



FAQs: Universal Service Fund (USF) fees

Q: What is the Universal Service Fund?

A: The Universal Service Fund (USF) was created by Congress in 1997 to ensure all Americans have access to telephone service, and the law was later amended to cover basic broadband internet service. The Federal Communications Commission (FCC) levies a fee against all customers receiving eligible services. The money collected is used to support: (i) the high-cost fund subsidizing rural service; (ii) the Lifeline program subsidizing service for low-income Americans; (iii) the Rural Health program subsidizing access to telehealth technology; and (iv) the E-Rate program subsidizing access for schools and libraries.

Q: How does the USF impact my organization?

A: The FCC determines amount of money required to be collected to support the USF programs. That number is revised every calendar quarter. As of November 2025, the levy on eligible services is **38.1%**. DQE is required to pay that money to the USF. The fee is assessed on certain services provided by DQE which are used (or can be used) for **interstate communications**. The eligible services provided by DQE include voice services (sometimes known as “voice over IP” or “VoIP” services), wireless failover services, and ethernet services. However, ethernet services are considered to be exempt from USF fees if the customer using the service can certify that it is primarily used for **intrastate communications**. A copy of the Certification Form is available from DQE. DQE must assess the USF fee against all eligible services unless and until we receive an exemption Certification Form.

Q: What do “interstate” and “intrastate” mean?

A: Under the FCC’s rules, an interstate circuit is a circuit that (1) crosses a state line **or** (2) carries more than 10% interstate traffic. Interstate traffic includes traffic bound for the internet. An intrastate circuit is a circuit that has physical end points within the boundaries of a single state **and** carries 10% or less interstate traffic (including internet traffic). If more than 10% of the traffic carried on a circuit is interstate, then DQE must treat 100% of monthly fees paid for that circuit as interstate and subject to USF fees.

Q: What types of traffic are considered “interstate”?

A: Interstate traffic is traffic that crosses state lines or international boundaries (including all internet traffic). In contrast, traffic that stays entirely within a network (such as e-mail, file sharing, accessing content stored locally, etc.) could be considered intrastate if all physical end points of the network are within a single state.

Q: How could my services be interstate if DQE only provides my organization services at locations within a single state?

A: Determining whether a circuit is interstate or intrastate requires looking at the ultimate starting and ending points of the traffic traversing the circuit, not just the physical end points of the circuit you are purchasing. For

example, if the circuit you purchase connects to any other service that could send traffic on the DQE-provided circuit to the internet or another state, the traffic that goes to the internet or ultimately to a location in another state is interstate traffic. DQE does not know what traffic your organization sends over the circuit. A circuit with both end points in a single state must still be treated as an interstate circuit if it carries more than 10% interstate (including internet) traffic. In other words, the physical end points of the facilities over which a service is provided do not exclusively determine that the circuit is intrastate and further investigation on the nature of traffic is required to properly categorize the circuit for purposes of USF assessments.

Q: My organization only uses 9% of our Wide Area Network (“WAN”) for internet traffic, and the rest of the use is for intra-corporate business within a state (e.g., e-mails, file sharing, accessing locally stored content). How should we certify?

A: In this scenario, you could certify that less than 10% of the WAN is being used for interstate traffic.

Q: How often will we need to complete this certification?

A: Once your organization has completed the certification, you will not need to complete another one unless (1) you order a new circuit or (2) you become aware of facts that indicate your prior certification is no longer correct. If you order a new circuit, you must provide DQE with a jurisdictional use certificate specific to that circuit in order for that circuit to be exempt from USF fees. To the extent you become aware that your use of the circuit has changed such that the circuit should be treated as interstate, please inform us as promptly as practicable to ensure compliance with the FCC’s USF assessment requirements. If DQE discovers that your prior certification is false, inaccurate, or erroneous, then we may bill you any applicable taxes, fees, and surcharges that were not billed based upon the prior determination of jurisdiction, plus applicable late fees.

Q: Will the FCC or another government entity contact us about our certification?

A: Typically, no. The FCC generally does not review jurisdictional use certifications provided by customers as long as the provider’s form of certification complies with the rules. DQE works closely with its regulatory counsel and advisors to ensure that its USF policies and procedures—including this form— comply with the FCC’s requirements. However, DQE may contact you for additional information in order to assist DQE in responding to an audit or other inquiry from the FCC or USF administrator about DQE’s USF assessments.

Q: What will DQE do with our certification?

A: DQE maintains these certifications for its own records for compliance with the USF requirements. DQE may provide documentation (including the customer certifications) to its outside counsel and the USF administrator or FCC upon request in an audit. However, DQE will never release your certification(s) to the public without your consent.