

Vonage makes free international calls standard

August 19 2009, By PETER SVENSSON, AP Technology Writer

(AP) -- Unlimited domestic phone calls are nearly standard feature for landline plans these days. Now, Vonage Holdings Corp., which helped pioneer that feature with its Internet phone service, is expanding it to most international calls as well.

CEO Marc Lefar said Wednesday that Vonage will include unlimited calls to more than 60 countries in a new standard plan that costs \$25 per month, replacing a plan of the same price that included unlimited calls to just six countries.

The new Vonage World plan also replaces various step-up plans that included expanded international calling, like an "Enhanced World" plan that gave unlimited calls to 58 countries for \$40 per month.

Lefar said that while domestic long distance calling has been declining, international calls have been rising year by year, yet pricing hasn't kept pace. He expects to market the new plan to immigrants in the U.S., including Asians and Latin Americans.

Vonage is the largest of the independent companies that supply their subscribers with adapters that let them plug their home phones into their broadband connections.

In its heyday it added hundreds of thousands of customers per quarter, thanks it part to its offer of unlimited domestic calling for a flat monthly rate.



But growth tapered off as it battled <u>patent</u> lawsuits, while cable and phone companies countered with their own unlimited-calling plans. Subscriber numbers are now slowly shrinking, to about 2.3 million at the end of June. That makes it the eighth-largest landline phone company in the U.S.

Vonage will still charge extra per-minute fees for calls to mobile phones in most countries under Vonage World. Lefar said the prices would be competitive with the cheapest competitors, like Skype and Google Voice.

Current Vonage subscribers must call the company and request to be put on the plan, but there is no charge for switching, Lefar said.

Lefar also said Vonage will start transcribing subscriber voicemails into text and sending them via e-mail or text message for subscribers who choose that. Google Voice does this as well.

"Our research tells us people aren't even listening to their voicemails anymore," Lefar said.

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