



## **SERVICE CHARGES**

### **Federal Subscriber Line Charge (FSLC)**

FSLC is a monthly recurring fee charged for the use of any PAETEC communications service, regardless of technology, that can be configured to allow access to the public switched telephone network, directly or indirectly. FSLC is assessed per customer line type. PAETEC's FSLC rates are set forth in PAETEC's interstate access tariff.

Rate varies by state

### **National Access Charge (NAC)**

NAC is a service charge assessed by PAETEC when PAETEC is selected as the customers' switched long distance provider. NAC is a flat-rated, monthly recurring charge that is assessed per line type.

Rate varies by line type

## **SURCHARGES**

### **911 Surcharge**

The 911 surcharge is assessed on all local customers and is billed on a per line basis. The monies collected from this surcharge are remitted back to the state/county for use in funding the 911 or Enhanced 911 (E911) Emergency Systems.

Rate varies by state and/or county

### **Local Number Portability (LNP) Surcharge**

LNP is a service that allows customers to keep their telephone number if they switch from one local telephone company to another. The LNP surcharge is a per-line charge assessed on the end user to assist in recovering PAETEC's cost of configuring and maintaining its network to provide this service.

Rate varies by state

### **Right of Way (ROW) Surcharge**

The ROW surcharge is a per line surcharge used to recover the cost to PAETEC to rent the use of public space necessary to provide service to customers.

Rate varies by municipality



### **Regulatory Assessment Surcharge (RAS)**

As a telecommunications company, PAETEC must make various payments to local, state, and federal departments and agencies, including, but not limited to, administration fees, inspection and supervision fees, and general public utility commission assessments. RAS is designed to help PAETEC recover the cost of these payments. PAETEC assesses RAS on end-user customers based on the individual customer's respective interstate and international services invoiced.

Current Rate = 3.75 %

### **State Universal Service Fund (USF) Surcharge**

The State USF surcharge is used to ensure basic telephone service is available at reasonable and affordable rates for all people in the customer's state. The surcharge is assessed as a percentage on intrastate revenue or as a per line rate, depending on the state.

Rate varies by state

### **Telecommunications Relay Service (TRS) Surcharge**

TRS is a per line surcharge on end-users by PAETEC as their local telecommunications carrier. This surcharge is remitted to state agencies and goes toward funding teletype services and telecommunications equipment that make it possible for people with speech or hearing impairments to communicate with others.

Rate varies by state and/or county

### **Federal Universal Service Fund (USF)**

The federal USF is a program that subsidizes telecommunications services for customers living in rural, underdeveloped, or other areas where the cost of providing telephone service is relatively high. Federal USF is also used to subsidize telecommunications services to schools, libraries, and rural health care providers. The federal government assesses PAETEC for USF on a percentage of PAETEC's interstate and international end-user revenue. The percentage may vary by calendar quarter. As permitted by applicable law, PAETEC assesses the PAETEC end-user customers this same charge based on the individual customer's respective interstate and international services invoiced.

4<sup>th</sup> Quarter 2011 Rate = 15.3%

1<sup>st</sup> Quarter 2012 Rate = 17.9%