

# 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 - \$0.01 All Telephone, VOIP and Wireless Lines**

- 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 – 1.223%**

- 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.
- \$38.94 Residential
- \$53.60 Single Business/Multi Business
- \$28.60 Business Data Line