

**2016 South Carolina Universal Service
Contribution Worksheet**

INSTRUCTIONS



South Carolina Office of Regulatory Staff
Universal Service Fund Administrator
1401 Main Street, Suite 900
Columbia, SC 29201

2016 South Carolina Universal Service Contribution Worksheet Instructions

I. General Filing Instructions

Who Must File

As required by the South Carolina Public Service Commission USF Guidelines approved by Order No. 2001-996, and updated with Order No. 2016-22, and statutory changes indicated by S.277 each contributing carrier must file on an annual basis the information necessary to allow the Administrator to calculate the carrier's contribution.

USF billing address and related contact person should be provided to the South Carolina Office of Regulatory Staff as part of the information provided through the Authorized Utility Representative Form or the Wireless Registration Form.

For the purpose of filing the SC Universal Service Fund Contribution Worksheet, the term "telecommunications" includes, but is not limited to, the following types of services offered by certified or covered carriers: local exchange service; wireless telephony, including cellular and personal communications services (PCS); mobile radio services; access to interexchange service; special access; wide area telecommunications services (WATS); subscriber toll-free and 900 services; message telephone services (MTS); private line; resale services; Frame Relay services; asynchronous transfer mode (ATM) services; Multi-Protocol Label Switching (MPLS) services; and audio bridging services.

When to File

Each Carrier must file on an annual basis the information necessary (contribution worksheets) to allow the Administrator to calculate the carrier's contribution. These filings are required to be filed **on or before August 1, 2016** and to report revenue data for the calendar year ending **December 31, 2015**.

Where to File

Contribution Worksheets must be sent to:

South Carolina Office of Regulatory Staff
SC Universal Service Fund Administrator
1401 Main Street, Suite 900
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General Instructions for Universal Service Fund Revenue Reporting

Reported revenues should **include** the following:

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MOBILE SERVICE REVENUES

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

Line 207 — Data reported on this line should contain mobile service revenues other than toll charges to mobile service customers. Charges associated with customer equipment should not be included on these lines. Line 207 should include revenues for mobile service provided to end users, including monthly charges, activation fees, service restoration, and service order processing charges, etc.

Itemized toll charges excluding international toll revenues for mobile service customers should be reported on Lines 209 or 210, as appropriate.

Roaming charges for service provided by foreign carriers operating in foreign points are not South Carolina revenues and therefore should be reported on Line 215.

- Account set-up, connection, service restoration, termination and other non-recurring charges. (These charges should be reported on the same line that the filer reports any associated recurring revenue. For example, an early termination charge for a long distance private line service would be reported as revenue on Line 210.)
- Any charge billed to customer and represented to recover or collect contributions to federal or state universal service support mechanisms. These revenues must be shown separately on Line 201.
- Revenues derived from the activation and provision of intrastate and interstate telecommunications and non-telecommunications services. Revenues billed to customers during the filing period with no allowances for uncollectible, settlements, or out-of-period adjustments.

Revenues must tie directly to the books and records (e.g., general ledger/trial balance) of the reporting entity.

Reported revenues should **not include** the following:

- Collection overages and unclaimed refunds for telecommunications services when not subject to escheats.
- 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.

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- Other surcharges treated as revenues in the revenue categories on which the surcharges were levied.
- Taxes and any surcharges that are not recorded on the company books as revenues but which instead are remitted to government bodies.
- Customer Deposits.
- Estimates developed and reported by NECA or other reporting entities.
- Gross revenues should not be reported net of related expenditures.

Permissible Exceptions

An entity is not required to impute or report revenues for services provided to itself or to wholly owned affiliates unless: 1) it is required to record such revenues for some other federal or state regulatory purpose; or 2) the filer is providing service to an affiliate for resale and the affiliate is not a direct universal contributor.

Use of Estimates

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. **Detailed calculation of any such estimates must accompany the Worksheet and clearly describe all assumption used in their calculation.** Filers may not simply report all revenues on one of the "other revenue" lines.

Mergers

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 continue to operate independently. 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.

Questions

Questions can be directed to the South Carolina Office of Regulatory Staff at 803-737-0800. Please ask to be directed to the Universal Service Fund Administrator.

II. Line-by-Line Instructions for Completing the Contribution Worksheet

Line 201 -- Itemized charges levied by the reporting entity in order to recover contributions to state and federal universal service support mechanisms should be reported on Line 201. Any charge that is identified on an end-user bill as recovering contributions to universal service support mechanisms must be shown on Line 201 and should be identified as either interstate or intrastate revenues, as appropriate.

FIXED LOCAL SERVICES:

Line 202 a. -- 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, LNP surcharges, connection charges, charges for connecting with mobile service and local exchange revenue settlements. This line includes revenues from customers charged a single rate for a combined local and long distance service.

Line 202 b. -- Lifeline Revenues: Revenue generated from Lifeline customers exceeding all federal/state Lifeline reimbursement.

Line 203 a. -- All revenues for 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). Line 203 should not include charges to end users for special access services (which are reported on Line 204). Telecommunications providers that do not have subscriber line charge or PICC tariffs on file with the Federal Communications Commission or who are not reselling such tariffed charges, should report \$0 on Line 203 a.

Line 203 b. -- Subscriber line charge revenues for Public Telephone Access Line services should be reported as carrier's carrier revenues on Line 203 b.

Line 204 -- All revenues for local private line and special access service sold to end-users including revenues from providing local services that involve dedicated circuits, private switching arrangements, digital subscriber lines, and/or predefined transmission paths. Line 204 should include revenues from offering dedicated capacity between specified points even if the service is provided over local area switched ATM or frame relay networks. Revenues from special access lines bundled with toll service should be reported as the appropriate toll service.

Line 205 a. -- All coin local and long distance 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.

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Line 205 b. -- Filers are required to identify and report revenues included within the amount reported on Line 205 a. associated with public telephone access line services (PTAS) provided to payphone service providers as Carrier's Carrier (Wholesale) revenues on Line 205 b.

Line 206 -- Local telecommunications service revenues that would not be included within another service revenue category.

MOBILE SERVICE REVENUES:

Line 207 -- Revenues for mobile service provided to end users, including monthly charges, activation fees, service restoration, and service order processing charges, etc. End-user prepaid wireless service revenues attributable to activation and daily or monthly access charges should be reported on Line. All mobile revenues for message charges, roaming charges assessed on customers for calls placed out of customers' home areas, local directory assistance charges.

TOLL SERVICES:

Line 208 -- All revenues (excluding international) from prepaid calling cards provided either to customers or to retail distributors. Revenues should represent the amounts actually paid by customers (face value) 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. For purposes of completing this Worksheet, prepaid card revenues should be recognized when the cards are sold.

Line 209 -- 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. Filers should include revenues from all calls placed from all coin and coinless, public and semi-public, accommodation and prison telephones.)

Line 210. -- Filers should report ordinary long distance revenues on these lines, including revenues from most toll calls placed for a fee and flat monthly charges billed to customers, such as account maintenance charges, PICC pass-through charges, and monthly minimums. This category should include ordinary message telephone service (MTS), WATS, subscriber toll-free, 900, "WATS like," and similar switched services.

Line 211 – All revenues from long distance private line service including revenues from dedicated circuits, private switching arrangements, and/or predefined transmission paths, extending beyond the basic service area. Line 211 should include frame relay and similar services where the customer is provided a dedicated amount of capacity between points in different basic service areas. Do not include revenue from international calls (to be reported on Line 215).

Line 212 -- All other long distance services should include all other revenues from providing long distance communications services. Line 212 should include toll teleconferencing. Line 212 should

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include switched data, frame relay and similar services where the customer is provided a toll network service rather than dedicated capacity between two points. Do not include revenue from international calls (to be reported on Line 216).

Line 213-- End-user prepaid wireless service revenues attributable to airtime should be reported on Line 213.

Line 214-- Universal service support revenues include all universal service support from either states or the federal government filers receive during the calendar year. Revenues to be reported include Lifeline Assistance reimbursement for the waived portion of subscriber line, presubscribed interexchange carrier charges or credits for subsidized services provided to schools, libraries, and rural health care providers. Line 214 should include amounts received as cash as well as amounts received as credit against contribution obligations. Line 214 should not include any amounts charged to customers to recover universal service or similar contributions.

Line 215 -- All revenues from the provision of broadband (including DSL and cable TV program transmissions) services. These revenues are excluded from the calculation of Net Universal Service Fund revenue.

Line 216 -- All revenues derived from the provision of international communications services. International services are defined as any call which originates or terminates at a point outside of the United States, regardless of its transmission path.

Line 217 -- All non-telecommunications service revenues on the reporting entity's books including revenues derived from telecommunications-related functions not included in universal service or other fund contribution bases. As an 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. Call moderation and call transcription services are examples of information services. These services are exempt from contribution requirements and should be included in Line 217. Line 217 should include revenues from published directory, carrier billing, collection services, revenues from the sale, lease, installation, maintenance, or insurance of customer premises equipment (CPE), inside wiring charges, inside wiring maintenance insurance, sale or lease of transmission facilities, such as dark fiber or bare transponder capacity, pole attachment revenues, revenues from providing open video systems (OVS), cable leased access, direct broadcast satellite (DBS) services, late payment charges, and charges (penalties) imposed by the company for customer checks returned for non-payment.

Line 218 -- Total Gross Revenues from Lines 201 through 217.

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Line 219 -- Gross amount includable in Net Universal Service Fund contribution revenue. This number is the total of Lines 201 through 212.

Line 220 -- Uncollectible revenue/bad debt expense associated with gross billed revenues amounts reported on Line 218. This should be the amount reported as bad debt expense in the filer's income statement for the year. Note that it will include uncollectible associated with all revenue on the filer's books (Line 218), covering carrier's carrier revenues, end-user telecommunications revenues and revenues reported on Lines 213 through 217. The contributor's uncollectible revenues/bad debt expense should be calculated in accordance with Generally Accepted Accounting Principles. Uncollectible should represent the portion of gross billed revenues that the contributor reasonably expects will not be collected. Note uncollectible may not include any amounts associated with unbillable revenues. Filers that operate on a cash basis should report \$0 on this line.

Line 221 -- Uncollectible revenue/bad debt expense reported on Line 221 that is associated with the universal service contribution base amounts reported on Line 219. Filers that maintain separate detail of uncollectible by type of business should rely on those records in determining the portion of gross uncollectible revenue reported on Line 220 that should be reported on Line 221. 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 221 relate to the uncollectible revenue/bad debt expense associated with gross billed revenues reported on Line 219.

Line 222 -- Total universal service fund contribution base revenue. It contains the total base revenue reported on line 219 less the uncollectible revenue associated with the line 221 amount as reported on line 221.