

OK to
FILM

Banking

Airlines

DEREGULATED

Cable TV

Telephones

Electricity

Deregulation was supposed to cut prices, expand choice, enhance service—improve your life. So how come you're not smiling?

Imagine Bank of America simply renegeing on your “free checking for life”; Sprint signing you up for eight-times-higher phone rates; AT&T Broadband charging \$44 a month for a poor-quality cable-TV signal, kiss-off customer service, and not even The Weather Channel.

Unfortunately, there's nothing imaginary about treatment like that. There are no apologies, either. Broken promises, deceptive marketing, and dreadful service have become accepted business practices in an increasingly Wild West marketplace, where incessant telemarketers interrupt your dinner but customer service won't answer the phone.

Talk to Michael Jacob, a technical writer from Oakland, Calif., one of hundreds of consumers who wrote us about such problems over the past two years. Bank of America told him that it planned to add a monthly fee

of up to \$12 to his free-checking-for-life account. When he protested, the bank told him he would have to produce his original 1985 agreement with the bank. Of course, he couldn't.

How did business practices get so shabby? One root cause is an

economic experiment begun in the 1970s: deregulation.

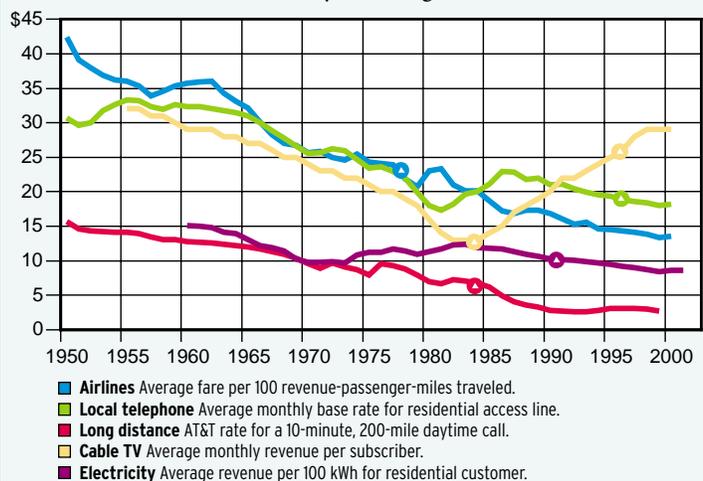
During the previous 80 years, policy-makers believed it necessary to regulate certain industries that tend to create monopolies or oligopolies of two or three giants likely to collude. One aim was to protect consumers from the lusty excesses of concentrated business power: price fixing, poor service, and scarce choice.

In the 1970s, however, proponents of deregulation argued that government rules stifle competition and efficiency. Deregulation was supposed to undo that and give consumers lower prices, better service, and greater choice as companies vied for their business.

Airlines were the first major consumer industry to be deregulated, in 1978. Banks, cable television, and telephone service followed in the 1980s. Other deregulated industries include trucking, railroads, and natural gas. Now electric utilities are doing it.

Prices: A long-term decline

Consumer prices often fell after deregulation. But inflation-adjusted prices were falling for decades before, typically at a faster rate. (● indicates when each industry was deregulated.)



Sources: Air Transport Association, Bureau of Labor Statistics, Energy Information Administration, Federal Communications Commission, Paul Kagan Associates.

AIRLINES



↑ Consumers better off today	↓ Consumers worse off today	↔ Mixed results or status quo
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WHAT WAS DEREGULATED: Airfares, schedules, and routes in 1978.

SAVINGS: ↑ A 20-year decline in fares has continued under deregulation.

SERVICE: ↓ More connections, delays, cramped seats, and uncomfortable small planes.

CONSUMER RIGHTS: ↓ Airlines have been exempted from state consumer-protection laws.

SAFETY: ↓ Security deteriorated, even though it remained regulated.

CHOICE: ↔ Some new low-fare carriers, but only five major airlines control 73 percent of the market.

INNOVATION: ↓ The hub-and-spoke system created airport congestion and delays.

THE FACTS ABOUT THOSE CHEAPER FARES

Much of deregulation's claim of success hangs on falling airline-ticket prices. Indeed, inflation-adjusted airfares dropped 37 percent in the 22 years since deregulation commenced in 1978. But over the 22-year period before deregulation, inflation-adjusted airfares fell just as much and just as fast.

Meanwhile, lower prices after deregulation aren't what they seem. Ninety-six percent of tickets sold today are discounted, yes, but most are also saddled with restrictions. Most regulated fares were unrestricted. "A discount ticket is a different-quality product than an unrestricted ticket," says Daniel Ginsburg, an economist who tracks airfare-price inflation at the Bureau of Labor Statistics.

In other words, consumers are paying 37 percent less for inferior quality. In an apples-to-apples comparison, deregulated full-coach fares in 2000 were 65 percent higher than their regulated equivalents in 1978, on average, even after adjusting for inflation.

Another myth is that discount tickets were an invention of deregulation. In fact, airlines used to offer hefty discounts for family travel. So a family of four traveling round-trip, nonstop from Los Angeles to Miami, and buying seven-day-advance discount tickets, would have paid 56 percent less in 1970 than in 2002, adjusted for inflation.

The terrorist attacks of Sept. 11 severely cut demand for air travel and artificially improved quality of service on measures such as

QUICKER TO DRIVE

Eager to offer choice, airlines offer frequent flights on small planes. But that's led to delays and airport congestion. Rick and Marcia Kahler, of Rapid City, S.D., shown with Davin and London, say it once took them 24 hours to get home from Denver on Air Wisconsin, United's commuter partner.



PHOTO BY JOHNNY SUNDBY • ILLUSTRATIONS BY DICK SAKAHARA

Problem is, many deregulated industries have retained their monopolistic proclivities. The big players have advantages or engage in predatory practices that can stifle competition as effectively as regulation supposedly does. Competition, after all, can and often does eliminate competitors.

Many economists continue to support deregulation. They chalk up the recent California utility debacle and the Enron scandal to poor implementation of fundamentally sound theory—a pardon they don't allow for the deficiencies of regulation.

But there are signs the pendulum may be swinging back, as it already has in one bellwether state. "We know from bitter experience in California that more regulation is needed," says Loretta Lynch, president of the California Public Utilities Commission.

We took a closer look at five industries where deregulation has had a direct impact on consumers: airlines, telephone, cable TV, banking, and electricity. For each, we assessed six key measures and dug for data in over a hundred public and private studies.

Our findings: While consumers have made some gains under deregulation, on balance they've lost ground. Service has typically deteriorated. Consumer rights have sometimes suffered. Claimed price cuts are often not all they seem. And when free markets have gone bad, deregulated industries have seen no contradiction in getting multibillion-dollar

government bailouts.

We also looked for patterns across businesses. It's easy to see blackouts or a sky-high cable bill as unrelated frustrations of modern life. But we found these disturbing trends:

▶ The oft-repeated claim that deregulation cut consumer prices while regulation kept prices artificially bloated is a myth. The inflation-adjusted cost of airfares, telephone service, and electricity were falling for decades before deregulation. Cable-television costs, which had decreased when the industry was regulated, rose sharply after deregulation.

▶ The marketplace has become more adversarial toward consumers. Absence of strict rules has inspired aggressive tactics, which have led competitors to respond in kind. Sellers have gained disproportionate power over buyers through widespread use of hidden charges, fine-print loopholes, ever-changing prices, and unauthorized switching of service.

▶ When Congress deregulated industries, it didn't just untie the hands of business. In many cases, it straitjacketed consumers. For example, the Airline Deregulation Act of 1978 quietly exempted airlines from states' basic deceptive-practices laws that prohibit such things as bait-and-switch advertising. The Supreme Court in 1992 upheld the airlines' immunity.

This report details how deregulation has affected consumers and what they can do to better protect themselves.

on-time arrivals. That aside, quality of airline service has gotten worse under deregulation: Planes were 16 percent more crowded in 2000 than in 1977. Coach seats have been packed closer together. Our readers didn't rate satisfaction with airlines before deregulation, but in 1990 they gave the industry a score of 71 out of 100, which fell to 63 in 1998, the most precipitous drop we've recorded in any service industry.

Proponents of airline deregulation say service has improved, but they mean frequency, not quality, of service. Rick Kahler, president of Kahler Financial Group in Rapid City, S.D., is a reader who wrote to us saying that more of those frequent flights are on noisy, cramped turboprops rather than big 737 jets, almost half of which Rapid City lost after deregulation. "I'd rather have three jet flights a day than nine turboprop flights," he says. And the turbopropping of air travel is not confined to small, low-traffic destinations like Rapid City: Thirty-three percent of flights in and out of airports of all sizes were on turboprops in May 1998, compared with only 21 percent in May 1978, according to a General Accounting Office (GAO) study.

Consumer rights, meanwhile, have atrophied. Aside from inflation-prompted increases in the dollar limits on airline liability for lost luggage and penalties for denied boarding—rights created in the regulated era—"there have been no big new consumer rights created since deregulation," says Tim Kelly, a Department of Transportation regulatory coordinator for consumer protection.

Airline security was not deregulated, but airlines let it seriously deteriorate under the unwatchful eye of the Federal Aviation Administration. In 1978, airline screeners failed to detect 13 percent of dangerous objects in FAA tests. By 1987, the rate rose to 20 percent, and it went higher still for tests in 1991 through 1999, the GAO says; those test results, however, are now classified. "For all those in the know about security, what happened on 9/11 was not unexpected," says Gerald Dillingham, GAO aviation security director.



TELEPHONE



WHAT WAS DEREGULATED: Phone equipment fully deregulated in 1984; long distance partially deregulated in 1984; local service partially deregulated in 1996.

SAVINGS: ↑ Per-minute rates have plummeted, in large part because of regulated cuts.

SERVICE: ↔ Satisfaction now declining, although it's still higher than before deregulation.

CONSUMER RIGHTS: ↔ Some new protections added, others reduced.

SAFETY: Not applicable.

CHOICE: ↑ Explosion of choice in phone equipment. More choice in long-distance carriers, next to none in local service.

INNOVATION: ↔ Deregulation sped up the use of fiber-optic lines and digital subscriber lines (DSL). But regulation helped foster the Internet, according to the GAO, by barring AT&T and the "Baby Bells" from providing data-processing and information services and thus stifling competition, and by a Federal Communications Commission (FCC) decision not to impose access charges on Internet service providers, keeping costs down.

GRADUAL IS BETTER

Deregulation of telephone service has been much easier on consumers than airline deregulation. That's because the FCC and state public-

PRICY TALK

Ouseph and Daisy Kalarithara, of Staten Island, N.Y., say they signed up with Sprint only for domestic long distance; Sprint says the deal covered international calls as well. Their first monthly bill: \$1,488, including charges of \$4.92 per minute for frequent calls to India—eight times more than AT&T charged.



utility commissions gradually loosened the reigns over the last 18 years in an effort to protect the public interest.

Average long-distance rates, deregulated in 1984, fell from an inflation-adjusted 51 cents per minute that year to 14 cents in 1999. But that reduction was made possible mostly by regulated cuts in access charges—the fee that regulated local phone companies on each end of an interstate call charge long-distance carriers to connect through the local equipment. Regulated local residential urban phone bills, meanwhile, dropped from an inflation-adjusted \$24.64 per month in 1984 to \$20.78 in 2000.

Add it all up, and adjust for inflation and greatly increased phone usage, and the average household spent 2.6 cents per minute for 510 hours of local and long-distance calls in 1999, compared with 4.1 cents per minute in 1984 for 304 hours.

Studies suggest that service improved after deregulation. In 1977, for example, 60 percent of 1,506 adults responding to a Gallup Organization poll rated the caring and efficiency of the telephone company as good or excellent. Compare that to the University of Michigan Business School's first American Customer Satisfaction Index score in 1994, which rated long-distance and local service an 80 out of 100. The ACSI is the first independent standardized measure of customer satisfaction in 32 industries. However, the satisfaction score for phone companies dropped to 70 in 2001.

Consumers do have more choice. Instead of just AT&T, which controlled 90 percent of all long-distance revenues in 1984, Sprint and Worldcom together now have 29 percent of the residential market, AT&T has 48 percent, and 700 other companies have the rest.

Choice in the local market has been largely limited to the existing "Baby Bells," regional companies formed from the breakup of AT&T's Bell System. Competitors had captured only 5.5 percent of the nation's residential and small-business lines as of June 2001.

New York state is the exception, with 23 percent of local phone customers switching from the former monopoly, Verizon, to other carriers. State regulators would not allow Verizon to enter the long-distance market until it agreed to favorable wholesale prices for competitors who use its local network. Consumers who switched carriers cut their phone bills by \$12.83 per month, according to one study.

CABLE TV



WHAT WAS DEREGULATED: Rates and service in 1984; reregulated in 1992; deregulated again in 1996.

SAVINGS: ↓ Prices have risen much faster than overall inflation.

SERVICE: ↓ Bottom-of-the-barrel consumer satisfaction.

CONSUMER RIGHTS: ↑ Improved, but only during temporary reregulation.

SAFETY: Not applicable.

CHOICE: ↔ 95 percent of households have access to only one cable company, but satellite TV is emerging as an alternative.

INNOVATION: ↑ Cable broadband high-speed Internet connectivity.

RUNAWAY PRICES

Cable is the most monopolistic of the industries we evaluated. To get more freedom in 1996, representatives from the telephone and cable industries swore to Congress that they would compete with each other. Six years later, that rivalry has yet to significantly materialize.

Competition did show up, however, from outsiders. Consumers have rushed to sign up with satellite broadcasters, who can deliver hundreds of digital channels to 18-inch home dish antennas. Subscribers have grown from virtually none in 1994 to 18 million, or 18 percent of TV households, this year.

The satellite competition is, in part, the result of 1999 federal regulations that prevent zoning boards and landlords from restricting dish antennas and that allow satellite companies to carry local broadcast stations. Satellite has also grown fast in rural areas not served by cable.

Cable rates have skyrocketed under deregulation. The industry argues that consumers are getting better programming for the extra money. But 15 of the top 20 cable-program networks, including CNN, C-SPAN, ESPN, the Learning Channel, MTV, and Nickelodeon, were launched during regulation.

No publicly available ratings of service predate the first cable deregulation, but by 1990, when we surveyed 200,000 CONSUMER REPORTS readers, the overall satisfaction score was 59 out of 100. In our 2001 survey, cable got the same dismal score. That's the lowest we've seen in our years of rating services.

UNPLUGGED

What did Shannon McDougall, her husband, Kim, and daughter, Jennifer, of Elma, Wash., get from AT&T Broadband for their \$44 monthly cable bill? Poor reception, minimal programming, and lousy service, Shannon says. They switched to DirecTV, a satellite service, and are happy; many consumers, however, don't have a choice.

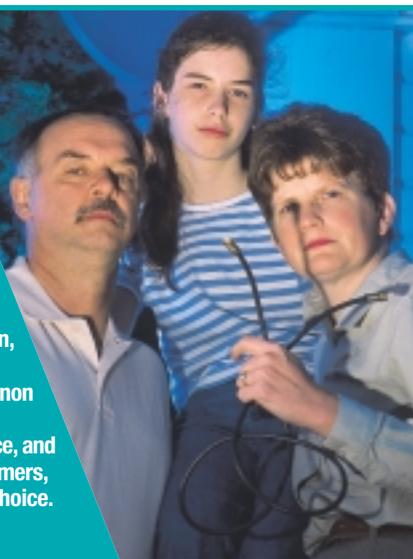


PHOTO BY SCOTT EKLUND

The American Customer Satisfaction Index began tracking cable TV in 2001. The industry received a 63 rating out of 100, and is "one of the worst-performing industries in the ACSI," says David Van Amburg, managing director. "People are very dissatisfied."

Shannon McDougall agrees. After AT&T Broadband took over TCI, the only cable service in Elma, Wash., 70 miles southwest of Seattle, prices shot up. McDougall, a medical secretary, says her AT&T picture suffered from ghosting, customer service was in Texas and typically kept her on hold for long periods, and she couldn't even get The Weather Channel. She finally quit and says she is now happy with DirecTV, paying about the same price for better customer service and two satellite receivers that provide 135 crystal-clear channels. "I am not alone. Elma is becoming a dish town very quickly," McDougall says.

Cable TV, which only reached critical mass as an industry in the late 1970s, never developed much of a consumer-rights portfolio before it was deregulated in 1984. The first rights weren't won until reregulation in 1992 prohibited price-gouging on the cable set-top box and remote; allowed consumers to split the cable signal without paying additional monthly fees for each additional TV they hook up; and gave parents free equipment to block objectionable channels.

These protections remain, and "consumer rights are better today, but that's due to reregulation, not deregulation," says Barry Orton, a professor at the University of Wisconsin at Madison and a telecommunications consultant to municipalities.

BANKING



WHAT WAS DEREGULATED: States liberalized usury laws and allowed intrastate branching beginning in the early 1980s; Congress deregulated savings rates and lending standards in 1980 and 1982, and allowed interstate banking in 1994.

SAVINGS: ↓ Loans cost more; fees are higher, but more consumers are avoiding them. High taxpayer costs (see below).

SERVICE: ↓ Confidence in banks lower.

CONSUMER RIGHTS: ↔ Important protections added since 1980, including those covering truth in savings; other long-established rights improved, but usury limits relaxed.

SAFETY: ↓ 1,600 bank failures, \$160 billion bailout.

CHOICE: ↓ The nation's top 25 banks controlled 51 percent of U.S. deposits in 1998, compared with just 29 percent in 1980.

INNOVATION: ↑ Worldwide ATM networks; Internet banking; standardized, automated loan approval, which can thwart discrimination but encourages irresponsible borrowing.

MASSIVE FAILURE

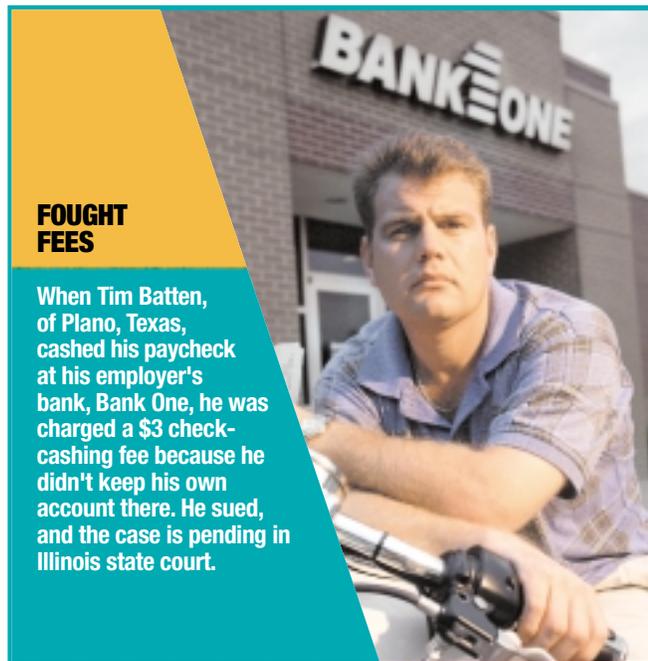
In 1980 and 1982, Congress greatly relaxed lending standards; eliminated savings-rates ceilings; allowed savings and loan associations to offer new products, such as checking and commercial loans; and more than doubled federal deposit-insurance coverage, shifting more risk of bank failure to the government.

The result: By the early 1990s, 1,600 institutions had failed in the biggest banking crisis since the Great Depression. Taxpayers and depositors shelled out \$160 billion to clean up the mess in the early

1990s. The situation reflected a “massive public policy failure,” according to a 1997 analysis by the Federal Deposit Insurance Corp. The government guarantee of insured deposits “exposed U.S. taxpayers to the risk of loss—while the profits made possible by deregulation and forbearance would accrue to the owners and managers of the savings and loans,” the FDIC report concluded.

Banking deregulation thus cost at least \$1,361 per U.S. household. But that was only a down payment. Loan costs have risen, too. The markup that banks charge for loans over their cost of funds (as represented by the “discount rate” that the Federal Reserve charges banks when they borrow), has increased, on average, after deregulation. It’s up 9 percent for 48-month new-car loans, up 34 percent for 24-month personal loans, and up 59 percent for conventional mortgages. And the spread between the discount rate and the prime rate, upon which credit-card and most other consumer-lending rates are based, has widened by 84 percent.

The increases have resulted in part from the rise of so-called subprime lending since 1980, industry officials say. Banks are penalizing more and more consumers with higher interest rates for having less-than-perfect credit scores.



FOUGHT FEES

When Tim Batten, of Plano, Texas, cashed his paycheck at his employer's bank, Bank One, he was charged a \$3 check-cashing fee because he didn't keep his own account there. He sued, and the case is pending in Illinois state court.

There's good news and bad news about bank fees. Bureau of Labor Statistics surveys show that only 19 percent of consumers reported spending anything in bank fees in 2000, compared with 30 percent in 1980. But households that do pay have seen inflation-adjusted fee expenditures rise to \$111 in 2000 from \$86 in 1980.

When Tim Batten, an insurance-company collision-repair inspector in Plano, Texas, was slapped with a \$3 fee for cashing his paycheck at Bank One, where his employer banked but where he had no account, he sued on the grounds that the bank was paying less than face value on a good check. A federal court in Illinois dismissed the case, which has been refiled in state court and awaits the outcome of a similar case on appeal in Texas.

Sixty percent of consumers polled by the Gallup Organization in 1979 said they had “a great deal” or “quite a lot” of confidence in banks. By 1991, only 30 percent held banks in such high esteem. The reputation of banks has recovered some, but in June 2001 only 44

percent of respondents had such high regard for them.

Consumer rights in banking were well established before deregulation. Afterward, those protections were updated and improved. Many new rights were added, often in response to abuses in the free market, covering areas such as truth in savings, availability of funds from deposited checks, home-equity-loan disclosure, and leasing.

Earlier, the U.S. Supreme Court dealt a major blow to consumer protection when it ruled in 1978 that states could not impose their usury-law interest-rate ceilings on out-of-state lenders. That caused some states, including Delaware and South Dakota, to relax usury limits in the early 1980s to attract credit-card outfits, jobs, and tax revenues. The result has been rising credit-card interest rates and fees, a rush by banks to get new cardholders by irresponsibly extending credit to poor risks, and a quadrupling of the bankruptcy rate in the 1990s compared with the 1970s, according to an FDIC study.

ELECTRICITY

↑
Consumers better off today

↓
Consumers worse off today

↔
Mixed results or status quo

WHAT WAS DEREGULATED: Wholesale electricity prices in 1992; 16 states and the District of Columbia allowed competing electricity generators to use local transmission lines as early as 1997.

SAVINGS: ↑ Rates have fallen because of regulated cuts, not free markets.

SERVICE: ↔ Customer satisfaction ranges widely, worst in California; no guarantees against blackouts.

CONSUMER RIGHTS: ↑ New rights on billing and slamming.

SAFETY: ↔ Infrastructure has remained regulated.

CHOICE: ↔ Residential choice abundant in some states, limited in others.

INNOVATION: ↔ Internet-controlled thermostats in Pennsylvania to reduce peak demand for air conditioning and electric heat.

FALSE FREEDOM

It's too soon to meaningfully assess electricity deregulation because it has not honestly happened yet. Although 16 states and the District of Columbia have officially deregulated their electric utilities, most have dictated rate cuts of up to 20 percent, often in conjunction with rate freezes. New Jersey has gone so far as to rob Peter to pay, well, Peter; it financed a 2 percent electric rate cut by selling \$2.5 billion in securitized bonds to be repaid by ratepayers.

Artificially declining prices and rate stability are just the opposite of what is in store for consumers. Rather, they can expect more volatile price swings and spikes, according to a study by the Federal Reserve Bank of New York. Officials in Pennsylvania, who promote their state as the national model for electricity deregulation, won't promise that deregulation will deliver prices lower than regulated rates. “There are no guarantees in the marketplace,” says Glen Thomas, chairman of the Pennsylvania Public Utility Commission.

There are no guarantees against blackouts either. “Market forces may be inadequate to guarantee that providers can always deliver a sufficient quantity of electricity to maintain the power grid's stability during peak-load periods,” the New York Fed report warns.

Californians know all too well the fickle nature of market forces, which produced blackouts and prompted the state to suspend deregulation in 2001. Market forces also bankrupted the state's utilities and prompted a \$10 billion fleecing of state taxpayers.

Rick Snyder, sales director for a software manufacturer, and his

wife, Sharna Law, who runs a travel-accessories company, have electric heat in their three-bedroom ranch house in Nicasio, Calif., north of San Francisco. They cut their electric rates by 10 percent when they switched electric providers from Pacific Gas & Electric (PG&E) to Enron. The Houston-based energy provider promised electricity for 5 cents per kilowatt-hour (kWh).

But when the wholesale cost of electricity rose to 40 cents per kWh in February 2001, Enron abandoned its customers. That forced the Snyders back to the so-called default provider, PG&E, which with the state was then forced to meet the unanticipated demand by buying electricity on the sky-high spot market—where Enron was selling. “The amazing thing here is Enron had electricity to sell because they had, in a sense, booked it up to serve customers,” says Lynch of the California Public Utility Commission. The commission and state and federal agencies are investigating the extent to which Enron, its affiliates, and other companies exploited—even caused—the state’s energy crisis for their own gain.

All this left the Snyders with a \$740 electric bill last November-December, a 110 percent increase from the previous year, even though they used 10 percent less electricity. “Our expenses for electricity in California over the years are the result of government negligence,” Snyder says. In the wake of the California fiasco, seven states have delayed their own electricity-deregulation plans.

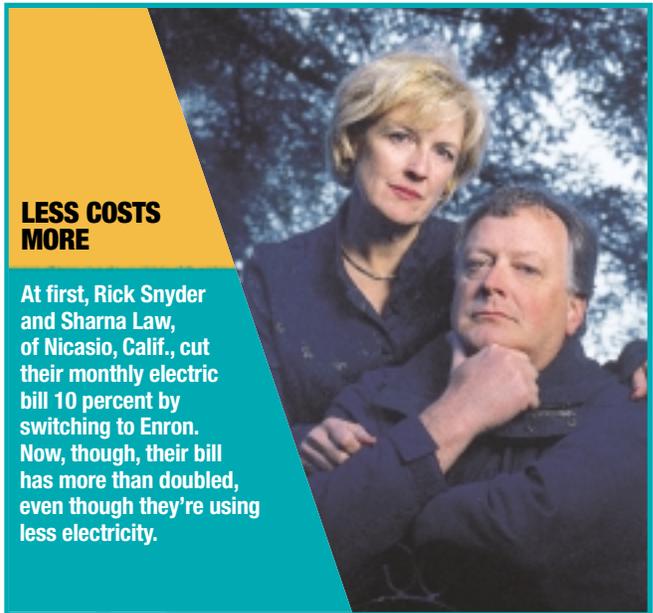
Given the mandated rate cuts and freezes in 11 states we studied with at least a 12-month track record, it was no surprise that we found declining prices in all but California. That continues a long-term national pre-deregulation trend begun in 1983, when prices peaked at 10.4 cents per kWh; inflation-adjusted residential electricity prices have stayed the same or declined in 33 of the last 40 regulated years.

For all the hype about choice, few consumers have actually chosen to dump their old utility. Pennsylvania has had the greatest number of consumers switch to competing suppliers: 530,000 of 5 million residential consumers, as of April. But since then, 180,000 switched back to their original utility because New Power, owned in part by Enron, no longer wanted them. That jolt of free-market reality is a major setback for the Pennsylvania success story.

RECOMMENDATIONS

Elected officials need to reassert their authority. Here’s how:

Regulation of monopoly markets. When there isn’t enough



LESS COSTS MORE

At first, Rick Snyder and Sharna Law, of Nicasio, Calif., cut their monthly electric bill 10 percent by switching to Enron. Now, though, their bill has more than doubled, even though they’re using less electricity.

true competition, regulators must protect consumers from monopolylike power.

Vigorous antitrust enforcement. This has been a known antidote to market abuses since the 1890s.

Strong consumer protections. These safeguards are needed:

- ▶ A truth-in-airfares disclosure and a passengers bill of rights.
- ▶ Protection from unreasonable and capricious bank fees.
- ▶ Mandatory cable and telephone customer-service standards with meaningful dollar penalties to encourage compliance.
- ▶ Electric-service-reliability standards and tough financial penalties for failing to maintain sufficient generating-capacity margins.

Help from the states. We like legislation introduced in 2000 by U.S. Rep. Tom Tancredo, R-Colo., which would help regulators enforce federal consumer protections by allowing state attorneys to initiate enforcement action under those regulations. Tancredo’s bill never got out of committee. It should be reintroduced.

Deregulation should never be no regulation. Free markets are ever changing, and players are always devising new mischief. Government must remain vigilant of abuses and respond swiftly. 

WHAT YOU CAN DO

Watch the ratings. Whenever deregulation provides choice, service ratings such as those produced by CONSUMER REPORTS or the American Customer Satisfaction Index (www.theacsi.org) become more important.

Airlines. For good service and low prices, Southwest Airlines has consistently rated highly.

If you have a bad experience with any airline, write to the Department of Transportation and the airline. Where there is a costly breach of contract, demand compensation from the airline; if that gets you nowhere, consider suing in small-claims court. Bring a copy of the DOT’s “Fly-Rights” and “Tell It to the Judge” pamphlets (www.dot.gov/airconsumer/pubs.htm) to show

the court that it has jurisdiction. Dreadful service? Vote with your feet.

Telephone. The National Association of Regulatory Utility Commissioners’ web site provides links to your state public-utility commission at www.naruc.org/resources/state.shtml; you’ll find information on providers and how to complain. Long-distance-rate comparisons are available for \$5 from the Telecommunications Research and Action Center (www.trac.org).

Cable TV. In our Ratings, satellite TV beat digital cable in overall satisfaction; analog cable was bottom-rated. Prices for satellite service and installation are often on par with cable. Local channel availability, however, may be limited.

Banking. If service is important to you, Gallup polls show that small banks and credit unions do a better job than larger banks. Loan and savings rates and checking information are at www.bankrate.com; credit-card rates and fees at www.cardweb.com. To file a complaint, check out www.federalreserve.gov and www.ftc.gov.

Electricity. Visit the Energy Information Administration web site (www.eia.doe.gov/cneaf/electricity/chg_str/regmap.html) to see if your state is deregulating. If so, that site provides links to information and to your state public-utility-commission web site. Consumers Union’s web site (www.ConsumersUnion.org) also provides information.