

What's that charge on my phone bill?



Federal Charges

Federal Access Charges:

Also known as the Subscriber Line Charge (SLC), End User Customer Line Charge (EUCL), and Access Recovery Charge (ARC). These are FCC authorized charges for network access, interstate subscriber line charge, customer subscriber line charge, or Federal line fee. These are fees charged to subscribers and other phone companies for the use of its local network.

What is it? The charge helps pay for the operation of the local telephone network and covers costs that are not already recovered by the local phone service monthly charges. This charge was meant to keep basic local rates stable at the time of the Bell system breakup. It helps cover phone companies' fixed costs to operate and maintain the local phone network.

Who put it on my bill? United States Congress via the Federal Communications Commission (FCC) in 1983. It was part of the Bell System settlement.

What law or rule? Title 47, Code of Federal Regulations, Sections 69.104, 69.153 & 69.154.

Who gets the money? The local telephone companies.

Federal Universal Service Fund:

Also known as Federal Universal Service Fee, Universal Connectivity Charge, & Universal Service Carrier Charge.

What is it? Our nation has a policy to promote telephone service to all Americans at affordable and reasonably comparable rates. Telecommunications companies are required to pay this money toward a federal program that assists high cost rural telephone companies provide service in rural areas at about the same rates as urban areas and provides phone and internet service to schools, libraries and rural health-care facilities.

Who put it on my bill? Your long-distance carriers. The FCC requires telephone companies to pay into the Universal Service Fund, but does not require the cost to be passed on to customers but many long-distance providers do so anyway.

What law or rule? Title 47, Code of Federal Regulations, Sections 36, 54, and 69 requires long-distance carriers to participate in the federal program. The fee is charged as a percent of all federally authorized telephone charges.

Who gets the money? Schools, libraries, and health care institutions. Funds are allocated by discounts and grants. Other eligible subscribers who apply can receive discounts on services.

Local Number Portability Charge (LNP):

What is it? Phone companies have upgraded their systems so that consumers can keep the same phone number in the same area even if they switch local phone companies. It was designed to remove a major barrier to competition by assuring that all telephone companies' networks are configured so a customer changing telephone companies won't have to change telephone numbers as well. It was thought that customers would be less likely to go to a competitor if they had to go through the trouble of changing their telephone numbers.

Who put it on my bill? United States Congress via the FCC, effective February 10, 1999.

What law or rule? Title 47, Code of Federal Regulations, Section 52.33 and the Federal Telecommunications Act of 1996, Section 251 (e) (2).

Who gets the money? The local telephone companies, for the costs necessary to upgrade their network, to accommodate number portability, and to recover the recurring costs of providing portability. Local phone companies must prove that all such fees relate directly to provision of LNP.

Federal Excise Tax:

What is it? This tax was created as a luxury tax to pay for the Spanish-American War. Now, all proceeds are used for general Federal revenue purposes (Presumably, the war's paid for). It is 3% of all billed local and long distance services (except flat rate long distance services), and teletypewriter exchange services.

Who put it on my bill? United States Congress (1898). That's right **1898**.

What law or rule? Title 26, United States Code, Sections 4251 & 4253.

Who gets the money? It goes to the U.S. Treasury.

State & Local Charges

Residential / Business Line & Dial Tone:

What is it? These charges cover basic local phone service without added features such as caller ID, Directory assistance or voice mail.

Who put it on my bill? The Utah legislature, via the Utah Public Service Commission (PSC) sets the amount the local phone company can charge for local service. The amount varies by local telephone company. Some companies' rates are competitively regulated while others are capped to recover only their costs.

What law or rule? Title 54 Utah Code Annotated, Section 54-4-4 gives the Commission the authority to set rates utilities can charge for local service.

Who gets the money? The local telephone companies. These charges cover the costs of providing basic telephone service and provide investors a fair return on their investment.

Utah Universal Service Support Fund (USF):

What is it? This surcharge is used to fund the Utah Universal Public Telecommunications Service Support Fund (USF). The purpose of the USF is to preserve and promote universal service within the state by ensuring that customers have access to affordable basic telephone service. The USF provides subsidies to local telephone companies, usually small independent companies, to help pay the cost of providing telephone service into high cost locations. USF support is usually required in rural areas where the number of subscribers and the cost of providing telephone service could not be recovered without charging excessively high rates.

Who put it on my bill? The Utah legislature, via the Utah Public Service Commission (PSC)

What law or rule? Title 54 Utah Code Annotated, Section 54-8b-15; Utah PSC Administrative Rule R746-360.

Who gets the money? The local telephone companies upon application and justification of requests for USF fund assistance to the Utah PSC.

Telecommunications Relay Services:

What is it? This charge funds the Telecommunications Devices for the Deaf and Hearing Impaired (TDD) placement program. The TDD provides telecommunications equipment and relay telephone service to deaf and/or disabled customers and also provides for the placement of telecommunications devices for the deaf and hearing impaired in existing buildings and public accommodations.

Who put it on my bill? The Utah legislature via the Utah PSC.

What law or rule? Title 54 Utah Code Annotated, Section 54-8b-10.

Who gets the money? Utah State Treasury as dedicated credits to be administered by the Utah PSC to support the TDD program.

Extended Area Calling Charge (EAS):

What is it? This charge pays for the ability to make telephone calls in a wider area beyond the exchange boundaries without long distance or toll charges. Your telephone company's local exchange areas are often very small and do not coincide with the local "communities of interest" boundaries. If long-distance toll charges were necessary for all calls to numbers 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 Utah PSC to get calling privileges to additional exchanges that they can call on a local call basis. The Utah PSC allows a surcharge to be imposed on the telephone customers in the expanded local calling area to provide the revenue necessary to cover the costs of providing this service. The amount varies depending upon the local exchange in which you receive telephone service.

Who put it on my bill? The Utah PSC.

What law or rule? Utah PSC Administrative Rule R746-347.

Who gets the money? The local telephone companies.

911 Surcharge:

What is it? This charge helps pay for emergency services such as fire and rescue. The fee is assessed on behalf of the county or city where a customer lives, to pay for 911 services, regardless of whether a household has ever made a 911 call.

Who put it on my bill? The Utah legislature.

What law or rule? Title 69 Utah Code Annotated, Section 69-02, Emergency Telephone Service Law.

Who gets the money? Local County or City governments which provision 911 service.

Utah State & Local City Tax:

What is it? State and local city sales taxes are assessed upon all basic telecommunications charges.

Who put it on my bill? The Utah legislature.

What law or rule? Title 59 Utah Code Annotated, Section 59-12.

How much is it? The sales tax rate varies based upon the location (point of service), statewide sales tax rate is added to local sales tax rates to determine the sales tax rate in any specific location.

Who gets the money? Utah State Tax Commission, County and City governments.

Who put it on my bill? Your long distance company.

How much is it? It varies by company

Who gets the money? Local telephone companies.