

PROPOSED METHODOLOGY FOR DETERMINING WIRELESS INTERSTATE AND INTERNATIONAL REVENUE FOR PURPOSES OF USF

A safe harbor can play an important role in minimizing the complexity and administrative cost of wireless carriers contributing to the USF due to the difficulty in segmenting end-user revenues into “interstate” and “intrastate” categories. With software and system upgrades and baseline assumptions, wireless carriers can track interstate and intrastate minutes of use. The minutes of use ratio can form a reasonable proxy for allocating wireless revenues for purposes of USF. A safe harbor, updated to reflect current wireless calling activity, furthers the policy objectives of promoting equitable contributions, fund stability and administrative simplicity.

Calling patterns can vary by state and by carrier. Therefore, carriers should be allowed to file an interstate/international revenue calculation based on company-specific calling patterns if they have implemented a system to track their traffic. Carriers could develop systems based upon a Commission- approved methodology and could be required to retain records used to develop their company-specific levels to support periodic auditing.

Proposed Call Detail Tracking Methodology

- I. Track customers’ minutes of use from call detail records. Divide all interstate and international minutes by total minutes over a defined period of time to calculate a percentage of interstate and international minutes of use.
 - a. Derive the location of the billed subscriber from the cell site information. From call detail records, collect call information through switches at the cell site level. Measure mobile calls where the carrier’s customer crosses state boundaries during a call by the state location of the cell site where the call began.
 - b. Determine the “other-end” location by the “other-end” area code. In some cases, the “other-end” NPA may not be provided by the other carrier. Carriers could be instructed to omit calls that do not provide other-end NPA data for purposes of calculating the MOU ratio. However, carriers would still include telecomm revenue associated with covered calls in the final calculation of interstate and international end-user telecomm revenues.
 - c. Count minutes for access to services, such as abbreviated dialing (e.g., *86, 411), where the wireless routing is all intrastate, as intrastate due to the local routing of the calls. Note, these calls do not represent a significant portion of total minutes of use.

- d. Maximize use of available data by including roaming minutes recorded in call detail records (i.e., other carriers' customers roaming on the reporting carrier's network). Include roaming revenues received from end users among the revenues to be allocated based on the MOU percentage.
- II. Multiply the Interstate/International MOU percentage by all qualifying end-user revenues (i.e., telecommunications service revenues) to determine a carrier's total assessable interstate/international revenue base.