

SERVICE CHARGES

Federal Subscriber Line Charge (FSLC)

FSLC is a per line service charged to certain MASS customers so they may use the MASS network to access interexchange, or long distance, carriers or providers of the customers' choice. FSLC is flat-rated monthly recurring service charge assessed per customer line type. MASS' FSLC rates are set forth in MASS' interstate access tariff.

Rate varies by state

National Access Charge (NAC)

NAC is a service charge assessed by MASS when MASS 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 on local telephone company to another. The LNP surcharge is a per-line charge assessed on the end user to assist in recovering MASS' 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 MASS 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, MASS 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 MASS recover the cost of these payments. MASS assesses RAS on end-user customers based on the individual customer's respective interstate and international services invoiced.

Current Rate = 2.5 %

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 MASS 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 MASS for USF on a percentage of MASS' interstate and international end-user revenue. The percentage may vary by calendar quarter. As permitted by applicable law, MASS assesses the MASS end-user customers this same charge based on the individual customer's respective interstate and International services invoiced.

4th Q 2007 Rate = 11.0%

1st Q 2008 Rate = 10.2 %