

## **An explanation of taxes and surcharges itemized on FirstDigital bills as authorized or required by the FCC, IRS, or state PSC.**

### **Federal Service Charges**

#### **Federal Subscriber Line Charge**

This charge, sometime also known as the end user common line charge, helps cover phone companies' costs to operate and maintain access to the local phone network.

\$7.50 for business line

\$6.36 for residential line

\$34.95 for multi channel circuit

#### **Federal Excise Tax**

This tax is imposed by the I.R.S. and is used for general federal revenue purposes. It is charged at 3% of standalone voice monthly recurring charges and features. It was removed from long distance charges in August 2006.

#### **Federal Universal Service Fund Tax (FUSF)**

This monthly percentage tax charged to a customer's interstate and international telecommunications services. It is a tax imposed to telecom carriers by the FCC and is used for a federal program that helps high cost rural telephone companies provide service at about the same rates as urban areas. It also helps provide phone and internet service to schools, libraries, and rural health-care facilities. The percentage changes each quarter.

#### **Access Recovery Fee**

A monthly charge designed to recover increased network costs for access circuits used to provide service to customers, including but not limited to increases due to FCC or other governmental or regulatory actions or judicial determinations made in connection with incumbent local exchange carrier charges for such circuits. The ARC is determined by applying a fixed 4% charge against invoiced monthly recurring charges.

### **Cost Recovery Fee**

This fee is an aggregated monthly percentage based charge assessed on customers' monthly recurring charges. It helps recover amounts remitted by the telecom company to support the federal Telecommunications Relay Services (TRS) for the hearing-and-speech-impaired, administration of the North American Numbering Plan (NANPA), and shared industry costs of local number portability administration (LNPA). It also helps recover telecommunications service provider fees remitted annually to the FCC. Our current rate is 3% of most monthly recurring charges.

### **Regulatory Administrative Fee**

This is a \$0.53 charge per voice channel to help recover regulatory compliance cost

## **State and City Taxes and Fees**

### **State Universal Service Support Fund (USF)**

This state fund provides subsidies to local telephone companies, usually small independent companies, to help pay the cost of providing telephone service into high cost locations such as rural areas where the number of subscribers and the cost of providing service could not be recovered without charging excessively high rates. The current rate in Utah is 1.0%.

### **Extended Area Calling Charge (EAS)**

The charge pays for the ability to make telephone calls in an area greater than that which is included in the line & dial tone charges. Telephone company's local exchange areas are often very small & do not coincide with the local "communities of interest" boundaries. If long distance toll charges were necessary for all calls outside the local exchange boundary many residents would incur toll charges to call schools, state agencies, hospitals, businesses or neighbors. The EAS provision allows telephone customers in an area to petition the state PSC to get calling privileges to additional exchanges so they can call on a local call basis. Cost is \$5.55 per line for a business and \$3.55 for residential.

## **State Telecommunications Relay Services**

This funds the Telecommunications Devices for the Deaf and Hearing Impaired (TDD) placement program within the state. The TDD provides telecommunications equipment and relay telephone service to the deaf and/or disabled customers. It is currently charged at the flat rate of \$0.10 per voice channel.

## **State 911 Surcharge**

This surcharge pays for 911 emergency services, regardless of whether a household has ever made a 911 call. It is currently charged at a flat rate of \$0.70 per voice channel.

## **Emergency Service Telephone Charge**

This charge funds the cost of establishing, installing, maintaining, and operating the State Poison Control Center. It is currently charge at the flat rate of \$0.06 per voice channel.

## **State and Local Sales Tax**

Sales tax is imposed by states, counties, cities and/or districts on the sale of various good and services. The percentage rate varies by jurisdictions.

## **Recovery of City Utility**

This fee, also known as the municipal franchise fee, is passed on to the consumer from the carrier as a percentage of certain monthly telecommunications services. It helps fund certain cities in which your service is provided to cover their costs of digging through city roads for utility purposes. The percentage rate varies by city.