

# Understanding Your Phone Bill



The FCC deals with tens of thousands of complaints about phone billing issues each year. To avoid surprises, get to know your phone bill better, know your rights and learn what you can do if you encounter a billing problem.

## ABOUT THE ISSUE

### Frequent billing issues

Have you ever encountered a phone bill substantially higher than expected? More than one-in-four smartphone owners say they have. Billing is one of the top complaints we hear about at the FCC.

We recommend carefully monitoring your wireless and wireline phone bills to watch for overbilling. To help, you should familiarize yourself with some of the charges you're likely to see, such as:

### Access charges

Local telephone companies may bill customers for some of the cost of providing access to its local network. Additional lines may be called a "Subscriber Line Charge" or "Federal Access Charge." These charges are not a government charge or tax, though the FCC sets maximum allowable access charges.

### Universal Service Fund

This covers the provider's contribution to the fund that helps people, schools, libraries and health-care facilities in rural and high-cost areas get access telecommunications services at reasonable rates. You cannot be billed for an amount that exceeds the percentage your phone company contributes to USF.

### Federal, state and local taxes

The 3 percent federal excise tax only applies to local service billed separately from long distance service.

Taxes imposed by the state, local and municipal governments on goods and services that may also appear as "gross receipts" on your bill.

### Other recurring charges

- **911** – To help local governments pay for emergency services.
- **Local Number Portability** – For retaining your current local telephone numbers when switching from one service provider to another at the same location.
- **Telecommunications Relay Service** – To help pay for relay services that transmit and translate calls for people with hearing or speech disabilities.
- **Directory Assistance** – For placing 411 or (area code) 555-1212 directory assistance calls.
- **Monthly Calling Plan Charge** – Applicable to any monthly calling plan, including unlimited long distance and unlimited minutes.
- **Features Charges** – For services such as call forwarding, three-way calling, call waiting voice mail and Caller ID.

## WHAT THE FCC IS DOING

### Truth-in-billing rules

The FCC's Truth-in-Billing rules require service providers to:

- Provide clear, non-misleading descriptions of the services for which you are being billed.
- Identify the service provider associated with each charge.
- Distinguish between charges for which non-payment will result in disconnection of basic local service, and charges for which non-payment will not result in disconnection.
- Display on each bill one or more toll-free numbers that you can call to ask about or dispute any charge.

### Action on phone bill cramming

Cramming is the illegal act of placing unauthorized charges on your wireline, wireless, or bundled services telephone bill.

When FCC telephone billing rules have been broken, the agency has pursued significant punishments for service providers found guilty of violations. For example, we recently worked with the Consumer Financial Protection Bureau, the Federal Trade Commission and states' attorneys general on major fines and settlements with the country's four largest wireless companies for billing customers millions of dollars in unauthorized third-party premium text messaging services.

Learn more at [fcc.gov/cramming](http://fcc.gov/cramming).

## WHAT YOU CAN DO

### Try to resolve billing issues with your service provider first

You should try to resolve billing problems and questions with your service provider before following up with the FCC.

Your phone company or billing company is required to include a toll-free number you can call if you have questions or complaints about your bill.

If you are unable to get the clarification or assistance you need from your service provider, you may file a complaint with the FCC, the FTC or your state Public Utility Commission, depending on your complaint type.

### Be a careful consumer

- Get to know your bill line-by-line.
- Learn more about cramming and other billing scams at the FCC's Consumer Help Center at [fcc.gov/consumers](http://fcc.gov/consumers).

### File a complaint with the FCC

The best way to register a complaint with the FCC is on our website at [consumercomplaints.fcc.gov](http://consumercomplaints.fcc.gov), or call us toll-free: 1-888-CALL-FCC (1-888-225-5322).

### File a complaint with the FTC

Contact the Federal Trade Commission about charges on your telephone bill for non-telephone services. File a complaint online at [ftccomplaintassistant.gov](http://ftccomplaintassistant.gov), or call toll-free: 1-877-382-4357.

### Contact your state PUC

You can find contact information for your state public service commission for telephone services within your state can be found at [naruc.org/](http://naruc.org/) or in the blue pages or government section of your local telephone directory.