



NTCA Dues Formula (Legacy as of Nov. 1, 2018)

NTCA membership dues are based on a company's operating structure in seven categories: 1) Incumbent Local Exchange Carrier (ILEC); 2) Commonly Owned or Controlled Organization; 3) Alliance; 4) Non-ILEC Subsidiary; 5) Associate; 6) Association; and 7) International ILEC. Individual and ad-hoc memberships also are permitted. NTCA members must be in sympathy and accord with the purpose of NTCA as set forth in the association's bylaws and the membership at large.

Dues are collected according to the following formulas:

Incumbent Local Exchange Carrier Member

According to section 251(h) of the Communications Act of 1934, an incumbent local exchange carrier is the local exchange carrier that on the date of enactment of the Telecommunications Act of 1996 was (1) providing telephone exchange service in an area and (2) deemed to be a member of the National Exchange Carrier Association, or is a person or entity that on or after the date of the act's enactment became a successor or assignee of the ILEC. ILEC members provide fixed voice and/or broadband internet access services to fewer than 50,000 customers. The ILEC may be structured as either a commercial company or cooperative, which must be designated on the membership application.

Communications companies that are eligible for ILEC membership are not eligible for other classes of membership. A customer is defined as a subscriber receiving voice and/or broadband service that receives a unique monthly bill. The member can retain membership if it subsequently exceeds the 50,000 customer limit.

For members as defined above, all commercial companies and cooperatives pay the lower amount of .428% of annual revenues, \$2.66 per access line or \$20,000. Added to that amount is \$.133 per access line.

For these members, the minimum annual dues amount is \$500. Annual dues are based on operating statistics as of December 31 two years previous.

ILEC membership carries voting rights.

NTCA will treat a member's annual revenues as confidential information not to be disclosed within or outside of NTCA except as necessary to perform the dues calculations, unless or until the member waives confidentiality. A member company may choose to not provide NTCA information about its annual revenues. If a member company chooses to not disclose its annual revenues for dues calculations, the member company will be assessed dues based on the cap amount set forth in NTCA's current bylaws (ILEC members: \$20,000 plus \$.133 per access line).

Commonly Owned or Controlled Member

A commonly owned or controlled member is an organization with common ownership and/or control of two or more telecommunications providers that qualify for ILEC membership. The controlling/holding company is not required to join. However, all subsidiary ILECs must join, with the

largest ILEC paying the full dues and having the voting rights of the membership. A commonly owned or controlled ILEC member is assigned to the region where the largest ILEC is located.

Any ILEC owned by multiple entities must join as a separate/full dues paying ILEC member.

Dues are calculated as stated under the ILEC member category. All subsidiary ILEC's within the group must join and membership dues will be assessed as stated under the ILEC member category and capped at \$2,000 per subsidiary.

All companies under common ownership are subject to the following maximum dues amounts for the entire group:

- ILECs with 2-10 subsidiary ILEC companies are subject to a maximum dues amount of \$30,000.
- ILECs with 11-99 subsidiary ILEC companies are subject to a maximum dues amount of \$45,000.
- ILECs with 100+ subsidiary ILEC companies are subject to a maximum dues amount of \$50,000.

The designated parent or holding company is invoiced and pays the full dues for the entire group; however, each individual ILEC within the group is responsible for maintaining their individual subscriptions and any associated payments. Holding companies participating in any NTCA benefit plan are assessed dues at the Non-ILEC Subsidiary Member rate.

Alliance Member

An alliance member is an organization formed by partnerships of NTCA ILEC members to offer communications infrastructure and services to customers and communities in a collaborative and efficient way. Alliance members have no voting rights.

Dues for alliance members are calculated as follows:

- 1-10 Employees \$500
- 11-50 Employees \$1,000
- 51-100 Employees \$2,000
- 100+ Employees \$3,000

If you believe your company qualifies for NTCA's alliance membership and would like to join, please contact member services at membership@ntca.org or (703) 351-2118.

Non-ILEC Subsidiary Member

A non-ILEC subsidiary member is an entity affiliated with an ILEC member that was created to provide telecommunications services including, but not limited to, cable television, wireless companies, interexchange carriers, video providers, Internet service providers and competitive local exchange carriers with fewer than 50,000 customers. Non-ILEC subsidiary members have no voting rights.

Any ILEC owned by multiple entities must join as a separate, full dues-paying ILEC member.

Dues for non-ILEC subsidiary members are calculated as follows:

- 1-10 Employees \$500
- 11-50 Employees \$1,000
- 51-100 Employees \$2,000
- 100+ Employees \$3,000

Holding companies participating in any NTCA benefit plan are assessed dues at the non-ILEC subsidiary Member rate.

Associate Member

An associate member is a supplier of goods and services to the communications industry. Suppliers include entities such as insurance companies, manufacturers, other rural utilities, statewide providers of equal access, and consultants such as accounting, engineering and law firms. Associate members do not have voting rights.

Dues for associate members are calculated as follows:

- 1-10 Employees \$550
- 11-50 Employees \$1,250
- 51-100 Employees \$2,500
- 100+ Employees \$3,750

Association Member

An association member is a local, state or regional association of communications companies. Association members do not have voting rights.

Dues for association members are \$25 per year if participating in the association’s benefits program; otherwise, membership is free.

International ILEC Member

An International ILEC member is an ILEC providing fixed voice and/or broadband Internet access services to fewer than 50,000 customers outside the United States and its territories. International ILEC members do not have voting rights.

Dues for international ILEC members are \$500 per year.

Other Permitted Memberships

A person who was an employee of, or who was associated with, a member of any category of membership is eligible for membership as an individual member. Individual members do not have voting rights and are not eligible to enroll in NTCA benefits plans. Dues are assessed as a one-time fee of \$500.

Ad-Hoc members do not specifically fall into the defined categories of membership but are designated as Ad-Hoc members at the discretion of the Board of Directors. Members in this category are eligible to participate in NTCA’s comprehensive array of group health and retirement savings plans, but do not receive other benefits of NTCA membership. Ad-Hoc members do not have voting rights.

Dues for Ad-Hoc members are calculated as follows:

- 1-10 Employees \$550
- 11-50 Employees \$1,250
- 51-100 Employees \$2,500
- 100+ Employees \$3,750

To join, please contact member services at membership@ntca.org or (703) 351-2118.