

Taxes, Fees & Surcharges
Bluebird Fiber and Affiliated Companies*
February 1, 2026



Bluebird Fiber's (Company) rates and charges for service are exclusive of the following taxes, fees and surcharges. These charges shall not be counted toward the attainment of any volume or revenue commitment and will not be discounted.

Taxes, fees and surcharges include, but are not limited to, the following:

- Applicable federal, state, local, and foreign sales, use, excise, utility, gross receipts and value added taxes
- Tax-like charges to recover charges the Company is required or permitted by a governmental or quasi-governmental authority to collect from others or pay to others in support of statutory or regulatory funds or programs
- All other tax-like charges that are imposed or operate like taxes, but are not directly referred to as taxes
- A tax-related surcharge or other surcharge to recover a tax or fee imposed in a jurisdiction which levies, or asserts a claim of right to levy:
 - A gross receipts tax, a license tax, or other tax-like charge on the Company's gross receipts, revenues or operations; and
 - A tax on interstate access charges incurred by the Company for access to telephone exchanges based on the amount paid for interstate access charges; and
 - A Property Surcharge which allows the Company to recover property taxes it pays to state and local jurisdictions; and
 - A Cost Recovery Fee which allows the Company to recover expenses such as, but not limited to, federal and state regulatory and license fees, local government franchise fees and right-of-way costs incurred for the use of the public right-of-way, and fees to fund telecommunications services for the speech and hearing- impaired and costs associated with North American Numbering Plan administration; and

All taxes, tax-like charges and the tax-related surcharges are referred to collectively as "Tax(es)."

- The Company will assess all applicable taxes and the customer will be responsible for paying these taxes.

If the Company collects Taxes and a challenged Tax is found to have been invalid and unenforceable, and if the amounts collected were retained by the Company or delivered over to the jurisdiction and returned to the Company, the Company, in its sole discretion, may reduce service rates for a fixed period of time in the future in order to flow-through to customers an amount equivalent to the amounts collected, credit or refund such amounts to affected customers (less its reasonable administrative costs), or negotiate an arrangement with the jurisdiction to provide a future benefit for customers in that jurisdiction.

- The Company reserves the right to collect any applicable Taxes retroactively.

If the Customer provides the Company with a duly authorized exemption certificate the Company will exempt the Customer in accordance with law, effective on the date the Company receives the properly executed certificate.

- There are some charges that are not eligible for exemption.

More detailed information regarding applicable federal, state and local taxes, fees and surcharges is provided below:

Federal, state and local governments assess a variety of taxes and surcharges and the Company collects the required taxes and remits the appropriate amounts to the taxing agencies. There are several types of federal, state and local taxes, fees and surcharges that apply to services sold by the Company including:

- Federal Universal Service Fund Surcharge (FUSF) – see below section on FUSF for more detail
- Federal, state and local taxes, fees and surcharges – see below section on taxes for more detail
- Other surcharges – see below section on other surcharges for more detail

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The information contained in this document is for reference only and is subject to change without notice. It is not intended to replace or supersede any Federal, State or Local laws and regulations. Updated information with respect to changes in Federal, State and Local taxes can be obtained from the respective governmental agencies.

FEDERAL UNIVERSAL SERVICE FUND (FUSF)

The Federal Universal Service Fund (FUSF) surcharge is billed at the FUSF rate established by the FCC. The rate changes from time to time, generally on a quarterly basis. It is a regulatory charge, not a tax. The current FUSF surcharge and previous quarterly rates can be found at [Contribution Factors - Universal Service Administrative Company \(usac.org\)](https://www.usac.org). The FUSF surcharge applies to telecommunications services subject to direct regulation by the Federal Communications Commission (FCC), as well as to interconnected VoIP. A Customer will not be required to pay the FUSF if it demonstrates to the Company's reasonable satisfaction that it is acquiring the Company's services for resale, i.e., not for its own internal use, and is contributing directly into the government's Universal Service funding programs.

The FUSF will: (i) be calculated after the application of promotional and other discounts; (ii) not be eligible to receive promotional or any other discounts; (iii) not be included to determine satisfaction of usage volume requirements; (iv) be calculated based upon the rates and charges applicable to the Customer's total interstate and international service, unless otherwise specified; (v) apply to tax-like and/or tax-related surcharges as defined or described herein.

Universal Service is a Federal Communications Commission (FCC) program designed to ensure affordable access to telecommunications services to low-income customers, rural areas, school and libraries, and rural healthcare facilities. The FUSF was established by Congress in order to promote and encourage telecommunications infrastructure and service availability nationwide. The FCC is the agency responsible for the regulation of domestic interstate and U.S.-to-international telecommunications services.

All telecommunications providers that offer interstate and international data, private line, and other regulated services in the United States are required by the FCC to contribute on an equitable and nondiscriminatory basis to the FUSF.

This includes customers whose circuits with the Company have only one end-point in the United States, even if that circuit is being cross-connected by the customer ultimately to terminate internationally.

Interstate circuits have FUSF applied to 100% of the revenue if both ends of the circuit are within the United States.

International circuits have FUSF applied to 50% of the revenue when only one end-point is in the United States.

Taxes generally are assessed on the FUSF surcharge. It is important to understand that the FUSF surcharge is not a tax. It is a charge that the government imposes on telecommunications carriers on the voice and data revenues they collect. The FCC allows carriers to recover the cost of the surcharge from its end-user customers. Thus, the FUSF surcharge is not considered a tax and must be taxed as normal revenues.

FEDERAL, STATE AND LOCAL TAXES, FEES AND SURCHARGES BILLED IN ADDITION TO FUSF

Below is a summary list of the various federal, state and local taxes, fees and surcharges that the Company bills to its customers in addition to FUSF addressed above. Most of these charges are imposed directly on the customer and are collected and remitted by the Company as an agent for the taxing authority.

- Federal Excise Tax
- State, County, City and Special District Sales Taxes
- State and Local Telecommunications Taxes
- E-911 Fees

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- Gross Receipts Tax Surcharges
- State Universal Service Fund Surcharges
- State Regulatory Fees
- State Public Utility Commission Fees
- State and Local Right of Way Fees/Franchise Fees
- Special Taxes and Fees

In some situations, certain customers may be exempt from certain taxes and governmental surcharges. This is usually in the case of customers who are reselling the services they purchase or customers who are exempt charitable, government or religious organizations.

The Company does not determine a customer's tax-exempt status. It is the customer's responsibility to advise the Company of its tax-exempt status.

The Company will bill tax and surcharges until proper notice of exempt status and properly executed exemption documentation is provided.

The Surcharges discussed in the following section are not covered by the standard exemption policy described above. Combined federal, state and local taxes, fees and surcharges can range from 0-50+%.

OTHER SURCHARGES

In addition to FUSF, federal, state and local taxes, fees and surcharges discussed above, the Company charges the following surcharges to recover fees imposed on the company for doing business in certain jurisdictions.

- Property Surcharge
- Cost Recovery Fee

These surcharges are associated with certain taxes and fees imposed on the Company and are both consistent with our customer agreements and standard industry practice. These fees are allowed under our standard customer contracts and many carriers recover these fees in the form of surcharges.

PROPERTY SURCHARGE

A tax-related surcharge in addition to the other charges for service will apply equal to 5.90% of the total intrastate, interstate, international and unregulated charges (including usage and non-usage charges) after the application of applicable discounts and credits. The surcharge is not a tax or government charge, but recovers amounts paid to various taxing jurisdictions for property taxes imposed on the Company and its affiliates. Federal Universal Service Fund (FUSF) and other taxes, fees and surcharges may apply to the surcharge.

COST RECOVERY FEE

A surcharge of up to 5% of all applicable charges appearing on a customer's invoice will apply to intrastate, interstate and international telecommunications services. This fee is not a tax or government charge but recovers costs the Company incurs for expenses such as, but not limited to, federal and state regulatory and license fees, fees to fund telecommunications services for the speech and hearing-impaired and costs associated with North American Numbering Plan administration imposed on the Company and its affiliates. Federal Universal Service Fund (FUSF) and other taxes, fees and surcharges may apply to the fee. The cost recovery fee is updated quarterly.