

# ALASKA UNIVERSAL SERVICE FUND

## Monthly Carrier Remittance Worksheet Instructions

### I. Filing Requirements and General Instruction

#### A. Introduction

On December 30, 1998, the Alaska Public Utilities Commission (APUC) issued Order R-97-6(8) to create the Alaska Universal Service Fund (AUSF) and designating the Alaska Universal Service Administrative Company (AUSAC) to administer the collection and distribution of the monies for the Alaska Universal Service Fund (AUSF). The Alaska Universal Service Fund (AUSF) is established to promote the efficiency, availability and affordability of universal telephone service in Alaska. These instructions explain how to complete the Monthly Carrier Remittance Worksheet, which is used to calculate and provide underlying support for monthly payments by intrastate telecommunications carriers to the Alaska Universal Service Fund (AUSF). The monthly payments due are computed as a specified percentage of revenues billed to end-users.

#### B. Who Must File

With certain exceptions, the AUSF is to be funded by all intrastate telecommunications carriers that operate or provide telecommunications services within the State of Alaska. An intrastate telecommunications transmission is one that originates and terminates in Alaska, irrespective of actual routing.

#### C. When and Where to File

Monthly Carrier Remittance Worksheets and remittances must be received by AUSAC on or before the 20<sup>th</sup> calendar day of each month. Payment shall be delinquent on the 21<sup>st</sup> calendar day.

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Payments due of sums greater than \$500.00 shall be made by wire transfer or Electronic Fund Transfer (EFT) directly to AUSAC's AUSF bank account on or before the 20<sup>th</sup> calendar day from the date the bill was rendered. If this due date is a local bank holiday, funds shall be wire transferred or EFT on the prior workday. Payments of \$500.00 or less may be paid via check mailed in time to arrive at AUSAC's office no later than the 20<sup>th</sup> calendar day from the date the bill was rendered.

Send completed worksheet and payment to:	Alaska Universal Service Administrative Company 12350 Industry Way, Suite 200 Anchorage, Alaska 99515 Fax (907) 561-6303 Email <a href="mailto:info@ausac.org">info@ausac.org</a>
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## D. Interest and Damages on Late Payments

If payment is not received in immediately available funds by the due date, interest at the rate of .000287 per day, calculated on the total amount due, will be charged until the date paid. In addition to interest, if payment is not received in immediately available funds within two (2) working days of the due date, a one-time liquidated damages sum equal to one percent (1%) of the total amount due will be charged.

## II. Line-by-Line Instructions for Completion of the Monthly Carrier Remittance Worksheet

**All information provided must be legible and printed in black ink, typed, or electronically reproduced.**

### Filing Identification Information

The following blocks are located in the top margin of the Monthly Carrier Remittance Worksheet. Fill in the information as follows:

#### **Block A - Company Code**

The company code, supplied by AUSAC, starts with AK followed by four digits. For existing companies, this code is located in the top right corner of the packet cover letter. If this is the first filing for this company, and you have not been assigned a code, indicate NEW in this block.

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## **Block B - Submission Date**

The Submission Date is the date the Monthly Carrier Remittance Worksheet is being forwarded to AUSAC. AUSAC should receive the worksheet by the 20<sup>th</sup> day of each month.

## **Block C - Revenue Data Month and Year**

The Revenue Data Month and Year indicates the month and year that corresponds to the revenue data being reported.

## **Block D - Original or Revision**

Carriers should indicate if this is the initial (original) submission of a revenue data month or if the Monthly Carrier Remittance Worksheet contains a revenue data month revision. Revisions should be indicated only when filing a correction or adjustment to a previously filed data month.

## **Filing Revisions:**

Revisions may be used for correction of revenues previously reported. When filing a revision, follow these same instructions, making certain that the correct Revenue Data Month has been entered in Block C and revision is indicated in Block D. Attach a copy of the original filing for the Revenue Data Month being revised. Provide actual revised revenue amounts, not differences.

## **Section 1: Carrier Identification**

### **Line 1 - Company Name**

Enter the carrier name that identifies the filing entity and/or any doing business as (d/b/a) names if applicable.

### **Line 1a - Mailing Address**

Enter the complete mailing address of the corporate headquarters of the carrier including street address, city, state, zip, suite numbers, floor, etc.

### **Line 1b - Telephone**

Enter telephone number for the company headquarters.

## **Section 2 - Monthly Intrastate End User Revenue Data**

**Enter numbers to the nearest whole dollar; for example, enter \$1,258.67 as \$1,259; enter \$1,258.34 as \$1,258.**

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**Revenues entered here should be for the revenue data month indicated in Block C of this form.** These revenues should correspond to the official accounting records of the company except if using estimated numbers to be reconciled to actuals at the end of the filing company's accounting period.

## **End-User Revenues: General Instructions**

As a general rule, the AUSF surcharge is charged to a company as a percentage of end-user revenues billed for intrastate telecommunications services. A company subject to economic regulation by the Alaska Public Utilities Commission is entitled to collect a surcharge from end-users by filing and obtaining approval of a concurring tariff sheet with the Alaska Public Utilities Commission (See APUC Order R-97-6(8) for further details).

End-user revenues are revenues billed to end-users. An end-user is any customer of an intrastate telecommunications service who is not a telecommunications carrier, (hereinafter referred to as a "carrier") except that a carrier shall be deemed to be an "end-user" to the extent that such carrier uses a telecommunication service for administrative purposes, without making such services available to others, directly or indirectly. Telecommunications carriers offer telecommunications services for a fee directly to the public or to such classes of users as to be effectively available to the public. Telecommunications carriers subject to the AUSF surcharge are those carriers offering one or more of the following services:

1. Cellular telephone and paging services;
2. Mobile radio services;
3. Operator services;
4. Personal communications services (PCS);
5. Local exchange service;
6. Special access service;
7. WATS;
8. Toll-free service;
9. 900 service;
10. Message telephone service (MTS);
11. Private line service;
12. Telex;
13. Telegraph;
14. Video services;
15. Satellite service;
16. Resale of intrastate services; and
17. Pay phone services.

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In order to insure that the surcharge is charged equitably and fairly on end-user revenues once but not twice, when a carrier receives revenues from sale of telecommunications service to another carrier, most generally as a wholesale transaction, the selling carrier's revenues are exempt from the AUSF surcharge. In such cases the purchasing carrier is charged the AUSF surcharge when it converts the purchased service into a service sold to the public or to an end-user. However, if the carrier purchasing the service uses the service for its own administrative purposes, then that revenue is considered an end-user revenue and is treated for surcharge purposes like any other end user revenue. For example, if a long distance company purchases from another long distance company, whether retail or wholesale, to the extent that it resells the service to end-users, the purchasing company is responsible for paying the AUSF surcharge. To the extent that the purchasing company uses the service for its own administrative purposes, and does not resell it, then the company selling the service should pay the AUSF surcharge. Specific examples and illustrations are given later in these instructions.

## Exemptions

There are several categories of exemptions from the AUSF surcharge. They are described below with illustrative examples. The examples are meant as illustrations and do not necessarily limit the possible exemptions.

1. Wholesale transactions between carriers, including access charges, interconnection charges, and billing and collection charges are exempt from the AUSF surcharge because they are not end-user revenues. The exception is when the purchasing company uses the service for its own administrative means. For example, carriers purchasing interexchange service from a facilities based carrier's wholesale tariff are normally exempt from the AUSF surcharge. In addition, if a reselling company purchases from the retail tariff of an interexchange carrier with the intent of reselling the service, the AUSF surcharge is not charged to the selling carrier. As another example, if an interexchange carrier purchases an intrastate special access or private line link from a local exchange carrier and repackages it to an end-user, the interexchange carrier who receives the end-user revenues directly should pay the AUSF surcharge.
2. All interstate revenues and international revenues are exempt from the AUSF surcharge by definition. If carriers are not able to directly segregate intrastate revenues from interstate and international revenues, they may use accepted, rational and systematic methods to allocate such revenues. Such allocation methods are subject to verification and audit.

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3. Services offered by telecommunications carriers but which are not considered telecommunications services are also exempt from the AUSF surcharge. Examples of such services are sales and rentals of telephone equipment, inside wire and maintenance services sold to customers, and yellow pages ("directory") advertising. Also exempt are other surcharges imposed by the Alaska Public Utilities Commission; for example the regulatory cost surcharge, E911 surcharges, and the TRS surcharge. Late payment fees are also exempted.
4. Also exempted are state, local and federal taxes, federal USF payments, and support payments from the AUSF. These are not end-user revenues.
5. Other exemptions include cable TV services, open video systems, cable leased access, and direct broadcast satellite services. These are exempted by the Commission's order establishing the AUSF.

In summary, a company purchasing a service for resale to an end-user will assess the AUSF assessment on revenues collected from its end-users. The wholesale company will not include service that it sells to resellers in its retail revenues. Services purchased for internal use and not resold to end-users will be considered end user revenues to the wholesale company, which should calculate and make AUSF payments on such revenues. They will not be included in the reseller's retail revenues.

## **Line 2 - Local Service Revenues**

Includes basic monthly charges, customer charges, installation fees, service order charges, vertical features, extended area service charges, location charges for mileage bands, and all other local exchange service revenues, such as would be found in the Company's tariff. (Do not include the federal subscriber line charge.) Also includes revenues from providing local services that involve dedicated circuits, private switching arrangements and/or predefined transmission paths.

## **Line 3 - Wireless/PCS/Mobile/Paging Revenues**

Includes wireless monthly charges. Also includes airtime charges and roaming usage in Alaska. Airtime should include revenues billed to wireless customers for actual airtime usage.

## **Line 4 - Interexchange Switched Toll and Private Line Revenues**

Includes intrastate toll message revenues including operator services, cellular intrastate long distance revenues and intrastate 800 revenues. For purposes of

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determining intrastate 800 revenues, carriers may use the Percent Interstate Usage (PIU) factor used for reporting interstate access minutes to allocate revenues between interstate and intrastate. Also includes revenues from providing dedicated circuits, private switching arrangements and/or predefined transmission paths that extend beyond the basic service area.

## **Line 5 - Pay Telephone Revenues**

Includes revenues derived from public and semi-public telephone services.

## **Line 6 - Other Revenues**

Includes miscellaneous intrastate end user revenues that would not reasonably be included with one of the other service categories.

## **Line 7 - Total Intrastate End-User Revenues**

Total the figures for Line 2 through Line 6 and enter this amount on Line 13. This represents the total monthly intrastate retail revenues.

### **Section 3 - Remittance Calculation**

#### **Line 8 - AUSF Rate**

AUSAC will notify the Company of the currently effective AUSF percentage rate.

#### **Line 9 - AUSF Amount Due**

Multiply the amount on Line 7 by Line 8 as indicated on the worksheet and enter the result on Line 9.

#### **Line 10 - Number of Lifeline Customers**

The number of qualifying Lifeline customers on the last calendar day of the month preceding the month of the report.

### **Section 4 - Change in Company Status**

#### **Line 11 - Carrier Name Change**

If there is a carrier name change, enter new name and the effective date.

#### **Line 12 - Business Status Change**

If business status has changed in Alaska, enter the date that the business was sold, merged, or discontinued.

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## **Line 12a - Survivor Company Name**

If business has been sold or merged, provide the survivor company name. If the business has recently started in Alaska, enter the date the business began.

## **Section 5 - Certification**

### **Line 13 - Signature Information**

Enter date, name, signature, and title of the person signing the report. The signature attests to the accuracy of all information on this remittance worksheet.

### **Line 14 - Contact Information**

Provide name, title, and telephone number of a person to contact if there are questions regarding this report. If contact person is same as authorized signature, indicate "same as line 13." Mailings will be sent to the contact person address unless other arrangements are made with AUSAC.

### **Line 15 - Signer's Mailing Address**

Enter the complete mailing address of the person signing the report.

## **Worksheet Submission and Payment Method**

For payments by check mail completed forms and checks to AUSAC at address indicated. For electronic transfer payments, you may send the Monthly Carrier Remittance Worksheet to AUSAC via fax or e-mail.

In the bottom right margin, please check applicable payment method.