

# Fees disguised as taxes

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It has become customary in the telecommunications industry to quote a low price and then add half as much to it in “fees”.

Regulatory Programs Fee. It sure sounds like a government tax.

It isn't.

There's been a new round of official-sounding line items on telephone bills, which are really just ways for telephone companies to raise rates while still being able to quote a low price. The issue was raised as a shareholder proposal in Verizon's 2004 proxy statement. The proposal starts out sounding very much like a crackpot (perhaps because the proposer **is** a crackpot), and the logic is rather twisted, but the underlying theme is still there: Price hikes disguised as official-sounding fees.

How I long for the European rule that the quoted price must accurately represent the actual amount of money you will pay, including taxes and fees. None of this “quote a low price and then add a ton of mandatory surcharges” nonsense.

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