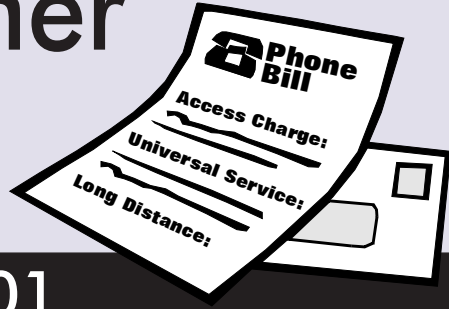




Florida Public Service Commission

Consumer Bulletin

Braulio L. Baez, Chairman



Phone Bill 101

Reading your phone bill isn't what it used to be. What once required a brief glance now demands a concerted effort to make sure everything is where it should be, the numbers add up and nothing is added on that doesn't belong. What follows is a brief guide to making sense out of your monthly phone bill. A more detailed brochure, called "Navigating Your Phone Bill," can be downloaded from the PSC's website (www.floridapsc.com).

**A residential phone bill has three components:
local service charges, long distance service charges and taxes.**

1 The local service portion may include some or all of the following:

FCC Local Number Portability Line Charge (also known as a Number Portability Surcharge or Service Provider Number Portability Fee): Local phone companies were permitted, but not required, to assess a fee to cover the costs associated with allowing consumers to retain their phone number when switching carriers. The right to charge the fee was time-limited by the Federal Communications Commission, and some consumers have seen this charge disappear from their bills.

Residential Line Charge: This is the monthly local service charge. In most cases it is a flat-rate fee, although sometimes it may appear as a flat rate plus a usage charge. This is what the local phone company is paid for providing service.

Emergency 911 Charge: This fee is assessed and paid to the city or county providing the consumer with emergency 911 service.

FCC Network Access Charge (sometimes called a Subscriber Line Charge or an Interstate Access Surcharge): The FCC allows local phone companies to be compensated for the use of their local network in completing long distance calls. This fee goes to the local companies, not to the FCC.

Telecommunications Access System Act Surcharge: This fee is used to provide telecommunications devices and relay services for Florida residents with hearing or speech impairments. By law, the money collected from this fee goes to a non-profit corporation established by law to provide devices and services to qualified individuals.

Universal Service Fund Charge: A fee used to insure affordable access to the telecommunications network for low-income consumers or those who live in areas where the cost of providing service is high. Also used to provide telecommunications access to schools and libraries and advanced services for rural health care providers.

2 Consumers may receive a separate bill from their long distance provider or may have it included with their monthly local bill. In either case, a long distance bill will normally include the following:

Long Distance Charges: Billing statements usually itemize calls, including date placed, number called and the duration of the call.

Universal Service Fund Charge: Interstate carriers are required to contribute to the federal universal service fund, as are local service providers. The FCC allows interstate carriers to pass along this charge to consumers but does not require them to do so.

Minimum Usage Charge: Some carriers charge customers a minimum monthly fee for long distance service, regardless of whether the customer actually makes calls.

Calling Plan Charges: Some consumers subscribe to calling plans that provide a range of options that meet specific customer demands. These plans vary widely in terms of what is offered and prices range from a few dollars per month to \$25 a month.

3 The third aspect of a monthly phone bill is taxes. Essentially, there are two kinds of taxes levied on a phone bill, federal and state. Congress, not the FCC, imposes a three percent tax on all telecommunications services, including local, interstate and wireless. The state adds what is called a "Communications Service Tax." There are two parts to the state tax: the "Local Communications Services Tax," which are city or local taxes, (formerly called "franchise fees"), and a "State Communications Services Tax," (which used to be called a "Gross Receipts Tax").

Braulio L. Baez is the Chairman of the Florida Public Service Commission. The PSC sets the rates regulated utility companies charge for natural gas, electric and telephone service within the state. In 36 counties, it sets the price you pay for the water you drink, if your water company is privately owned.