

## **Telecommunications Reporting Worksheet, FCC Form 499-A**

### **Instructions for Completing the Worksheet for Filing Contributions to Telecommunications Relay Service, Universal Service, Number Administration, and Local Number Portability Support Mechanisms**

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NOTICE: Section 52.17 of the Federal Communications Commission's rules provides that all telecommunications carriers in the United States shall contribute on a competitively neutral basis to meet the costs of establishing numbering administration, and directs that contributions shall be calculated and paid in accordance with this Telecommunications Reporting Worksheet (FCC Form 499-A or Worksheet). 47 C.F.R. § 52.17. Section 52.32 provides that the local number portability administrators shall recover the shared costs of long-term number portability from all telecommunications carriers. 47 C.F.R. § 52.32. Sections 54.706, 54.711, and 54.713 require all telecommunications carriers providing interstate telecommunications services, providers of interstate telecommunications that offer interstate telecommunications for a fee on a non-common carrier basis, and payphone providers that are aggregators to contribute to universal service and file this Worksheet once a year and the Telecommunications Reporting Worksheet (FCC Form 499-Q) four times a year. 47 C.F.R. §§ 54.706, 54.711, 54.713. Section 64.604 requires that every common carrier providing interstate telecommunications services contribute to the Telecommunications Relay Services (TRS) Fund on the basis of its relative share of interstate end-user telecommunications revenues, with the calculation based on information provided in this Worksheet. 47 C.F.R. § 64.604(c)(5)(iii)(B). Section 64.1195 requires all telecommunications carriers to register using the FCC Form 499-A. 47 C.F.R. § 64.1195(a).

This collection of information stems from the Commission's authority under Sections 225, 251, 254, and 258 of the Communications Act of 1934, as amended (Communications Act or Act), 47 U.S.C. §§ 225, 251, 254, and 258. The data in the Worksheet will be used to calculate contributions to the universal service support mechanisms, the telecommunications relay services support mechanism, the cost recovery mechanism for numbering administration, and the cost recovery mechanism for shared costs of long-term number portability. Selected information provided in the Worksheet will be made available to the public in a manner consistent with the Commission's rules.

We have estimated that each response to this collection of information will take, on average, 13.5 hours. Our estimate includes the time to read the instructions, look through existing records, gather and maintain the required data, and actually complete and review the form or response. If you have any comments on this estimate, or how we can improve the collection and reduce the burden it causes you, please write the Federal Communications Commission, AMD-PERM, Washington, D.C. 20554, Paperwork Reduction Project (3060-0855). We also will accept your comments via the Internet if you send them to [jbherman@fcc.gov](mailto:jbherman@fcc.gov). Please **DO NOT SEND COMPLETED WORKSHEETS TO THIS ADDRESS**.

Remember -- You are not required to respond to a collection of information sponsored by the Federal government, and the government may not conduct or sponsor this collection, unless it displays a currently valid Office of Management and Budget (OMB) control number. This collection has been assigned an OMB control number of 3060-0855.

The Commission is authorized under the Communications Act to collect the information we request on this form. We will use the information that you provide to determine contribution amounts. If we believe there may be a violation or potential violation of a statute or a Commission regulation, rule, or order, your Worksheet may be referred to the Federal, state, or local agency responsible for investigating, prosecuting, enforcing, or implementing the statute, rule, regulation, or order. In certain cases, the information in your Worksheet may be disclosed to the Department of Justice, court, or other adjudicative body when (a) the Commission; or (b) any employee of the Commission; or (c) the United States government, is a party to a proceeding before the body or has an interest in the proceeding.

With the exception of your employer identification number, if you do not provide the information we request on the Worksheet, the Commission may consider you in violation of sections 1.47, 52.17, 52.32, 54.713, 64.604, and 64.1195 of the Commission's rules. 47 C.F.R. §§ 1.47, 52.17, 52.32, 54.713, 64.604, and 64.1195.

The foregoing Notice is required by the Paperwork Reduction Act of 1995, P.L. No. 104-13, 44 U.S.C. § 3501, *et seq.*

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File FCC Form 499-A online. Check out: <http://form499.universalservice.org/>

## I. Introduction

As required under the Communications Act,<sup>1</sup> the Commission has established, in a series of separate proceedings, procedures to finance interstate telecommunications relay services (TRS), universal service support mechanisms, administration of the North American Numbering Plan (NANPA), and shared costs of local number portability administration (LNPA). To accomplish these Congressionally directed objectives, contributions are collected from all telecommunications carriers providing interstate telecommunications services and certain other providers of interstate telecommunications. On July 14, 1999, the Commission amended its rules so that contributors to these mechanisms need only file one Telecommunications Reporting Worksheet for the purpose of determining their contribution(s).<sup>2</sup> This Worksheet sets forth the information that the filer must submit, so that the administrators of these mechanisms may calculate and assess contributions.<sup>3</sup>

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<sup>1</sup> 47 U.S.C. §§ 151, 225, 251, 254.

<sup>2</sup> On March 9, 2001, the Commission modified its rules to base universal service contributions on information reported on quarterly Telecommunications Reporting Worksheet filings, with an annual true-up based on information reported on annual Telecommunications Reporting Worksheets. *Federal-State Joint Board on Universal Service, Petition for Reconsideration filed by AT&T, Report and Order and Order on Reconsideration*, CC Docket No. 96-45, 16 FCC Rcd 5748 (2001) (*Quarterly Reporting Order*). See also *1998 Biennial Regulatory Review -- Streamlined Contributor Reporting Requirements Associated with Administration of Telecommunications Relay Services, North American Numbering Plan, Local Number Portability, and Universal Service Support Mechanisms*, Report and Order, CC Docket 98-171, 14 FCC Rcd 16602 (1999) (*Consolidated Reporting Order*).

<sup>3</sup> In addition, common carriers use data filed on the Form 499-A to calculate their Interstate Telecommunications

While some entities that file the Telecommunications Reporting Worksheet may not need to contribute to each of the support and cost recovery mechanisms, in general, all telecommunications carriers and certain additional telecommunications providers must complete and file this Worksheet.<sup>4</sup> These instructions contain an explanation of which carriers must contribute to particular mechanisms (*see* Section IV.A.), but filers should consult the specific rules that govern contributions for each of the mechanisms.<sup>5</sup> In general, contributions are calculated based on contributors' end-user telecommunications revenue information, as filed in this Worksheet.

By filing this Worksheet, carriers may also satisfy their obligations under section 413 of the Act to designate an agent in the District of Columbia for service of process<sup>6</sup> and their obligations to register with the Federal Communications Commission.<sup>7</sup>

## II. Filing Requirements and General Instructions

### A. Who Must File

All intrastate, interstate and international providers of telecommunications within the United States,<sup>8</sup> with very limited exceptions, must file the FCC Form 499-A Telecommunications Reporting Worksheet.<sup>9</sup>

For purposes of determining whether an entity provides telecommunications, please note that the term "telecommunications" means the transmission, between or among points specified by the user, of information of the user's choosing, without change in the form or content of the information as sent and received. For the purpose of filing, the term "interstate telecommunications" includes, but is not limited to, the following types of services: wireless telephony, including cellular and personal communications services (PCS); paging and messaging services; dispatch services; mobile radio services; operator services; access to interexchange service; special access; wide area

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Service Provider (ITSP) fees. *See Assessment and Collection of Regulatory Fees for Fiscal Year 2003*, MD Docket No. 03-83, Report and Order, 18 FCC Rcd 15985 (2000). Section 6003(a) of the Omnibus Budget Reconciliation Act of 1993 (Public Law 103-66) added Section 9(a) to the Communications Act, which authorizes the Commission to collect annual regulatory fees to recover the annual costs of its enforcement, policy and rulemaking, user information, and international activities. 47 U.S.C. § 159(a), (b)(1)(A), and (g).

<sup>4</sup> Please note that this Worksheet refers to "filers," "reporting entities," and "contributors" interchangeably, except where specifically distinguished.

<sup>5</sup> *See* 47 C.F.R. §§ 52.17 (numbering administration), 52.32 (local number portability), 54.706 (universal service), and 64.604 (TRS).

<sup>6</sup> 47 U.S.C. § 413. *See also* 47 C.F.R. § 1.47.

<sup>7</sup> 47 C.F.R. § 64.1195.

<sup>8</sup> For this purpose, the United States is defined as the contiguous United States, Alaska, Hawaii, American Samoa, Baker Island, Guam, Howland Island, Jarvis Island, Johnston Atoll, Kingman Reef, Midway Island, Navassa Island, the Northern Mariana Islands, Palmyra, Puerto Rico, the U.S. Virgin Islands, and Wake Island.

<sup>9</sup> Section 254(d) applies not only to "every telecommunications carrier that provides interstate telecommunications services" but also to certain "other provider[s] of interstate telecommunications." 47 U.S.C. § 254(d) (emphasis added). Solely for the purposes of these Instructions, we use the terms "telecommunications services" and "telecommunications" interchangeably, unless otherwise specified. For more information on these terms, *see* 47 U.S.C. §§ 153(43), (46); *Federal-State Joint Board on Universal Service*, Report and Order, CC Docket No. 96-45, 12 FCC Rcd 8776 (1997) (*Universal Service Order*).

telecommunications services (WATS); subscriber toll-free services; 900 services; message telephone services (MTS); private line; telex; telegraph; video services; satellite services, resale services, and frame relay and ATM services. Note, for example, that all incumbent and competitive local exchange carriers provide access services and, therefore, provide interstate telecommunications. There are no exemptions for data or non-voice services.

Note also that entities must file this Worksheet, and are subject to the universal service contribution requirement, if they offer interstate telecommunications for a fee to the public even if only a narrow or limited class of users could utilize the services. Included are entities that provide interstate telecommunications to entities other than themselves for a fee on a private, contractual basis. In addition, owners of pay telephones, sometimes referred to as "pay telephone aggregators," must file this Worksheet. Most telecommunications carriers must file this Worksheet even if they qualify for the *de minimis* exemption under the Commission's rules for universal service.<sup>10</sup>

The following three sections list types of (non-common carrier) telecommunications providers that are not required to file FCC Form 499-A. Note that some carriers and telecommunications providers are required to file this Worksheet, but may not be required to contribute to all support mechanisms. For example, some carriers may be exempt from contributing directly to the universal service support mechanisms (*e.g.*, because they are *de minimis*), but nevertheless must file because they are required to contribute to TRS, NANPA, or LNPA. These non-contributors must be treated as end users by their underlying carriers and therefore may end up contributing indirectly as a result of pass-through charges.

1. Universal service exemption for *de minimis* telecommunications providers

Section 54.708 of the Commission's rules states that telecommunications carriers and telecommunications providers are not required to contribute to the universal service support mechanisms for a given year if their contribution for that year is less than \$10,000.<sup>11</sup> Thus, providers that offer telecommunications for a fee exclusively on a non-common carrier basis need not file this Worksheet if their contribution to the universal service support mechanisms would be *de minimis* under the universal service rules. Note: Entities that provide solely private line service may nevertheless be considered common carriers if they offer their services directly to the public or to such classes of users as to be effectively available directly to the public. In contrast, telecommunications carriers (*i.e.*, entities providing telecommunications services on a common-carriage basis) that meet the *de minimis* standard must file this Worksheet (because they must contribute to other support and cost recovery mechanisms), but need not contribute to the universal service mechanisms. (*See* Figure 3 "Which telecommunications carriers and telecommunications providers must contribute for which purposes" at page 28, below.)

Telecommunications providers (*i.e.*, entities providing telecommunications on a non-common carrier basis) should complete the table contained in Figure 1 to determine whether they meet the *de minimis* standard. To complete Figure 1, potential filers must first complete Block 4 of the Telecommunications Reporting Worksheet and enter the amounts from Line 423(d) and 423(e) in Figure 1. Telecommunications providers whose estimated contributions to universal service support mechanisms would be less than \$10,000 are considered *de minimis* for universal service contribution purposes and will not be required to contribute directly to universal service support mechanisms. Use Figure 1 to calculate estimated universal service contributions for the period January 2003 through December 2003.

Telecommunications providers that do not file this Worksheet because they are *de minimis* for purposes of universal service contributions (and need not file for any other purpose) should retain Figure 1 and documentation of their contribution base revenues for 3 calendar years after the date each Worksheet is due.

**Figure 1: Table to determine if a filer meets the *de minimis* standard**

<sup>10</sup> See 47 C.F.R. § 54.708.

<sup>11</sup> *Id.*

**for purposes of universal service contribution**

1	Net interstate contribution base for filer (amount reportable on filer's FCC Form 499-A; Line 423(d))	\$
2	Net international contribution base for filer (amount reportable on filer's FCC Form 499-A; Line 423(e))	\$
3	Net interstate contribution base for all affiliates* (total of amounts reportable on FCC Form 499-A; Line 423(d) for all affiliates of the filer)	\$
4	Net international contribution base for all affiliates (total of amounts reportable on FCC Form 499-A; Line 423(e) for all affiliates of the filer)	\$
5	Consolidated interstate contribution base: Line (1) + Line (3)	\$
6	Consolidated international contribution base: Line (2) + Line (4)	\$
7	Total potential contribution base for filer and its affiliates: Line (5) + Line (6)	\$
8	Combined interstate contribution base as a percentage of total potential contribution base: Line (5) / Line (7)	%
9	Interstate contribution base for filer from Line (1)	\$
10	If the amount on line (8) is equal to or greater than 12%, enter into Line (10) the international contribution base for the filer from Line (2). If the amount on Line (8) is less than 12%, enter \$0	\$
11	Contribution base for the filer for determining contributions to universal service support mechanisms: Line (9) + Line (10)	\$
12	Estimation factor for determining whether to file a FCC Form 499-A on April 1, 2004	0.091**
13	Estimated annual contribution: amount on Line (11) multiplied by Line (12)	\$

\* Unless otherwise specifically provided, an affiliate is a "person that (directly or indirectly) owns or controls, is owned or controlled by, or is under common ownership or control with, another person." For this purpose, the term 'owns' means to own an equity interest (or the equivalent thereof) of more than 10 percent. See 47 U.S.C. § 153(1).

\*\* The estimation factor is based on a contribution factor of .100, which is higher than the contribution factor announced for the first quarter of 2004, and a corresponding circularity factor of .090909. Actual contribution and circularity factors for 2004 may increase or decrease depending on quarterly changes in program costs and the projected contribution base. Filers whose actual contribution requirements total less than \$10,000 for the calendar year will be treated as *de minimis* and will receive refunds, if necessary. Filers whose actual contribution requirements total \$10,000 or more are required to contribute to the universal service support mechanisms. Note that telecommunications carriers must file this Worksheet regardless of whether they qualify for the *de minimis* exemption unless they qualify for one of the exemptions detailed in Sections II-A-2 or II-A-3, below.

2. Exception for government, broadcasters, schools and libraries

Certain entities are explicitly exempted from contributing directly to the universal service support mechanisms and need not file this Worksheet. Government entities that purchase telecommunications services in bulk on behalf of themselves (e.g., state networks for schools and libraries) are not required to file or contribute directly to universal service. Public safety and local governmental entities licensed under Subpart B of Part 90 of the Commission's rules are not required to file or contribute directly to universal service. Similarly, if an entity provides interstate telecommunications exclusively to public safety or government entities and does not offer services to others, that entity is not required to file or contribute directly to universal service. In addition, broadcasters, non-profit schools, non-profit libraries, non-profit colleges, non-profit universities, and non-profit health care providers are not required to file the Worksheet or contribute directly to universal service.

3. Exception for systems integrators and self-providers

Systems integrators that derive less than five percent of their systems integration revenues from the resale of telecommunications are not required to file or contribute directly to universal service. Systems integrators are providers of integrated packages of services and products that may include the provision of computer capabilities, interstate telecommunications services, remote data processing services, back-office data processing, management of customer relationships with underlying carriers and vendors, provision of telecommunications and computer equipment, equipment maintenance, help desk functions, and other services and products. Entities that provide services only to themselves or to commonly-owned affiliates need not file.

B. Filing by Legal Entity

Each legal entity that provides interstate telecommunications service for a fee, including each affiliate or subsidiary of an entity, must complete separately and file a copy of the attached Telecommunications Reporting Worksheet, except as provided for below. Entities that have distinct articles of incorporation, articles of formation, or similar legal document are separate legal entities. Each affiliate or subsidiary should identify their ultimate controlling parent or entity on Block 1 Line 106 -- Holding Company.

Consolidated filing will be permitted only if the filing entity certifies that all of the following conditions are met:<sup>12</sup>

- (1) A single entity oversees the management of the affiliated systems;
- (2) A single entity sends bills to customers and these bills identify a single entity (or trade name) as the service provider, rather than identifying the individual legal entities;
- (3) All revenues are posted to a single general ledger;<sup>13</sup>
- (4) To the extent that separate revenue and expense accounts exist, they are derived from one consolidated set of books and the consolidated filing must cover all revenues contained in the consolidated books;
- (5) Customers have a single point of contact;
- (6) The consolidated filer acknowledges that process served on the consolidated filer would represent process served on any or all of the affiliated legal entities;

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<sup>12</sup> *Federal-State Joint Board on Universal Service, 1998 Biennial Regulatory Review - Streamlined Contributor Reporting Requirements Associated with Administration of Telecommunications Relay Service, North American Numbering Plan, Local Number Portability, and Universal Service Support Mechanisms, Telecommunications Services for Individuals with Hearing and Speech Disabilities, and the Americans With Disabilities Act of 1990, Administration of the North American Numbering Plan and North American Numbering Plan Cost Recovery Contribution Factor and Fund Size, Number Resource Optimization, Telephone Number Portability, Truth-in-Billing and Billing Format, Further Notice of Proposed Rulemaking and Report and Order, CC Docket Nos. 96-45, 98-171, 90-571, 92-237, 99-200, 95-116, 98-170, 17 FCC Rcd 3752 (2002) (First Further Notice).*

<sup>13</sup> The FCC Form 499 Filings for the consolidated filer must reflect all revenues in this general ledger.

- (7) The consolidated filer agrees to document and resolve all slamming complaints that might be served on either the filing entity or any of the affiliated legal entities;<sup>14</sup>
- (8) The consolidated filer obtains a separate FCC Registration Number (FRN) from those assigned to its affiliated legal entities;
- (9) The consolidated filer acknowledges that its obligations with regard to universal service, Telecommunications Relay Services, Local Number Portability, the North American Numbering Plan, and regulatory fees will be based on the data provided in consolidated Worksheet filings, that it bears the responsibility to satisfy those obligations, and that all legal entities covered by the filing are jointly and severally liable for such obligations; and
- (10) The consolidated filer acknowledges that it: (A) was not insolvent on the date it undertook to make payments on a consolidated basis or on the date of actual payments to universal service, Telecommunications Relay Services, Local Number Portability, the North American Numbering Plan, and regulatory fees, and did not become insolvent as a result of such undertaking or payments; (B) was not left with unreasonably small capital as a result of such undertaking or payments; and (C) was not left unable to pay debts as they matured as a result of such undertaking or payments.<sup>15</sup>

Each year, entities choosing to file on a consolidated basis must file a statement certifying that they meet all of the above conditions. Such certification also must include: (1) a list of the legal names of all legal entities that are covered by the filing; (2) the FCC Form 499 identification numbers of all legal entities that are covered by the filing; (3) the consolidated filer's FRN; and (4) for wireless carriers, a list of all radio licenses (call signs) issued to each legal entity covered by the filing. Consolidated filers should file this certification with the Commission's Data Collection Agent. Furthermore, a contributor choosing to file on a consolidated basis should recognize that any penalties associated with failure to pay or with underpayment of any of its obligations will be assessed on the total revenue reported on the consolidated basis, rather than on a separate legal entity basis.

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<sup>14</sup> A Commercial Mobile Radio Service (CMRS) carrier that is not subject to certain slamming regulations is not required to certify that it will document and resolve all slamming complaints that might be served on either the filing entity or any of its affiliated legal entities that also are not subject to the slamming regulations.

<sup>15</sup> For purposes of this certification, the term "insolvent" means either unable to pay debts when due or having liabilities greater than assets. *See* 11 U.S.C. § 101(32).

C. When and Where to File

Figure 2 provides the filing schedule and relevant filing addresses. If a filing date is a holiday (as defined in Section 1.4(e)(1) of the Commission's rules), Worksheets are due the next business day.

**Figure 2: Filing schedule**

When to file	What to file	Where to file *
April 1	Annual Completed FCC Form 499-A	Form 499 Data Collection Agent c/o NECA Attn: Christy Doleshal 80 South Jefferson Rd. Whippany, NJ 07981
February 1 May 1 August 1 November 1	Completed FCC Form 499-Q (universal service contributors only)	Form 499 Data Collection Agent (address above)
New telecommunications carriers and filers with changed registration information	Completed Pages 1, 2, 3 and 7 of FCC Form 499-A	Form 499 Data Collection Agent (address above)**
Telecommunications carriers within one week of a change in information concerning their designated agent for service of process	Completed Page 1, Block 2-B and Page 7 of FCC Form 499-A	One Copy to: Chief, Market Disputes Resolution Division, Enforcement Bureau Room 5-A865 445 12th Street, S.W. Washington, D.C. 20554
Telecommunications carriers within one week of a change in other registration information	Appropriate revised Blocks and completed Page 7 of FCC Form 499-A	Form 499 Data Collection Agent (address above) **
<p>* Do not send universal service, TRS, NANPA or LNPA contributions with this Worksheet or to any of these addresses. The appropriate administrators will calculate the amount of contribution due and send a bill to the billing contact person and billing address identified on line 208 of the FCC Form 499-A. <b>For information on filing electronically</b>, go to <a href="http://form499.universalservice.org/">http://form499.universalservice.org/</a>.</p> <p>** Filers may instead, send new carrier filings and corrected filings to the Office of the Secretary, Reference Information Center, Room CY-A257, 445 12th Street, S.W., Washington, D.C. 20554. Annual and quarterly filings should not be sent to this address.</p>		

If you have questions about the Worksheet or the instructions, you may contact:

Form 499 Telecommunications Reporting Worksheet Information	Form499@universalservice.org (973) 560-4460
Wireline Competition Bureau Industry Analysis and Technology Division	(202) 418-0940
TTY	(202) 418-0484

If you have questions regarding contribution amounts, billing procedures or the support and cost recovery mechanisms, you may contact:

Universal Service Administration	(202) 776-0200
TRS Administration	(973) 884-8173
NANPA Billing and Collection Agent	(973) 884-8173
Local Number Portability Administrators	(877) 245-5277

D. Rounding of Numbers and Negative Numbers

All information provided in the Worksheet should be neatly printed in ink or typed. Please provide an original officer signature in ink on Line 606.

Dollar Amounts. Reported revenues in Blocks 3, 4 and 5 that are greater than a thousand dollars may be rounded to the nearest thousand dollars. Regardless of rounding, **all dollar amounts must be reported in whole dollars.** For example, \$2,271,881.93 could be reported as \$2,271,882 or as \$2,272,000, but could not be reported as \$2272 thousand, \$2,270,000.00, \$2,271,881.93, or \$2.272 million. Please enter \$0 in any line for which the filer had no revenues for the year.

Percentages. Percentages reported in Block 3 and Block 4, columns (b) and (c), should be rounded to the nearest whole percent. For example, if the exact amount of interstate revenues for a line is not known, but the filer estimates that the ratio of interstate to total revenues was .425, then the figure 43% should be reported and used for calculating the amount reported in column (b).

Negative Numbers. Carriers are directed to provide billed revenues without subtracting any expenses, allowances for uncollectibles or settlement payments and without making out-of-period adjustments. Therefore, do not enter negative numbers on the Worksheet.

E. Obligation to File Revisions

Line 612 provides check boxes to show whether the Worksheet is the original April 1 filing for the year, a registration form for a new filer, a revised filing with updated registration information, or a revised filing with updated revenue data for the year. Filers must submit a revised Form 499-A if there is a change in any of the following types of information: Contributor identification contained in Block 1; regulatory contact information contained in Block 2-A; agent for service of process in Block 2-B; or FCC registration information in Block 2-C.

A filer must submit a revised Worksheet if it discovers an error in the revenue data that it reports. Companies generally close their books for financial purposes by the end of March. Accordingly, for such telecommunications providers, the April filing should be based on closed books. In filing a revised worksheet, filers should not include (carry back or bring forward) routine out-of-period adjustments to revenue data unless such adjustments would affect a reported amount by more than ten percent. To file revised revenue data, filers must complete Block 3, Block 4, Block 5, and Block 6.

Filers should not file revised revenue information to reflect mergers, acquisitions, or sales of operating units. In the event that a filer that submitted a Form 499-A no longer exists, the successor company to the contributor's assets or operations is responsible for continuing to make assessed contribution or true-up payments, if any, for the funding period and must notify the Form 499 Data Collection Agent.

Filers should submit revised FCC Form 499-A revenue data by December 1 of the same filing year. Revisions filed after that must be accompanied by an explanation of the cause for the change along with complete documentation showing how the revised figures derive from corporate financial records.

F. Record Keeping

Filers shall maintain records and documentation to justify information reported in the Telecommunications Reporting Worksheet, including the methodology used to determine projections and to allocate interstate revenues, for three years. Filers shall provide such records and documentation to the Commission or the Administrator upon request.<sup>16</sup> Entities that acquire carrier operations through acquisition of property, consolidation, merger, etc, must maintain the records of the acquired entity.<sup>17</sup>

G. Compliance

Failure to file the Telecommunications Reporting Worksheet or to pay contributions in a timely fashion may subject entities to the enforcement provisions of the Communications Act and any other applicable law. In addition, entities may be billed by the administrators for reasonable costs, including interest and administrative costs that are caused by late, inaccurate, or untruthful filing of the Worksheet or overdue contributions.<sup>18</sup> Inaccurate or untruthful information contained in the Telecommunications Reporting Worksheet may lead to prosecution under the criminal provisions of Title 18 of the United States Code.<sup>19</sup>

III. Specific Instructions

A. Block 1: Filer Identification Information

Block 1 of the Telecommunications Reporting Worksheet requires identification information.

Line 101 -- enter the "Filer 499 ID" number for the filing entity. This code is assigned by the Commission's Data Collection Agent after a company files its first FCC Form 499. Filer 499 IDs for current filers can be found at <http://gullfoss2.fcc.gov/cib/form499/499a.cfm> or in the FCC report *Telecommunications Provider Locator*, which is available on the Commission's web site at <http://www.fcc.gov/wcb/iatd/stats.html>. This code should be entered at the top of each page on the paper version of the Worksheet, the cover letter, and on supporting documentation, if any. First time filers should write "New" in this block. The Data Collection Agent will assign a Filer 499 ID number after it receives a completed FCC Form 499-A Telecommunications Reporting Worksheet.

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<sup>16</sup>. See 47 C.F.R. § 54.711. Administrator refers to the Universal Service Administrative Company.

<sup>17</sup> See 47 C.F.R. § 42.1.

<sup>18</sup> See 47 C.F.R. § 54.713 (universal service); 47 C.F.R. § 64.604(c)(5)(iii)(B) (TRS). See also 47 C.F.R. § 52.17(b) (NANPA); 47 C.F.R. § 52.32(c) (LNPA).

<sup>19</sup> See 47 C.F.R. § 54.711.

Line 102 -- enter the legal name of the reporting entity as it appears on articles of incorporation or articles of formation and other legal documents. Each legal entity must file a separate Worksheet unless affiliated entities are filing on a consolidated basis.<sup>20</sup>

Line 103 -- provide the Internal Revenue Service (IRS) employer identification number (EIN) for the filer. This should be the same EIN that the company uses to file federal excise taxes or income taxes, if the company offers services subject to that tax. The EIN is also known as the taxpayer identification number (TIN) or for individuals as the social security number (SSN).

Line 104 -- provide the principal name under which the company conducts telecommunications activities. This would typically be the name that appears on customer bills, or the name used when service representatives answer customer inquiries.

Line 105 -- mark the boxes that describe the telecommunications activity or activities of the filer. If more than one is appropriate, please label the telecommunications activities in order of importance to filer's business, *e.g.* enter a "1" in the box for carrier type that represents the most important part of the filer's telecommunications business, enter a "2" in the box that represents the next most important part, *etc.* Select no more than 5 of the following categories:

All Distance -- provides fixed local exchange service and interstate long distance service to end users for a flat rate (may also include intrastate toll).

CAP/CLEC (Competitive Access Provider/Competitive Local Exchange Carrier) -- competes with incumbent local exchange carriers (LECs) to provide local exchange services, or telecommunications services that link customers with interexchange facilities, local exchange networks, or other customers, other than Coaxial Cable providers.

Cellular/PCS/SMR (wireless telephony) (Cellular, Personal Communications Service, and Specialized Mobile Radio - telephone service provider) primarily provides wireless telecommunications services (wireless telephony). This category includes all providers of real-time two-way switched voice services that interconnect with the public switched network, including providers of prepaid phones and public coast stations interconnected with the public switched network<sup>21</sup>. This category includes the provision of wireless telephony by resale. An SMR provider would select this category if it primarily provides wireless telephony rather than dispatch or other mobile services.

Coaxial Cable -- uses coaxial cable (cable TV) facilities to provide local exchange services or telecommunications services that link customers with interexchange facilities, local exchange networks, or other customers.

Incumbent LEC -- provides local exchange service. An incumbent LEC generally is a carrier that was at one time franchised as a monopoly service provider. *See* 47 U.S.C. § 251(h).

<sup>20</sup> See Section II-B, page 7, for information on making consolidated filings.

<sup>21</sup> 47 C.F.R. § 80.451.

Interexchange Carrier (IXC)	-- provides long distance telecommunications services substantially through switches or circuits that it owns or leases.
Local Reseller	-- provides local exchange or fixed telecommunications services by reselling services of other carriers.
Operator Service Provider (OSP)	-- serves customers needing the assistance of an operator to complete calls, or needing alternate billing arrangements such as collect calling.
Paging and Messaging	-- provides wireless paging or wireless messaging services. This category includes the provision of paging and messaging services by resale.
Payphone Service Provider	-- provides customers access to telephone networks through payphone equipment, special teleconference rooms, etc. Payphone service providers also are referred to as payphone aggregators.
Prepaid Card	-- provides prepaid calling card services by selling prepaid calling cards to the public or to retailers. Prepaid card providers typically resell the toll service of other carriers and determine the price of the service by setting the price of the card and controlling the number of minutes that the card can be used for.
Private Service Provider	-- offers telecommunications to others for a fee on a non-common carrier basis. This would include a company that offers excess capacity on a private system that it uses primarily for internal purposes. This category does not include SMR operators.
Satellite Service Provider	-- provides satellite space segment or earth stations that are used for telecommunications service.
Shared-Tenant Service Provider / Building LEC	-- manages or owns a multi-tenant location that provides telecommunications services or facilities to the tenants for a fee.
SMR (dispatch)	(Specialized Mobile Radio Service Provider) -- primarily provides dispatch services and mobile services other than wireless telephony. While dispatch services may include interconnection with the public switched network, this category does not include carriers that primarily offer wireless telephony. This category includes LTR dispatch or community repeater systems.
Toll Reseller	-- provides long distance telecommunications services primarily by reselling the long distance telecommunications services of other carriers.
Wireless Data	-- provides mobile or fixed wireless data services using wireless technology. This category includes the provision of wireless data services by resale.

The Worksheet also provides boxes for "Other Local," "Other Mobile," and "Other Toll." If one of these categories is checked, the filer should describe the nature of the service it provides under the check boxes.

Line 106 -- **use this block to provide a common identifier for all affiliated filers.** Typically, this would be the name of the filer's holding company or controlling entity, if any. The common name used by all affiliates need not be a common carrier. All reporting affiliates or commonly controlled entities should have the **identical** name appearing on Line 106(a) and an **identical** IRS employee identification number on Line 106(b).

Line 107 -- provide the FCC Registration Number (FRN). The FRN is a ten-digit number that includes a check-digit. The FRN is used to identify an entity within all Commission Licensing/Filing systems and Ramis (the Commission's Revenue Accounting Management Information System.) This number is assigned by CORES (the Commission Registration System) and can be obtained at <https://gullfoss2.fcc.gov/cores/CoresHome.html> For assistance, contact the CORES help desk at (877) 480-3201 or by e-mail at CORES@fcc.gov.

Line 108 -- provide the name of the management company, if the filer is managed by an entity other than itself. If the reporting entity and one or more other telecommunications provider(s) are commonly managed, then each should show the same management company on Line 108. Filers need not be affiliated to have a common management company. The management company would typically be the point of contact for the administrators of the support mechanisms.

Line 109 -- enter the complete mailing address of the corporate headquarters of the reporting entity.

Line 110 -- provide a business address of the reporting entity that could be used either for customer inquiries or that parties could use to contact the carrier in order to resolve complaints. If this address is the same as the mailing address of the corporate headquarters on line 109, then enter "same" on this line.

Line 111 -- enter a telephone number that can be used to resolve customer complaints, for customer service or billing inquiries. Typically, this would be a customer toll-free number, such as an 800 or 888 number.

Line 112 -- provide all names that the reporting entity used in the past three years for providing telecommunications. Consolidated filers should provide all names used by all telecommunications affiliates covered by the filing. The Worksheet provides space for additional names for carrier activities (other than that contained on Line 104). Use an additional sheet if this space is not sufficient. Enter all names by which the filer would be known to customers, government bodies, creditors, the press, etc. This list must include the carrier's billing agents if those parties, rather than the carrier, are identified on customer bills. This list also should include names of predecessor companies that would have filed a universal service, TRS, NANP, local number portability or Telecommunications Reporting Worksheet in the prior year. In such cases, include the prior Filer 499 ID as part of the name. This information will be used by the administrators in instances where other information indicates that a non-filer might exist, and also to ensure that entities are not billed improperly for predecessor companies that no longer exist.

B. Block 2: Contact Information

1. Block 2-A: Regulatory Contact Information

Lines 201-202 -- copy the Filer 499 ID from Line 101 into Line 201. Copy the legal name of the reporting entity from Line 102 into Line 202.

Lines 203-206 -- enter the name, telephone number, fax number, and e-mail address of the person who filled out the FCC Form 499. This should be a person who can provide clarifications or additional information, and, if necessary, who could serve as the first point of contact in the event that either the Commission or an administrator should choose to verify or audit information provided in the Telecommunications Reporting Worksheet.

Line 207 -- provide the contact person name, office name, and mailing address of a corporate office to which future Telecommunications Reporting Worksheets should be sent. The next Telecommunications Reporting Worksheet will be mailed to this address unless other arrangements are made. Failure to receive a Telecommunications

Reporting Worksheet from an administrator or the FCC does not relieve the filer from its obligation to file in a timely fashion.

Line 208 -- provide a billing contact person name and address for administrators to send billing information for contributions to the mechanisms. Information on establishing electronic fund transfer and bills for universal service, TRS, NANPA or local number portability administration contributions will be sent to this address unless other arrangements are made via written request.

2. Block 2-B: Agent for Service of Process

Section 413 of the Act requires each carrier “to designate in writing an agent in the District of Columbia” upon whom all notices, process, orders, and decisions made by the Commission may be served on behalf of that carrier in any proceeding pending before the Commission.<sup>22</sup>

Lines 209-218 -- The second part of Block 2 contains information on the filer's agents for service of process, including the agent located in the District of Columbia ("D.C. Agent"). All carriers must enter the name, business address, telephone or voicemail number, facsimile number, and, if available, Internet e-mail address for their designated D.C. Agent. Note that service of any notice, process, orders, decisions, and requirements of the Commission may be made upon the reporting carrier by leaving a copy thereof with this designated agent during normal business hours at the agent's office or other usual place of residence. In addition to providing the required information on the carrier's D.C. Agent, the carrier may elect to provide a local or alternate agent for service of process located outside the District of Columbia. Reporting entities other than carriers need only report one agent for service of process, whether located inside the District of Columbia or otherwise.

Carriers must designate a *single* agent for service of process in the District of Columbia for all Commission business. Although FCC Form 499-A permits carriers to designate a preferred alternate or local agents for service of process, each designated agent for a particular carrier must accept service for all purposes relating to Commission business. A carrier may not limit a designated agent's ability to accept service on behalf of the carrier by subject matter, by jurisdiction, by affiliate or by any other grounds. The Commission may assume that the local or alternate agent is the filer's preferred destination for all service of process.

Note: New carriers must identify an agent for service of process within 30 days of providing service and all carriers must notify the FCC within one week if the contact information changes for their D.C. Agent. See Section II-C, above, for filing directions.

3. Block 2-C: FCC Registration Information

New telecommunications carriers must register with the Commission when they begin to provide service. Carriers must update registration information within one week of a material change. See Section II-C, above, for filing directions. Registration information includes information reported in Blocks 1, 2-A, 2-B, and 2-C of FCC Form 499-A.

Lines 219-227 -- The third part of Block 2 contains FCC registration information, as required of all interstate telecommunications carriers pursuant to section 64.1195 of the Commission's rules. 47 C.F.R. § 64.1195. As explained above, virtually all carriers filing the FCC Form 499 are considered to be interstate carriers. Interstate telecommunications carriers must provide the names and business addresses of their Chief Executive Officer, Chairman, and President. If the reporting entity does not have one or more of these officers or if the same person occupies more than one position, then names should be supplied for the three most senior-level officers of the

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<sup>22</sup> 47 U.S.C. § 413. See also 47 C.F.R. § 1.47(h) (stating that every common carrier subject to the Act “shall designate an agent in the District of Columbia” for service of process).

reporting entity. For purposes of this filing, an officer is an occupant of a position listed in the articles of incorporation, articles of formation, or other similar legal document. List only one name if the filing entity is a sole proprietorship. If the filing entity is a partnership, list the managing partner on Line 221. If the legal entity is owned by two partners, list the second partner on Line 223. If there are three or more partners, provide information for the managing partner and the two other partners with the greatest financial interest in the partnership.

Line 227 -- check those jurisdictions where the filing entity provided telecommunications service in the past 15 months, and any additional jurisdictions in which the filing entity expects to provide telecommunications service in the next 12 months. Identify jurisdictions where customers physically obtain service. For most switched services, identify jurisdictions where customers can originate calls. However, for services where the called party pays, also identify jurisdictions where calls terminate.<sup>23</sup> For example, an operator service provider that handled inmate calls originating in New Jersey and terminating collect in New Jersey, New York, and Pennsylvania, would identify New Jersey, New York, and Pennsylvania as jurisdictions served.

C. Block 3, Block 4-A and Block 4: Filer Revenue Information

Lines 301-302; 401-402 -- copy the Filer 499 ID from Line 101 into Lines 301 and 401. Copy the legal name of the reporting entity from Line 102 into Lines 302 and 402.

Lines 303-314; 403-423 contain detailed revenue data.

1. Separating revenues from other contributors to the federal universal service support mechanisms (Block 3) from end-user and non-telecommunications revenues (Block 4) (carrier's carrier vs. end-user)

In the Telecommunications Reporting Worksheet, filers must report revenues using two broad categories: (1) Revenues from other contributors to the federal universal service support mechanisms; and, (2) Revenues from all other sources. Taken together, these revenues should include all revenues billed to customers and should include all revenues on the reporting entities' books of account.

For the purposes of this Worksheet, "Revenues from services provided for resale by other contributors to federal universal service support mechanisms" are revenues from services provided by underlying carriers to other entities that currently are contributors to universal service support mechanisms and that are resold in the form of telecommunications. Such revenues are referred to herein as "carrier's carrier revenues" or "revenues from resellers." An underlying carrier also may include as carrier's carrier revenues any switched service revenues received from another U.S. carrier where that carrier is using the underlying carrier's service to refile the foreign-billed traffic of a foreign telephone operator. Revenues from all other sources consist primarily of revenues from services provided to end users, referred to here as "end-user revenues." This latter category includes foreign and non-telecommunications revenues.

For the purpose of completing Block 3, a "reseller" is a telecommunications carrier or telecommunications provider that: 1) incorporates purchased telecommunications services into its own telecommunications offerings; and 2) can reasonably be expected to contribute to federal universal service support mechanisms based on revenues from such offerings when provided to end users.

Each filer should have documented procedures to ensure that it reports as "revenues from resellers" only revenues from entities that reasonably would be expected to contribute to support universal service. The procedures should include, but not be limited to, maintaining the following information on resellers: Filer 499 ID; legal name; address; name of a contact person; and phone number of the contact person. Filers shall provide this information to the

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<sup>23</sup> Both parties to a collect call are "consumers". 47 C.F.R § 64.708. *See also* 47 C.F.R § 64.710(b)(1).

Commission or the Administrator upon request. The filer should verify that each reseller will: 1) resell the filer's services in the form of telecommunications [and not as information services]; and 2) contribute directly to the federal universal service support mechanisms. If the filer does not have independent reason to know that the reseller satisfies these criteria, it should obtain a signed statement certifying that these criteria are met. Current contributors to universal service are identified at <http://gullfoss2.fcc.gov/cib/form499/499a.cfm>. Filers will be responsible for any additional universal service assessments that result if its customers must be reclassified as end users.

Note: For the purposes of filling out this Worksheet -- and for calculating contributions to the universal service support mechanisms -- certain telecommunications carriers and other providers of telecommunications may be exempt from contribution to the universal service support mechanisms. These exempt entities, including "international only" and "intrastate only" carriers and carriers that meet the *de minimis* universal service threshold, should not be treated as resellers for the purpose of reporting revenues in Block 3. That is, filers that are underlying carriers should report revenues derived from the provision of telecommunications to exempt carriers and providers (including services provided to entities that are *de minimis* for universal service purposes) on Lines 403-417 of Block 4 of the Telecommunications Reporting Worksheet, as appropriate. Underlying carriers must contribute to the universal service support mechanisms on the basis of such revenues. In Block 5, Line 511, however, filers may elect to report the amounts of such revenues (*i.e.*, those revenues from exempt entities that are reported as end-user revenues) so that these revenues may be excluded for purposes of calculating contributions to TRS, LNPA, and NANPA.

## 2. Column (a) - total revenues

The reporting entity must report gross revenues from all sources, including non-regulated and non-telecommunications services on Lines 303 through 314 and Lines 403 through 418 and these must add to total gross revenues as reported on Line 419. Gross revenues should include revenues derived from the activation and provision of interstate, international, and intrastate telecommunications and non-telecommunications services. Gross revenues consist of total revenues billed to customers during the filing period with no allowances for uncollectibles, settlements, or out-of-period adjustments. Gross revenues do not include amounts that cannot be billed to customers. Gross revenues should include collection overages and unclaimed refunds for telecommunications services when not subject to escheats. Gross billed revenues may be distinct from booked revenues. National Exchange Carrier Association (NECA) pool companies should report the actual gross billed revenues (CABS Revenues) reported to the NECA pool and not settlement revenues received from the pool. Entities making consolidated filings must include in their FCC Form 499 Filings all revenue on the consolidated books of account.

If revenue category breakout cannot be determined directly from corporate books of account or subsidiary records, filers may provide on the Worksheet a good-faith estimate of the breakout. Filers may not simply report all revenues on one of the "other revenue" lines.

Where two contributors have merged prior to the filing date, the successor company should report total revenues for the reporting period for all predecessor operations. The two contributors, however, should continue to report separately if each maintains separate corporate identities and continues to operate.<sup>24</sup> Where an entity obtains, through purchase, merger or transfer, the telecommunications operations or customer base of a telecommunications provider during the calendar year, it must report all telecommunications revenues associated with such operations or customer base including revenues billed in the calendar year prior to the date of acquisition.

Gross revenues also should include any surcharges on telecommunications services that are billed to the customer and either retained by the filer or remitted to a non-government third party under contract. Gross revenues should exclude taxes and any surcharges that are not recorded on the company books as revenues but which instead are remitted to government bodies. Note that any charge included on the customer bill and represented to recover or collect contributions to federal or state universal service support mechanisms must be shown separately on Line 403.

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<sup>24</sup> See also Section II-E, above.

Other surcharges treated as revenues should be included in the revenue categories on which the surcharges were levied.

For international services, gross revenues consist of gross revenues billed by U.S. telecommunications providers with no allowances for settlement or settlement-like payments. International settlement and settlement-like receipts for foreign-billed service should not be included in revenues. For example, if a filer receives payment from a foreign carrier to refile traffic destined for other countries, the filer would not include those settlement-like payments even though they might be reported as revenues on the Filer's 43.61 international traffic data report.

If you have any revenues for Lines 303-314 and 403-420, you may not omit the dollar amounts from column (a) even if 100% of the revenues are for interstate or international service.

3. Columns (b), (c), (d), and (e) interstate & international

Columns (b), (c), (d), and (e) are provided to identify the part of gross revenues that arise from interstate and international service for each entry on Lines 303 through 314 and Lines 403 through 417. Intrastate telecommunications means communications or transmission between points within the same State, Territory, or possession of the United States, or the District of Columbia. Interstate and international telecommunications means communications or transmission between a point in one state, territory, possession of the United States or the District of Columbia and a point outside that state, territory, possession of the United States or the District of Columbia. Revenues from services offered under interstate tariffs, such as revenues from federal subscriber line charges and from federally tariffed local number portability surcharges, should be identified as interstate revenues. This includes amounts incorporated in or bundled with other local service charges.

For example, if a prepaid calling card provider collects a fixed amount of revenue per minute of traffic, and 65 percent of minutes are interstate, then interstate revenues would include 65 percent of the per-minute revenues. Similarly, if a local exchange carrier bills local measured service charges for calls that originate in one state and terminate in another, these billings should be classified as interstate even though the charges are covered by a state tariff and the revenues are included in a local service account. If over ten percent of the traffic carried over a private or WATS line is interstate, then the revenues and costs generated by the entire line are classified as interstate.<sup>25</sup> In general, flat-rated unbundled network access elements should be classified according to the regulatory agency that has primary jurisdiction over the contracts.

Amounts billed to customers to recover federal universal service contribution obligations should be attributed as either interstate or international revenues, as appropriate, but may not be reported as intrastate revenues. Filers should report intrastate revenues on Line 403 only to the extent that actual payments to state universal service programs were recovered by pass-through charges itemized on customer bills.

Note: Where possible, filers should report their amount of total revenues that are interstate and international by using information from their books of account and other internal data reporting systems. Where a filer can determine the precise amount of revenues that it has billed for interstate and international services, it should enter those amounts in columns (d) and (e), respectively.

If interstate and international revenues cannot be determined directly from corporate books of account or subsidiary records, filers may provide on the Worksheet good-faith estimates of these figures. In such cases, the filer should enter the good-faith estimates of the percentage of interstate and the percentage of international revenues in columns (b) and (c), respectively. A reporting entity may not submit a good-faith estimate lower than one percent unless the correct figure should be \$0. Information supporting good-faith estimates must be made available to either the FCC or to the administrators upon request. Using the good-faith estimate, calculate the amount of interstate revenues as

<sup>25</sup> See 47 C.F.R. § 36.154(a).

the amount in column (a) times the percentage in column (b), and calculate the amount of international revenues as the amount in column (a) times the percentage in column (c). For convenience, calculated interstate and international revenue amounts that are greater than one thousand dollars may be rounded to the nearest thousand dollars. Please enter zero dollars in columns (d) and (e) if, and only if, there were no interstate revenues for the line for the reporting period.

Note for common carriers providing international telecommunications services: except in very limited circumstances, such as receipts from foreign carriers for calls that are reoriginated and reported as U.S. billed traffic, the total revenues identified as international on Line 419(e) should match the total U.S. billed revenues that will be reported on July 31 of each year pursuant to 47 C.F.R. § 43.61. International private line circuits connect a U.S. point to a foreign point. Circuits within the United States that connect a customer to an international circuit should be reported as interstate. Circuits that connect foreign points should be reported on Line 418.

Note that the FCC provides the following safe harbor percentages of interstate revenues associated with Line 309, Line 409 and Line 410:<sup>26</sup>

- 28.5% of cellular and broadband PCS telecommunications revenues
- 12.0% of paging revenues
- 1.0% of analog SMR dispatch revenues

These safe harbor percentages may not be applied to universal service pass-through charges, fixed local service revenues, or toll service charges. **All filers must report the actual amount of interstate and international revenues for these services.** For example, toll charges for itemized calls appearing on mobile telephone customer bills should be reported as intrastate, interstate or international based on the origination and termination points of the calls.

Wireless telecommunications providers that choose to avail themselves of these safe harbor percentages for interstate revenues may assume that the FCC will not find it necessary to review or question the data underlying their reported percentages. All affiliated wireless telecommunications providers must make a single election, each quarter, whether to report actual revenues or to use the current safe harbor within the same safe harbor category.<sup>27</sup> So, for example, if in a calendar quarter a wireless telecommunications provider reports actual interstate revenues for its cellular and broadband PCS telecommunications services, all of its affiliated legal entities must also report actual interstate telecommunications revenues for cellular and broadband PCS offerings. The same wireless

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<sup>26</sup> *Federal-State Joint Board on Universal Service, 1998 Biennial Regulatory Review - Streamlined Contributor Reporting Requirements Associated with Administration of Telecommunications Relay Service, North American Numbering Plan, Local Number Portability, and Universal Service Support Mechanisms, Telecommunications Services for Individuals with Hearing and Speech Disabilities, and the Americans With Disabilities Act of 1990, Administration of the North American Numbering Plan and North American Numbering Plan Cost Recovery Contribution Factor and Fund Size, Number Resource Optimization, Telephone Number Portability, Truth-in-Billing and Billing Format, Report and Order and Second Further Notice of Proposed Rulemaking, CC Docket Nos. 96-45, 98-171, 90-571, 92-237, 99-200, 95-116, 98-170, FCC 02-329 (rel. Dec. 13, 2002) (Contribution Methodology Order); see also Federal-State Joint Board on Universal Service, Memorandum Opinion and Order and Further Notice of Proposed Rulemaking, CC Docket No. 96-45, 13 FCC Rcd 21252, 21258-60 (1998).*

<sup>27</sup> *See Federal-State Joint Board on Universal Service, Order and Order on Reconsideration, CC Docket No. 96-45, FCC 03-20 (rel. Jan. 30, 2003). Note: Wireless telecommunications providers are “affiliated” for purposes of making the single election whether to report actual interstate telecommunications revenues or use the applicable interim wireless safe harbor if one entity (1) directly or indirectly controls or has the power to control another, (2) is directly or indirectly controlled by another, (3) is directly or indirectly controlled by a third party or parties that also controls or has the power to control another, or (4) has an “identity of interest” with another contributor. See also 47 C.F.R. § 1.2110(c)(5).*

telecommunications provider and all affiliates, however, could use the safe harbor for paging services. Annual revenues reported on the FCC Form 499-A should reflect the filer's reporting of revenues in each quarter on FCC Form 499-Q.

Many carriers now offer packages that bundle fixed local exchange service with interstate toll service for a single price. Revenues for the whole bundle, except for tariffed subscriber line and PICC charges, should be reported on Line 404, as described more fully below. The portion of revenues associated with interstate and international toll services must be identified in columns (d) and (e), respectively. Filers should make a good faith estimate of the amounts of interstate and international revenues from bundled local/toll service if they cannot otherwise determine these amounts from corporate records, and must make their methodology available to the Commission or the Administrator, upon request.

Filers report total uncollectible revenue/bad debt expenses on Lines 421 and 422. Filers that maintain separate detail of uncollectibles by type of business should rely on those records in dividing uncollectible expense between carrier's carrier, contribution base and other revenues, and for dividing uncollectibles associated with contribution base revenues between intrastate, interstate and international categories. Filers that do not have such detail should make such assignments in proportion to reported gross revenues.

4. Explanation of Block 3 and Block 4-A revenue categories

The revenue detail provided in Block 3 on Lines 303 through 314 and in Block 4-A on Lines 403 through 418 should total to total gross revenues reported on Line 419. This section explains the detailed revenue categories.

Filers are instructed to report revenues from other universal service contributors on Lines 303 through 314. *See* Section III-C-1, above. Filers are instructed to report all other revenues on Lines 403 through 418. In many cases, the line-item categories are duplicated in the two sections. Carriers that are required to use the Uniform System of Accounts (USOA) prescribed in Part 32 of the Commission's rules should base their responses on their USOA account data and supplemental records, dividing revenues into those received from universal service contributors and those received from end users and other non-contributors. All filers should report revenues based on the following descriptions.

Fixed local service revenue categories

Fixed local services connect a specific point to one or more other points. These services can be provided using either wireline or fixed wireless technologies and can be used for either local exchange service, private communications, or access to toll services.

Line 303 and Line 404(a) and Line 404(b) -- Monthly service, local calling, connection charges, vertical features, and other local exchange services should include the basic local service revenues except for local private line revenues, access revenues, and revenues from providing mobile or cellular services. This line should include charges for optional extended area service, dialing features, local directory assistance, added exchange services such as automatic number identification (ANI) or teleconferencing, local number portability (LNP) surcharges, connection charges, charges for connecting with mobile service and local exchange revenue settlements. Revenues for services provided to carriers should be divided between Line 303(a) -- provided as unbundled network elements (UNEs) -- and Line 303(b) -- provided under tariffs or arrangements other than unbundled network elements (for example, resale). Line 303(b) should include Presubscribed Interexchange Carrier Charge (PICC) charges levied on carriers.

Line 404 should not include subscriber line charges levied under a tariff filed by the reporting entity or placed on customer bills as a pass-through of underlying carrier subscriber line charges. Filers should instead report such revenues on line 405. For many fixed local service providers, subscriber line charge revenue represents the interstate portion of fixed local service charges. In addition, entities reporting revenues for offerings that provide

both local and interstate long distance services for a single price must breakout the interstate or international portion of these revenues. Filers without subscriber line charge revenue must identify the interstate portion of fixed local exchange service revenues in column (d) of line 404.

If revenues associated with flat-rate calling plans that allow customers to make fixed local and interstate long distance calls for at least some specified time periods can be separately identified from books of account, they should be reported in Line 404(b). If revenues associated with such flat-rate calling plans cannot be separately identified, they should be reported in Line 404(a). The portion of the revenues reported on Lines 404(a) or 404(b) that correspond to interstate or international toll charges should be shown in columns (d) and (e) of these lines, respectively, and should not appear in Line 414. In addition, Line 404(a) should include all revenues billed for fixed local service that is not provided in conjunction with interstate toll calling.

Line 304 -- Line 304 should include per-minute charges for originating or terminating calls. This line also would include revenues to the local exchange carrier for messages between a cellular customer and another station within the mobile service area. The line should include any other gross charges to other carriers for the origination or termination of toll or non-toll traffic. Do not deduct or net payments to carriers for origination or termination of traffic on their networks. Revenues for originating and terminating minutes should be divided between Line 304(a) - provided under state or federal access and Line 304(b) - provided as unbundled network elements or other contract arrangements. Do not include international settlement or settlement-like receipts or transiting fees from international toll services.

Line 405 -- Line 405 should include charges to end users specified in access tariffs, such as tariffed subscriber line charges and PICC charges levied by a local exchange carrier on customers that are not presubscribed to an interexchange carrier (*i.e.*, a no-PIC customer). However, Line 405 should not include charges to end users for special access services (which are reported on Line 406). Telecommunications providers that do not have subscriber line charge or PICC tariffs on file with the Commission or with a state utility commission or who are not reselling such tariffed charges, should report \$0 on Line 405.

Line 305 and Line 406 -- Local private line and special access service should include revenues from providing local services that involve dedicated circuits, private switching arrangements, and/or predefined transmission paths. Line 406 should include revenues from special access lines resold to end users unless the service is bundled with, and charged as part of a toll service, in which case the revenues should be reported on the appropriate toll service line. Report on Lines 305 and 406 revenues from offering dedicated capacity between specified points even if the service is provided over local area switched ATM or frame relay networks.

Line 306 and Line 407 -- Line 306 should include revenues received from carriers as payphone compensation for originating toll calls. Line 407 should include revenues received from customers paid directly to the payphone service provider, including all coin-in-the-box revenues. Do not deduct commission payments to premises' owners.

Line 307 and Line 408 -- Other local telecommunications service revenues should include local telecommunications service revenues that reasonably would not be included with one of the other fixed local service revenue categories. Line 307 should include charges for physical collocation of equipment pursuant to 47 U.S.C. § 251(c)(6). Report on these lines revenues from offering switched capacity on local area data networks such as ATM or frame relay networks.

Line 308 -- Universal service support revenues should include all amounts that filers receive as universal service support from either states or the federal government. Line 308 should include as revenues Lifeline Assistance reimbursement for the waived portion of subscriber line or presubscribed interexchange carrier charges or credits for subsidized services provided to schools, libraries, and rural health care providers. Line 308 should include amounts received as cash as well as amounts received as credit against contribution obligations. Line 308 should not include any amounts charged to customers to recover universal service or similar contributions.

Mobile service

Mobile services are wireless communications between mobile wireless equipment, such as cellular phones, and other points.

Line 309, Line 409, and Line 410 -- Data reported on these lines should contain mobile service revenues other than toll charges to mobile service customers. Charges associated with customer premises equipment should not be included on these lines. A single category -- Line 309 -- is provided for all mobile service provided to resellers. Line 309 should include revenues received from another carrier for roaming service provided to customers of that carrier. For services provided to end users, Line 409 should contain monthly charges, activation fees, and service order processing charges, etc. Line 410 should contain message charges, including any roaming charges assessed on customers for calls placed out of customers' home areas. End-user prepaid wireless service revenues attributable to activation and daily or monthly access charges should be reported on Line 409. End-user prepaid wireless service revenues attributable to airtime should be reported on Line 410. Itemized toll charges to mobile service customers should be included in the Lines 413 or 414, as appropriate.

Toll service revenue categories

Toll services are telecommunications services, wireline or wireless, that enable customers to communicate outside of local exchange calling areas. Toll service revenues include intrastate, interstate, and international long distance services.

Line 411 -- This line should include revenues from prepaid calling cards provided either to customers or to retail establishments. Gross billed revenues should represent the amounts actually paid by customers and not the amounts paid by distributors or retailers, and should not be reduced or adjusted for discounts provided to distributors or retail establishments. All prepaid card revenues are classified as end-user revenues.

Line 412 -- International calls that traverse the United States but both originate and terminate in foreign points are excluded from the universal service contribution base regardless of whether the service is provided to resellers or to end users. These revenues should be segregated from other toll revenues by showing them on Line 412. Telecommunications providers should not report international settlement revenues from traditional settlement transiting traffic on the Worksheet.

Line 310 and Line 413 -- Operator and toll calls with alternative billing arrangements should include all calling card or credit card calls, person-to-person calls, and calls with alternative billing arrangements such as third-number billing, collect calls, and country-direct type calls that either originate or terminate in a U.S. point. These lines should include all charges from toll or long distance directory assistance. Lines 310 and 413 should include revenues from all calls placed from all coin and coinless, public and semi-public, accommodation and prison telephones, except that calls that are paid for via prepaid calling cards should be included on Line 411 and calls paid for by coins deposited in the phone should be included on Line 407.

Line 311 and Line 414 -- Ordinary long distance and other switched toll services should include amounts from account 5100 -- long distance message revenues-- except for amounts reported on Lines 310, 407, 411, 412 or 413. Line 311 and Line 414 should include ordinary message telephone service (MTS), WATS, subscriber toll-free, 900, "WATS-like," and similar switched services. This category includes most toll calls placed for a fee and should include flat monthly charges billed to customers, such as account maintenance charges, PICC pass-through charges, package plans giving fixed amounts of toll minutes, and monthly minimums. However, where customers are charged single rate for a combined local and long distance service, all revenues for such service should be reported on Line 404(a).

Line 312 and Line 415 -- Long distance private line service should include revenues from dedicated circuits, private switching arrangements, and/or predefined transmission paths, extending beyond the basic service area. Line 312

and Line 415 should include frame relay and similar services where the customer is provided a dedicated amount of capacity between points in different basic service areas. This category should include revenues from the resale of special access services if they are included as part of a toll private line service.

Line 313 and Line 416 -- Satellite services should contain revenues from providing space segment service and earth station link-up capacity used for providing telecommunications or telecommunications services via satellite. Revenues derived from the lease of bare transponder capacity should not be included on Lines (313) and (416).

Line 314 and Line 417 -- All other long distance services should include all other revenues from providing long distance communications services. Line 314 and Line 417 should include toll teleconferencing. Line 314 and Line 417 should include switched data, frame relay and similar services where the customer is provided a toll network service rather than dedicated capacity between two points.

#### Other revenue categories

Line 403 -- Itemized charges levied by the reporting entity in order to recover contributions to state and federal universal service support mechanisms should be classified as end-user billed revenues and should be reported on Line 403. Any charge that is identified on a bill as recovering contributions to universal service support mechanisms must be shown on Line 403 and should be identified as either interstate or international revenues, as appropriate. Filers should report intrastate revenues on line 403 only to the extent that actual payments to state universal service programs were recovered by pass-through charges itemized on customer bills.

Line 418 -- Other revenues that should not be reported in the contribution bases. Line 418 should include all non-telecommunications service revenues on the reporting entity's books, as well as some revenues that are derived from telecommunications-related functions, but that should not be included in the universal service or other fund contribution bases. For example, information services offering a capability for generating, acquiring, storing, transforming, processing, retrieving, utilizing, or making available information via telecommunications are not included in the universal service or other fund contribution bases. Information services do not include any use of any such capability for the management, control, or operation of a telecommunications system or the management of a telecommunications service. Information services also are called enhanced services because they are offered over transmission facilities used in interstate communications and employ computer processing applications that act on the format, content, code, protocol, or similar aspects of the subscriber's transmitted information; provide the subscriber additional, different, or restructured information; or involve subscriber interaction with stored information. For example, call moderation and call transcription services are information services. These services are exempt from contribution requirements and should be reported on Line 418. Line 418 should include revenues from published directory and carrier billing and collection services. Line 418 should include revenues from the sale, lease, installation, maintenance, or insurance of customer premises equipment (CPE). Line 418 should include inside wiring charges and inside wiring maintenance insurance. Line 418 should include the sale or lease of transmission facilities, such as dark fiber, that is not provided as part of a telecommunications service or as a UNE. Line 418 should include revenues from providing open video systems (OVS), cable leased access, and direct broadcast satellite (DBS) services. Line 418 should include late payment charges and charges (penalties) imposed by the company for customer checks returned for non-payment. Line 418 should include revenues from telecommunications services provided in a foreign country where the traffic does not transit the United States or where the carrier is providing service as a foreign carrier, i.e. a carrier licensed in that country.

The Commission adopted two "safe harbor" methods for allocating revenue when telecommunication services and CPE/enhanced services are offered as a bundled package.<sup>28</sup> The first option is to report revenues from bundled

<sup>28</sup> *Policies and Rules Concerning the Interstate, Interexchange Marketplace, Implementation of Section 254(g) of the Communications Act of 1934, as amended, 1998 Biennial Regulatory Review -- Review of Customer Premises Equipment And Enhanced Services Unbundling Rules In the Interexchange, Exchange Access And Local Exchange Markets*, Report and Order, CC Docket No. 96-61, 16 FCC Rcd 7418 (2001).

telecommunications and CPE/enhanced service offerings based on the unbundled service offering prices, with no discount from the bundled offering being allocated to telecommunications services. Alternatively, contributors may elect to treat all bundled revenues as telecommunications service revenues for purposes of determining their universal service obligations. Filers may choose to use allocation methods other than the two described above. Filers should realize, however, that any other allocation methods may not be considered reasonable, and will be evaluated on a case-by-case basis in an audit or enforcement context.

5. Block 4-B total revenue and uncollectible revenue information

Line 419 -- Gross billed revenues from all sources should equal the sum of revenues by type of service reported on Lines 303 through 314 and Lines 403 through 418.

Line 420 -- Universal service contribution base revenues should equal the subtotal of Lines 403 through 411 and Lines 413 through 417 for each column. The totals on this line represent gross end-user revenues for the purpose of determining contributions to universal service support mechanisms. Note that these lines contain gross end-user revenues from carriers and telecommunications service providers that are exempt (*e.g.*, carriers that meet the universal service *de minimis* exception, or that provide "international only" service) from contributing to universal service support mechanisms. Since these universal service exempt entities generally do contribute directly to the TRS, local number portability, and NANPA mechanisms, revenues from these entities need not be included in contribution bases for those mechanisms. Thus, underlying carriers may, if they elect to, identify these amounts on Line 511.

Line 421 -- Show the uncollectible revenue/bad debt expense associated with gross billed revenues amounts reported on Line 419. This should be the amount reported as bad debt expense in the filer's income statement for the year. Note that it will include uncollectibles associated with all revenue on the filer's books (Line 419), covering carrier's carrier revenues, end-user telecommunications revenues and revenues reported on Line 418. The contributor's uncollectible revenues/bad debt expense should be calculated in accordance with Generally Accepted Accounting Principles. Thus, uncollectibles should represent the portion of gross billed revenues that the contributor reasonably expects will not be collected. Note that uncollectibles may not include any amounts associated with unbillable revenues.<sup>29</sup> Filers that operate on a cash basis should report \$0 on this line.

Line 422 -- Show the portion of the uncollectible revenue/bad debt expense reported on Line 421 that is associated with just the universal service contribution base amounts reported on Line 420.<sup>30</sup> Filers that maintain separate detail of uncollectibles by type of business should rely on those records in determining the portion of gross uncollectibles reported on Line 421 that should be reported on Line 422. Filers that do not have such detail should make such assignments in proportion to reported gross revenues. Filers must be able to document how the amounts reported on Line 422 relate to the uncollectible revenue/bad debt expense associated with gross billed revenues reported on Line 421.

Line 423 -- Net universal service contribution base revenues should equal the amounts reported on Line (420) minus the amounts reported on Line 422.

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<sup>29</sup> See *Contribution Methodology Order*, FCC 02-329 (rel. Dec. 13, 2002), footnote 95.

<sup>30</sup> See *Contribution Methodology Order*, FCC 02-329 (rel. Dec. 13, 2002). Also see, for example, *Proposed First Quarter 2004 Universal Service Contribution Factor* CC Docket No. 96-45, Released December 4, 2003; DA 03-3866.

6. Notes for carriers that use the USOA

The revenue accounts in the USOA as adopted in 1986 generally correspond to specific revenue lines in Block 3 and Block 4. For example, revenue amounts recorded in accounts 5001, 5002, 5050, 5060 and 5069 should be reported on Line 303 or Line 404, as appropriate. Similarly, revenues recorded in account 5280 should be reported on Line 407. There are some exceptions. For example, monthly and connection revenues from mobile services provided to end users in account 5004 should be reported on Line 409. Per-minute revenues from end users in account 5004 should be reported on Line 410. However, revenues in account 5004 from exchanging traffic with mobile service carriers should be reported on Line 304. Similarly, state per-minute access revenues recorded in account 5084 should be reported on Line 304; state special access revenues recorded in account 5084 should be reported on Line 305 and Line 406, as appropriate; and, state subscriber line charge revenues recorded in account 5084 should be reported on Line 405. Uncollectible revenue recorded in account 5300 should be reported on Line 421. The portion of these revenues that correspond to contribution base revenues should be reported on Line 422.

In 2001, the Commission adopted changes to the USOA.<sup>31</sup> These changes in account structure have not changed which revenues should be reported on which FCC Form 499 lines. Most revenues classified in account 5001 -- basic area revenues, should continue to be reported on Line 303 or Line 404. However, local exchange carrier revenues from mobile carriers for calls between wireless and wireline customers should be reported on Line 304 and revenues from mobile services on Line 309, Line 409 or Line 410, as appropriate. Revenues classified in account 5200, miscellaneous revenues, should be divided into several lines for reporting purposes. For example, account 5200 includes revenues derived from UNEs, which should continue to be reported on Line 303 and, reciprocal compensation, which will continue to be reported on Line 304.

Some types of incidental regulated revenues contained in account 5200, miscellaneous revenues, will continue to be reported on Lines 403 through 408. These include collection overages and non-refundable prepaid amounts that are not used by the customer. Note that late payment charges, bad check penalties imposed by the company, enhanced services, billing and collection, customer premises equipment sale, lease or insurance, and published directory revenues should continue to be reported on Line (418).

Revenues recorded in account 5100, long distance network service revenues, will continue to be reported on Line 310 through Line 314 and Line 411 through Line 417, as appropriate.

G. Block 5: Additional Revenue Breakouts

Lines 501-502 -- Copy the Filer 499 ID from Line 101 into Line 501. Copy the legal name of the reporting entity from Line 102 into Line 502.

Lines 503-510 -- In these lines, filers should identify the percentages of their revenues by LNPA region. Filers that have certified that they are exempt from contributing to the shared costs of local number portability need not provide these breakdowns. Carriers should calculate or estimate the percentage of revenues that they billed in each region based on the amount of service they actually provided in the parts of the United States listed for each region. The percentages in column (a) should add to 100% unless the filer did not provide any services for resale by other contributors to the federal universal service support mechanisms. The percentages in column (b) should add to 100% unless the filer did not provide any telecommunications services to end users or non-contributing carriers. Carriers do not need to complete column (a) if they have some end-user revenues in each of the regions in which they have carrier operations.

<sup>31</sup> See 2000 Biennial Regulatory Review – Comprehensive Review of the Accounting Requirements and ARMIS Reporting Requirements for Incumbent Local Exchange Carriers: Phase 2, CC Docket No. 00-199, Report and Order in CC Docket Nos. 00-199, 97-212, and 80-286 and Further Notice of Proposed Rulemaking in CC Docket Nos. 00-199, 99-301, and 80-286, 16 FCC Rcd 19911 (2001), *recon. pending*.

Line 511 -- see instructions for Line 420 in Section III-C-4.

H. Block 6: Certification.

Lines 601-602 -- Copy the Filer 499 ID from Line 101 into Line 601. Copy the legal name of the reporting entity from Line 102 into Line 602.

Line 603 -- In this line, filers may certify that they are exempt from one or more contribution requirement(s) by checking the box next to the mechanism(s) from which they are exempt. As explained above, the FCC Form 499 Telecommunications Reporting Worksheet enables telecommunications carriers and service providers to satisfy a number of requirements in one consolidated form. Not all entities that file the Telecommunications Reporting Worksheet must contribute to all of the support and cost-recovery mechanisms (universal service, local number portability, TRS, and NANPA). For example, certain telecommunications providers that are not telecommunications carriers must contribute to the universal service support mechanisms, but not to the TRS, local number portability, and NANPA mechanisms. Section IV-A below provides summary information on which filers must contribute and which filers are exempt from particular contribution requirements. Filers that certify that they are exempt from one or more mechanism(s) should use the space provided on Line 603 to explain the exemption.

Note: It is not necessary for a filer to certify that it is *de minimis* for universal service purposes because the universal service administrator can determine whether a filer meets the contribution threshold from other information provided on the form. If, however, a reseller qualifies for the *de minimis* exemption, it must notify its underlying carriers that it is not contributing directly to universal service, so that it may be treated as an end user when the underlying carriers file FCC Form 499.

Line 604 -- In this line, filers indicate whether they are exempt from FCC regulatory fees or the filer is an "exempt telecommunications company." A state or local governmental entity is any state, possession, city, county, town, village, municipal corporation, or similar political organizations.<sup>32</sup> The second check box identifies organizations duly qualified as a nonprofit, tax exempt entity under section 501 of the Internal Revenue Code, 26 U.S.C. 501. These organizations typically qualify for non-profit status under sections 501(c)(3) or 501(c)(12). Note that such entities are not exempt from universal service, TRS, LNP, or NANPA contributions unless they qualify under some other exemption.<sup>33</sup>

Section 34(a)(1) of the Public Utility Holding Company Act of 1935 (PUHCA) allows registered public utility holding companies to enter the telecommunications industry without prior Securities and Exchange Commission (SEC) approval by acquiring or maintaining an interest in an "exempt telecommunications company". Moreover, exempt public utility holding companies, by owning or acquiring an interest in an exempt telecommunications company, may acquire a "safe harbor" from potential SEC regulation under PUHCA Section 3(a). The law vests the Commission with jurisdiction to determine whether a company warrants exempt status based on specific statutory criteria. Filers that are exempt telecommunications companies affiliated with a public utility holding company must identify themselves by checking the appropriate box on Line 604.

Line 605 -- Filers may use the box in Line 605 to request nondisclosure of the revenue information contained on the Telecommunications Reporting Worksheet. By checking this box, the officer of the company signing the Worksheet certifies that the information contained on the Worksheet is privileged or confidential commercial or financial information and that disclosure of such information would likely cause substantial harm to the competitive position of the company filing the Worksheet. This box may be checked in lieu of submitting a separate request for

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<sup>32</sup> 47 C.F.R. § 1.1162(b).

<sup>33</sup> 47 C.F.R. § 1.1162(c).

confidentiality pursuant to section 0.459 of the Commission's rules.<sup>34</sup> All decisions regarding disclosure of company-specific information will be made by the Commission. The Commission regularly makes publicly available the names (and Block 1 and 2-B contact information) of the entities that file the Telecommunications Reporting Worksheet and information on which filers contribute to which funding mechanisms, including entities that checked the boxes in Line 603.

Lines 606-611 -- An officer of the reporting entity must examine the data provided in the Telecommunications Reporting Worksheet and certify that the information provided therein is accurate and complete. Officers of entities making consolidated filings should refer to Section II-B, above and must certify that they comply with the conditions listed in Section II-B. An officer is a person who occupies a position specified in the corporate by-laws (or partnership agreement), and would typically be president, vice president for operations, vice president for finance, comptroller, treasurer, or a comparable position. If the reporting entity is a sole proprietorship, the owner must sign the certification. The signature on Line 606 must be in ink.

A person who willfully makes false statements on the Worksheet can be punished by fine or imprisonment under Title 18 of the United States Code.<sup>35</sup>

Line 612 -- Indicate whether this filing is an original filing for the year, due on April 1, a registration filing for a new service provider, a filing with revised registration information or a filing with revised revenue information. See Sections II-C and II-E, above, for information on the obligation to file revisions.

#### IV. Calculation of Contributions

##### A. Contribution Requirements

Most filers must contribute to the universal service, TRS, NANPA, and LNPA funding mechanisms. This section provides a short summary to assist carriers and service providers in determining whether they must contribute to one or more of the mechanisms. Filers should consult the Commission's rules and orders to determine whether they must contribute to one or more of the mechanisms.

**Federal universal service support mechanisms.** Entities that provide interstate telecommunications to the public for a fee must contribute to the universal service support mechanisms. *See* 47 C.F.R. § 54.706.

**Telecommunications Relay Services.** Every common carrier providing interstate telecommunications services shall contribute to the TRS Fund. *See* 47 C.F.R. § 64.604.

**North American Numbering Plan Administration.** All telecommunications carriers in the United States shall contribute to meet the costs of establishing numbering administration. *See* 47 C.F.R. § 52.17.

**Shared Costs of Local Number Portability.** The shared costs of long-term number portability attributable to a regional database shall be recovered from all telecommunications carriers providing telecommunications service in that region. *See* 47 C.F.R. § 52.32.

Figure 3 summarizes which telecommunications carriers and service providers must file for particular purposes.

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<sup>34</sup> 47 C.F.R. § 0.459. *See also Examination of Current Policy Concerning the Treatment of Confidential Information Submitted to the Commission*, GC Docket No. 96-55, Report and Order, 13 FCC Rcd 24816 (1998) (listing the showings required in a request that information be withheld and stating that the Commission may defer action on such requests until a formal request for public inspection has been made).

<sup>35</sup> *See* 18 U.S.C. § 1001.

**Figure 3: Which telecommunications carriers and telecommunications providers must contribute for which purposes<sup>36</sup>**

Type of filer	Universal Service	TRS	NANPA	LNPA
<i>De minimis</i> payphone aggregators that do not also have telecommunications carrier revenues		X		
Other payphone aggregators that do not also have telecommunications carrier revenues	X	X		
Telecommunications providers with no telecommunications service revenues <u>and</u> that are <i>de minimis</i>				
Telecommunications providers with no telecommunications service revenues <u>and</u> that are not <i>de minimis</i>	X			
Telecommunications carriers that provide services only to other universal service contributors			X	X
Telecommunications carriers that provide only international services		X	X	X
Telecommunications carriers that provide only intrastate services			X	X
Satellite carriers providing interstate telecommunications services	X	X	X	X
<i>De minimis</i> telecommunications carriers providing interstate telecommunications		X	X	X
All other telecommunications carriers providing interstate telecommunications	X	X	X	X

<sup>36</sup> This chart is provided for informational purposes only. It is not intended to be exhaustive, nor is it intended to serve as legal guidance or precedent. Filers are instructed to consult the Commission's rules and orders to determine whether they must contribute to one or more of the mechanisms. See 47 C.F.R. §§ 52.17, 52.32, 54.706, 64.604.

B. Contribution Bases

Filers do not calculate, in this Worksheet, the amounts that they must contribute. The administrators will use the revenue information on the Worksheet to calculate a funding base and individual contributions for each support mechanism. Individual contributions are determined by the use of "factors" -- factors reflect the total funding requirement of a particular mechanism divided by the total contribution base for that mechanism. Information on the contribution bases and individual filer contributions are shown in Figure 4.

**Figure 4: Contribution bases**

Support Mechanism	Funding Basis
Universal service low income and high cost; Universal service schools and libraries and rural health care	Line 422(d)* + Line 422(e) ** less revenues corresponding to universal service contributions***
TRS (Filers with interstate or international end- user revenues must pay a minimum of \$25)	plus Line 420(d) + Line 420(e) less Line 412(e) less Line 511(b)
NANPA (Filers with end-user revenues must pay a minimum of \$25. Filers with no end-user revenues must pay \$25.)	plus Line 420(a) less Line 412(a) less Line 511(a)
LNPA - by region (Filers with no end-user revenues must pay \$100)	plus Line 420(a) less Line 412(a) less Line 511(a) times percentage of end-user revenues shown on Lines 503 through 509

\* As of April 2003, monthly billings for universal service are based on projected collected revenue information filed on the quarterly FCC Form 499-Q. Historical amounts reported on FCC Form 499-Q Line 116(b) and (c) correspond to FCC Form 499-A Line 420(d) and (e), respectively. The FCC Form 499-Q provides instructions for projecting revenues, and for removing uncollectible amounts from billed revenue projections. Projected collected revenues on FCC Form 499-Q Line 120(b) and (c) correspond to net universal service base revenues on FCC Form 499-A Line 422 (d) and (e), respectively. The amounts filed on the FCC Form 499-A are used to review and true-up FCC Form 499-Q filings and associated contributions.

\*\* Line 420(e) is excluded from the contribution base if the total of amounts on Line 420(d) for the filing entity consolidated with all affiliates is less than 12% of the total of Line 420(d) + Line 420(e) for the filing entity consolidated with all affiliates. See 47 C.F.R. §54.706(c).

\*\*\* For the second quarter of 2002 through the first quarter of 2003, the contribution base for an individual filer was the subject interstate and international revenues from two quarters prior, less the universal service contributions actually made in that prior quarter.<sup>37</sup> Starting in the second quarter April 2003, the contribution base for an individual filer is the projected collected interstate and international revenues for the quarter, reduced by an imputed amount of universal service support pass-through charges, based on the actual factor for the quarter.<sup>38</sup>

<sup>37</sup> See *First Further Notice*, 17 FCC Rcd 3752 (2002).

<sup>38</sup> See *Contribution Methodology Order*, FCC 02-329 (rel. Dec. 13, 2002). Also see, for example, *Proposed First Quarter 2004 Universal Service Contribution Factor* CC Docket No. 96-45, Released December 4, 2003; DA 03-3866.

V. Reminders

- File the FCC Form 499-A online at <http://form499.universalservice.org/>
- Is the filer affiliated with another telecommunications provider? Each legal entity must file separately unless they qualify for filing on a consolidated basis. See Section II-B above. Each affiliate or subsidiary must show the same holding company information on Lines 106(a) and 106(b).
- Provide data for all lines that apply. Show a zero for services for which the filer had no revenues for the filing period. Be sure to include on Line 112 all names by which the filer is known to customers, including the names of agents or billers if those names appear on customer bills.
- Telecommunications providers that are required to contribute to universal service support mechanisms must also file quarterly FCC Form 499-Q on February 1, May 1, August 1 and November 1.
- Wherever possible, revenue information should be taken from the telecommunications providers' financial records.
- The Worksheet must be signed by an officer of the reporting entity. An officer is a person who occupies a position specified in the corporate by-laws (or partnership agreement), and would typically be president, vice president for operations, comptroller, treasurer, or a comparable position.
- Do not mail the Worksheet to the FCC. See Section II-C for filing instructions.
- Remember -- you must refile parts of the Worksheet if the Agent for Service of Process or FCC Registration information changes during the year.
- Note that FCC Form 499 is one of several forms that telecommunications carriers and other providers of interstate telecommunications may need to file. Information concerning common filing requirements for such providers may be found on the Commission's web site, at [www.fcc.gov/wcb/filing.html](http://www.fcc.gov/wcb/filing.html).

If you have questions about the Worksheet or the instructions, you may contact:

Form 499 Telecommunications Reporting Worksheet Information	Form499@ universalservice.org (973) 560-4460
Wireline Competition Bureau Industry Analysis and Technology Division TTY	(202) 418-0940 (202) 418-0484

If you have questions regarding contribution amounts, billing procedures or the mechanisms, you may contact:

Universal Service Administration	(202) 776-0200
TRS Administration	(973) 884-8173
NANPA Billing and Collection Agent	(973) 884-8173
Local Number Portability Administrators	(877) 245-5277

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