

## **Federal and State Fees, Taxes, and Surcharges**

### **Network Access Charge**

A flat monthly charge established by the Federal Communications Commission (FCC) accessed directly to customers to help local telephone companies recover some of their costs in constructing and maintaining the local network. The Network Access Charge is part of the FCC's campaign to promote competition in the US telecom industry and reflects its intent to make end-users more directly responsible for these local network costs.

### **Federal Access Recovery Charge (ARC)**

The ARC is a charge that was adopted by the FCC as a part of its reforms to inter-carrier compensation. The ARC may be billed as a separate charge or billed in combination with the SLC. The Residential and Single Line Business ARC charge are capped as of July, 2017. The Multi-Line Business ARC charge has been capped since July, 2014.

### **Federal Universal Service Charge (FUSC)**

The federal government established national programs to support universal telephone service. The federal Universal Service Fund assists with the costs of providing "affordable" services to low income individuals and to residents in rural, high-cost areas. In addition, Congress has expanded the program to help schools, libraries, and health care providers obtain advanced telecommunications services such as Internet access. All providers of telecommunications services contribute to the support of these programs. The amount of monthly FUSC on a customer's bill depends on the services ordered and the number of telephone lines they have.

### **Federal Excise Tax**

A federal tax that applies to local telephone service that is billed separately from long distance. See I.R.S. Publication 510 at [www.irs.gov](http://www.irs.gov) for more details.

### **North Carolina Telecommunications Tax**

North Carolina Sales tax imposed on telecommunications services pursuant to NC G.S 105-164.

### **North Carolina Cable TV Tax**

North Carolina Sales tax imposed on video programming services pursuant to NC G.S. 105-164.

### **E911 Charge**

A state/local government fee used to fund Public Safety Answering Points (PSAPs) for their costs in providing E911 services in their respective jurisdictions.

### **Telecommunications Relay Service Charge**

A state charge used to fund relay centers and special equipment that assists hearing and speech-impaired customers communicate over the national telecom network pursuant to NC G.S. 62-157.