

Telephone Industry Terms for Business Customers

Telecommunications services are vital for small businesses to communicate and interact with customers and business vendors. As the telecommunications industry continues to grow and expand, there has been confusion over the changing terms and charges on telephone bills. Reading and understanding your telephone bill is important to ensure that you are paying the correct amount for the services you signed up to receive. Here are a few commonly used terms to help you understand your telephone bill.

- *9-1-1 Charge* – This charge maintains the lines and databases for 9-1-1 emergency services.
- *Area Code Overlay* – A new area code that is “overlaid” into a pre-existing area code, most often serving the identical geographic area. The benefit of an overlay is that existing customers retain their existing area codes. The “overlay” area code is used for new customers and lines. An overlay requires all customers, including those with telephone numbers in the pre-existing area code, to dial area codes for all calls including local and long distance.
- *Basic Local Exchange Service* – This charge is for basic dialtone service provided over a primary access line of service which is not part of a bundle or package of services. Regulated telephone companies are only required to tariff Basic Local Exchange Service over the primary access line for small business customers with three lines or less.
- *Competitive Local Exchange Carrier (CLEC)* – A local telephone company that competes with the incumbent local exchange carrier for the local telephone customers.
- *Federal Communications Commission (FCC)* – An independent U.S. government agency that regulates interstate and international communications concerning telephone, cellular phone, television and cable, satellite, radio, and the Internet.
- *Federal Subscriber Line Charge* – A charge mandated by the Federal Communications Commission that helps cover the fixed cost of the local phone network, including the lines and equipment from the central office to the customer. This is a per-line charge and the FCC caps the maximum price a company may charge. Customers with multiple lines may pay a higher subscriber line charge.
- *Incumbent Local Exchange Carrier (ILEC)* – The “traditional” local telephone company in a geographic region.
- *Local Number Portability (LNP)* – A procedure that allows customers to keep their telephone number when they switch local telephone companies.
- *Local Number Portability Charge*- This charge allows telephone companies to recover certain costs for providing residential and business customers the ability to keep their existing telephone numbers when they switch from one local telephone service provider to another. This is a fixed monthly charge, not a tax.

- *National “Do-Not-Call” Registry* – A list maintained by the FCC that allows consumers to have their telephone number removed from databases used by telemarketers.
- *Public Switched Telephone Network (PSTN)* – The traditional, centrally-switched telephone network.
- *State and Local Municipal Tax* – A charge placed by state, local, and municipal governments on goods and services.
- *State Subscriber Line Charge* – A charge that helps maintain the local phone network. It may also appear as “Intrastate Access Fee” or “Access Recovery Charge.” Not all local companies have this charge on the bill.
- *Universal Service Fund (USF)/Universal Connectivity Fee* – This federal fee helps make phone service affordable and available to all Americans, including consumers with low incomes those living in areas where the cost of telephone service is high, and organizations such as school, libraries, and rural health care providers.
- *Voice over Internet Protocol (VoIP)* – The use of the Internet Protocol to transmit and switch voice messages which have been converted to data. VoIP may include the use of the Internet, private networks, and/or the Public Switched Telephone Network to carry or complete calls.
- *Wireless Local Number Portability (WLNP)* – Local Number Portability applied to and between wireless carriers and between wireless and traditional or competitive telephone carriers.

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