



## **Taxes and Surcharges**

The rates and charges for services provided by Atron Solutions, LLC (Atron) are exclusive of the charges described below. These charges do not count toward the attainment of any volume or revenue commitment and will not be discounted or credited in any way.

Below are descriptions of most of the charges that could appear on any invoice. These charges may or may not apply depending on the type of service you subscribe to. There may be also be other charges on your invoice that are not described below. Any questions should be directed to [questions@atronsolutions.com](mailto:questions@atronsolutions.com).

In general, charges appearing on invoices as “Taxes” or “Surcharges” represent: (1) taxes imposed by governmental or quasi-governmental agencies that Atron is required to collect on its services; (2) fees imposed by governmental or quasi-governmental agencies that Atron may or may not be required to pass through to customers; and/or (3) non-tax surcharges to assist Atron in offsetting certain fees, taxes and assessments imposed by Atron’s underlying suppliers.

### **Sales Tax**

Sales tax is a tax imposed by nearly all states, counties, cities and districts, on the sale of various goods and services for use or consumption. The applicability of the tax, as well as the rates, varies by each jurisdiction’s constitutional provisions, and some services may be exempt from state and local sales taxes pursuant to federal law.

### **Federal Universal Service Fund**

The Telecommunications Act of 1996 requires Atron to contribute to the Federal Universal Service Fund (“FUSF”). The FUSF helps to make phone service affordable and available to all Americans, including consumers with low incomes; those living in areas where the cost of providing telephone service is high; public schools and libraries; and rural healthcare providers. The Federal Communications Commission (“FCC”) delegates the administration of the FUSF to the Universal Service Administrative Company (“USAC”). Each quarter, the FCC adopts a “contribution factor” for FUSF support. The contribution factor is a percentage of the total interstate and international end-user telecommunications and Interconnected VoIP (“I-VoIP”) revenue that each carrier is responsible for contributing to the FUSF. As permitted by FCC regulations, Atron has opted to bill the FUSF surcharge as a separate line item to end-user customers. Consistent with such regulations, Atron only bills FUSF line item charges in an amount equal to the quarterly contribution factor currently in effect multiplied by the invoiced amount subject to the FUSF. This is a permissible pass-through surcharge but is not a tax or charge mandated by the government.

Please visit USAC's Website for more information on the FUSF. <https://www.usac.org/service-providers/making-payments/contribution-factors/>

### Carrier Recovery Surcharge

Atron will charge a % fee in conjunction with various governmental taxes and surcharges, levies and administrative costs that Atron incurs, either directly or indirectly, in procuring service for customers. This fee is designed, in part, to simplify the charges appearing on an invoice. This is a blended fee that will not be itemized. Atron has designed the fee to be reasonable and believes it is lower than many in the industry. The Fee appears as a Carrier Recovery Surcharge under each specific service line item on the customer invoices and applies to all services. The fee is consistent with Atron's customer agreements and is standard in the industry. The fee is not a tax, so it is therefore not subject to tax exemption. Some of the charges that are included in the blended fee are as follows:

- Administrative Cost Recovery Fee
- Cost Recovery Fee
- Property Tax Surcharge
- Franchise Cost Recovery
- FARF
- Universal Cost Recovery

### Administrative Cost Recovery Fee

This is a fee that allows Atron to recover the costs associated with the collection, processing and payment of any tax, fee or surcharge imposed upon Atron or that Atron must and/or does collect on customer invoices which it must then remit to the applicable tax jurisdiction or regulatory body. This includes Atron's internal costs associated with compliance with any regulatory agency.

### Cost Recovery Fee

This is a fee that allows Atron to recover regulatory fees and expenses incurred by Atron, such as FCC regulatory fees to fund various federally mandated programs, (PUC) fees, various state business licenses, and various state annual regulatory fees not otherwise provided in other line items or surcharges.

### Property Tax Recovery Charge

This is a charge that allows Atron to recover a portion of the property tax it pays to state and local jurisdictions.

### Franchise Fee

The municipal franchise fee is also often referred to as a "right-of-way" fee. It is a monthly charge imposed by local jurisdictions to help recover the costs associated with providing telephone service, to include installation of underground conduit, outside telephone wires, and telephone poles. This fee varies by location and is often based upon an agreement between the local jurisdiction and Atron and/or its suppliers or upon local or state law.

### Federal Access Recovery Fee

The Federal Access Recovery Fee (FARF) is a charge designed to recover, in part, Atron's costs of purchasing local access service from LECs, which include regulatory fees that LECs assess on or pass through to Atron.

### Universal Cost Recovery

Designed to recover access-related costs and municipality costs that cannot be recovered in a traditional line-item, per circuit/per service basis including increases due to FCC or other governmental or regulatory actions or judicial determinations made in connection with incumbent local exchange carrier charges for such circuits.

**TAX EXEMPTIONS/DISCLAIMER/RESERVATION OF RIGHTS:** Many of the fees and surcharges listed above are NOT taxes and therefore are not subject to nor eligible for tax exemption. To the extent a customer provides Atron a duly authorized tax exemption certificate, Atron will exempt such customer as of the date the certificate is received. No retroactive exemption or refund will be allowed. Customers qualifying for tax exemption will be required to show collection and remittance of such taxes to Atron as required by Atron in its sole discretion. If Atron collects a tax and such tax or the collection thereof is found to be invalid or unenforceable, and solely if Status retained such amount or such amounts were returned to Atron by the taxing jurisdiction, in its sole discretion Atron may reduce future rates in order to offset such amounts collected, may grant credits on future invoices or may refund such amounts. If such amounts are retained by the taxing jurisdiction Atron may, but is under no obligation to, use commercially reasonable efforts to obtain a resolution to customers in that jurisdiction. Atron reserves the right to collect taxes retroactively in its sole discretion. Atron reserves the right to review and update this document periodically and customer is bound by the then current document at all times, not the document active at the effective time of its contract with Atron. Any disputes related to the taxes, fees and/or surcharges set forth above or anything contained in this document are specifically subject to the arbitration provisions contained in the terms and conditions of any applicable Atron service agreement.