

2011 Telecom



Tea Party

Who even reads their telecom bills?

They are complicated, diversionary, senseless, and full of useless information.

Yet, we all receive them for valid services we still must have to run a hotel. For the sake of this article a telecom bill is defined as any billing for voice and/or data services (i.e., analog lines, T1, Internet). Why is the bill so crazy and what does all this information mean? Like the great King George leveled unnecessary taxes, so do modern voice and data carriers which means it's time for a tea party.

Before we start it is important you have the following tools at your disposal; a ruler, an abacus, a Chinese translator app, three unsharpened pencils, a glass of wine (substitute your drink of choice), and four Advil. The Advil is a grey area depending on your tolerance for fine print. Our task is figuring out what the fine print means, what are we actually being charged for, and what is the relevance. Remember when you had to teach your

parents how to turn on the computer (and why they would want to turn it on), in this article you are my parents. Please don't take offense as it's important to know that my kids text me BRB, GTG,

TTYL, SMH, and ROTFL which takes me much longer to look up than it would have taken for them to just type out what they meant. (Actual definitions for the above have different interpretations so just smile and nod. That's what I do).

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As we go through the bill you should know that every carrier makes up their own language. Likewise, the FCC makes up their own language as well. There is no app on the market for telecom language but the closest language in terms of complication is Chinese. Keep your Chinese language translator app handy as we start this process.

FEDERAL SUBSCRIBER LINE CHARGE (FSLC)

— Don't be fooled by the word federal, this is an optional tax which means every carrier opts to charge it. Side note: in the telecom industry all carriers take full advantage of loop holes to charge above and beyond your contracted rate. The point of this tax is to cover the cost to provide local service and to access the network. It is nice to know that while the charge is up to each carrier, the FCC has capped the maximum charge. No carriers offer a discount below the cap. This surcharge charge goes by a variety of names, here are a few of our favorites with my definition:

FCC Approved Customer Line Charge—does FCC approval give you validation?

Subscriber Line Charge—this is the save ink version of above

SLC—this is the save ink most generic no explanation of the one above
Interstate Access Charge— now roads are involved?

911 TAX. We need 911. It's a part of our social fabric in 2011. This charge was originated to help pay for the network. Now most counties supplement from additional local resources and most counties now charge if they actually respond to a 911 call. Good news, your tax is the lowest of all the revenue streams.

LOCAL NUMBER PORTABILITY

A classic American story. The AT&T monopoly gets broken up because having only one provider of phone service isn't basic economic competition, the foundation for which this country was built. In breaking up Ma Bell it is decided that the customer owns the physical number, not the car-

rier. You have the right to take that number with you if you change carriers. The result, the FCC allows the carrier to charge you for the right for you to own your phone number. Huh? If this makes sense to you, please email me at swamplandinflorida@sucker.biz This money is kept by the carrier, no fees are paid to the FCC or any other government agency for this surcharge. To summarize, break up Ma Bell, allow competition, allow competition to charge you additional fee to have competition.

PICC FEE (a.k.a. long distance access). I have two 20 something year olds in my office that have never dialed long distance. I referred to the 1010 commercials made famous by John Lithgow one day and received blank stares in return (ouch, feeling old). I realized that this generation doesn't know the term long distance since

they've always dialed 10 digits. If you think about it, they probably don't even dial anymore they just text to another 10 digit account in the cloud. Having said that, carriers still charge a surcharge (not a tax) for the right to access long distance. Funny, this gets better. The tax was implemented in 1998 when long distance was a big deal and local carriers were losing long distance revenue to long distance only carriers. The local carrier wanted compensated for the cost to provide the local line (which they already charged the end user for). The FCC decided that long distance carriers should pay a fee to the local carrier BUT they had the right to mark up that fee to the end user. What do you think the carrier choose to do? In 2000 the FCC decided that long distance carriers no longer had to compensate the local carrier. Hmmm, anyone see the PICC charge disap-

pear from their bill? Probably not because the FCC didn't say the carriers could no longer charge the fee, just that they didn't have to pay the local carrier the fee. They were free to keep the proceeds. Take your three unsharpened pencils and break them in half. It's a great stress reliever and there is no surcharge for doing so.

UNIVERSAL SERVICE FUND - Commonly referred to as USF this tax went into place as part of the Telecom Act of 1996 (so very long ago) with the purpose that we all share in the cost to bring infrastructure (phone service) to:

- >>High cost areas - also known as places located in the middle of nowhere (BFE)
- >>Low income - Everyone has the distinct right to call Grandma
- >> Rural healthcare - how else can we afford medical help in rural areas?
- >> Schools and libraries - if the school or library can't afford it, the government can help.

The intention of USF is noble. But like most of the surcharges or taxes above, they are out of date. To keep the term "out of date" in perspective it's important to note that in 2005 Congress repealed the 3 percent Federal Excise Tax on all telecommunications that was established in 1898 to fund the Spanish American War. Yes, you read that correctly. Congress charged

a tax for 107 years for a war it took four months (approximately) to win. The tax even had a provision that it should be removed immediately once all the costs for the war were repaid.

ACCESS RECOVERY FEE - Like any good novel the plot always thickens and leaves you with the best for last. The access recovery fee also goes by the underground name "I hope you don't read your bill closely sucker." In the telecom world it is widely practiced that the customer's bill is where you can make your dreams come true. That is if you work on the high floors for the carrier. In this case, if you have to answer to stock holders and your revenue is down or below expectations, add a fee to make up the difference. While the other fees are hidden in the shroud of good lobbyists in Washington, D.C., this fee is just plain robbery. Carriers feel the bill is so complicated and there are so many taxes and surcharges that adding an additional surcharge will go unchallenged and for the most part, it has. I'm sure that if we dig through the books we would find that a portion of this fee went to feed the starving children in the president of the company's maid's home in some U.S. city. It may have also helped fund the club membership for one of the board members. I take solace in knowing that it did help someone, somewhere.

The ruler is to represent that you've been whipped. A ruler hurts when you get wiped but not that bad. Ask the generation before us that received a

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lashing with a belt or switch. The taxes or surcharges are bad but small in the big scale so you've not felt a significant pain.

The abacus, of course, is to try and calculate just how much you've been taken for and the wine and Advil, that's self-explanatory.

Keep in mind that much of these charges are now negotiable. If you are working on new contracts with carriers find out what the taxes and surcharges are that they specifically charge, ask for a copy of an existing bill, and negotiate the surcharges the same way you would the service you are purchasing. Don't let them take your money without saying please first. Let the tea party begin!

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In the middle of the night, Martin finally understands all of the taxes, surcharges and fees on his property's telecom bill, and it hits him where revolutions come from.