

## CONSUMER GROUPS

### **Consumer Group Forms To Cut Telephone, Cellular and Other Communications Costs**

"Multi-level selling" has worked successfully for companies such as Amway and Shaklee. Will it work as well for telephone users?

Bill Lewis thinks so. Lewis thinks multi-level selling—or "networking," as he calls it—is the way to build a large customer base and bring discounted telecom services to the general public. Lewis is executive director of the American Consumers' Telephone Association (ACTA) and has already signed up 15,000 consumers who share his dislike of paying high phone bills.

"Large-volume users pay much lower rates for telephone service than do residential and small-business customers," Lewis explained. "As a result of the break-up of AT&T, the disparity is growing.

"The FCC has imposed an 'access charge' [see separate story in this issue] on all users and sold the idea as a way to keep large users on the network," he continued. "But invariably the large users are getting an even bigger break on their prices than they did before. The only way to offset this trend is for the consumers to bind together as one large, unified base

and offer their business in return for a volume discount on the price of the service."

Negotiating volume discounts from long-distance telephone companies is nothing new for Lewis. Three years ago he began reselling long-distance WATS lines to customers. In Sept. 1982 he started The Phone Co. "on a shoestring" and within 3 months had 800 independent sales agents. He believes his company was the first in the nation to broker long-distance service. In 1983 he sold the company at a profit and turned his interest to cellular radio. He was the founding director of the U.S. Association of Cellular Communications, which recently merged with the Cellular Radio Communications Association.

ACTA has already begun to set up a network of repair and installation contractors who will perform discounted service for ACTA members. ACTA has also begun to lobby on behalf of the consumer at state and national telephone rate hearings. It also expects to obtain discounts for its members on cellular telephone, electronic mail, paging, databank, overnight express courier and other telecommunications equipment and service.

Starting March 1, 1985, ACTA will begin a major marketing effort to sign up consumer members. Consumers can join ACTA by paying a one-time entry fee of \$20 for individuals and \$30 for companies. When ACTA's membership base tops 1 million people (Lewis estimates about Oct. 1), ACTA will approach the long-distance carriers (such as AT&T, MCI, GTE/Sprint, Allnet, ITT, Western Union, U.S. Tel, Satelco and SBS Skyline) and negotiate further discounts for the members off the carriers' published rates. Lewis refers to this phase of ACTA's operation as "subscriber base management."

ACTA is currently engaged in setting up its marketing network. Individuals may become association representatives for a one-time payment of \$50. Representatives will then be able to sign up ACTA members and receive a percentage of the fee paid by the new members. Reps and members will not have to pay additional fees to ACTA. ACTA will earn its income in the form of commissions from the companies whose services it brokers to its members, Lewis said. (American Consumers' Telephone Association, 2670 Union Ext., Suite 1000, Memphis, TN 38112, 901/327-0303.)

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