

FEES, TAXES AND SURCHARGES DESCRIPTIONS

Administrative Recovery Fee (ARF) - The Administrative Recovery Fee allows Powernet to recover various costs of administrative support, property lease and data center expenses, and other costs incurred by Powernet. This fee is not a government mandated tax or surcharge.

Bill Rendering Fee (BRF) - The Bill Rendering Fee allows Powernet to recover costs associated with compiling customer data from the billing system to generate customer invoices. This fee is not a government mandated tax or surcharge.

Carrier Recovery Admin Fee - Fee allows Powernet to recover various carrier charges and administrative costs associated with originating and completing interstate and international calls. It is charged as a percentage of interstate and international usage charges, and any associated charges related to providing interstate service. This fee is not a government mandated tax or surcharge. This charge applies to Dedicated Toll service only.

Compliance Cost Recovery Fee - Fee allows Powernet to recover various costs of network development and maintenance, regulatory proceedings and compliance, fraud monitoring, account provisioning and other costs incurred in interstate telecommunications services. This fee is not a government mandated tax or surcharge.

Emergency 911 Fee - Charge imposed by local governments to help fund emergency 911 services such as fire and rescue. This charge applies only to localities with a 911 surcharge in effect, and is mandated by those localities.

FCC Common Carrier Fee - FCC regulatory fee to recover annual costs of its enforcement, policy and rule-making, user information, and international activities. This is collected on interstate and international usage.

Federal Excise Tax - Tax imposed on local services only. This tax is FCC mandated on all separately billed local service.

Local Number Portability Charge - FCC allows Powernet to recover certain costs to provide local residential and business customers with the ability to retain, at the same location, their existing local telephone numbers when switching from one provider to another. This is a fixed monthly charge and is not a mandated government tax.

Network Access Charge - Charge that allows Powernet to recover various carrier charges and administrative costs associated with originating and completing interstate and international calls. It is charged as a percentage of interstate and international usage charges, and any associated charges related to providing these services. This fee is not a government mandated tax or surcharge.

North American Numbering Plan (NANPA) - This fund supports numbering administration for telecommunications services from the U.S. telecommunications industry. This is collected on all basic and unlimited local services.

Paper Invoice Charge - Fee assessed for customers receiving a paper invoice.

Payment Processing Fee (PPF) - The Payment Processing Fee is a convenience fee that allows Powernet to recover various processing and administrative costs.

Reconnection Fee - Fee assessed when customers have service restored after being disconnected.

Service Line Charge/Subscriber Line Charge - Fee allowed by FCC for local telephone companies to recover a portion of the costs of completing and receiving long distance calls on their local networks. This is not a government mandated tax or surcharge.

State and Local Taxes and Fees - Various taxes and fees imposed by state, local, and municipal governments. These include but are not limited to sales tax, use tax, special sales tax, franchise tax, gross receipts tax, license tax, excise tax, communications service tax, users utility tax, city utility tax, universal service, lifeline, toll telecommunications tax, telephone relay service, business & occupation tax. Tax types and tax rates vary by jurisdiction. Please call the Tax Department for further information on specific locations.

Telecommunications Infrastructure Fee - Fee allows Powernet to recover various costs of network development and maintenance, regulatory proceedings and compliance, fraud monitoring, account provisioning and maintenance and other costs incurred. This fee is not a government mandated tax or surcharge.

Telecommunications Relay Services - The TRS supports telecommunications equipment for the hearing impaired. TRS fee is charged as a percentage of customer's interstate and international usage and varies state by state.

Universal Service Fund - The Federal Universal Service Fund recovers cost of contributions to the Universal Service Fund which supports the provision of telecommunications services to low income individuals, rural populations, schools and libraries and rural hospitals. It is calculated as a percentage of interstate and international usage, and any associated charges related to providing interstate service. This fee is imposed on interstate and international telecommunications providers and FCC allows providers to recover this fee from customers. The federal USF rate is set each quarter by the FCC.

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