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## Ringing up those long-distance savings

[ELLEN ROSEMAN](#)

Do you know how much you're paying for long-distance calls each month? And if so, are you looking for a way to lower your rates?

In this column, I'll try to provide answers to both these questions: How to find out the true cost of your long-distance calls and how to pay less.

I start with the premise that it's worthwhile to spend a little time to cut costs. Even if you think you're not spending much on long-distance, you could be paying less — and it's easy to switch.

Let's assume you're a Bell Canada customer. Most households in Ontario are. You may have switched to a competitor at some point and then switched back.

"There's a very strong allegiance to Bell," says Charles Zwebner, president of Yak Communications (Canada) Inc., a fast-growing rival long-distance provider with almost 600,000 customers in six provinces.

"The Canadian market has been deregulated for 12 years, but Bell is still the dominant provider with a 70 per cent market share. In the United States, no one company has more than a 30 to 40 per cent market share."

Bell Canada customers get an itemized bill for local and long-distance charges only once a year (unless there's a rate increase). This makes it hard to know exactly what you're paying for, since all the services are bundled together.

Consumer activists oppose this practice. The Public Interest Advocacy Centre has asked the Canadian Radio-Television and Telecommunication Commission to force Bell to send itemized monthly bills.

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You may not know you're paying a mandatory network charge of \$2.95 a month if you belong to one of Bell's First Rate discount long-distance plans. Introduced in 2001 at \$1.25 a month, the charge more than doubled last December.

"This helps cover the costs of maintaining the network and expanding communications services in remote areas," says Bell spokesperson France Poulin.

You may not know, either, about the mandatory \$4.95 a month charge for your First Rate plan. This covers the first 60 minutes a month of long-distance calls in Canada and the United States on evenings and weekends, working out to 8.3 cents a minute.

After that, you pay 10 cents a minute for up to 800 minutes of evening and weekend calls in Canada and 25 cents a minute in the United States.

The basic First Rate plan is the most popular, Poulin says. Bell's two other plans (First Rate 24 hours and First Rate overseas) are for those who make more calls in the daytime and outside Canada.

Bell imposed the \$4.95 monthly minimum on its First Rate plans in early 2002. If you didn't read your bill inserts, you may not have noticed it.

With both a monthly network fee and a minimum charge for the First Rate plans, you won't benefit unless you spend more than \$7.90 a month on long-distance calls using Bell's basic long-distance rates.

Suppose, for example, you call from Toronto to Montreal during off-peak hours and you make no other long-distance calls. You can check Bell's Web site, <http://www.bell.ca>, for basic long-distance rates (listed by miles between destinations).

Weekday calls from Toronto to Montreal are 36 cents a minute, but a 60 per cent off-peak discount lowers the cost to 21.6 cents. Divide \$7.90 by 21.6 cents and you see the discount plan works only with more than 37 minutes of calls to Montreal each month.

Many customers would be better off with basic long-distance rates than with Bell's First Rate plans, says the Public Interest Advocacy Centre. Bell gave the CRTC data from 2001 showing 7.4 per cent of customer accounts used no long distance at all and 25 per cent used less than 7.5 minutes of long-distance a month.

If you suspect you don't need a plan, call 310-BELL and ask for a comparison. What would you pay for long-distance calls in a typical month without the First Rate discount plan? Keep digging for this information.

And if you make a lot of long-distance calls, try shopping around for lower rates. You can do better than Bell's First Rate plan's cost of 8.3 cents a minute for the first hour and 10 to 20 cents a call afterward (plus the \$2.95 a month network charge).

CIBC Visa offers cardholders a free comparison-shopping program, <http://www.guaranteedproof.com>.

Based on your calling patterns each month, you get the lowest of three rates — that charged by your local phone company, Sprint Canada Inc. and Primus Telecommunications Canada Inc. — plus an additional 10 per cent off.

This is an attractive program (and some energy utilities offer it as well), but you're limited to three large long-distance carriers.

Also take a look at a new Canadian Web site, at <http://www.telecomparisons.com>, where you can get three to four dozen long-distance rates.

You start by estimating your monthly usage. How many calls do you make in Canada, the United States and overseas and what's the average length of calls? How many calls are on weekdays versus weeknights and weekends? Where do you call most outside Canada and the U.S.?

I did a sample search, saying I made 10 calls a month in Canada (9 minutes each), four calls to the U.S. (also 9 minutes each) and two calls overseas (6 minutes each).

I also called the United Kingdom most and made half my calls on weekdays.

Telecomparisons gave me 35 quotes, starting from \$6.76 a month with Goldline and \$7.38 with Yak. Bell's First Rate overseas plan was \$18.48 a month and First Rate 24 hours plan was \$30.58. (All quotes exclude taxes.)

As well as an estimated monthly cost, I was also given the per-call rate (4.9 cents with Goldline and 5 cents with Yak for calls any time to Canada and the U.S.), plus details on each company.

Telecomparisons tracks eight or nine long-distance providers, each with four or five long-distance plans. It makes money by helping you switch, hence the persistent pop-up box asking why you didn't sign up for long distance today.

The same company runs the Energyshop.com Web site, which helps you compare home heating plans.

"Telephone rates are way more complicated than energy rates and we didn't know that when we got into it," says partner Ian MacLellan.

The Web site doesn't include long-distance telephone cards sold at corner stores. Nor does it list the "dial around" or 10-10 plans, where you put in a series of numbers to get routed to a different carrier but still get billed by your local telephone company.

Next week, we keep talking about telephones and try to compare cellular rates.

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*Ellen Roseman's Money 201 column appears Sunday. You can reach her by writing Business, The Toronto Star, One Yonge St., Toronto M5E 1E6 or at 416-865-3630 by fax or at [erosema@thestar.ca](mailto:erosema@thestar.ca) by e-mail.*

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