

# UNDERSTANDING THE CHARGES ON YOUR PHONE BILL

- **Alaska Universal Fund (AUSF) – 10.0%**
  - The fund is a support mechanism designed to compensate the Local Exchange Carrier from the reductions in access charge revenues and for fulfilling the Carrier of Last Resort, a telecommunications company that is required to provide service to any customer in a service area upon request even if serving the customer would not be economically viable at prevailing rates.
  - This fund also supports DEM Weighting for certain small local exchange companies with high switching costs. (Dial Equipment Minutes – A measure of switch usage)
- **Universal Access Surcharge - \$0.09 Residential/Single Business, \$0.18 Multi Business**
  - Is for Telecommunications Relay Service centers that transmit and translate calls between hearing individuals and individuals who are hearing or speech impaired.
- **Federal Excise Tax – 3%**
  - Mandated by the federal government.
- **City Sales Tax – 4%**
  - City of Adak local tax collected and sent to the city.
- **Regulatory Cost Charges – 1.796%**
  - Charge to fund the Regulatory Commission of Alaska.
- **Network Access Fee - \$5.75**
  - All local telephone service providers must charge the NAF. Recovers a portion of the cost of the “local loop” (i.e. the wires and associated local network facilities that connect a customer to a local telephone service providers central office switch)
- **Subscriber Line Charge - \$6.50 Res/Single Business, \$9.20 Multi Business**
  - Authorized by the FCC, this flat monthly charge allows local telephone service providers to be compensated for a portion of the costs associated with the installation and maintenance of the telephone wires, poles and other facilities that link homes to the telephone network.
- **Access Recovery Charge - \$3.00 Single Business, \$3.00 Multi Business**
  - Enables the telephone company to recover from end user customers a limited portion of revenues lost due to FCC mandated reductions in intercarrier payments.
- **Local Monthly Service**
  - This is a flat monthly charge which customers pay for local telephone service.
  - \$40.60 Residential
  - \$53.60 Single Business/Multi Business
  - \$28.60 Business Data Line