET
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NEW IN TOWN: U.S. CELLULAR



Sean Griffith, left, retail manager of the U.S. Cellular store in Augusta, works with Steve Gillespie, retail store manager for the South Portland store, as they set up a demonstration "phone bar" in South Portland last week.

Local cell phone lineup gets new major player

Competition is likely to intensify in the Portland area with the addition of U.S. Cellular.

By TUX TURKEL
Staff Writer

Competition for wireless telephone customers in southern Maine will heat up starting Wednesday when U.S. Cellular, a Chicago-based regional carrier that has been aggressively pushing into urban markets, launches service in the Portland area.

U.S. Cellular has actually been in Maine since 1988, serving mostly rural parts of central and northern Maine. It has roughly 100 workers in the state. But the company is largely unknown in Cumberland and York counties.

That's changing this week. U.S. Cellular has spent \$22 million over the past year to locate and erect 70 towers in the Portland service area, which reaches from



A cell phone is attached to the "phone bar" at the U.S. Cellular store due to open Wednesday at Mallside in South Portland.

Bath-Brunswick to Windham and south to Kittery. It has hired 80 new workers, most of them sales associates, and expects to add 20 more by year's end. The company is rolling out an ad campaign that includes newspapers, radio, television and direct mail.

U.S. Cellular also is trying to raise its profile with Maine's political leaders. It will hold a news conference Wednesday morning in Portland to formally announce its expansion, an event at which Gov. John Baldacci and Portland Mayor Nathan Smith are scheduled to speak.

U.S. Cellular's expansion comes as the price of wireless plans has been falling, and increasing numbers of people are choosing cell phones as their sole telephone connection. U.S. Cellular also is entering the southern Maine market just as wireless number portability has taken hold. That means consumers can keep their existing phone numbers when they switch carriers, a rule expected to lead to more shopping around for better deals.

More than 518,000 cell phone numbers exist in Maine, roughly one for every two residents. The average home subscriber pays \$40 to



FOUNDED: 1983
HEADQUARTERS:
PARENT COMPANY
Telephone and
Systems Inc.
CUSTOMERS: 4.7
customers in 2
HIGHLIGHTS: U.S.
has invested \$1
in its Portland
wireless network
including 70 t
the market.
WEB SITE:
www.uscellular.com

\$45 a month, or roughly \$500 a year.

The expansion will position U.S. Cellular to compete for this business as well as lucrative business accounts in the part of the state with the most commercial activity, according to Jay Ellison, executive vice president for operations at U.S. Cellular. And while the company hopes to attract some new cell phone users, Ellison acknowledged that much of its growth must come by luring customers from existing carriers.

Maine's most populated region currently is served by

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CELL

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national cell phone companies including Verizon, AT&T, Nextel and Sprint. But industry observers say Portland hasn't been a particularly active market, and that the major players haven't changed much in some time. That's why competition is likely to intensify with the entrance of U.S. Cellular, which has shown itself to be a scrappy contender in smaller, so-called Tier 2 cities such as Portland.

"That's their strategy plain and simple, to be a leading provider in Tier 2 cities," said Becky Diercks, a wireless analyst at In-Stat MDR, a national market research firm.

By putting together competitive packages for consumers and businesses, offering a 30-day return policy and promoting the image of a local company involved in the community, U.S. Cellular has become the leading carrier in several Midwest markets. Last month it launched service in Lincoln, Neb., and Oklahoma City.

"They tend to be the small-town company," Diercks said. "That's why they feel they can be successful in the Portland area."

U.S. Cellular also will promote its statewide network and the quality of its service. Most of the time, wireless customers travel within 100 miles or so of their homes. By filling the gap in its coverage area around Portland, the company can advertise that customers won't pay roaming charges when they call from anywhere in Maine. Customers pay extra charges when calls must be routed through another carrier's network.

"That's a selling point," Diercks said. "Roaming charges are huge."

One of U.S. Cellular's largest competitors is Verizon Wireless, a nationwide carrier with a strong presence in Maine. Verizon Wireless earned the highest level of customer satisfaction in a recent national subscriber survey by Consumer Reports.

J. Abra Degbor, a spokeswoman for Verizon Wireless in New England, said the carrier also has a statewide network in Maine and that customers who sign up for its nationwide plan don't pay roaming charges. Verizon Wireless will continue to focus on the reliability of its network, Degbor said, rather than reacting to moves by specific carriers.

"That's how we've been able to outperform the competition," she said.

Wayne Jortner, who edits the Ratewatcher Telecom Guide at the Maine Public Advocate's office, said U.S. Cellular's expansion should be good for consumers in southern Maine.

Wireless rates have been falling recently, as carriers try to hold on to customers by offering more minutes and larger calling areas without roaming charges. And although the Portland area is served to varying degrees by four cell phone companies, Jortner said he considers that to be "minimum competition" for an urban market. Without vigorous competition, he said, it's easy for companies to keep prices in a similar range.

"Consumers are always better off with another carrier," he said.

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WHAT TO CONSIDER

Cell-phone carriers charge for the time you use their network to either talk, browse the Internet, or send and receive text messages. This is usually a monthly fee.

In comparing plans, consider the following terms used by the industry:

■ Calling area is the geographic area considered to be a local call. It could be your city, state, region or the entire country. You can make calls within this area without additional charges.

■ Roaming calls are made outside your calling area. This call may carry additional charges.

■ Long-distance calls are made from within your calling area to phones outside your calling area. These may cost extra according to your plan.

■ Night and weekend calls usually refer to calls made later than 7 p.m. weekdays and all day Saturday and Sunday. Calls made during this time period are often included in your plan.

■ Rollover minutes refer to unused time within your allotted number of minutes that remain credited to your account. If you are paying for 400 minutes a month and only use 300, the 100 minutes are credited to your account for future use.

■ In-network calling are calls made and received by parties using the same wireless carrier.

Source:

www.mycellphonefinder.com