

This page provides information and resources so that Alabama telephone subscribers may more fully understand the differences in long distance service and be better informed before selecting one or more carriers for their long distance calling.

It is likely that you are here because your telephone company notified you of the requirement to select another long distance carrier.

## Frequently Asked Questions (FAQS)

### 1. Question: **What is a LATA?**

Response: Prior to 1984, AT&T carried nearly all long distance calls. Then, in a 1984 Department of Justice anti-trust case, AT&T was required to separate the Bell Operating Companies from its holdings. The name AT&T was reserved for the long distance business and it became a separate company, not affiliated any longer with Bell. The Bell Companies retained the local telephone service business and some long distance service.

The judge in that anti-trust case decided to divide states into imaginary areas called LATAs. The term 'LATA' is an acronym for Local Access Transport Area. Click on this link to see the LATA designations in Alabama:

#### [ALABAMA LATA MAP](#)

There are four primary LATAs in Alabama, each named for the largest city within the boundaries (Huntsville, Birmingham, Montgomery, and Mobile).

A Long distance call to a destination within the caller's own LATA boundary to another caller within that same LATA boundary is defined as an **intraLATA** call. "Intra" means within. A long distance call to a destination located within a LATA boundary that is different than the caller's LATA is defined as an **interLATA** call. "Inter" means across boundaries.

For example, a long distance call from a Tuscaloosa customer, which is located within the Birmingham LATA, to a Gadsden customer, which is also located within the Birmingham LATA, is defined as an intraLATA long call. However, that same long distance call from the Tuscaloosa customer in the Birmingham LATA to an Auburn customer, which is located within the Montgomery LATA, is defined as an interLATA call. For the vast majority of Alabama customers, calls between states are interLATA calls. There are, however, a few small pockets in Alabama where customers are associated with a LATA belonging to a bordering state (Florida, Georgia, Mississippi, or Tennessee).

The LATA boundaries were set up this way by the judge in the Justice Department anti-trust case in order to establish separate markets for the interexchange carriers and the local telephone companies. The interexchange carriers (or IXCs) are those companies such as AT&T, MCI, Sprint, etc. At one time, BellSouth was not permitted to carry long distance calls across the LATA boundaries (interLATA). BellSouth was permitted to carry long distance calls within a LATA (intraLATA).

Therefore, rules were established that allowed local telephone customers to choose a designated provider to carry all their intraLATA long distance calls. When a customer designates a provider to carry all their long distance calls, that customer is defined as being "**pre-subscribed**" to that provider. In many cases, BellSouth or another local telephone company was included among the

list of providers that included AT&T, MCI, Sprint, and others that local telephone customers could pre-subscribe to for purposes of carrying all their intraLATA long distance calls. The customer could also choose a designated long distance provider for their interLATA calls. However, since BellSouth was prohibited from carrying interLATA long distance calls, the customer could not pre-subscribe to BellSouth as the provider for that service. If customers wished to pre-subscribe to a carrier for interLATA long distance calls, it had to be one of the IXCs such as AT&T, MCI, Sprint, etc. In rural areas, transitional plans were approved that allowed customers to retain their existing service if they did not want to change carriers.

There have been many changes since that 1984 Justice Department anti-trust case and the old rules about which companies can carry long distance traffic across LATA boundaries has changed as well. However, one thing that has not changed is the LATA boundaries themselves. The LATA boundaries are still in place and local customers may still pre-subscribe to a provider for their intraLATA long distance calls, a separate provider for their interLATA long distance calls, or one provider for both.

Pre-subscribing to a long distance provider affects only long distance calls that you make. Local calling, incoming long distance calls and toll-free calls are not affected. A customer can still receive incoming long distance calls from other callers and dial toll-free numbers regardless of whether they have pre-subscribed to a long distance carrier for their own long distance calling. Additionally, if you have subscribed to any of the various expanded local calling plans offered by your local telephone company, your long distance provider is only for those calls not made pursuant to your expanded local calling plan.

The customer has the option to pre-subscribe to one provider for intra-LATA long distance calls, a separate provider for their inter-LATA long distance calls, or choose not to pre-subscribe to a long distance provider for either. Most often, customers choose the same company for both types of long distance calls. If, however, a customer chooses to not pre-subscribe to a provider for their long distance calls, they will be unable to simply direct dial a long distance number from their phone. When no provider has been selected for either intraLATA or interLATA long distance or both types of long distance calls, the caller who attempts to direct dial a long distance number will receive a recording informing them that they have not pre-subscribed to a long distance provider for the type long distance call they are attempting to make.

There are several alternatives to pre-subscribing to a long distance provider for long distance calling. Some choose to utilize their cell phones for what would be long distance calls over their wire line phone or use one of the “dial around” or prepaid calling card services for any long distance calls.

## 2. Question: **What is “Dial Around Service”?**

Response: The term “dial round” refers to a long distance provider who can be utilized by first dialing a special access code before dialing the area code and telephone number. This code is in the form 10-10-XXXX where the ‘XXXX’ is a 4-digit number assigned to the long distance carrier. There are also dial around services where the customer is first required to dial a toll free number, wait for a dial tone, then dial the area code and telephone number. Shown below is a link to an Internet site that answers questions about dial around plans.

[Dial Around Plans FAQ](#)

The advantage of dial around service is the opportunity to avoid minimum monthly charges. However, the per minute rates are generally more expensive than the best pre-subscribed long

distance carrier plans. Additionally, not all pre-subscribed long distance providers charge a minimum monthly charge. Few, if any, dial around providers mention is that the advertised rates usually only apply for those in BellSouth's local service area. Rates for customers in Independent Telephone Company service areas are higher, if the service is available at all. Shown below is a link to one of the myriad of internet services that compare dial around plans. This particular link is for plans in Alabama.

[Research Dial Around Plans](#)

### **3. Question: How do I use a “Prepaid Phone Card”?**

Response: You can purchase a prepaid phone card for long distance service at many retailers (such as WalMart) or purchase one over the Internet. Cards are offered at different prices depending on the number of minutes purchased. On the back of the card is a toll free number to dial and also a card number. After making the toll free call and entering the card number, you are then directed to enter “the number that that you wish to call” and your long distance call is connected. Most prepaid phone cards can be “recharged” from your telephone (purchase additional minutes) using a credit card such as a VISA card.

Be sure to compare all the details about prepaid calling cards before purchasing. Not only are the per minute rates priced differently but some providers charge a connection fee for each call. That is, to complete the call requires the use of multiple units from the remaining balance on your prepaid card before the per minute rates apply.

The advantage of a prepaid card is that they are transportable. You can make calls from most phones anywhere using them, not just your home phone. The per minute rates for the best prepaid cards compare favorably to some of the presubscribed long distance plans and there are no minimum monthly charges. Additionally, you control your long distance costs. The disadvantage is that it is more inconvenient than a presubscribed long distance service where you simply dial the number for the long distance call without having to input other numbers to do so.

### **4. Question: Why Can't I Keep BellSouth as My IntraLATA Long Distance Provider?**

Response: BellSouth had an arrangement with your independent local telephone company to offer pre-subscribed intraLATA long distance service to non-BellSouth local service customers. BellSouth has chosen not to continue that arrangement. If you want the convenience of presubscribed intraLATA long distance service, BellSouth is no longer an available option for you.

There are long distance plans available from other long distance carriers and your local telephone company may offer a long distance plan of its own. The choice is up to you to either pre-subscribe to another intraLATA long distance provider or not pre-subscribe at all. Should you choose to not pre-subscribe to a long distance carrier by the deadline provided in the notice sent to you from your local telephone company, you can do so at any future date. However, after the deadline you will be unable to direct dial an intraLATA long distance number from your phone and will receive a recorded message advising you that you cannot do so without pre-subscribing to a long distance provider.

## 5. Question: **How Do I Choose Another IntraLATA Long Distance Carrier?**

Response: One way is to call your local phone company and discuss with them the providers available to you. Another way is to research long distance plans available to your area over the Internet and sign up for service through the carrier you select either over the Internet or by calling them. Shown below is a link to one of the myriad of internet services that compare long distance plans. This particular link is for plans in Alabama. Simply enter your area code and the first three digits of your phone number in the space provided to see what plans are available in your service area.

[Research Available Long Distance Providers](#)

## 6. Question: **What Should I Look for in Comparing Long Distance Service Plans?**

Response: There is usually no distinguishable difference in the sound quality you'll experience during your long distance calls regardless of the long distance carrier you choose. Most of the plans you'll find are companies who are reselling long distance service over the same facilities utilized by the carriers whose company names are likely more familiar to you.

Most long distance providers will not use the terms "intraLATA" and "interLATA" to describe their per minute prices. More often, you will see their rates listed as "in-state" and "out-of-state". That's because it is simpler for the customer to visualize the more familiar state boundary than it is to visualize LATA boundaries. These providers will likely ask that you pre-subscribe to them as your long distance provider for both in-state and out-of-state long distance calls. Most customers do have just one provider for long distance service and it does keep your billing simpler.

The best long distance plan for your needs depends on how many long distance calls you make, how many are in-state long distance calls versus out-of-state long distance calls and the total long distance minutes you use each month.

In comparing there charges, estimate your monthly calls and usage separated into in-state and out-of-state long distance calls. This is usually much easier to do. Then consider all your in-state calls as intraLATA calls. This is not entirely accurate since some in-state calls can also be interLATA calls but for comparison purposes, it's a reasonable rule of thumb and much easier to do.

A. In comparing the long distance providers, the differences you should look for are generally "how much will I be charged" and "how am I required to pay it". **First, what are the billing procedures used by the carrier?**

- (1) Determine how the company will bill you. Some bill through your local phone company. Others send a bill that is separate from that provided by your local phone company. While it may be more convenient to receive one bill for both local and long distance service, you may be able to save money each month by considering a long distance carrier even if billed separately than that for your local service. Many telephone subscribers do receive a separate bill for their long distance service.

- (2) Determine payment options. For those companies who send a separate bill, some allow payment by mail while others require payment over the Internet or telephone through your credit card. If this method of payment is acceptable to you, then those carriers can be included in your comparison. If not, compare only those carriers who payment procedures you find acceptable and exclude the others.

B. Secondly, some companies may impose **a fee to establish your service** with them.

- (3) Determine if there is a connection fee for choosing them as your carrier and, if so, how much it is. Some companies charge a one-time fee to sign you up as a customer and others do not.

C. Next, look for the **charges the company will impose each month regardless of the long distance calls you actually make.**

- (4) Determine if there is a monthly fee for utilizing their long distance service. Some companies apply a monthly fee for utilizing their service regardless of whether you make any long distance calls. Others charge only for the calls you made and no more. A few companies may waive the fee provided you agree to be billed electronically (via email) rather than through a paper bill.
- (5) Determine if there is a minimum usage charge. Some companies require that you use a minimum level of long distance services each month and, if not, they'll tack on a charge because you didn't reach that dollar level. If the company does apply a monthly fee for using them as your carrier (as discussed in (4), above) and/or applies a minimum usage charge as discussed herein, you'll need to take that into consideration when comparing their per minute rates.
- (6) Determine if they apply a Universal Service Fund (USF) fee to your monthly charges, and if so, how much. Most do but you'll need to know how much they apply in order to compare rates.
- (7) Determine if there are any other monthly charges you'll be required to pay other than federal and state taxes. Some companies may try to impose a fee for sending you a paper bill each month. The Alabama Public Service Commission does not generally allow such charges but because these companies provide service in many other states where the paper bill fee is allowed, some may try to impose it.

Before moving to the next area of consideration, which is how much you can expect to pay for the long distance calls, the term "**billing increments**" should be discussed. This refers to the smallest amount of time that the carrier will use to compute charges. You will see that some carriers bill in 1-minute increments, some in 30-second increments, and others in 6-second increments. What does all this mean? To illustrate, assume that the per minute rates are 10 cents per minute and that your call lasts for 1 minute, 10 seconds.

- A carrier who bills in 1-minute increments will round the 10 seconds up to next full minute and price the call as if it were 2 minutes in length. Your call would cost 20 cents.
- A carrier who bills in 30-second increments will round the 10 seconds up to the next 30 seconds and price the call as if it were 1 ½ minutes in length. Your call would cost 15 cents.

- A carrier who bills in 6-second increments will round the 10 seconds up to the next full 6-second increment and price the call as if it were 1 minute, 12 seconds in duration. Thus, your call would cost 12 cents

All other factors being equal, smaller billing increments always favor the consumer.

C. Now compare the **price charged for each call** using the carrier's published per minute rates for in-state and out-of-state long distance calls.

- (8) Determine if there is a fee charged for each call placed. Some carriers charge a minimum fee just for making the call regardless of the call's duration. Others simply charge you for the time used in the call. If the carrier imposes a per call charge, it will obviously affect your total charges regardless of what the advertised per minute rates are.
- (9) Determine the per minute rates and make sure those rates apply for the area from which you will be calling. Some companies advertise one set of rates but don't tell you that the rates may be higher in certain independent telephone company local service areas.

D. Using the estimate of your monthly long distance calls and total long distance minutes, you can now estimate the monthly bill you could expect from each potential provider. To illustrate, assume that your estimate of average in-state long distance calls is 6 per month for 90 total minutes. Taxes and the USF fee will be excluded from this comparison since nearly all companies charge both. The following is an example of a side-by-side provider comparison.

Charges		Potential Carriers			
		A	B	C	D
A	One-time service connection fee	\$9.99	\$0.00	\$0.00	\$0.00
	Monthly service fee (regardless of calls placed)	\$0.00	\$3.99	\$0.00	\$3.99
	Per call fee	\$0.49	\$0.00	\$0.99	\$0.00
B	Charges for calls (before usage) for 6 calls used in illustration = 6 X per call fee.	\$2.94	\$0.00	\$5.94	\$0.00
	In-state per minute rate	\$0.07	\$0.06	\$0.04	\$0.05
C	Charges for usage based on 90 minutes used in illustration = 90 X per minute rate.	\$6.30	\$5.40	\$3.60	\$4.50
	SUBTOTAL of monthly charges (A + B + C)	\$9.24	\$9.39	\$9.54	\$8.49
	Minimum monthly usage charge	\$15.00	\$10.00	\$0.00	\$0.00
	<b>Estimated Monthly Bill before taxes and USF fee</b>	\$15.00	\$10.00	\$9.54	\$8.49

Lowest ✓