PUBLIC NOTICE

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Federal Communications Commission
1919 M St., N.W.
Washington, D.C. 20554

News media information 202 / 418-0500
Fax-On-Demand 202 / 418-2830
Internet: http://www.fcc.gov
ftp.fcc.gov

Released: July 31, 1998
DA 98-1519

Division Announces Release of Revised Universal Service Worksheet, FCC Form 457
CC Docket Nos. 97-21, 96-45

In this Public Notice, the Accounting Policy Division (Division) issues a revised Universal Service Worksheet, FCC Form 457 (Worksheet) and revised Worksheet instructions. The revisions update universal service reporting requirements.

On May 8, 1997, the Commission released an Order establishing new federal universal service support mechanisms, consistent with the Communications Act of 1934, as amended.[1] In that Order, the Commission required all telecommunications carriers that provide interstate telecommunications services, providers of interstate telecommunications, and payphone service providers to contribute to the federal universal service support mechanisms.[2] On July 18, 1997, the Commission released an Order requiring all contributors to universal service to report semi-annually their end-user telecommunications revenues on the Worksheet.[3] The Office of Management and Budget approved the final Worksheet on July 31, 1997, and the Commission announced the release of the Worksheet on August 4, 1997.[4] On March 2, 1998, the Division issued a revised Worksheet and revised instructions to make them consistent with

[1] Federal-State Joint Board on Universal Service, *Report and Order*, 12 FCC Rcd 8776 (1997) (*Universal Service Order*).

[2] *Universal Service Order*, 12 FCC Rcd at 9173-9178, 9183-9185.

[3] Changes to the Board of Directors of the National Exchange Carrier Association, Inc., Federal-State Joint Board on Universal Service, *Report and Order and Second Order on Reconsideration*, 12 FCC Rcd 18400, 18442 (1997) (*NECA Order*).

[4] *See* FCC Announces Release of Universal Service Worksheet, Form 457, *Public Notice*, DA 97-1671 (FCC rel. Aug. 4, 1997). The Commission announced minor changes to the worksheet instructions on August 1, 1997. *See* FCC Announces Non-Substantive Changes to Universal Service Worksheet Instructions Released on August 4, 1997, Form 457, *Public Notice*, DA 97-1671A (FCC rel. Aug. 11, 1997).

the *Second Order on Reconsideration* and *Fourth Order on Reconsideration*.[5]

We add to the Worksheet a new Line 48, where contributors shall report the revenues derived from charges assessed on end-users to recover contributions to state or federal universal service support mechanisms. We also revise Lines 22 and 35 of the attached Worksheet to require contributors to include on those lines, respectively, revenues derived from presubscribed interexchange carrier charges (PICCs) levied on carriers and PICCs levied on end users. We direct contributors to begin reporting at this time the revenues derived from such charges, because contributors began assessing these charges on January 1, 1998, the first day of the revenue-reporting period for the attached Worksheet.[6]

Section 254(d) provides that telecommunications carriers that provide interstate telecommunications services shall contribute to the universal service support mechanisms.[7] Accordingly, we clarify the paragraph on pages 3-4 of the revised instructions attached hereto that carriers that use switches or lines that are used to provide interstate services, but that do not themselves provide interstate telecommunications services, are not required to contribute to the universal service support mechanisms.

Furthermore, we clarify on page one of the instructions to the Worksheet that the Commission may make publicly available a list of the entities that file a Worksheet. Section 54.711 of our rules provides that companies may request Commission nondisclosure of company-specific information and that the Commission shall make all decisions regarding nondisclosure of company-specific information.[8] Making publicly available a list of entities that file a Worksheet will not reveal company-specific information. We therefore clarify that such a list may be made publicly available. In addition to the revisions and clarifications to the Worksheet and instructions described above, we also make minor typographical and non-substantive changes to the Worksheet instructions.

Copies of the revised Worksheet and instructions may be downloaded from the Commission's Forms Web Page, www.fcc.gov/formpage.html. Copies also may be obtained by calling the fax-on-demand line at (202) 418-2830 and selecting document number 000457.

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[5] *See* Changes to the Board of Directors of the National Exchange Carrier Association, Inc., Federal-State Joint Board on Universal Service, *Second Order on Reconsideration in CC Docket 97-21*, 12 FCC Rcd 22423 (1997) (*Second Order on Reconsideration*); Federal-State Joint Board on Universal Service, Access Charge Reform, Price Cap Performance Review for Local Exchange Carriers, Transport Rate Structure and Pricing, End User Common Line Charge, *Fourth Order on Reconsideration*, 13 FCC Rcd 5318, 5471-5476, 5481-5482 (1997) (*Fourth Order on Reconsideration*).

[6] Worksheets due on September 1 of each year contain data for the six-month period from January 1 - June 30 of the current calendar year. Worksheets due on March 31 include data for the prior calendar year.

[7] 47 U.S.C. § 254(d).

[8] 47 C.F.R. § 54.711.

Finally, copies may be obtained from USAC at (973) 560-4400.

For further information, contact Frances Downey or Lori Wright, Accounting Policy Division, Common Carrier Bureau, at (202) 418-7400.

Action by the Chief, Accounting Policy Division

FCC Form 457

Universal Service Worksheet

Approval by OMB
3060-0785
Estimated Average Burden Hours Per Response 5 Hours

Please read instructions before completing. Report actual amounts billed to customers and contributors during the filing period without subtracting uncollectibles or international settlement payments. Report revenues in whole dollars. Do not report negative amounts.

Block 1: Contributor Identification

1	Legal name of contributor	
2	IRS employer identification number	TRS Company Code
3	Name contributor is doing business as	

4 Principal communications business (check only one)

a. ☐ CAP/CLEC	e. ☐ Local Reseller	i. ☐ Pre-paid Card	m. ☐ SMR	q. ☐ Other Mobile
b. ☐ Cellular/PCS/SMR (wireless telephony)	f. ☐ OSP	j. ☐ Private Service Provider	n. ☐ Toll Reseller	r. ☐ Other Toll
c. ☐ Incumbent LEC	g. ☐ Paging & Messaging	k. ☐ Satellite	o. ☐ Wireless Data	If Other Local, Mobile or Toll is checked, describe contributor type below
d. ☐ IXC	h. ☐ Payphone Service Provider	l. ☐ Shared Tenant Service Provider	p. ☐ Other Local	

5	Holding Company
6	Management company (if contributor is managed by another entity)
7	Principal Carrier Identification Code used for interexchange service
8	Complete mailing address of contributor's corporate headquarters
9	Telephone number for customer inquiries ( )

Block 2: Contact Information

10	Name of contact person		
11a	Telephone number of contact person	( )	11b Fax number ( )
12	E-mail of contact person		
13	Complete mailing address of contact: (Filing information and future Universal Service Worksheets will be sent to this address.)		
14	Billing address: (Bills for Universal Service contributions will be sent to this address.)		

Block 3: Certification (To be signed by an officer of the contributor.)

I certify that I am an officer of the above-named contributor, that I have examined this report and to the best of my knowledge, information and belief, all statements of fact contained in this Worksheet are true and that said Worksheet is an accurate statement of the affairs of the above-named contributor.

15	Signature
16	Printed name of officer
17	Position with contributor
18	Date

19 Year of data ☐ Filing Period (Check One)

☐ Due by September 1 — **Data for current year, January 1 through June 30**

☐ Due by March 31 — **Data for prior year, January 1 through December 31**

20 This filing is: ☐ Original Filing ☐ Revised Filing

Do not include a check with this filing. For additional information, please call the Universal Service Administrator. Mail this Worksheet to the Universal Service Administrator, not to the FCC. The Administrator's address and telephone number are available on the FCC's website.

PERSONS MAKING WILLFUL FALSE STATEMENTS IN THE WORKSHEET CAN BE PUNISHED BY FINE OR IMPRISONMENT UNDER TITLE 18 OF THE UNITED STATES CODE.18 U S C §1001

FCC Form 457

Universal Service Worksheet

Please read instructions before completing. Report actual amounts billed to customers and contributors during the filing period without subtracting uncollectibles or international settlement payments. Report revenues in whole dollars. Do not report negative amounts.

TRS Company Code

Block 4: Contributor Revenue Information

21	Year of data	Filing Period (Check one) ☐ Data for January 1 through June 30 ☐ Data for January 1 through December 31	Total Revenues (a)	Percent Interstate & International (b)	Interstate and International Revenues (c)
Revenue from Other Contributors					
Fixed local service					
22	Monthly service, local calling, connection charges, vertical features, inside wiring maintenance, and other local exchange service, including PICCs levied on carriers				
a	Provided as unbundled network elements				
b	Provided under tariffs or arrangements other than unbundled network elements				
23	Per minute charges for originating or terminating calls				
a	Provided as unbundled network elements or other contract arrangement				
b	Provided under state or federal access tariffs				
24	Local private line & special access				
25	Pay telephone compensation from toll contributors				
26	Other local telecommunications service revenues				
27	Universal service support revenues				
Mobile service *(includes wireless telephony, paging & messaging, and other mobile services)*					
28	Monthly, activation, and message charges except toll				
Toll Service					
29	Operator and toll calls with alternative billing arrangements (credit card, collect, international call-back, etc.)				
30	Other switched toll service (includes MTS, 800/888 service, etc.)				
31	Long distance private line services				
32	Satellite services				
33	All other long distance services				
Revenue From All Other Sources					
Fixed local service					
34	Monthly service, local calling, connection charges, vertical features, inside wire maintenance, and other local exchange service charges except for federally tariffed subscriber line charges				
35	Tariffed subscriber line charges and PICCs levied on end users				
36	Local private line and special access service				
37	Pay telephone coin revenues				
38	Other local telecommunications service revenues				
Mobile service *(includes wireless telephony, paging & messaging, and other mobile services)*					
39	Monthly and activation charges				
40	Message charges including roaming but excluding toll charges				
Toll service					
41	Pre-paid calling card				
42	International calls that both originate and terminate in foreign points				
43	Operator and toll calls with alternative billing arrangements (credit card, collect, international call-back, etc.) other than revenues reported on Line 42				
44	Other switched toll service (includes MTS, 800/888 service, etc.)				
45	Long distance private line services				
46	Satellite services				
47	All other long distance services				
48	Charges on end-user bills identified as recovering state or federal universal service contributions				
49	Subtotal of lines 34 through 41 and lines 43 through 48				
Other revenue that will not be included in the contribution base					
50	Enhanced services, billing and collection, customer premises equipment, published directory, and non-telecommunications products and service revenues				
51	Gross billed revenues from all sources				

52 ☐ Request for Commission nondisclosure of information contained in the Worksheet. Certification that the information contained on this 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 entity filing the Worksheet. This box may be checked in lieu of submitting a separate request pursuant to Section 0.459 of the Commission's rules.

PERSONS MAKING WILLFUL FALSE STATEMENTS ON THIS WORKSHEET CAN BE PUNISHED BY FINE OR IMPRISONMENT UNDER TITLE 18 OF THE UNITED STATES CODE, 18 U.S.C. §1001.

FCC 457, July 1997
Approved by OMB 3060-0785
Estimated Average Burden Hours Per Response: 5 hours

Instructions for Completing the Universal Service Worksheet, FCC Form 457

NOTICE TO INDIVIDUALS

Section 54.703 of the Commission's rules requires all telecommunications carriers providing interstate telecommunications services, providers of interstate telecommunications that offer services to others for a fee, and pay telephone providers to contribute to the universal service support mechanisms. Section 54.711 of the Commission's rules requires all contributors to complete and submit this Universal Service Worksheet twice a year. Contributors must provide revenue data for January 1 through June 30 by September 1 of each year and revenue data for January 1 through December 31 by March 31 of each year. Each affiliate or subsidiary must file separately. The collection of information and fees stems from the Commission's authority under the Communications Act of 1934, sections 4 and 254, as amended, 47 U.S.C. §§ 154 and 254. The data in this Universal Service Worksheet will be used to ensure that contributors make equitable and nondiscriminatory contributions to preserve and advance universal service. Selected information provided in the Universal Service Worksheet will be made available to the public in a manner consistent with the Commission's rules. The Commission may make available to the public a list of the entities that file the Universal Service Worksheet. Except for contributors qualifying for the *de minimis* exemption or other exclusions discussed below, all carriers providing interstate telecommunications services, as well as non-common carrier entities that offer interstate telecommunications to others for a fee and pay telephone providers, must file this Universal Service Worksheet.

We have estimated that each response to this collection of information will take, on average, 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 (3060-0785). We also will accept your comments via the Internet if you send them to jboley@fcc.gov. Please DO NOT SEND COMPLETED WORKSHEETS TO THIS ADDRESS.

The Commission is authorized under the Communications Act of 1934, as amended, to collect the personal information we request in 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 Universal Service 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 Universal Service 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.

If you owe a past due debt to the federal government, the taxpayer identification number (such as your social security number) and other information you provide also may be disclosed to the Department of the Treasury Financial Management Service, other federal agencies, and/or your employer to offset your salary, IRS tax refund, or other payments to collect that debt. The Commission also may provide this information to those agencies through the matching of computer records where authorized.

With the exception of your social security number, if you do not provide the information we request on the Universal Service Worksheet, the Commission may consider you in violation of section 54.713 of the Commission's rules. 47 C.F.R. § 54.713.

The foregoing Notice is required by the Privacy Act of 1974, P.L. 93.579, December 31, 1974, 5 U.S.C. 552(a)(e)(3), and the Paperwork Reduction Act of 1995. P.L. No. 104-13, 44 U.S.C. § 3501, *et seq.*

I. Introduction

On May 8, 1997, the Commission released rules that require all telecommunications carriers that provide interstate telecommunications services, providers of interstate telecommunications that offer services to others for a fee, and pay telephone providers to contribute to the universal service support mechanisms based on their proportionate share of end-user telecommunications revenues.[1] On July 18, 1997, the Commission released rules directing contributors to submit information on a Universal Service Worksheet.[2] Section 54.711(a) states, "[c]ontributions shall be calculated and filed in accordance with the Universal Service Worksheet. The Universal Service Worksheet sets forth information that the contributor must submit to the Administrator on a semi-annual basis. . . .[3]

II. Filing Requirements and General Instructions

A. Who Must File

All telecommunications carriers providing interstate telecommunications services within the United States, with very limited exceptions, must file an FCC Form 457 Universal Service Worksheet. 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. For the purpose of

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[1] Federal-State Joint Board on Universal Service, *Report and Order*, CC Docket 96-45, 12 FCC Rcd 8776 (rel. May 8, 1997); Federal-State Joint Board on Universal Service, *Order on Reconsideration*, CC Docket No. 96-45, 12 FCC Rcd 10095 (rel. July 10, 1997); Changes to the Board of Directors of the National Exchange Carrier Association Inc., Federal-State Joint Board on Universal Service, *Report and Order and Second Order on Reconsideration*, CC Docket Nos. 97-21, 96-45, 12 FCC Rcd 18400 (rel. July 18, 1997); Changes to the Board of Directors of the National Exchange Carrier Association Inc., Federal-State Joint Board on Universal Service, *Order on Reconsideration, Second Report and Order and Further Notice of Proposed Rulemaking*, CC Docket Nos. 97-21, 96-45, 12 FCC Rcd 12437 (rel. Aug. 15, 1997); Federal-State Joint Board on Universal Service, *Third Report and Order*, CC Docket No. 96-45, FCC 97-380 (rel. Oct. 14, 1997); Changes to the Board of Directors of the National Exchange Carrier Association, Inc., Federal-State Joint Board on Universal Service, *Second Order on Reconsideration in CC Docket 97-21*, CC Docket Nos. 97-21, 96-45, FCC 97-400 (rel. Nov. 26, 1997); Federal-State Joint Board on Universal Service, *Third Order on Reconsideration*, CC Docket No. 96-45, FCC 97-411 (rel. Dec. 16, 1997); Federal-State Joint Board on Universal Service, Access Charge Reform, Price Cap Performance Review for Local Exchange Carriers, Transport Rate Structure and Pricing, End User Common Line Charge, *Fourth Order on Reconsideration*, CC Docket Nos. 96-45, 96-262, 94-1, 91-213, 95-72, FCC 97-420 (rel. Dec. 30, 1997); Federal-State Joint Board on Universal Service, *Fifth Order on Reconsideration and Fourth Report and Order in CC Docket No. 96-45*, FCC 98-120 (rel. June 22, 1998).

[2] Changes to the Board of Directors of the National Exchange Carrier Association, Federal-State Joint Board on Universal Service, *Report and Order*, 12 FCC Rcd 18400 (1997).

[3] 47 C.F.R. § 54.711(a).

calculating contributions, the term "interstate telecommunications" includes, but is not limited to, the interstate portion of the following types of services: cellular telephone and paging services; mobile radio services; operator services; personal communications services (PCS); access to interexchange service; special access; wide area telecommunications services (WATS); toll-free services; 900 services; message telephone services (MTS); private line; telex; telegraph; video services; satellite services; and resale services. Note that all local exchange carriers provide access services and, therefore, provide interstate telecommunications. Entities 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 contribute to universal service. For the purpose of determining whether an entity must contribute to the universal service support mechanisms, an entity provides interstate telecommunications services, if it or if any affiliate provides interstate telecommunications.

Each legal entity that provides interstate telecommunications service, including each affiliate or subsidiary of an entity, must complete and file separately a copy of the attached Universal Service Worksheet. Entities that have distinct articles of incorporation, for example, are separate legal entities. Entities may not file Universal Service Worksheets for more than one contributor. Each affiliate or subsidiary completing and filing a Universal Service Worksheet should show the same holding company name on Line (5) of the Universal Service Worksheet.

B. Who is Not Required to File

Entities that provide services only to themselves or to commonly owned affiliates are not required to file or contribute to universal service. 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 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 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 to universal service.

In addition, the following entities are not required to file or contribute directly to universal service: broadcasters, non-profit schools, non-profit libraries, non-profit colleges, non-profit universities, non-profit health care providers, and systems integrators that derive less than five percent of their systems integration revenues from the resale of telecommunications. (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.) Systems integrators that are excluded from contribution requirements must notify their underlying carriers that they do not contribute to universal service and must be considered end users for universal service contribution purposes.

Contributors that provide interstate telecommunications but whose contributions would be *de minimis* are not required to file or contribute to universal service. A contributor's contribution would be *de minimis* if that contributor's contribution for the year is expected to be less than $10,000. This determination is made using the worksheet on the following page. Contributors exempt from filing and contributing because of *de minimis* revenues must retain the worksheet on the following page and make it available to the Commission or the Universal Service Administrative Company upon request. If a reseller qualifies for the *de minimis* exemption, it must notify its underlying carrier that it is not contributing directly to universal service and must be considered an end user for universal service contribution purposes.

Instructions for Completing the *De Minimis* Worksheet

Enter universal service contribution bases for the current filing period in column (a). For example, if an entity is determining whether to contribute for the September 1 filing, it would use revenue data for the period beginning January 1 and ending June 30 of the current year. If an entity is determining whether to contribute for the March 31 filing, it would use revenue data for January 1 through December 31 of the previous year. Multiply these amounts by the factors in column (b) and enter the result in column (c). The contributor need not file or contribute if the amount on line 3 (the sum of the two products) is less than $10,000. This calculation must be made every six months.

Worksheet to determine if a contributor meets the *de minimis* standard

		amount (a)	estimation factor ** (b)	(a) x (b) (c)
1	Total universal service contribution base *			
2	Total interstate and international end-user telecommunications revenues *			
3			Total	

* The total universal service contribution base is equal to gross billed revenues to end users for telecommunications or telecommunications service. Some types of revenues can be excluded. See instructions below, in Section III-D-1.

** The semi-annual estimation factors (as well as actual contribution factors) can be found on the Commission's web page (www.fcc.gov). The estimation factors for determining whether to file a Universal Service Worksheet by September 1 are .0146 for line 1 and .0781 for line 2. The estimation factors for determining whether to file a Universal Service Worksheet by March 31 of any year are .0073 for line 1 and .0391 for line 2. If the Commission changes the estimation factors, new estimation factors will appear on the Commission's web page. The quarterly factors used to calculate actual contributions will be released before the start of each quarter.

C. When and Where to File

The Universal Service Worksheet must be filed semi-annually with the Universal Service Administrator. The Universal Service Administrative Company (USAC) is the temporary Universal Service Administrator. Until notified otherwise, mail the completed Universal Service Worksheet to:

USAC -- Universal Service Administration
100 South Jefferson Rd.
Whippany, NJ 07981.

If you have questions regarding how to complete the Universal Service Worksheet, please call USAC at (973) 560-4400. The name of the permanent Universal Service Administrator and addresses for future filings will be announced by Public Notice and will be available on the FCC web page (www.fcc.gov). All information provided in the Universal Service Worksheet, except the signature, should be neatly printed in ink or typed.

Universal Service Worksheets will be due each year as follows:

September 1	Containing data for the six-month period from January 1 through June 30 of the current calendar year
March 31	Containing data for the prior calendar year

Data for the period from January 1 through June 30, filed on September 1 of that same year, will be used to calculate universal service support contributions for January through June of the following year. Data filed on March 31 for the entire prior calendar year will be used to calculate universal service support contributions for July through December of the same year in which the data was filed. USAC will base the July through December contributions on data for the second half of the prior calendar year. USAC will calculate second half data as annual data minus the previously filed first half data. For each of the first two quarters of every year, USAC will multiply the relevant contribution factor times one-half the amount contained in Line (49a) or (49c) of the Universal Service Worksheet filed on September 1. For each of the last two quarters of every year, USAC will multiply the relevant contribution factor times one-half the second half data contained in Line (49a) or (49c) ((March 31 Line (49) minus September 1 Line (49)) divided by 2).

Information filed on Universal Service Worksheets will be compiled and used to calculate the universal service contribution factors that will be used as the actual basis for contributions. Contribution factors will be announced in a Public Notice each quarter. USAC will collect and bill quarterly contributions in equal monthly payments. Payments must be made by the date listed on USAC's bills.

DO NOT INCLUDE A CHECK WITH THE UNIVERSAL SERVICE WORKSHEET.

D. Rounding Numbers

Dollar amounts. Reported revenues in block 4, column (a) and column (c) 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 or $2.272 million. Please enter $0 in any line for which the contributor had no revenues for the year.

Percentages. Percentages reported in block 4, column (b) should be rounded to the nearest whole percent. For example, if the ratio of interstate to total revenue was .4269155, then the figure 43% should be reported. Percentages between zero percent and one percent should be reported as one percent. Enter zero percent if there were no interstate revenues for the line for the preceding calendar year.

Note: Gross revenues reported in the Universal Service Worksheet must be taken directly from corporate books of account. The interstate and international portion of any revenue category should be taken directly from corporate books of account if available. Otherwise, interstate revenues should be calculated as gross revenues in column (a) times the percentage shown in column (b). Calculated interstate revenues may be rounded to the nearest thousand dollars and entered in column (c). If an entity cannot derive the interstate and international revenues from corporate books of account, that entity may submit a good faith estimate of the percentage of interstate and international revenues in column (b). An entity may not submit a good faith estimate lower than one percent.

E. Compliance

Contributors failing to file the Universal Service Worksheet or paying contributions in a timely fashion may be subject to the enforcement provisions of the Communications Act and any other applicable law. In addition, section 54.713 of the Commission's rules authorizes the Universal Service Administrator to bill a contributor for reasonable costs, including interest and administrative costs, caused by inaccurate or untruthful filing of the Universal Service Worksheet or overdue contributions.

Additionally, section 54.709(d) of the Commission's rules authorizes the Universal Service Administrator to bill a contributor that fails to timely file a Universal Service Worksheet a universal service contribution based on whatever relevant data the Administrator has available.

III. Specific Instructions

Block 1: Contributor Identification

Line (1). Legal name of contributor. Enter the legal name of the contributor as it appears on articles of incorporation or other legal documents. Each legal entity must file a separate Universal Service Worksheet.

Line (2). IRS employer identification number; TRS Company Code. Enter the Internal Revenue Service (IRS) employer identification number (EIN) for the contributor and the TRS (i.e, Telecommunication Relay Service) Company Code. The TRS Company Code also should be entered in the appropriate box in the top right-hand corner of page 2. If the contributor has more than one EIN, it should include the number used to file federal excise taxes. The TRS Company Code is an identification number assigned by the TRS Fund Administrator. The current TRS Fund Administrator, the National Exchange Carrier Association (NECA), can be contacted at (973) 884-8173. Carriers and their TRS Company Codes are published in the annual FCC report *Carrier Locator: Interstate Service Providers*, which is available on the Commission's FCC State Link, web site www.fcc.gov/ccb/stats. Most companies that must contribute to the universal service support mechanisms also must contribute to the TRS fund, with the exception of shared tenant service and private service providers, which should enter "n.a." as the TRS Company Code.

Line (3). Name contributor is doing business as. Enter 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 (4). Principal communications business. Check the category that best describes the contributor.

a. CAP/CLEC	(Competitive Access Provider/Competitive Local Exchange Carrier) -- competes with incumbent LECs to provide local exchange services or telecommunications services that link customers with interexchange facilities, local exchange networks, or other customers.
b. Cellular/PCS/SMR	(Cellular, Personal Communications Service, and Specialized Mobile Radio service provider) -- primarily provides wireless telecommunications services (wireless telephony). 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.

c. Incumbent LEC	-- provides local exchange service. An incumbent local exchange carrier (LEC) generally is a carrier that was at one time franchised as a monopoly service provider.
d. IXC	(Interexchange Carrier) -- provides long distance telecommunications services substantially through switches or circuits that it owns or leases.
e. Local reseller	-- provides local exchange or fixed telecommunications services by reselling services of other carriers.
f. OSP	(Operator Service Provider) -- companies other than incumbent LECs that serve customers needing the assistance of an operator to complete calls, or needing alternate billing arrangements.
g. Paging and Messaging	-- provides wireless paging or wireless messaging services. This category includes the provision of paging and messaging services by resale.
h. Payphone Service Provider	-- Provides customers access to telephone networks through pay telephone equipment, special teleconference rooms, etc. Payphone service providers also are referred to as pay telephone aggregators.
i. Pre-paid Card	-- provides pre-paid calling card services by selling pre-paid calling cards to the public or to retailers. Pre-paid 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.
j. Private Service Provider	-- offers telecommunications to others for a fee. This would include a company that offers excess capacity on a private system that is used primarily for internal purposes.
k. Satellite	-- provides satellite space segment or earth stations that are used for telecommunications service.
l. Shared Tenant Service Provider	-- manages or owns a multi-tenant location that provides

	telecommunications services or facilities to the tenants for a fee.
m. SMR (dispatch)	(Specialized Mobile Radio service provider) -- primarily provides dispatch and mobile services other than wireless telephony.
n. Toll Reseller	-- provides long distance telecommunications services primarily by reselling the long distance telecommunications services of other carriers.
o. Wireless Data	-- provides mobile or fixed wireless data services using wireless technology. This category includes the provision of wireless data services by resale.
p-r. Other Local, Other Mobile, Other Toll	-- If one of these categories is checked, the contributor should further describe the nature of the service it provides. For example, a company that provides network access services on behalf of a group of incumbent LECs would identify itself as "Other Local" and enter "incumbent LEC network access" in the space provided.

Line (5). Holding company. Enter the name of the contributor's holding company or controlling entity, if any. All affiliates or commonly controlled contributors should have the same name appearing in Line (5). 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."[4]

Line (6). Management company. Enter the name of the management company, if the contributor is managed by an entity other than itself. If the filing company and one or more other contributors is commonly managed, then each should show the same management company on Line (6). Contributors need not be affiliated to have a common management company. The management company would typically be the point of contact for the Universal Service Administrator.

Line (7). Principal carrier Identification Code used for interexchange service. Enter the primary carrier identification code (CIC) used by the carrier for the provision of interexchange services, if any. All carriers that purchase feature group B or feature group D access services have one or more CICs. CICs are administered by the North American Numbering Plan Administrator, which can be reached at (732) 699-3700.

[4] 47 U.S.C. § 153(1).

Line (8). Complete mailing address of contributor's corporate headquarters. Enter the complete mailing address of the corporate headquarters of the contributor.

Line (9). Telephone number for customer inquiries. Enter a telephone number that can be used for customer inquiries.

Block 2: Contact Information

Lines (10)-(14). Enter in Line 10 the name of a contact person who can provide clarifications, additional information, and, if necessary, could serve as the first point of contact in the event that either the Commission or the Universal Service Administrator chooses to audit information provided in the Universal Service Worksheet. Enter in Line 13 the complete mailing address of the contact person. A semi-annual filing package will be mailed to this address. Enter in Line 14 a billing address, including the name of a person or department, where the bill for universal service contributions should be sent. Information on establishing electronic fund transfer and bills for universal service contributions will be sent to this address.

Block 3: Certification

Lines (15)-(18). An officer of the contributor must examine the data provided in the Universal Service Worksheet and certify that the information provided therein is accurate. 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 contributor is a sole proprietorship, the owner must sign the certification.

Line (19). Year of data in Block 4; filing period. Enter the year for which the revenue data in Block 4 is being submitted. Filings due by September 1 should contain data for January 1 through June 30 of the current calendar year. Filings due by March 31 should contain data for January 1 through December 31 of the prior calendar year. Under "filing period," check the appropriate box. The same information should be entered on Line (21) on page 2.

Line (20). This filing is: Check the appropriate box to indicate whether the Universal Service Worksheet being filed is an original or revised filing for the year. A contributor must file a revised Universal Service Worksheet if it discovers an error in the data that it reports. Contributors generally close their books for financial purposes by the end of March each year. Accordingly, for such contributors, the filing due by March 31 should be based on closed books. The filing due by September 1 should be based on books as of June 30 of the filing year. Contributors 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. Contributors should not file a revised Form 457 to reflect mergers, acquisitions, or sales of operating units. In the event that a contributor that filed a Form 457 no longer exists, the successor company to the contributor's assets or operations is responsible for continuing to make payments for the funding period.

Block 4: Contributor Revenue Information

Column (a)

The Universal Service Worksheet contains two broad types of service categories: revenue from other contributors and revenue from all other sources (also termed end-user revenues). Contributors must report revenues from other contributors in Lines (22) through (33). Contributors must report all other revenues in Lines (34) through (48). In many cases, the categories are duplicated in the two sections. Carriers required to use the Uniform System of Accounts (USOA) prescribed in Part 32 of the Commission's rules should base their response on their USOA account data and supplemental records, dividing revenues into those received from other universal service contributors and end-user revenues. All contributors should report revenues based on the following descriptions.

Fixed local service -- Lines (22)-(27) and (33)-(38)

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

Line (22) and Line (34). Monthly service, local calling, connection charges, vertical features, inside wiring maintenance, and other local exchange service, including (for purposes of Line (22)) Presubscribed Interexchange Carrier charges (PICCs) levied on carriers should include the basic local service revenues except for local private line revenues, access revenues, and revenues from providing mobile or cellular services. For carriers required to use the USOA, these lines should include Account 5001 -- Basic area revenue; Account 5002 -- Optional extended area revenue; Account 5050 -- Customer premises revenue; Account 5060 -- Other local exchange revenue; and Account 5069 -- Other local exchange revenue settlements. Line (22) also should include amounts in Account 5004 -- Other mobile services revenue -- that were derived from connecting with mobile service carriers. Revenues for services provided to carriers should be divided between Line (22a) -- provided as unbundled network elements and Line (22b) -- provided under tariffs or arrangements other than unbundled network elements (for example, resale).

Line (35). Tariffed subscriber line charges and PICCs levied on end users should contain charges to end users (other than for special access services) specified in access tariffs. Line (3) should include revenues in Account 5081 -- End user revenue -- as well as the appropriate

portion of revenues in Account 5084 -- State access revenue. Contributors that do not have subscriber line charge tariffs on file with the Commission or with a state utility commission should report $0 on Line (35).

Line (23). Per-minute charges for originating or terminating calls should include Account 5082 -- Switched access revenue -- and any revenues in Account 5084 -- State access revenue -- that were based on per-minute charges. This line also would include Account 5003 -- Cellular mobile revenue (revenues to the local exchange carrier for messages between a cellular customer and another station within the mobile service area). The line should include gross charges to other carriers for the origination or termination of 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 (23a) -- provided as unbundled network elements or other contract arrangements and Line (23b) -- provided under state or federal access tariffs.

Line (24) and Line (36). 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. These lines should include amounts recorded in Account 5040 -- Local private line revenue. These lines also should include Account 5083 -- Special access revenue -- and any intrastate special access revenues in Account 5084 -- State access revenue.

Lines (25) and Line (37). Pay telephone compensation should include Account 5010 -- Pay telephone revenues and revenues from nonregulated payphone services in Account 5280 -- Nonregulated operating revenue. Line (25) should include revenues received from carriers as compensation for originating toll calls. Line (37) should include revenues received from customers paid directly to the payphone service provider. This primarily will consist of revenues from coin sent paid traffic.

Line (26) and Line (38). Other local telecommunications service revenues should include some revenues contained in Account 5200 -- Miscellaneous revenue -- as well as other local telecommunications service revenues that reasonably would not be included with one of the other local service revenue categories. Line (26) should include charges for physical collocation of equipment pursuant to 47 U.S.C. § 251(c)(6). Lines (26) and (38) should exclude: enhanced services; billing and collection; customer premises equipment sale, lease or insurance; published directory revenues; and any non-telecommunications revenues.

Line (27). Universal service support revenues should include all amounts that contributors receive as universal service support from either states or the federal government. Line (27) 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 (27) should

include amounts received as cash as well as amounts received as credit against contribution obligations.

Mobile service -- Lines (28) and (39)-(40)

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

Lines (28) and (39)-(40). Data reported on these lines should contain mobile service revenues other than toll charges to mobile service customers and charges associated with customer premises equipment. A single category -- Line (28) -- is provided for all mobile service provided to resellers. Line (39) should contain monthly charges, activation fees, and service order processing charges, etc. Line (40) should contain message charges, including any roaming charges assessed for calls placed out of customers' home areas. Lines (39) and (40) should include amounts in Account 5004 -- Other mobile service revenue -- that were derived from providing service directly to the public. End-user pre-paid wireless service revenues attributable to activation and daily or monthly access charges should be reported on Line (39). End-user pre-paid wireless service revenues attributable to air time should be reported on Line (40). Toll charges to mobile service customers should be included in Line (44).

Toll carrier service -- Lines (29)-(33) and (41)-(47)

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 (41). Pre-paid calling card should include revenues from pre-paid calling cards provided either to customers or to retail establishments. Gross billed revenues should represent the amounts actually paid by customers for the cards without any reduction or adjustment for discounts provided to retail establishments. All pre-paid card revenues are classified as end-user revenues.

Line (42). International calls that both originate and terminate in foreign points are exempt from universal service contributions regardless of whether the service is provided to resellers or to end users. Nevertheless, revenues derived from such international calls should be included in Line (42). Contributors should not report international settlement revenues from transiting traffic on the Universal Service Worksheet.

Line (29) and Line (43). 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 (29) and (43) should include revenues from all calls placed from all coin, public and semi-public, accommodation and prison telephones, except that calls that are paid for via pre-paid calling cards should be included in Line (42), and calls paid for by coins deposited in the phone should be included in Line (37).

Line (30) and Line (44). Other switched toll services should include amounts from Account 5100 -- Long distance message revenue -- except for amounts reported on Lines (29), (41), (42), or (43). Line (30) and Line (44) should include ordinary message telephone service, WATS, toll-free, 900, "WATS-like," and similar switched services.

Line (31) and Line (45). 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. This category should include revenues from the resale of special access services. Line (31) and Line (45) should include Account 5120 -- Long distance private network revenue.

Line (32) and Line (46). Satellite service should contain revenues from providing space segment service and earth station up-link capacity used for providing telecommunications or telecommunications services via satellite. Revenues derived from the lease of bare transponder capacity should not be included in Lines (32) and (46).

Line (33) and Line (47). All other long distance should include all other revenues from providing long distance communications services. These lines should include Account 5160 -- Other long distance revenue.

Charges on end-user bills identified as recovering state or federal universal service contributions -- Line (48)

Charges levied by the reporting entity in order to recover contributions to the universal service support mechanisms should be classified as end-user billed revenues and should be reported on Line (48). Any charge that is included on a bill in order to recover contributions to the universal service support mechanisms must be shown on Line (48).

Subtotal of lines 34 through 41 and lines 43 through 48 -- Line (49)

Enter the subtotal of Lines (34) through (41) and Lines (43) through (48). All revenues reported in Lines (34) through (41) and Lines (43) through (48) are referred to as the universal service contribution base and represent the revenues of the contributor that will be used to calculate universal service contributions. For any quarter, the schools, libraries, and rural health care support mechanisms' contribution factor will be assessed against Line (49a). For any quarter, the high cost and low income support mechanisms' contribution factor will

be assessed against Line (49c).

Other revenues that should not be reported in the contribution base -- Line (50)

Contributors may have revenues on their books that are not derived from telecommunications or telecommunications-related functions that should not be included in the universal service contribution base. 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 contribution base. 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 common carrier 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. These services are exempt from contribution requirements.

Line (50) should contain revenues from enhanced services and other services that are exempt from contribution requirements and are not reported elsewhere. Line (50) should include Account 5230 -- Directory revenues -- and Account 5270 -- Carrier billing and collection revenue. Line (50) should include revenues from the sale, lease, maintenance, or insurance of customer premises equipment (CPE) and all non-telecommunications service revenues on the contributor's books.

Gross billed revenues from all sources -- Line (51)

On Line (51), contributors must report gross revenues from all sources, including nonregulated and non-telecommunications services. Gross billed revenues from all sources should equal the sum of revenues by type of service reported on Lines (22) through (48) and Line (50). Gross revenues include revenues derived from the provision of interstate, international, and intrastate telecommunications and telecommunications services. Gross revenues consist of total revenues billed to customers during the filing period, with no allowances for uncollectibles or out-of-period adjustments. Billed revenues may be distinct from booked revenues. 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. For international services, gross revenues consist of gross revenues billed by U.S. contributors during the filing period, with no allowances for settlement payments. International settlement receipts for foreign billed service should not be included. Gross revenues also should include any surcharges on communications services that are billed to the customer and either retained by the contributor 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's books as revenues but which instead are remitted to government bodies.

Please note:

Mergers. Where two contributors have merged prior to filing, 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 a separate corporate identity and continues to operate.

Resellers. Revenues from service provided to resellers that contribute directly to universal service will be excluded from the funding base for determining universal service contributions of the underlying contributor (i.e., the entity selling service to the reseller). For this purpose, a reseller is a telecommunications service provider that: (1) incorporates purchased telecommunications services into its own offerings; and (2) can reasonably be expected to contribute to support universal service based on revenues from those offerings. For example, IXCs use access services in providing switched toll services -- the underlying contributors would report the access service revenues as revenues from resellers, and those revenues would not be incorporated in determining the underlying contributor's universal service contribution.

An underlying contributor 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: legal name; address; and name and phone number of a contact person. If the underlying contributor does not have other reason to know that the entity will, in fact, resell service, then the contributor should obtain a signed statement to that effect. "International only" and "intrastate only" carriers should not be treated as resellers for the purpose of reporting revenues because they are not required to contribute to universal service. A carrier will be considered a non-contributing "international only" or "intrastate only" carrier if neither it nor any of its affiliates provide any interstate telecommunications. Similarly, resellers that qualify for the *de minimis* exemption, broadcasters, systems integrators that derive less than five percent of their systems integration revenues from telecommunications, and non-profit schools, colleges, universities, libraries, and rural health care providers should be treated as end users for reporting purposes because these entities are not required to contribute directly to federal universal service. Systems integrators and entities qualifying for the *de minimis* exemption must notify their underlying carrier that they should be considered end users for reporting purposes.

Column (b)

For each entry in Lines (22b) through (23a) and Lines (24) through (48), estimate the percentage amounts reported in column (a) that are for interstate or international service, and enter this percentage in Column (b). Interstate and international revenues include all revenues

received for calls that do not originate and terminate in the same state. For example, if a cellular carrier collects a fixed amount of revenue per minute of traffic, and 15 percent of minutes are interstate, then interstate revenues would include 15 percent of the per-minute revenues. Similarly, if a LEC 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 they are included in a local service account. Under the Commission's rules, 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.[5] In general, flat-rated unbundled network access elements should be classified according to the regulatory agency that has primary jurisdiction over the contracts.

Where possible, contributors should calculate the percentage of total revenues that are interstate by using information from their books of accounts and other internal data reporting systems. In such cases, contributors should enter the billed amount in column (c) that is based on their books of account. Contributors that cannot calculate a percentage by using information from their books of accounts and other internal data reporting systems may elect to rely on a special study to estimate the percentages. All information supporting special studies must be made available to the FCC and Universal Service Administrator upon request.

Column (c).

Contributors should enter in column (c) billed revenues for interstate and international service that are based on information in books of account. If interstate and international revenues cannot be taken from the contributor's books, multiply the gross revenues reported in column (a) by the interstate and international percentages reported in column (b), and place the results in column (c).

Request for nondisclosure of information contained on the Universal Service Worksheet -- Line (52).

Check the box in Line (52) to request Commission nondisclosure of the information contained on the Universal Service Worksheet. By checking this box, the officer of the company signing the Universal Service Worksheet certifies that the information contained therein 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 Universal Service Worksheet. This box may be checked in lieu of submitting a separate request for confidentiality pursuant to section 0.459 of the Commission's rules. All decisions regarding disclosure of company-specific information will be made by the Commission. The Commission may make publicly available the names of the entities that filed the Universal Service Worksheet, including entities that checked the box in Line (52).

[5] *See* 47 C.F.R. § 36.154(a).

IV. Reminders

- **Each legal entity** that provides interstate telecommunications service, including each affiliate or subsidiary of an entity, must complete and file separately a copy of the attached Universal Service Worksheet. Each affiliate or subsidiary should show the same holding company name on Line (5).

- **Provide data for all lines that apply**. Show a zero for all items for which the contributor had no revenues for the filing period.

- **Contributors must file twice a year**. Contributors must provide revenue data for January 1 through June 30 by September 1 of each year. Contributors must provide revenue data for January 1 through December 31 of the prior year by March 31 of each year.

- **The Universal Service Worksheet must be signed by an officer of the company**. 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.

For further information regarding how to obtain a copy of the Universal Service Worksheet and instructions or how to complete the Universal Service Worksheet, call USAC at (973) 560-4400. The Universal Service Orders underlying the Universal Service Worksheet and instructions can be found on the FCC website at: http://www.fcc.gov/ccb/universal_service.

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