

FCC and CPUC Taxes and Surcharges Descriptions

Access Recovery Charge – This charge helps recover part of the revenue lost through FCC-required reductions to access rates. Access rates are charges incurred by long distance carriers.

Federal Excise Tax – This is an excise tax administered by the Internal Revenue Service on local phone calls, but not on bundled services, cellular services or internet-based offerings like Voice over Internet Protocol (VoIP). This is a tax on local recurring and nonrecurring charges and related state surcharges.

Federal Universal Service Charge – This FCC-authorized fund provides affordable telecommunications services to low-income consumers and consumers in rural areas, as well as eligible schools, libraries, and rural healthcare providers. This is a surcharge on interstate access service charges.

California High Cost Fund A (CHCF-A) Surcharge* – This surcharge helps support basic residential service in small telephone companies where costs exceed the statewide average. This is a surcharge on local recurring and nonrecurring charges and state toll.

California High Cost Fund B (CHCF-B) Surcharge* – This surcharge extends support of basic residential service to medium and larger sized telephone companies where costs exceed the statewide average. This is a surcharge on local recurring and nonrecurring charges and state toll.

California Relay Service & Communication Device Fund Surcharge* – This fund provides telecommunication devices at no charge to certified deaf/blind individuals in California, as well as to state agencies and private organizations that provide services to people with disabilities. The fund also supports the deaf relay (operator) service. This is a surcharge on local recurring and nonrecurring charges and state toll.

California Advanced Service Fund Surcharge* – This fund provides grants to “telephone corporations” as defined under Public Utilities Code § 234. The primary purpose of the grant is to promote broadband services in un-served areas of California. This is a surcharge on local recurring and nonrecurring charges and state toll.

CPUC Reimbursement Fee – This fee funds the Commission’s regulation of telephone utilities and also finances the Commission’s annual operating budget. This is a surcharge on local recurring and nonrecurring charges and state toll.

California Teleconnect Fund Surcharge* – This fund provides grants to “telephone corporations” as defined under Public Utilities Code § 234. The primary purpose of the

grant is to promote broadband services in un-served areas of California. This is a surcharge on local recurring and nonrecurring charges and state toll.

Universal Lifeline Telephone Service (ULTS) Surcharge* – This is a mandated surcharge on recurring and non-recurring charges on intrastate calls to subsidize telephone service for low income customers. This is a surcharge on local recurring and nonrecurring charges and state toll.

911 Surcharge – This fee is imposed on intrastate telephone communication services, and is used to fund California’s “911” emergency telephone system. This is a fee for each access line subscribed.

For details about what these surcharges cover and what the current percentages are, visit <https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/telecommunications-surcharges-and-user-fees/surcharge-rates>

Note: Charges for Volcano Telephone’s service provider affiliates will appear on the Volcano Telephone bill in separate sections, where applicable.

*These Surcharges have been combined into a single Surcharge now known as the USPPP (Universal Service Public Purpose Program) Surcharge.