

**Kansas Universal Service Fund**  
**March 1, 2017 - February 28, 2018 (FY 21)**  
**FREQUENTLY ASKED QUESTIONS**

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**A. REPORTING TO KUSF:**

1. Is my Company required to report to the KUSF?

Kansas statute K.S.A. 66-2008(a), implemented through Kansas Corporation Commission (KCC) orders, requires every telecommunications carrier, telecommunications public utility and wireless telecommunications service provider that provides intrastate telecommunications services and, to the extent not prohibited by federal law, every provider of interconnected VoIP service, as defined by 47 C.F.R. 9.3 (October 1, 2005), to contribute to the KUSF on an equitable and nondiscriminatory basis. Effective July 1, 2016, a provider may contribute based upon the provider's intrastate telecommunications services net retail revenues using the same methodology as that used for Federal USF purposes, including for bundled service offerings. (K.S.A. 66-2008(a))

- Instructions are available from GVNW's website at: <http://www.gvnw.com/KUSF.aspx>

2. Does Kansas have a *de minimus* exemption?

- No. Kansas statute does not include a *de minimus* exemption and the KCC has not adopted one.

3. How often must my company report to the KUSF?

- Companies with \$50,000 or more in annual Kansas intrastate retail revenue or that receive high-cost or Lifeline support must report monthly. If a company has annual retail revenue of *less than \$50,000*, the company may elect to file less frequently, as detailed below:

Quarterly	\$25,001 - \$50,000 in annual revenue
Semi-Annual	\$10,001 - \$25,000 in annual revenue
Annual	\$10,000 <u>or less</u> in annual revenue

- See January 23, 2006 Order, Docket 06-GIMT-332-GIT: <http://estar.kcc.ks.gov/estar/ViewFile.aspx/20060123150938.pdf?Id=6a309f5c-a37f-423a-9645-234b8127da72>

4. My company receives KUSF notifications, but we do not generate any revenue or have any customers in Kansas. How do we remove our name from the KUSF distribution list?

- Submit a letter identifying the company and the reason(s) why it is not subject to KUSF (i.e., no customers in KS, has never done business in KS, has no intention of doing business in KS, etc.). The letter must be on company letterhead and signed by an officer of the company. Submit the letter to GVNW or the Commission Staff via email, mail or fax, at the following:

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**A. REPORTING TO KUSF: (cont'd)**

**GVNW Consulting, Inc.**  
**KUSF Administration**  
**3220 Pleasant Run**  
**Springfield, IL 62711**  
**Fax: (217) 698-2715**  
**E-Mail: [KUSF@gvnw.com](mailto:KUSF@gvnw.com)**

**Kansas Corporation Commission**  
**Sandy Reams, Assistant Chief of Telecom.**  
**1500 SW Arrowhead Road**  
**Topeka, KS 66604**  
**Fax: (785) 271-3357**  
**Email: [s.reams@kcc.ks.gov](mailto:s.reams@kcc.ks.gov)**

5. What forms do I use to report to the KUSF?

All companies must file:

- Attachment B, “Company Identification & Operations,” includes information about your company and the company’s contacts for KUSF purposes. Attachment B must be signed by an officer of the company and submitted to the KUSF administrator by April 15, 2017. [\\*LINK to Attachment B\\*](#)
- Report any company changes (e.g. address, contact information, agent information, or reporting frequency election), by submitting a new Attachment B at any time during the KUSF year. A company is authorized to submit a revised Attachment B 1 time per KUSF year free of charge. An automatic \$100 election change fee is assessed for the 2<sup>nd</sup> and additional, election changes.
- Carrier Remittance Worksheets (CRW) in accordance with the frequency selected in Attachment B. CRWs may be filed online via E-Filing at: <http://www.gvnw.com/KUSF.aspx>.
- Quarterly True-ups must be filed by all companies that have reported estimated revenue or revenues in arrears, including companies required to report monthly. Quarterly True-ups must be filed within 45-days of the end of each KUSF quarter. Due dates are: July 17, 2017; October 16, 2017; January 16, 2018; and April 16, 2018. Quarterly True-up forms are available at: <http://www.gvnw.com/KUSF.aspx>.

6. How do I receive a “Carrier Identification Code”?

- Please contact GVNW to receive your Carrier Identification Code.

7. What is a “data month” and what revenue is reported for a “data month”?

- A data month is the month for which the revenue is reported. The data month is one month in arrears of the actual calendar month.
- Companies that use the accrual method of accounting will report the revenue billed or earned in one month to the KUSF by the 15<sup>th</sup> of the following month. For example, revenue earned and billed to customers in March 2017 is considered as “March 2017” data month revenue and is to be reported to the administrator on or before April 17, 2017.

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- For companies using a cash-basis of accounting, revenue collected in March 2017 would be reported as the “March 2017” data month on or before April 17, 2017.
8. When are my CRW and payment due to the KUSF?
- CRWs and payments are due the 15<sup>th</sup> of the month, unless the 15<sup>th</sup> falls on a holiday or weekend; in which case, the CRW and payment are due the next business day. Companies that report and pay on an annual, semi-annual, or quarterly basis must remit CRWs and payments at the beginning of the applicable period. See Attachment A at: [\\*\\*Link Attachment A\\*\\*](#)
9. What revenues should be reported on the CRW?
- All Kansas intrastate retail telecommunications service revenues from wireline and wireless (including paging) services and interconnected VoIP services must be reported. (K.S.A. 66-2008).
  - A company must report its actual revenues billed to and earned from end-user subscribers and may report uncollectible revenue written off during the reported period. Revenues and uncollectibles reported must be based on and supported by the company’s internal accounting records (e.g. general ledger, billing system, etc.) Do not report calculated revenues reported on lines 4 – 11 of the CRW by dividing the KUSF assessments collected from customers by the KUSF assessment rate to determine Intrastate Retail Revenue reported. If it appears your Company is reporting calculated revenue to the KUSF, Staff and/or GVNW may request additional documentation to support the revenue reported and/or recommend your company be subject to an audit pursuant to K.S.A. 66-2010(b).
10. What should I report in Block C: KUSF Assessments Collected from Customers?
- K.S.A. 66-2008(a) states, in part that a company, “may collect from customers an amount equal to such carrier’s, utility’s or provider’s contribution, but such carrier, provider or utility may collect a lesser amount from its customer.”
- Carriers are, therefore, authorized, but not required to collect assessment from their customers. Block C should include the actual KUSF Assessments the Company collected from its end-user customers for the data month revenue reported. Providers should compare the assessment collected from customers to the actual assessment owed by the Company based on its actual intrastate retail revenue billed to and/or collected from its end-user customers. Block C allows for a Company to compare the assessments collected from customers to the Company’s assessment owed. If the amount collected is greater than the assessment owed, this may indicate that the Company collected more in KUSF assessments from its customers than the Company reported or paid. The provider should review its internal processes determine if modifications to its billing processes and/or customer refunds are necessary to ensure it is compliance with Kansas’ statutory provision that a company may collect an amount equal to or less than its KUSF assessment obligation. Additional

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documentation may be requested. Assessments billed to customers should be identified through a separate line item charge on end-user bills. (8/20/2013 Order, Docket No. 13-GIMT-736-GIT).

11. Is revenue from IP station equipment rental service or Customer Premises Equipment (phones) at the customer's premise reportable?
  - No. Revenue from the rental or sale of equipment is exempt. Revenue received from providing underlying telecommunications and/or VoIP service is reportable.
12. Is revenue from DID virtual numbers, Ethernet bandwidth, Ethernet bandwidth over a private network, a T-1, or third party conference calling vendor reportable?
  - Yes, all Kansas intrastate service revenue is reportable to the KUSF, unless the service is offered to another provider on a wholesale basis.
  - Please see the KUSF Instructions and Attachment E for a more complete listing of the revenues at: [\\*\\*Link to Instructions & Attachment E\\*\\*](#)
13. How should the KUSF assessment be applied to ISDN and/or PRI lines?
  - An ISDN/PRI arrangement is counted as 5 lines, with the Company reporting each arrangement as 5 lines. A Company may collect its KUSF assessment through the authorized surcharge also on the basis of each arrangement being counted as 5 lines, consistent with the FCC's determinations. (1/13/2010, Order, Docket No. 10-GIMT-188-GIT).
14. Is revenue generated from schools, governmental agencies, or tax-exempt end-users exempt from the KUSF?
  - No. The Kansas Courts have ruled the KUSF is an assessment and not a tax. Only wholesale revenues are exempt from the KUSF assessment.
  - The company must report revenue earned from schools, governmental agencies, and tax-exempt end-users to the KUSF.
  - The company can elect to recover its assessment from schools, governmental agencies, and tax-exempt end-users, but is not required to do so.
15. How does a wireless, paging, or VoIP Provider identify Kansas jurisdictional revenue?
  - Cellular, Paging and Prepaid Wireless: Identify Kansas revenue based on the subscriber's Primary Place of Usage (PPU).
    - See (Order Date), Docket No. 06-GIMT-943-GIT: <http://www.kcc.state.ks.us/telecom/kusfhistory.pdf> and
    - (Order date), Docket No. 11-GIMT-842-KSF: <http://www.gvnw.com/KUSF/KansasCorporationCommissionOrders.aspx>.

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- Interconnected VoIP: Identify Kansas revenue based on the customer's registered Primary Place of Service, typically the E911 address.
  - See 9/22/2008 Order Docket No. 07-GIMT-432-GIT, at:  
[\\*Link to KCC Interconnect VoIP Order\\*](#)

16. What methods can a cellular, paging, or interconnected VoIP provider use to allocate revenues to the intrastate jurisdiction for KUSF purposes?

- The Commission has adopted the following FCC's methodologies:
  - Safe harbor
  - Direct Assignment
  - Company-specific traffic factor (updated at least annually).

\*\* If your Company elects to use the direct assignment or traffic study methodology, submit a pleading to the Commission to request approval to use the methodology for KUSF purposes. Identify the methodology, the traffic factor percentages, the applicable period, and provide an affidavit signed by an officer of the company, verifying that the methodology is used for both federal and KUSF purposes. See 1/24/2012, Order, Docket No. 12-GIMT-168-GIT:

<http://www.gvnw.com/KUSF/KansasCorporationCommissionOrders.aspx>

17. How should I report revenue from bundled services?

- Effective July 1, 2016, K.S.A. 66-2008(a) was amended, in part:

The commission shall require every telecommunications carrier, telecommunications public utility and wireless telecommunications service provider that provides intrastate telecommunications services and, to the extent not prohibited by federal law, every provider of interconnected VoIP service, as defined by 47 C.F.R. 9.3, to contribute to the KUSF based upon the provider's intrastate telecommunications services net retail revenues on an equitable and nondiscriminatory basis. The commission shall not require any provider to contribute to the KUSF under a different contribution methodology than such provider uses for purposes of the federal universal service fund, including for bundled offerings. ([Link to FCC Bundled Service Order](#)).

18. Do all providers have to contribute to the KUSF using the same methodology used for FUSF contribution purposes?

- No. All providers, regardless of the technology used to provide service, are authorized under Kansas statute to use the same contribution methodology, including for bundled services, for KUSF contribution purposes as that used for Federal USF contribution purposes. This includes the reporting of discounts.

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**A. REPORTING TO KUSF: (cont'd)**

21. If my company elects to report to the KUSF using a different methodology than that used for Federal USF purposes, can my company recognize discounts when reporting revenue to the KUSF?
- End-user discounts may not be recognized. Promotional discounts may be recognized for the first 90-days per customer. (1/23/2014 Order, 10/20/2016 Order and 7/19/2016 Order, Docket No. 14-GIMT-105-GIT)
22. My company offers an assessable service (e.g. voice, calling features, long distance, etc.) for free when a subscriber purchases specified bundled service packages and/or a connection device. Do I need to report any revenue for the assessable service?
- Yes. If the provider can substantiate that the subscriber did not use the assessable service (e.g. traffic or usage study, etc.), then the provider may report zero revenue.
23. How do I report revenue for Kansas Lifeline subscribers?
- The gross intrastate retail revenue (prior to recognizing or applying any federal or state Lifeline discounts/credits) that would be charged to the subscriber if the subscriber did not qualify for the state and/or federal Lifeline program. State and Federal Lifeline support are treated as if the revenue was received from the Lifeline subscriber. Please see the “Lifeline” section regarding reimbursement from the Kansas Lifeline program. This applies to all carriers that offer Lifeline services to qualifying subscribers, regardless of the technology used to provision the Lifeline service.
  - If the Company provides a separate, additional company-sponsored monthly Lifeline discount, the full monthly service rate should be reported to the KUSF.
    - Example: A company receives \$9.25 from the Federal USF Lifeline program and \$7.77 from the Kansas Lifeline Service Program (KLSP). The company charges its customer \$0.00 for their service. The company must report the \$17.02 Lifeline reimbursement total (\$9.25 Federal + \$7.77 KLSP) as retail revenue for KUSF purposes. For wireless or VoIP companies applying the Safe Harbor or an approved traffic study percentage, the percentage may be applied to the total customer revenue, which includes the Federal Lifeline and KLSP reimbursement revenues.
24. What access line counts are reported for Lifeline purposes?
- Report the number of qualifying Lifeline subscriber lines in service on the first day of the month for which the data is reported. (10/18/16 Order, Docket No. 16-GIMT-575-GIT).

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25. Based on our company's internal procedures, our Company finalizes the revenue earned each month or the uncollectibles written-off until after the due date. As a result, the

**A. REPORTING TO KUSF: (cont'd)**

company reports one month in arrears or reports estimated revenues. Does our company need to report the actual month's revenues and uncollectibles and if so, when?

- Companies that report estimated revenues or report revenues one or more months in arrears must report actual revenues in a Quarterly True-up. Quarterly true-ups are due within 45-days after the end of each KUSF fiscal year quarter (July 17 and October 16, 2017; January 16 and April 16, 2018). (See 1/13/2010, Order, Docket No. 10-GIMT-188-GIT.)]

26. How can I remit the CRWs and payments?

- Via E-Filing at: <http://www.gvnw.com/KUSF.aspx>
- Via e-mail to GVNW at: [KUSF@gvnw.com](mailto:KUSF@gvnw.com)
- Via fax to: 217-698-2715
- Via US Postal Service or sent via over-night delivery to GVNW at:

KUSF Administration  
GVNW Consulting, Inc.  
3220 Pleasant Run  
Springfield, IL 62711

- Payments may be remitted electronically to ensure they are **received** on or before the due date. Contact us at: 217-862-1550 or [kusf@gvnw.com](mailto:kusf@gvnw.com) to receive information on electronic payments.
- Paper Checks should be made payable to "Kansas Universal Service Fund", "KUSF", or "KS USF".
- Checks may be sent via US Postal Mail to:  
**KUSF**  
CoreFirst Bank & Trust  
PO Box 1512  
Topeka, KS 66601-1512
- Checks may be via overnight delivery to:  
**KUSF**  
CoreFirst Bank & Trust  
3035 South Topeka Blvd.  
Lockbox 1512  
Topeka, KS 66611-2122
- Allow adequate mailing and/or delivery time to ensure payment is processed to the



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company's account on or before the due date. It is recommended overnight delivery arrive 1 day prior to the due date.

**B. ASSESSMENT RATE:**

1. What KUSF assessment rate should I use?
  - The March 1, 2017 – February 28, 2018 (Year 21) assessment rate is 7.25%.
2. How often does the KUSF assessment rate change?
  - Annually, at the start of each plan year (March 1). The assessment rate may be changed during the year if a change is authorized by the Commission.
  - The FY 21 docket may be viewed on the KCC's website at: [\(FY 21 Docket Documents 17-GIMT-008-GIT\)](#)
  - Ensure your company has current contact information on file with the Commission and GVNW. To update your company contact information, please call the KCC at (785) 271-3165 or send a letter to:

Kansas Corporation Commission  
Ms. Amy Green, Secretary to the Commission  
1500 SW Arrowhead Drive  
Topeka, KS 66604

**C. LIFELINE:**

1. Does my Company need to offer and advertise Lifeline?
  - All Eligible Telecommunications Carriers (ETCs) must offer and advertise Lifeline services. A telecommunications carrier or electing carrier may elect to cease offering lifeline services pursuant to K.S.A. 66-2006(d), which provides:

Telecommunications carriers and electing carriers may cease participation in the KLSP at any time upon provision of 90-days prior written notification to the commission. Telecommunications carriers and electing carriers participating in the KLSP shall be eligible to receive KUSF support for KLSP services, but shall not be subject to any regulation by the commission based on such participation other than that provided for in subsection (z) of K.S.A. 66-2005, and amendments thereto.
2. Does my Company qualify for Lifeline Reimbursement?
  - All providers designated as ETCs for Kansas Lifeline Service Program (KLSP) purposes qualify for KLSP reimbursement. Effective December 2, 2016, a non-ETC Competitive Local Exchange Carrier is no longer required to participate in the KLSP

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and, a CLEC not currently receiving KLSP must be designated as an ETC in order to provide KLSP reimbursement. (See 10/18/16 Order, Docket No. 16-GIMT-575-GIT).

**C. LIFELINE: (cont'd)**

3. How does my company seek reimbursement?
  - Report the number of qualifying KLSP lines in service as of the first day of each month on line 18 of the Carrier Remittance Worksheet.

**D. PENALTIES:**

1. Why was I assessed a penalty when I mailed my CRW and payment on or prior to the due date?
  - Mail date does not constitute “receipt”. Remit CRWs and payments early enough to ensure **receipt by the administrator and the bank** on or before the due date.
2. My company incurred a late payment penalty and/or a late Carrier Remittance Worksheet (CRW) penalty. How are these penalties determined?
  1. Late Payment penalties are 1% of the assessment due, per month (12% cumulative). See KCC’s 2/18/1997 Order, Docket No. 94-GIMT-478-GIT at: <http://www.kcc.state.ks.us/scan/199702/19970219143935.pdf>
  2. Late CRW penalties are 1% of the assessment due (12% cumulative) or \$100, whichever is greater. See KCC’s 1/23/2006 Order, Docket No. 06-GIMT-332-GIT at: <http://www.kcc.state.ks.us/scan/200601/20060123150938.pdf>
  3. Delinquent Balance Penalty: A 1% per month (12% APR) Delinquent Balance penalty is assessed on all unpaid balances, including unpaid penalties. See KCC’s 1/13/2010 Order, Docket No. 10-GIMT-188-GIT at: <http://www.kcc.state.ks.us/scan/201001/20100114101716.pdf>
3. What should I do if I believe my company was incorrectly assessed a penalty?
  - Contact GVNW via e-mail with the following information to allow us to review your account and verify that the penalty was in accordance with KCC orders:
    - Company name
    - Company Identification Code (begins with “KS00”, followed by 4 numbers).
    - Amount of Penalty
    - Date of Penalty
    - Reason why company believes the penalty is incorrect and documentation to support company’s position.
    - Name and contact information where GVNW can send written correspondence or call the company regarding its review of the company’s account.

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**D. PENALTIES: (cont'd)**

4. How can my company seek a waiver of a penalty?

NOTE: GVNW and KCC Staff are not authorized to waive any properly assessed penalty.

- First, ask GVNW to review your account (see #2) and confirm the penalty was applied appropriately.
- If GVNW verifies the penalty was appropriate, your company may file a pleading with the Commission asking for the penalty to be waived. The pleading should clearly state why the penalty was incurred and the related time period.
- Any pleading should comply with Kansas Administrative Regulations, including:
  - K.A.R. 82-1-219 regarding the general rules relating to pleadings and other papers, and
  - K.A.R. 82-1-228(d) regarding the requirement for a corporation to enter an appearance in a docket, with the appearance entered by its attorney admitted to practice in the state of Kansas or that is associated with a local counsel that resides in the state of Kansas.