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PUBLIC NOTICE

SOUTH CAROLINA USF CONTRIBUTION FACTOR FOR THE CALENDAR YEAR 2018

Effective Date: January 1, 2018

As administrator of the South Carolina Universal Service Fund (SCUSF), the Office of Regulatory Staff (ORS) establishes and may periodically adjust the level of contributions assessed to the Fund contributors to meet the statutory distribution needs of the SCUSF.

Commercial Mobile Radio Services (CMRS) providers: S.C. Code Section 58-9-280 (E)(2)(a) For CMRS providers, the ORS shall certify to the South Carolina Department of Revenue (DOR) the USF factor and the amounts to be assessed. The monthly USF contribution must be remitted to the DOR. Effective January 1, 2018, the new USF contribution factor is 2.07%. This will be reflected in the January, 2018 assessment.

Interconnected Voice over Internet Protocol (I-VoIP) service providers: In Commission Order No. 2016-837, dated December 15, 2016, I-VoIP providers operating in the state pursuant to Commission issued Certificates of Public Convenience and Necessity, and those VoIP service providers that filed the South Carolina VoIP and Wireless registration form as required by the Commission were required to support Universal Service. VOIP service providers holding Certificates of Public Convenience and Necessity will be assessed by the ORS. Those VOIP service providers required to register will be assessed by DOR. The USF contribution factor for VOIP providers will be 2.07%.

Prepaid Wireless Sellers: For prepaid wireless sellers, contributions to the USF will be handled in a manner similar to contributions to 911 found in S.C. Code Section 23-47-68. Effective January 1, 2018, the USF contribution charge per retail transaction is \$ 0.50. The collected USF contributions will be remitted to the DOR (less a 3% administrative fee that may be retained by the prepaid wireless seller), using DOR 2017 Form ST-406.

Telephone Utilities: S.C. Code Section 58-9-280(E) (2) (a), the 2018 USF contribution factor is 2.07% and this change will be reflected in the January, 2018 assessment. Telephone utilities with a certificate of public convenience and necessity shall continue to remit USF contributions to the ORS.

The Public Service Commission of South Carolina guidelines allow a carrier contributing to the USF to flow through its obligations to retail end-users at a rate not to exceed the contribution factor provided herein.

The new factor will become effective and may be assessed on retail end-user bills rendered on or after January 1, 2018.

If you have any questions concerning the USF contribution factor, please contact Jim McDaniel of the ORS at (803)737-0812. For questions regarding remittance to the DOR, please email questions to SalesandUseTax@dor.sc.gov.

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