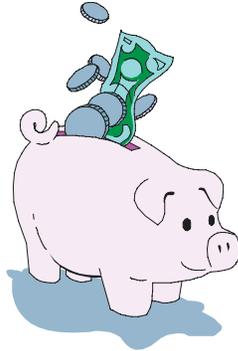


# Choosing your long-distance company and plan

examination of long-distance bills may reveal:

- ◆ Charges from long-distance service providers other than your own for "collect calls" that you have accepted. The caller, not you, determines the long-distance carrier when you accept a collect call.
- ◆ Some long-distance telephone companies establish a monthly minimum billing (below which it is essentially not cost-effective for them to bill you) and will not bill you until you have a monthly long-distance charge that meets or exceeds their minimum billing standard.



For example, the company's minimum monthly billing may be \$5. If there are no minimum usage fees and your bill is \$3 one month, \$4 the next month, and \$7 in a third month, that third monthly statement could contain a lump sum long-distance bill of \$14.

## Dial-around numbers

This service allows you to "dial around" the primary long-distance carrier you have chosen or access long-distance service if you do not have a long-distance carrier. Dialing the seven-digit access code before the normal "1+area code+local phone number," will connect you to the long-distance service of a particular telephone company. Some dial-around services advertise a flat fee (not a per-minute rate) for all calls up to a specified number of minutes. If you call and get an answering machine, you may pay the full charge. The best advice is to call a customer service line and inquire about rates (or request a printed

rate card) before using any 10-10-XXX code. Make sure there are no monthly fees or time restrictions. Dial-around numbers may be advantageous:

- ◆ If your long-distance carrier handles only interstate (state-to-state) calls or interLATA calls, which are calls outside your local toll area. You can use dial-around numbers to bypass your local toll service provider.
- ◆ If your long-distance carrier provides low rates on interstate calls, which do not apply to intrastate (in-state) toll calls or interLATA calls. You can use dial-around numbers when calling within the state.
- ◆ If you have a long-distance plan, which offers very low per-minute rates at certain times and very high per-minute rates at other times. You can use the dial-around service for lower rates during periods when rates for your primary long-distance carrier are high. However, dialing around your primary long-distance carrier may not be cost-effective if you must satisfy a monthly minimum usage fee.

## Bundled services packages

Many telecommunications companies offer packages that enable customers to purchase multiple communications services like local telephone, high-speed Internet service, and nationwide long distance at reduced rates. Evaluate your needs and the services you use or would like to use to determine if this may be a money-saving option for you. Some individual wireless packages can also offer you opportunities for savings if you or your family make long-distance calls frequently.



**Analyze your needs to avoid monkey business**



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## Dialing patterns

Analysis of how your family uses the phone is the first step toward selecting a long-distance company and a plan that best suit your needs. Accurate



answers to the following questions will help you identify which plan will be the most economical:

- ◆ When do you make most long-distance calls? Is it during the day, night, or on weekends?
- ◆ How many long-distance calls do you make in a month?
- ◆ Are your long-distance calls usually within your state, outside your state, or to other countries?

## Monthly service charges

Monthly service charges are flat fees which some long-distance providers charge in addition to time charges. This fee is the same no matter how many long-distance calls are made. Many standard calling plans have monthly service charges. Even some “basic rate” customers (those without plans) are finding these monthly fees on their bills. But there are economical plans that do not contain monthly fees. Many carriers make up for low per-minute rates with monthly fees. High long-distance call volumes or call durations can make plans with these monthly fees favorable for customers, if used wisely. Determine if it is worthwhile to pay the monthly fee by assessing the number of minutes you spend on long-distance in a month. Is adding

the monthly charge onto the per-minute rate more economical than choosing another rate plan with no monthly charge? Check it for several months.

## Minimum usage charges

Beware of long-distance plans that contain a monthly minimum usage charge. If you do not make many long-distance calls, finding a plan that does not have a monthly minimum is one of the surest ways to recognize immediate savings. A plan with a minimum monthly usage fee of \$5 will cost you at least \$5 every month, even if your monthly toll calls total a lesser amount. If you don't spend the monthly minimum on toll calls, you pay the difference!

## Calling cards

Telephone companies issue calling cards, which are essentially credit cards to be used for long-distance service. Calling cards contain an authorization code for using the carrier's long-distance service when you're away from home or office. The per-minute rates provided by calling cards are usually significantly higher than the rates you pay when making a call from home, and there may be additional “per call” charges. One reason calling card rates are higher is that the FCC requires long-distance carriers to compensate payphone operators for toll-free calls made through their phones. Calling cards may cost you less than calling collect or using operator assistance. Customers are typically offered calling cards from



their chosen long-distance carrier. Ask for the per-minute rates, which may vary due to time restrictions, and any per-call surcharges or minimum per call charges. Some providers require you to switch your home telephone service to receive their calling cards, but some do not.

## Pre-paid calling cards

Pre-paid calling cards are readily available everywhere from the Internet to the convenience store. Different than standard calling cards, they are essentially debit cards priced for a specified number of long-distance minutes. A primary benefit of a pre-paid card is the low price as they do not have the surcharges of regular calling cards. Per-minute rates of pre-paid cards have declined significantly since their inception and are often cheaper than calls made from home and other calling cards. The key is finding the right ones. Prior to making a pre-paid calling card purchase, consider:

- ◆ What is the cost per minute?
- ◆ Where can you call to and from? Not all cards allow intrastate (in-state) calls or international calls.
- ◆ Is there a sign-up or activation fee?
- ◆ Is there a minimum call duration or a rounding of usage time?
- ◆ How reputable is the company? Many companies have gone out of business, leaving customers with unused minutes and no reimbursement.

## Examining bills

Examine your monthly long-distance bills carefully to make sure you are charged correctly. Call your long-distance service provider for explanations if you are confused or don't understand something. Careful