

Universal Service Funds

Federal Universal Service Fund (USF) and Universal Connectivity Charge. The Federal USF 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 USF. Many phone companies charge customers for the cost of contributing to the fund and the amount of the charge depends on the company.

State Universal Service Fund. The state USF is primarily used to provide phone access to low income households, disabled consumers, and areas with very high rates. It also supports some school and library related programs. Many of these programs complement or fulfill federal USF programs or directives. State law requires most phone companies operating in the state to contribute to the state USF. Providers of local phone service that choose to increase their rates to offset part of their contribution are required to identify the charge on their customers' bills. The fees vary from company to company.

For more information on Wisconsin's USF program, visit the PSC website at:
<http://psc.wi.gov/utilityinfo/tele/usf/usf-index.htm>.

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 telecommunication services.



Public Service Commission of Wisconsin

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Telecom 10 (04/09)

Understanding Your Phone Bill

To avoid paying
unnecessary charges,
carefully review your bill



Individual charges, fees and taxes

To avoid paying unauthorized or inaccurate charges, reviewing your bill thoroughly and understanding the individual charges is important. Each phone company may label their charges differently. Explanations for the most common charges follow in this publication. Questions can also be answered by the company that billed you or by the Public Service Commission of Wisconsin (PSC) Consumer Affairs Division at:

- Toll free: 1-800-225-7729
- Madison area: 608-266-2001
- Website: <http://psc.wi.gov/consumerinfo/complaintoverview.htm>

Monthly Local Service is your basic local phone service rate and the additional features you have requested.

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.

Local Toll, Local Long Distance, or IntraLATA charges are for calls made to phone numbers outside your local calling area but within your Local Access and Transport Area (LATA). Wisconsin is divided into four LATAs. You can choose your provider for intraLATA service. These rates are not regulated by the PSC.

Long Distance charges are for calls made to phone numbers outside your LATA. You can choose your provider for this service. These rates are not regulated by the PSC.

Unregulated means these services are not subject to PSC jurisdiction. Examples include long distance, Internet service, inside wire maintenance, phone rental (or customer premises equipment), and calls for services such as receiving your horoscope.

Surcharges are fees added to the standard rates. Surcharge labels and amounts often vary between companies.

Payphone Access Fees are not a tax and vary between carriers. Under federal law, payphone operators must be compensated by long-distance operators for toll-free calls made from their phones. Long distance companies can pass this charge on to their customers for calling card and operator-handled calls placed from a payphone and for calls received at your toll-free number from a payphone.

Regulatory Fees are not a tax or required and vary between carriers. There are not laws which prevent long distance companies from collecting this fee. It is not mandated by regulation.

The Subscriber Line Charge, also called the Federal Access Charge, Interstate Access Charge, or Customer Line Charge, is not a government charge or tax. The Federal Communications Commission allows local telephone companies to levy this charge to cover a portion of the cost of providing access. Companies opting to add this to customer bills may not charge more than \$6.50 per month for residential and single-line business customers.

9-1-1 Emergency Service, or Emergency Telephone Service. Under state law, a county may impose an approved monthly charge on phone bills to cover the costs of delivering 9-1-1 calls to the appropriate call center(s). This fee varies from county to county.

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

Sales Tax is 5% for state tax and up to 0.6% for county tax and does not vary between companies.