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## Prepaid cards could answer long-distance prayers

(<http://www.dailysouthtown.com/business/405718,301BIZ5.article>)

May 30, 2007

By David Kolata

One of the great absurdities of the telephone industry (anybody who pays a phone bill knows there are more than a few) is that calling a friend 20 miles away can be more expensive than calling California, or even overseas.

Here's the good news: A prepaid calling card -- found on the Internet and at retailers such as Sam's Club and Walgreens -- can be the perfect replacement for pricey per-minute plans with fat monthly fees.

With prepaid cards, you buy a certain amount of calling time and then have to dial extra numbers to make long-distance calls. (If your phone has a speed-dial function, just program those extra numbers into it.) When the time runs out, the card has to be "recharged" with more minutes. These cards are completely different from the ones that bill later and usually have outrageously high rates. With prepaid cards, there's no bill afterwards.

CUB has been conducting free phone bill analyses for the past several years -- The Daily Southtown co-sponsored one of them in April -- and we've found plenty of people paying too much for long-distance service they hardly use. It's not uncommon to find people paying \$10 or \$15 a month, even though they make no or very few long-distance calls.

That's because most plans charge a flat monthly fee --sometimes as high as \$8.95 a month -- before you even make a single call. Then there are all the taxes and surcharges, which you also pay regardless of whether you make any calls. By the time you add it all up, the advertised rate of 5 or 7 cents a minute skyrockets, unless you're making a huge number of calls.

Another thing to remember is that long-distance service is not mandatory. With a prepaid card, you can drop regular long-distance service, avoid the monthly fees, and find a per-minute rate of 4 cents or less. In addition to long-distance calls to other parts of the state or country, prepaid cards can be great for the 16 cents per minute "local toll calls"-- defined by AT&T as a call roughly 15 miles or more away but still in a person's local calling area.

Like anything else, it's "buyer beware" in the long-distance market, so read the fine print to avoid prepaid rip-offs. Watch for restrictions like an expiration date or no in-state calls. Also, hidden "maintenance" fees and "recharge" fees (for adding minutes) will boost the advertised rate. (In the case of the recharge fee, just buy another card instead of refilling the old one.) And some cards will advertise a low rate if the buyer dials a certain "local access number" but charge a higher rate on an easier-to-find toll-free number that comes with the card.

The bottom line is you should never pay more than a nickel per minute for long-distance service. In fact, many customers can easily cut \$15 from their monthly long-distance bills. For more information about good long-distance deals, either prepaid or more traditional, check out CUB's "long-distance calculator" on the telecommunications page of [www.citizensutilityboard.org](http://www.citizensutilityboard.org). Or call our "Phone Savings Hotline" toll free at (866) 688-4282.

If you're on one of those hefty long-distance plans, don't despair. We'll put your phone bill on a diet. A prepaid card may be your best bet for shedding those unwanted costs -- and just in time for summer!

*Citizens Utility Board Executive Director David Kolata writes a consumer news column the last Wednesday of each month. To reach CUB, call (800) 669-5556 or via e-mail at [info@CitizensUtilityBoard.org](mailto:info@CitizensUtilityBoard.org).*

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