

Understanding Your Phone Bill

A Guide to Charges and Fees on Your Telephone Bill



*The Telecommunications industry continues
to change at a rapid pace.*

*In today's competitive, market-based framework for
telecommunications services, customers have a variety
of choices for telecommunications providers, products
and services. Because providers can decide what to
offer and charge as well as how services will be billed,
understanding your phone bill is more important than
ever.*

*The Public Service Commission created this brochure to
explain many of the charges, fees and taxes you are
likely to see on your telephone bill.*

Sample Bill

**Company
Logo**

Phone number XXX-XXX-XXXX

Date

Detailed Statement of Charges

Plans and Services

	<u>Amount Billed</u>
Monthly Local Service / Calling Plan / Package	\$X.XX
Extended Area Service (EAS)	\$X.XX
Extended Community Calling (ECC)	\$X.XX
Federal Access Charge	\$X.XX
Long Distance Charges	\$X.XX
Pay-per-use Services	\$X.XX
Other Services	\$X.XX

Surcharges and Fees

Federal Universal Service Fund	\$X.XX
Wisconsin Universal Service Fund	\$X.XX
Regulatory Fee	\$X.XX
9-1-1 Emergency Service	\$X.XX
Police and Fire Protection Fee	\$X.XX

Taxes

Federal Tax	\$X.XX
Sales Tax	\$X.XX

It is important to review your bill thoroughly and understand the individual charges. Each phone company may label its charges differently. Explanations for the most common charges follow in this publication. If you have additional questions about the charges on your bill, contact your provider.

Plans & Services

Monthly Local Service is your basic local phone service rate and includes the additional features you have requested. Some plans, such as prepaid cellular service, may have no monthly charges.

Calling Plan and/or Package reflects the bundled services you have selected from your provider. These bundled services normally, but not always, include the number of local and long-distance calls included in your plan. Bundles may include services other than basic telephone service, such as calling features, internet access or TV service.

Extended Area Service (EAS) and Extended Community Calling (ECC) refer to calls made between two communities (“exchanges”). **EAS** is usually part of your local service charge. However, some companies have separate EAS charges. **ECC** affects calls to exchanges that are not EAS, but are within 15 miles of a caller's exchange. The distance is measured from the main switch in each exchange, not the location of the calling or called party. **ECC** charges are per minute and vary depending on the company.

Federal Access Charge (also called Interstate Access Charge, Customer Line Charge, Subscriber Line Charge or End User Common Line Charge) is not a government charge or tax. The Federal Communications Commission allows local telephone providers to bill this federal charge to cover a portion of the cost of allowing access to the local telephone network. Providers may not charge more than \$6.50 per month to residential and single-line business customers for this charge.

Long Distance charges reflect the long distance calls provided by your selected long distance carrier. Itemized information on each call may be included unless you subscribe to a calling plan or package (see above).

Pay-Per-Use charges for services such as operator assistance, directory assistance and automatic call-backs reflect per-use fees for those services. Some service plans may charge for all calls on a pay-per-use basis.

Other Services you subscribe to may be included on your phone bill. Examples include Call Waiting, Caller ID, Voice mail, Internet service, inside wire maintenance, texting, phone (or customer premises equipment) rental, cellular service, satellite TV and calls for services such as receiving your horoscope.

Surcharges & Fees

Federal Universal Service Fund (USF) Charge is used to help provide affordable phone services to low-income and rural customers. It also provides discounts for eligible schools, libraries and health care providers. The FCC requires telecommunication providers to contribute to the federal USF. Providers recover these costs by adding a federal USF charge to individual phone bills.

Wisconsin Universal Service Fund (USF) or Wisconsin State Surcharge primarily is used to provide phone access to low-income households, consumers with certain disabilities, and high-cost areas with significantly higher than typical retail rates. It also supports some school and library related programs. Many of these programs complement or fulfill federal USF programs or directives. Wisconsin law requires phone companies operating in the state to contribute to the state USF. Providers of local phone service recover these costs by adding a USF charge to individual phone bills. The amount of the charge varies among providers and must be identified separately on customer bills.

For more information about Wisconsin's USF program, visit the PSC's website at:

<http://psc.wi.gov/utilityInfo/tele/usf/programs/generalInfo.htm>

Regulatory and Administrative Fees are not a tax and are not required or mandated by law. The number and amount of individual fees listed on phone bills vary by provider.

9-1-1 Emergency Service or Emergency Telephone Service charge may be imposed by counties. Under state law, a county may require a monthly charge on phone bills to cover the costs of delivering 9-1-1 calls to the appropriate call center(s). The amount of this fee varies from county to county.

Police and Fire Protection Fee is mandated by state law. The 75 cent fee is a required charge on all communications service connections with an assigned telephone number. The funds collected are distributed back to local communities through the state's county and municipal aid program to help pay for these services. Individual communities and counties determine how to use the monies collected.

Taxes

Federal Tax or Federal Excise Tax applies only to local phone services regardless of the phone service provider.

State and County Sales Taxes are 5% for the state sales tax and up to an additional 0.6% for county tax. These amounts do not vary among providers as they are based on a customer's service location.

The Public Service Commission of Wisconsin is an independent state agency
that oversees more than 1,100 Wisconsin public utilities
that provide natural gas, electricity, heat, steam, water and telecommunications services.



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