

Powernet Tax Rates and Surcharge Summary

Local Telecommunications Services

As of 10/01/2020

Rates are subject to Change

Taxes and Federal Surcharges

FCC Common Carrier Fee- This is an FCC regulatory fee to recover the annual costs of its enforcement, policy and rule making, user information, and international activities. This is collected at 0.321% of interstate and international usage. This rate is subject to change annually.

Federal Excise Tax (FET)- This tax is imposed on users of communications services. It is 3% of basic and unlimited local package prices.

Federal Universal Service Fund (FUSF) – The Federal Universal Service Fund recovers the cost of required contributions to 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. **The current FUSF rate is 27.1% and is subject to change quarterly.**

State Taxes and Surcharges

State and local taxes vary greatly by state and municipality. Please call the Tax Department for further information.

Other Fees and Surcharges

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. The current Administrative Recovery Fee per month is \$2.99 for Ohio residential customers, \$5.99 for non-Ohio residential, \$9.99 for Dedicated customers, and \$7.99 for all other customers. (effective September 1, 2019)

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. The Bill Rendering Fee per month is \$0.99 for residential customers, and \$2.99 for all business and wholesale customers. (effective September 1, 2019)

Carrier Recovery Admin Fee (CRAF) – The Carrier Recovery Admin 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. The current Carrier Recovery Admin rate is 3.9%.

Network Access Charge (NAC) – The Network Access Charge 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 applicable usage and associated charges. This fee is not a government mandated tax or surcharge. The current Network Access Charge is 22.4% for residential customers and 19.9% for business customers. Effective February 1, 2021, the rate will be 24.9% for residential customers in Florida, Illinois, Montana, Nebraska, New Hampshire, Pennsylvania and Texas. For residential customers in all other states, the rate will be 24.9% effective January 1, 2021. Effective February 1, 2021, the rate will be 22.6% for business customers in Florida, Illinois, Montana, Nebraska, New Hampshire, Pennsylvania and Texas. For business customers in all other states, the rate will be 22.6% effective January 1, 2021.

Payment Processing Fee (PPF) - The Payment Processing Fee is a convenience fee that allows Powernet to recover various processing and administrative costs. This fee is not a government mandated tax or surcharge. The Payment Processing Fee for Residential customers is \$1.00. The fee for all other customers is 3.5%.

Telecommunications Relay Services (TRS) – 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.