



Florida Public Service Commission

Consumer Bulletin

Lila A. Jaber, Chairman

Shopping for a Long Distance Carrier

By now, most telephone customers have received the flyers and the phone calls urging them to switch their long distance service from one carrier to another. Inducements to switch vary, but may include checks, free minutes of use, frequent flyer miles or bundled service packages. Tempted? It may be a good idea. At the present time, the long distance segment of the telecommunications market is among the most competitive. Whether it makes sense to change carriers depends on your needs. Here are a few ideas that may help you decide if a change is warranted.

First, assess your long distance needs. Simply gather up your copies of previous long distance bills and see how many minutes you actually spent on long distance calls. Try to include a bill for a month during the holiday season, this will give you an idea of the high end of your usage. Include a couple of bills for months that don't include holidays, birthdays, or any events that might cause you to dial long distance. This will give you the low end of your usage. Armed with this information, you're prepared to start shopping... almost.

It's important to recognize that there are two types of toll calls. There are local toll calls and long distance toll calls. A local toll call is a call you make that goes beyond your local calling area but is not considered long distance. A local toll call is one that requires you to dial "1" before the number. A long distance toll call is a call that goes beyond the scope of your local toll service area. If this sounds confusing, you may want to check out the Public Service Commission's website (www.psc.state.fl.us). Under the "Publications" link is a downloadable brochure titled "How to Choose a Local Toll Company." This brochure goes into detail on how the distinction is made between local toll and long distance calls.

There is a good reason for understanding the difference between the two types of toll calls. The reason is that it can have an impact on which carrier you choose for long distance. Before Congress passed the Telecommunications Act of 1996, your local phone service provider was your local toll provider. With burgeoning competition in all facets of the telecommunications marketplace, consumers decide whether to keep their local toll service with their local service provider, or have local toll service provided by a long distance carrier.

All right, now you're ready to look for a long distance carrier. The first thing to ask a company representative is what are they willing to offer you to sign up for their

service? The long distance market is full of choices, make them explain why their service exceeds all others. Next, ask if the company imposes a minimum use charge or a monthly fee. This is important because a low per-minute charge may not be so attractive if it comes with a monthly fee.

Ask how rates vary by time of day, by day of the week and if the per-minute rate changes based on how many (or how few) minutes are used. Also ask the company's representative if there is any difference in rates if the long distance carrier is also your local toll provider. Some companies will charge for uncompleted calls, so you may want to ask them if this is their practice and, if so, whether they are willing to waive the charge. Finally, ask a prospective carrier if they are willing to pay any fees to switch your service over to them.

If this sounds like too many phone calls to make to select a long distance carrier, try the Internet. A number of companies have their calling plans posted on their website in formats that can be downloaded. Keep in mind not all companies use the same words to describe their offerings and the jargon can be challenging. If there is something on a website that doesn't make sense to you, call the company and ask for an explanation. If the explanation doesn't satisfy you, move on to the next company.

Now that you've done the leg work, it's time to do some background checking. Ask friends, family or business associates which company they use. Ask them if they're satisfied with the quality and reliability of service for the price they pay. Find out if there have been any problems and if there have been, how effectively the company worked to resolve the problem. One source to consider is Consumer @ction's website (www.consumer-action.org). This organization completed an exhaustive survey of long distance rates in late 2001, the results of which are available on its website. The organization will send you a free printed version of its results. While rates are dynamic and may change over time, the survey is a good place to begin comparison shopping, and a phone call to a prospective company can verify current rates and charges.

Last of all, negotiate. The long distance market is competitive and companies want your business. If there is an aspect of a calling plan that keeps you from signing up, ask if the provision can be amended or dropped altogether. In the case of long distance carriers, competition has delivered on its promise.

Lila A. Jaber is the Chairman of the Florida Public Service Commission. The PSC sets the rates utility companies charge for natural gas, electric and telephone service within the state. In 36 counties, it sets the price you pay for the water you drink, if your water company is privately owned. Chairman Jaber is also a member of the Federal-State Joint Board on Universal Service and the state chair of the Federal-State Joint Conference on Advanced Telecommunications Services.