



CONSUMER INFORMATION

TELEPHONE BILL CHARGES

Basic Residential Service—The monthly rate charged by companies to provide telecommunications service to a residence (home or apartment) within their local calling area.

Extended Area Service—A monthly flat fee charged by telecommunications companies that allows users to place an unlimited number of calls to or receive calls from nearby communities with no additional charges.

Number Portability Charge—A charge set by the Federal Communications Commission (FCC) to recover costs associated with allowing customers to retain their telephone number when changing from one local company to another.

Federal Subscriber Line Charge—A charge set by the FCC that customers pay to their local phone company to cover part of the cost of connecting customers to the telephone network. It is currently capped at \$6.50 per month for the first residential line and single business lines. The monthly charge can vary by company.

Telecommunications Relay Service Surcharge—A surcharge set by the Nebraska Public Service Commission (NPSC) to operate the statewide telecommunications system for the hearing and speech impaired. The program also provides financial aid to eligible Nebraskan's for the purchase of specialized telephone equipment necessary to use relay services. Equipment program beneficiaries may apply for equipment vouchers no more than once every five years. The charge is reviewed annually by the NPSC and is currently \$.03 per/month per telephone number in service.

911 Service Surcharge—A charge assessed by and remitted to the city or county to provide funding to operate emergency service centers. Typically this charge ranges from \$.50 to \$1.00 per month per telephone number.

Wireless E911 Surcharge—A charge assessed by the state and remitted to the NPSC to fund the implementation of the Wireless E911 program which allows emergency responders to accurately locate wireless devices that have placed 911 calls. Currently the charge is \$.50 per month on each telephone number in service.

Nebraska Universal Service Surcharge—A surcharge set by the NPSC on in-state telecommunications charges. It is disbursed to local phone companies, wireless companies, and Nebraska hospitals to defray a portion of the cost of providing services in high-cost areas, to low-income customers, and to critical access hospitals which provide medical services over the statewide Nebraska Tele-Health Network. The charge has not exceeded the current level (6.95%) since it was established in 1999.

Federal Tax (Excise Tax) - A 3% tax which funds general federal government operations.

State Sales Tax—A tax assessed by and remitted to the state (currently 5.5%) on local and in-state long distance telecommunications charges. It funds general state government obligations.

City Sales Tax (if applicable) - A tax assessed by and remitted to the city to fund general municipal obligations. City sales taxes, if they exist, vary by city.

City Occupation or Franchise Tax (if applicable) - A tax assessed to telephone companies (passed on to customers) by the city for the right to do business in the community. Occupation or Franchise taxes, if they exist, vary by city.

Federal Universal Service—All telecommunications service providers must contribute to the Federal Universal Service Fund based on a percentage of their interstate end-user revenues. The fund supports the following four programs: Lifeline/Linkup, High-cost, Schools and Libraries and Rural Health Care. The rate is recalculated by the FCC quarterly, is usually passed on to consumers and varies by company.