

Access Recovery Charge FAQ

1. What is Access Recovery Charge?

Access Recovery Charge (ARC), allows Incumbent Local Exchange Carriers like CTC to recover a portion of the revenues lost through FCC required reductions to access rates.

2. What are access rates?

When you make a long distance call, your long distance carrier pay's CTC for originating the call. Your long distance carrier also pays the telephone company that provides local service to the person you are calling to complete the call.

3. What reductions to access rates are being made?

An FCC order was released on November 18, 2011, which required local exchange carriers to reduce the rates they charge to long distance companies to complete long distance calls.

4. Who will benefit from the change?

The access reductions will reduce the costs for long distance carriers. Access rates are one of their largest costs for access to local networks.

5. Why do I need to take the increase?

The access revenues that local exchange carriers receive from the long distance carrier's help offset the cost of providing local service. The FCC recognized that the local exchange carriers will need an additional revenue source to offset the lost revenue in access rates. The FCC determined that the customer chooses to place a long distance call and the long distance carrier; therefore the customer should pay the cost.

6. I don't make long distance calls, do I have to pay?

With the high cost of providing service to our customers, the access revenue that local exchange companies receive from long distance providers helps offset some of the high costs of offering local service. This fee will help keep the cost of local service affordable.

7. How will the ARC be applied?

The charge will be applied in the same manner as the SLC (Service Line Charge). It will have a monthly cap.

8. Is the charge optional?

No, the ARC is not an optional charge and cannot be adjusted or removed from your bill.

9. Can I complain to the state commission about the charge?

Since the FCC authorized carriers like CTC to assess the ARC, the state commission has no authority to change it. The appropriate body to direct regulatory concerns to is the FCC.

10. How much is the ARC?

\$.50 per line per month for residential and single line business customers and \$1.00 per line per month for multi-line business customers.

11. Why don't all phone providers charge an ARC?

The FCC's order provided that only incumbent local exchange carriers may recover a portion of the lost revenue. We expect that other companies will recover lost revenue through other price increases.