

# TAXES AND SURCHARGES

*(Note that the percentages/rates charged as taxes, fees and surcharges change. Check for the current rates.)*

## Broadcast Fees

Federal law allows local U.S. broadcast television stations (i.e. affiliates of networks such as CBS, NBC, ABC, Fox, etc.) to negotiate with cable and satellite providers in order to obtain "consent" to carry their broadcast signals (Cable Television Consumer Protection and Competition Act of 1992).

The Broadcast TV Surcharge is a pass through reflecting charges assessed to TruVista by the owners of local broadcast, or local "network-affiliated," TV stations. While broadcast stations distribute their signals over the air using free spectrum granted to them by the federal government, they charge us significant amounts to carry their TV signals. These signals were historically made available to us at no cost or low cost. However, the prices now demanded by broadcast stations have necessitated that we pass these costs on to customers.

## Federal Universal Service Charge (FUSC)

The "Federal Universal Service Charge "FUSC" is authorized by the FCC. The purpose of this charge is to help to keep phone rates affordable for all Americans, regardless of where they live. It also helps schools, libraries, and rural health care providers with Internet and communications related costs. The amount of the FUSC on your monthly bill is calculated as a percentage of the Subscriber Line Charge and interstate and international charges on your bill.

The FCC set the percentage as 12.9% for third quarter 2009. They adjust the rate on a quarterly basis.

## State Universal Service Charge

This fund was authorized by the South Carolina Legislature for purposes similar to the Federal Universal Service Fund and is calculated in a similar manner except the percentage is different (example 3.57%) and the percentage applies to local service items as well as intrastate and interstate related services.

## Telecom Relay Service

This fee funds the Federal Telecommunications Relay Services (TRS), which is required by Title IV of the Americans with Disabilities Act to help make telecommunications services available to everyone.

## How does TRS work?

TRS uses operators, called communications assistants (CAs), to facilitate telephone calls between people with hearing and speech disabilities and other individuals. A TRS call may be initiated by either a person with a hearing or speech disability, or a person without such disability. When a person with a hearing or speech disability initiates a TRS call, the person uses a teletypewriter (TTY) or other text input device to call the TRS relay center, and gives a CA the number of the party that he or she wants to call. The CA places an outbound traditional voice call to that person, then serves as a link for the call, relaying the text of the calling party in voice to the called party, and converting to text what the called party voices back to the calling party.

## FCC Regulatory Fees (Wireline and Cable)

Recovery of these fees is authorized by the FCC. These fees are charged by the Federal Communications Commission to all Telephone and Cable Television providers as a way to help offset the cost to the FCC of regulatory activities.

## Federal Excise Tax

Excise Taxes are imposed by the Internal Revenue Service and are calculated as 3% of Local Service Charges. The Excise tax imposed on toll calls was repealed by Congress in 2006, but allowed to remain on local service items.

## Access Recovery Charge

Imposed by the FCC in connection with congressionally mandated telecommunications reforms.

## E911

These fees are set by each County Government to cover the cost of providing emergency services.

## Franchise Fees (CATV)

These fees are assessed by County and City governments as a condition of allowing the use of public rights of way as a path over which to route the cables and wires necessary to provide Cable Television services.

## Sales (and Use) Tax-SC

South Carolina Sales tax is calculated as 6% of the retail price of most of the services and equipment listed on your bill. There are certain items identified in the SC Code of Regulations as exempt from sales tax such as toll charges and the Subscriber Line Charge.

## Sales (and Use) Tax-(County)

This is a 1% Sales and Use tax imposed on the same items as the SC 6% sales tax by each county who elects this option as allowed by the SC Code of Laws. All of the counties in which TruVista operates impose this tax.

## District Tax-Chester County

This is a 1% Sales and Use Tax that is assessed only on residents of Chester County. The purpose of this tax is to generate funds for capital improvements such as those announced for the Chester County Detention Center.