

A solid green rectangular bar is positioned in the top left corner of the page. At its bottom right corner, there is a small gold square. A thin grey line extends horizontally from the right side of this square.

# **Telephone Deregulation in Mississippi: A Survey of Self-Identified Registered Voters Age 18+**

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November 2006



**Telephone Deregulation in  
Mississippi: A Survey of  
Self-Identified Registered Voters  
Age 18+**

**Data Collected by Alan Newman Research, Inc.  
Report Prepared by Joanne Binette**

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## Background

During the 2006 Mississippi legislative session a new law was passed, that became effective in July, that lifts nearly all regulatory oversight from most local telephone rates and services. This law is written to allow telephone companies to increase the basic service rate once per year by as much as 100 percent--that could double the current rate, plus an adjustment related to the consumer price index. Another change this new law makes is to remove some of the protections of Mississippi's Public Service Commission from telephone services. Prior to the passage of this law, the Public Service Commission assured that the rates charged for telephone services are fair, and that the service provided is adequate. If a customer had a problem or a complaint about billing or services, they could go to the Public Service Commission for help. Under the new law, if a customer subscribes to anything in addition to basic service such as caller ID, call waiting, or call forwarding, the Public Service Commission will not regulate the fees charged and the quality of these services.

AARP commissioned a survey of 803 Mississippi residents age 18 and older, who identified themselves as registered voters, to gauge their attitudes and opinions on the issue of telephone deregulation in the state. The survey specifically explored respondents' opinions on the recently passed law that lifts nearly all regulatory oversight of the Public Service Commission on telephone services in the state of Mississippi. This study was a random digit dial telephone survey, conducted between August 31 and September 12, 2006. The full annotated questionnaire is contained in the appendix to this report.

## Highlights

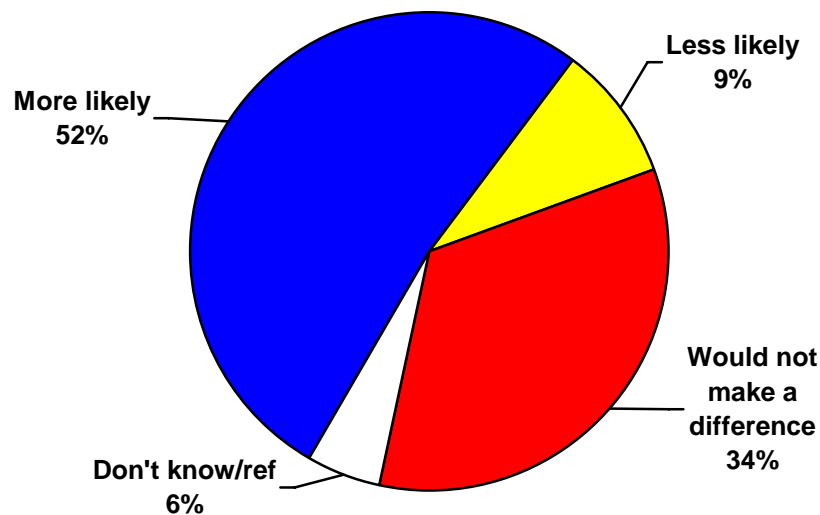
- More than half of respondents say they would be more likely to vote for a state representative or senator who supported a repeal of a new law, that became effective in July 2006, which lifts nearly all regulatory oversight from most local telephone rates and services.
- Almost nine in ten respondents are not aware that the new law could more than double the price of basic telephone service each year.
- Nearly eight in ten support a repeal of the new law in order to remove the potential 100 percent annual rate increase.
- Over eight in ten respondents are concerned about not being able to afford future telephone service rate increases.
- More than nine in ten are not aware that this new law will remove the protection of the Public Service Commission for additional telephone services.
- Nine in ten believe it is important to have the protection of the Public Service Commission in monitoring the fees telephone companies charge and the services they provide.
- Nine in ten respondents believe that it is important that the Public Service Commission have the authority to resolve complaints about telephone bills and services when telephone companies will not.
- About eight in ten support a repeal of the new law in order to restore the authority of the Public Service Commission over telephone fees, services, and complaints.

## Findings

**More than half of respondents say they would be more likely to vote for a state representative or senator who supported a repeal of a new law that lifts oversight from local telephone rates and services.**

A new law in Mississippi became effective in July 2006 that lifts nearly all oversight from most telephone rates and services. More than half of Mississippi self-identified registered voters surveyed say they would be more likely to vote for a state representative or senator who supported a repeal of this new law. About a third say it would not make any difference and fewer than one in ten say they would be less likely to vote for a candidate who supported the repeal.

### **Likelihood of Voting for a Legislator Who Supported a Repeal of the Telephone Rate Increase Law\* (N = 803)**



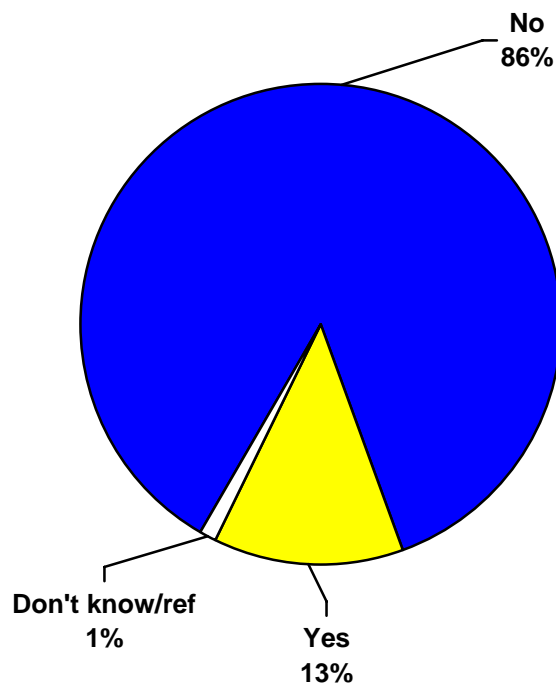
\*Percentages may not add up to 100 due to rounding.

**Nearly nine in ten respondents are not aware that the new law could more than double the price of basic telephone service.**

The new law is written in a way that could allow telephone companies to increase the basic service rate once per year by as much as 100%--that could double the current rate, plus an adjustment related to the consumer price index. The basic service rate is the monthly price the customer pays—before additional features such as Caller ID or long distance are added.

Almost nine in ten respondents are not aware that this new law could more than double the price of their basic telephone service each year.

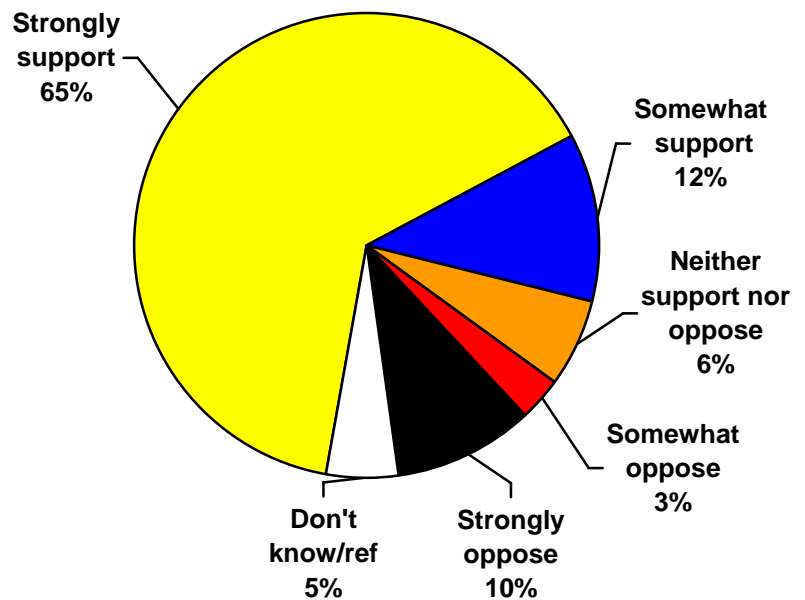
**Awareness of a Law that Could Increase Telephone Rates  
(N = 803)**



**About eight in ten respondents support a repeal of the new law to remove the 100 percent annual rate increase for telephone service.**

Approximately two-thirds strongly support a repeal of this law to remove the potential 100 percent annual rate increase and another one in eight somewhat supports it.

**Support for a Repeal of the Telephone Rate Increase Law\* (N = 803)**

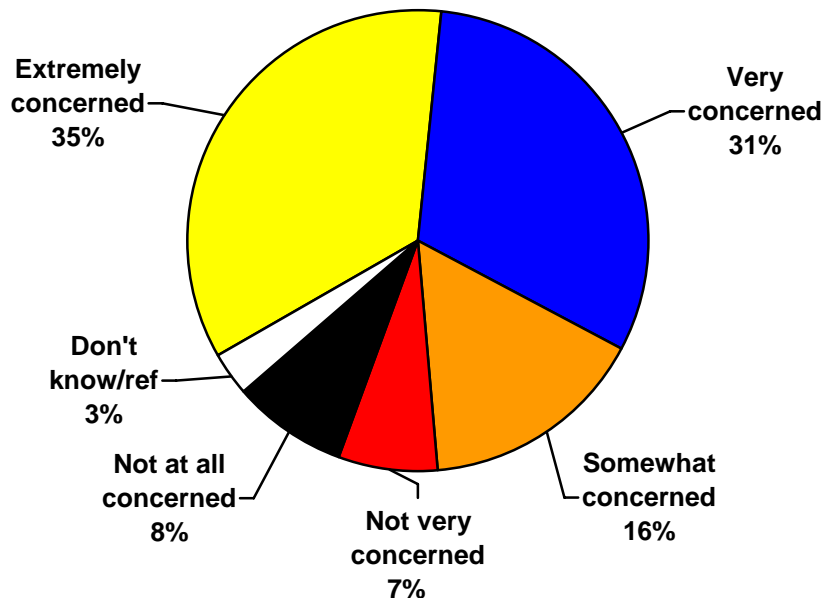


\*Percentages may not add up to 100 due to rounding.

**More than eight in ten respondents are concerned about not being able to afford future telephone service rate increases.**

Two-thirds of Mississippi self-identified registered voters surveyed are extremely or very concerned about being able to afford future telephone service rate increases. Another one in six is somewhat concerned about this issue.

**Concern About Being Able to Afford Future Telephone Service Rate Increases (N = 803)**





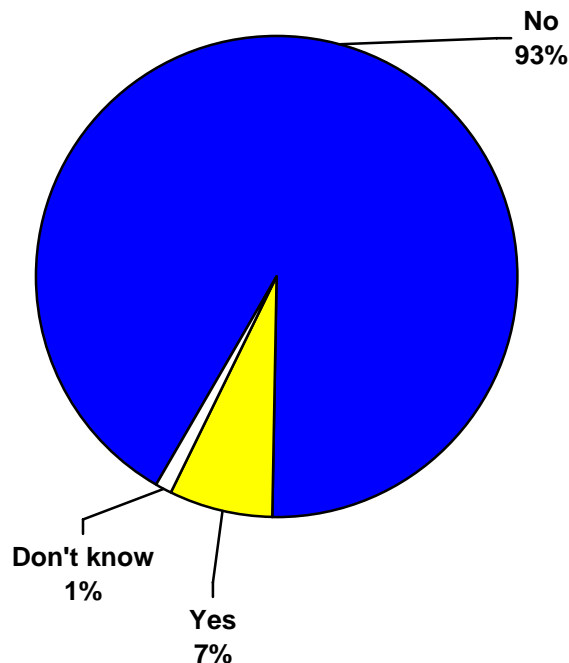
**More than nine in ten respondents are not aware that this new law will remove the protection of the Public Service Commission for additional telephone services.**

Another change this new law makes is to remove some of the protections of Mississippi’s Public Service Commission for some telephone services. Prior to the enactment of the law, the Public Service Commission regulated all telephone services. This agency assured that the rates charged for telephone services are fair, and that the service provided is adequate. If a customer had a problem or a complaint about billing or services for these utilities, they could go to the Public Service Commission for help.

Under the new law, if a customer has additional telephone services, like caller ID, call waiting, or call forwarding, their telephone company can now require them to enter into an agreement, similar to a cell phone contract. If a customer subscribes to anything in addition to basic service, Mississippi’s Public Service Commission will not regulate the fees and the quality of the service package.

Over nine in ten respondents are not aware that this new law will remove the protection of the Public Service Commission for additional telephone services.

**Awareness of a Law that Will Remove PSC Protection  
for Additional Telephone Services\***  
(N = 803)

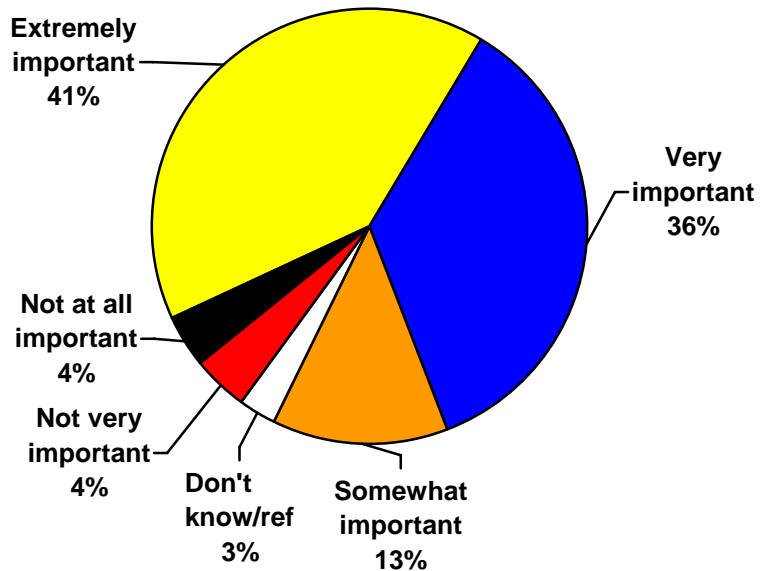


\*Percentages may not add up to 100 due to rounding.

**Nine in ten respondents feel it is important to have the protection provided by the Public Service Commission in monitoring telephone fees and services.**

Nearly eight in ten respondents believe it is extremely or very important to have the protection of the Public Service Commission in monitoring the fees telephone companies charge and the services they provide. One in eight feels the protection of the Public Service Commission is somewhat important.

**Importance of Having PSC Protection to Monitor Telephone Fees and Services\* (N = 803)**

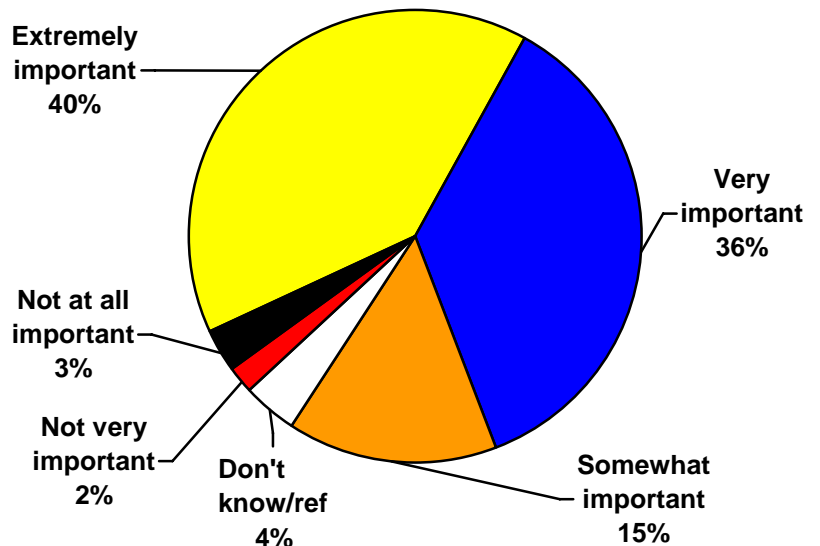


\*Percentages may not add up to 100 due to rounding.

**Nine in ten respondents feel it is important that the Public Service Commission have the authority to resolve a complaint about a telephone bill or service.**

Over three-quarters believe that it is extremely or very important that the Public Service Commission have the authority to resolve complaints about telephone bills and services when telephone companies will not. More than one in seven feels this is somewhat important.

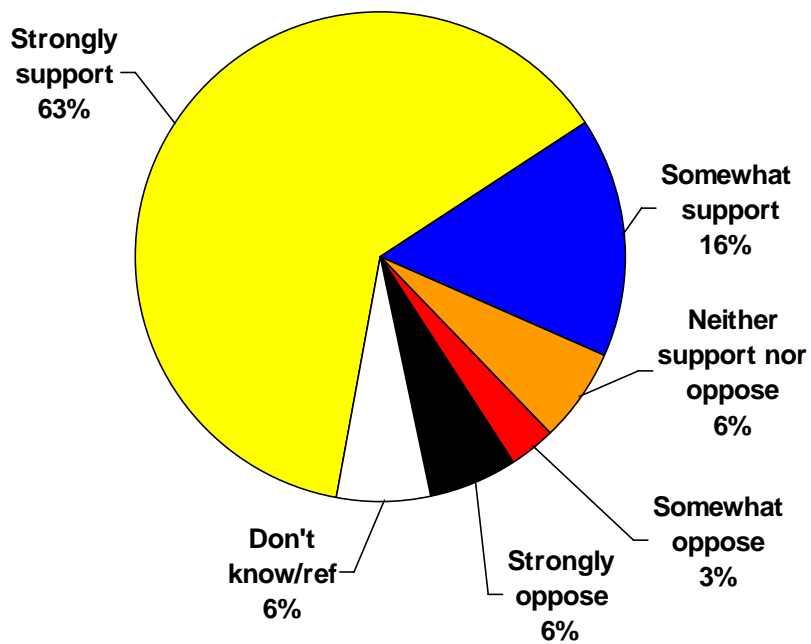
**Importance of Having PSC Protection to Resolve a Complaint About a Telephone Bill or Service (N = 803)**



**About eight in ten respondents support a repeal of this law in order to restore the authority of the Public Service Commission over telephone fees, services, and complaints.**

Nearly two-thirds strongly support a repeal of this law in order to restore the authority of the Public Service Commission over telephone fees, services, and complaints and another one in six somewhat supports it.

**Support for a Repeal of the Telephone Rate Increase Law to Restore the Authority of the PSC over Fees, Service, and Complaints  
(N = 803)**



## Conclusions

In July 2006, a new law in Mississippi became effective that lifts nearly all regulatory oversight from most telephone rates and services and is written in a way that allows telephone companies to increase basic service rates by as much as 100 percent. This new law also removes some of the protections of Mississippi's Public Service Commission (PSC) for various telephone services. Mississippi respondents support a repeal of this new law in order to control telephone rate increases and restore the authority of the PSC. About eight in ten support a repeal to remove a potential rate increase of up to 100 percent and to restore the authority of the PSC over telephone fees, services, and complaints. Support for the repeal of the law would likely influence respondents' behavior. Over half say they would be more likely to vote for their state senator or representative who supported repealing this law. More than eight in ten respondents voted all (65%) or most of the time (20%) in the last ten years.

Mississippi self-identified registered voters surveyed are concerned about paying higher rates and not having consumer protections for their telephone service. Over eight in ten are concerned about being able to afford future telephone service rate increases. An overwhelming majority is unaware of the effects of the new law. About nine in ten do not know that the new law could more than double the price of their basic telephone service and will remove the current protections of the PSC. Moreover, nine in ten believe it is important to have the protection of the PSC in monitoring telephone fees and services and that the PSC have the authority to resolve complaints about bills and services.

Given the results of this survey, it is clear that AARP Mississippi needs to educate state residents on the specific impacts the new law will have on telephone services and rates. It is also evident that AARP Mississippi has the strong support of self-identified registered voters in the state to repeal this law to ensure reasonable telephone rate increases and restore the authority of the PSC over telephone services.

## Methodology

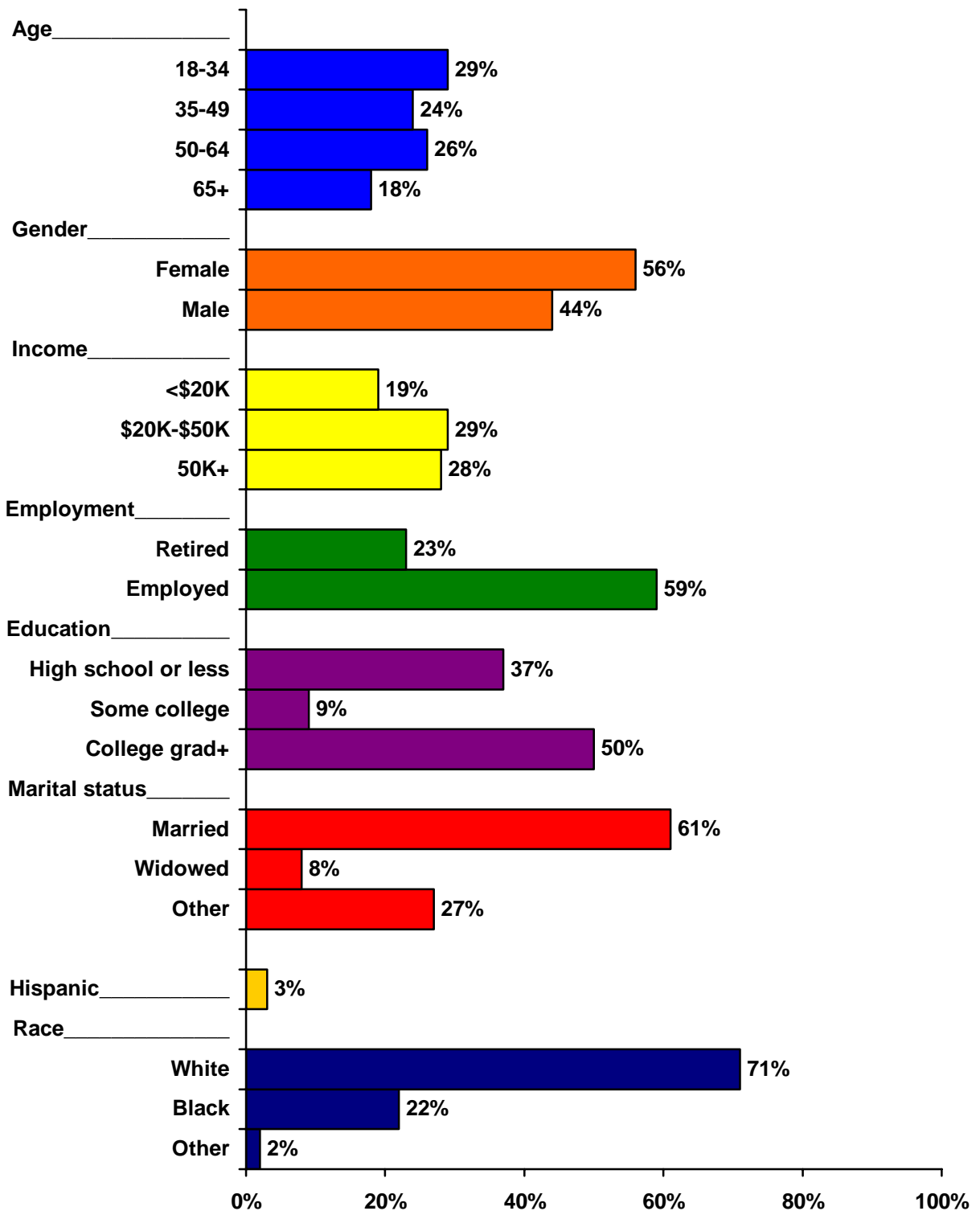
AARP commissioned Alan Newman Research, Inc. to conduct a random digit dial (RDD) telephone survey of Mississippi residents age 18 and older who identified themselves as registered voters. The survey was conducted between August 31 and September 12, 2006,<sup>1</sup> and total of 803 interviews were completed. A sample of this size has a sampling error of plus or minus 3.5 percent. Survey responses were weighted to reflect the actual distribution of age and gender for the population of registered voters' age 18+ in Mississippi as found in the 2004 Current Population Survey Voter Supplement.<sup>2</sup> Weighted responses to all survey questions are in the attached annotated questionnaire.

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<sup>1</sup> The response rate is 71 percent and the cooperation rate is 45 percent. The response rate is Response Rate 3 and the cooperation rate is Cooperation Rate 3 (AAPOR, 2006).

<sup>2</sup> Weight values ranged from a low of 0.49 to a maximum of 3.24. The average weight value was 1.32.

## Demographic Profile of Survey Respondents (N = 803)



## **Annotated Questionnaire**

## **Mississippi Tax and Telephone Survey August 2006 Voters 18+ Registered Voters**

**Weighted N = 803; Sampling Error = 3.5%; Response Rate = 15%  
(Percentages may not total 100% due to rounding.)**

Hello, my name is (first and last name), and I am calling from Alan Newman Research, a national independent research firm. We are calling Mississippi residents to find out their opinions about several important issues facing the state, including taxes and telephone service. This is not a sales call, and you will not be asked to buy anything now or later. We would like to include your opinion in our study and assure you that all of your answers will remain completely confidential. The survey will take only about 10 minutes to complete depending on your responses.

[INTERVIEWERS -- IF NECESSARY USE ANY OF THE FOLLOWING:]

- The interview will take no more than 10 minutes of your time.
- Let me assure you, this is NOT a sales call and you will NOT be asked to buy anything either now or later. We are NOT telemarketers.
- No one from Alan Newman Research will contact you as a result of this research.
- We are only calling a small percentage of people throughout the state so your opinions are truly very valuable.
- We would really like to include your opinions on these important issues facing Mississippi residents.
- I assure you that all of your answers will remain completely confidential.

### **Screening (S) Questions**

S-1 Our study requires that I speak to one particular person in your household. To know who that person is, would you please tell me if you are registered to vote at this address?

Yes	Skip to S-3
No	Continue
Don't know/Not sure	Continue
Refused	Terminate

S-2 Is there someone else at home who is registered to vote at this address?

Yes, person coming to phone	Skip to S-2a
Yes, but person is not available right now	Schedule callback
No one in household is registered to vote	Terminate as SCREENOUT
Don't know/Not sure	Terminate
Refused	Terminate

S-2a **IF NEW PERSON ON LINE.** Hello, my name is (first and last name), calling from Alan Newman Research, a national independent research firm. We are calling Mississippi residents to find out their opinions about several important issues facing the state, including recently passed legislation. This is not a sales call, and you will not be asked to buy anything now or later. We would like to include your opinion in our study and assure you that all of your answers will remain completely confidential. The survey will take less than 7 minutes to complete depending on your responses.

Are you registered to vote at this address?

Yes	Continue
No	Repeat S-2

S-3 In order to be sure I only ask you questions relevant to someone in your age group, could you tell me your age as of your last birthday? [RECORD IN YEARS]

_____	Continue
Don't know	DO NOT READ
Refused	DO NOT READ

S-4 [ASK ONLY IF S3 > 49] Are you or your spouse or partner a member of A-A-R-P, formerly known as the American Association of Retired Persons?

Yes	Continue
No	Continue
Don't know/Not sure	DO NOT READ
Refused	DO NOT READ

S-5 **(RECORD:)** Gender

Male	Continue
Female	Continue



## MAIN (M) QUESTIONS

### TAXES

The next several questions ask about the state tax on cigarettes and food.

- Q1. Currently, Mississippi has the 3<sup>rd</sup> lowest cigarette tax in the nation and it has not been increased since 1985. It is estimated that the State of Mississippi spends about \$662 million each year on smoking-related illnesses.

How strongly do you support or oppose an increase in Mississippi's cigarette tax to \$1.18 per pack of cigarettes, an increase of \$1.00 per pack? Do you.....?

<u>%</u>	
45	Strongly support
10	Somewhat support
9	Neither support nor oppose
7	Somewhat oppose
23	Strongly oppose
5	Don't know
1	Refused

- Q2. Mississippi also has one of the highest rates of smoking among adults – about one in every five adults smoke. If raising Mississippi's cigarette tax to \$1.18 per pack would reduce the number of adults who currently smoke and prevent young people from starting to smoke, how strongly would you support or oppose an increase in Mississippi's cigarette tax of \$1.00 per pack of cigarettes? Would you.....?

<u>%</u>	
55	Strongly support
9	Somewhat support
8	Neither support nor oppose
4	Somewhat oppose
19	Strongly oppose
3	Don't know
1	Refused

- Q3. Currently, Mississippi has the highest sales tax on food in the U.S.--7 percent. How strongly do you support or oppose a decrease in Mississippi's food tax? Do you.....?

<u>%</u>	
67	Strongly support
13	Somewhat support
4	Neither support nor oppose
4	Somewhat oppose
11	Strongly oppose
2	Don't know
<.5	Refused

Q4. How much of a decrease, if any, in the food tax would you support? No decrease at all, decreasing it by half, or eliminating the food tax altogether?

<u>%</u>	
11	No decrease at all
45	Decrease by ½
40	Eliminating it altogether
5	Don't know
0	Refused

Q5. During the 2006 legislative session a bill was introduced to increase the cigarette tax by \$1.00 per pack to \$1.18 per pack and decrease the sales tax on food by 50 percent. The increase in the cigarette tax will make up for the loss in state funding from the decrease in the food tax. Increasing the cigarette tax and decreasing the tax on food will maintain the current level of state funds in Mississippi.

How strongly do you support or oppose a bill that would increase Mississippi's cigarette tax by \$1.00 per pack to \$1.18 per pack and decrease the tax on food by 50 percent? Do you.....?

<u>%</u>	
59	Strongly support
13	Somewhat support
5	Neither support nor oppose
4	Somewhat oppose
16	Strongly oppose
3	Don't know
<.5	Refused

Q6. If your state representative or state senator supported a bill to increase the cigarette tax and decrease the sales tax on food, would you be more likely or less likely to vote for the legislator? Or would it not make a difference?

<u>%</u>	
50	More likely
32	Would not make a difference
13	Less likely
4	Don't know
<.5	Refused

## TELEPHONE DEREGULATION

The next several questions ask about your telephone service.

- Q7. A new law in Mississippi became effective in July that lifts nearly all oversight from most telephone rates and services. This law allows telephone companies to increase the basic service rate once per year by as much as 100%--that could double the current rate, plus an adjustment related to the consumer price index. Your basic rate is the monthly price you pay—before additional features, such as Caller ID, or long distance are added.

Are you aware that this new law could more than double the price of your basic telephone service each year?

<u>%</u>	
13	Yes
86	No
1	Don't know
<.5	Refused

- Q8. Another change this new law makes is to remove some of the protections of Mississippi's Public Service Commission from your telephone services. The Public Service Commission regulates your telephone services and other utilities. This agency assures that rates charged for services are fair, and that the service provided is adequate. If you have a problem or a complaint about billing or services for these utilities, you can go to the Public Service Commission for help.

If you currently have additional telephone services, like caller ID, call waiting, call forwarding, your telephone company can now require you to enter into an agreement, similar to a cell phone contract. The fees charged and the quality of the service package will NOT be regulated by Mississippi's Public Service Commission if you subscribe to anything in addition to basic service.

Are you aware that this new law will remove the protection of the Public Service Commission for additional telephone services?

<u>%</u>	
7	Yes
93	No
1	Don't know
0	Refused

Q9. Overall, how important is it to you to have the protection provided by the Public Service Commission in monitoring the fees telephone companies charge and the services they provide? Is it.....?

<u>%</u>	
41	Extremely important
36	Very important
13	Somewhat important
4	Not very important
4	Not at all important
3	Don't know
<.5	Refused

Q10. Overall, how important is it to you to have the Public Service Commission have the authority to resolve a complaint about your telephone bill or service when your telephone company would not? Is it.....?

<u>%</u>	
40	Extremely important
36	Very important
15	Somewhat important
2	Not very important
3	Not at all important
4	Don't know
<.5	Refused

Q11. How strongly do you support or oppose a repeal of this law to remove the 100% annual rate increase? Do you.....?

<u>%</u>	
65	Strongly support
12	Somewhat support
6	Neither support nor oppose
3	Somewhat oppose
10	Strongly oppose
5	Don't know
<.5	Refused

Q12. How strongly do you support or oppose a repeal of this law to restore the authority of the Public Service Commission over telephone fees, service and complaints? Do you??

<u>%</u>	
63	Strongly support
16	Somewhat support
6	Neither support nor oppose
3	Somewhat oppose
6	Strongly oppose
6	Don't know
1	Refused

Q13. If your state representative or state senator supported a repeal of this new law, would you be more likely or less likely to vote for the legislator? Or would it not make a difference?

<u>%</u>	
52	More likely
34	Would not make a difference
9	Less likely
5	Don't know
1	Refused

Q14. How concerned are you about being able to afford future telephone service rate increases?

<u>%</u>	
35	Extremely concerned
31	Very concerned
16	Somewhat concerned
7	Not very concerned
8	Not at all concerned
2	Don't know
1	Refused

## DEMOGRAPHIC (D) QUESTIONS

The following questions are for statistical classification purposes only and will be kept entirely confidential.

S-5 **(RECORD:)** Gender

<u>%</u>	
44	Male Continue
56	Female Continue

S-3 In order to be sure I only ask you questions relevant to someone in your age group, could you tell me your age as of your last birthday? [RECORD IN YEARS]

<u>%</u>	
29	18-34
24	35-49
26	50-64
18	65+ Continue
	Don't know DO NOT READ
	Refused DO NOT READ

S-4 [ASK ONLY IF S3 > 49] Are you or your spouse or partner a member of A-A-R-P, formerly known as the American Association of Retired Persons?

<u>%</u>		
39	Yes	Continue
59	No	Continue
2	Don't know/Not sure	DO NOT READ
<.5	Refused	DO NOT READ

D-1 Which of the following best describes your current employment status?

<u>%</u>		
3	Self-employed, part-time	Continue
6	Self-employed, full-time	Continue
10	Employed, part-time	Continue
41	Employed, full-time	Continue
23	Retired, not working at all	Continue
8	Not in the labor force for other reasons	Continue
4	Unemployed, but looking for work	Continue
4	Other	Record verbatims
<.5	Don't know	DO NOT READ
2	Refused	

D-2 In what county do you live? \_\_\_\_\_

D-3 Thinking about your state elections for Mississippi Governor and State Legislators in the last ten years, how often would you say you vote? Would you say you vote.....

<u>%</u>		
65	Always	Continue
20	Most of the time	Continue
	About half of the	Continue
4	time	
3	Seldom	Continue
4	Never	Continue
1	Don't know	DO NOT READ
2	Refused	

D-4 How interested are you in Mississippi state government activities?

<u>%</u>		
20	Extremely interested	Continue
40	Very interested	Continue
27	Somewhat interested	Continue
6	Not very interested	Continue
4	Not at all interested	Continue
1	Don't know	DO NOT READ
3	Refused	

D-5	What is your current marital status?	
<u>%</u>		
61	Now married	Continue
2	Not married, living with partner	Continue
2	Separated	Continue
9	Divorced	Continue
8	Widowed	Continue
14	Never married	Continue
<.5	Don't know	DO NOT READ
4	Refused	

D-6	What is the highest level of education that you completed?	
<u>%</u>		
14	0-12 <sup>th</sup> grade (no diploma)	Continue
23	High school graduate or equivalent	Continue
9	Post-high school education (no degree)	Continue
19	2 year college degree	Continue
14	4 year college degree	Continue
4	Post-graduate study (no degree)	Continue
13	Graduate or professional degree(s)	Continue
<.5	Don't know	DO NOT READ
4	Refused	

D-7	What is your race?	
<u>%</u>		
71	White or Caucasian	Continue
22	Black or African American	Continue
<.5	Asian	Continue
<.5	American Indian or Alaskan Native	Continue
0	Native Hawaiian or Pacific Islander	Continue
2	Other	Continue
<.5	Don't know	Continue
4	Refused	

D-8	Are you of Spanish, Hispanic, or Latino origin?	
<u>%</u>		
3	Yes	Continue
92	No	Continue
1	Don't know	DO NOT READ
4	Refused	

D-9 We realize income is a private matter and so rather than ask anything specific about your income, I'd like to ask you to please stop me when I get to the category that includes your annual household income before taxes in 2005?

<u>%</u>		
9	Less than \$10,000	Continue
10	\$10,000 but less than \$20,000	Continue
14	\$20,000 but less than \$35,000	Continue
14	\$35,000 but less than \$50,000	Continue
7	\$50,000 but less than \$60,000	Continue
6	\$60,000 but less than \$75,000	Continue
7	\$75,000 but less than \$100,000	Continue
9	\$100,000 or more	Continue
3	Don't know	DO NOT READ
21	Refused	

D-10 Do you currently smoke cigarettes on a regular basis?

<u>%</u>		
18	Yes	Continue
78	No	Continue
<.5	Don't know	DO NOT READ
4	Refused	

**That's all the questions we have for you today. Thank you very much for your time.**



**AARP**  
**Knowledge Management**  
**For more information contact Joanne Binette at**  
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