

Oklahoma Universal Service Fund (OUSF)

Fiscal Year 2017/2018 Remittance Worksheet Instructions

I. Filing Requirements and General Instructions

A. Introduction

The Oklahoma Telecommunications Act of 1997 (House Bill 1815), signed into law on June 13, 1997, established the Oklahoma Universal Service Fund (OUSF). The purpose of the OUSF is to ensure the availability of universal services at rates that are reasonable and affordable. The OUSF shall provide funding to eligible providers that meet the state eligibility criteria.

OUSF funds may be used as necessary to maintain reasonable rates and to support Primary Universal Services, Special Universal Services, Lifeline Service, designated payments to the State Attorney General and administrative costs.

On May 18, 2017, the Oklahoma Corporation Commission (OCC) issued Order No. 663838, in Cause No. PUD 201700001, establishing the contribution factor for all providers of intrastate retail telecommunications services in Oklahoma at 2.16%, effective for the fiscal year beginning July 1, 2017.

B. Who Must File

The Oklahoma State Act of 1997 states that OUSF shall be funded in a competitively neutral manner by all telecommunications carriers that offer intrastate telecommunications services within the State of Oklahoma. All local exchange carriers, interexchange carriers, wireless companies, paging companies, competitive access providers, operator service providers, resellers, payphone service providers, interconnected VoIP providers and other telecommunications service providers are required to contribute to the OUSF.

The OUSF assessment collected from each carrier shall be calculated as a percentage of total retail billed Oklahoma intrastate telecommunications revenues from both regulated and unregulated services. Telecommunications carriers may, at their option, recover from their retail customers the OUSF charges paid by the carrier.

The Oklahoma Corporation Commission rules can be found on the OCC website:

1. <http://www.occeweb.com/>
2. Click on the "Conducting Business" tab, "Rules" sub-tab, "OCC Rules" link.
3. Oklahoma Universal Service and Lifeline Rules are under Chapter 59.

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I. Filing Requirements and General Instructions (Cont'd)

C. When and Where to File

The current OUSF assessment period includes the July 1, 2017 through June 30, 2018 data months. Monthly, quarterly, or annual worksheets and remittances must be received by the **OUSF Fund Manager, GVNW Consulting, Inc.**, in accordance with the reporting schedule included in **Attachment A for the 2017/2018 OUSF assessment period.**

Effective October 1, 2017, the Quarterly filing option will no longer be available. Contributing providers (Provider) with \$50,000 or more in annual Oklahoma intrastate retail revenue will be required to report Monthly. Providers with \$49,999 or less in annual Oklahoma intrastate retail revenue will qualify to report on an Annual basis or may choose to report on a Monthly basis. Providers that have historically reported \$0.00 revenue for FY 2016/2017 and/or providers reporting \$0.00 revenue for FY 2017/2018 are required to report on an Annual basis for FY 2017/2018.

Contributing provider **Remittance Worksheets are to be submitted online only, via GVNW's Online Worksheet Submission E-File feature on the website at <http://www.gvnw.com/USF/OKUSF.aspx>. Please complete the Attachment D form to request online access and obtain an assigned User. I.D. and password.**

D. Compliance

Providers failing to submit OUSF worksheets and payments in a timely manner are subject to a one and one-half percent per month (1.5%) interest fee (18% APR cumulatively), on any payment not received by the reporting due date. If the Provider underestimates its annual contribution by 15% or greater, the provider shall be required to make its contributions monthly for the next fiscal reporting year and underpayments will be subject to interest at one and one-half percent per month (1.5%). Payments are to be remitted directly to First Fidelity Bank in Oklahoma City, OK.

II. Line-by-Line Instructions for Completion of the OUSF Worksheet

Filing Identification Information

The following blocks are located in the top margin of the worksheet. Most of this information will be prefilled in on the online worksheet template in the OUSF E-File feature located at <http://www.gvnw.com/USF/OKUSF.aspx>, based on the information currently on file. Complete the appropriate information as follows:

Block A- Company Code

The company code, supplied by the OUSF Manager, starts with "OK" followed by six digits. If this is the first filing for your company and you have not been assigned a code, please submit the Online User Access Request (Attachment D) form to register for OUSF purposes. An OUSF company code will be assigned at that time. Once assigned, this information will be prefilled on the online worksheet template.

Block B- Submission Date

The Submission Date is the date the remittance worksheet is submitted to GVNW. The OUSF Manager

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should receive the worksheet in accordance with the reporting schedule included in **Attachment A for the 2017/2018 OUSF assessment period.**

Block C- Revenue Data Month

Indicate the Revenue Data Month (the month(s) and year(s)) that corresponds to the revenue data being reported. Effective October 1, 2017, contributing providers with \$50,000 or more in annual Oklahoma intrastate retail revenue will be required to report and pay on a Monthly basis. Contributing providers that report and pay on a Monthly basis shall report the prior calendar month's revenues, and pay the related assessment, by the end of the month. For example, the August 31, 2017 submission will be based on July 2017 revenues. Please indicate the appropriate period (see Attachment A for "2017/2018 OUSF Reporting Schedule").

Effective October 1, 2017, contributing providers with \$49,999 or less in annual Oklahoma intrastate retail revenue will qualify to report on an Annual basis. Contributing providers that reported \$0.00 for the FY 2016/2017 plan year and/or reporting \$0.00 annual revenue for the FY 2017/2018 are required to report on an Annual basis for FY 2017/2018. For contributing providers that qualify to report to the OUSF on an Annual basis, payment must be submitted at the **beginning** of the reporting period based on an estimate for the period. The FY 2017/2018 Annual worksheet and assessment payment is due by August 31, 2017. If the company underestimates its annual contribution by 15% or greater, the company will be required to report and pay on a Monthly basis for the next fiscal reporting year and underpayments will be subject to interest.

****Note 1: If this is the initial submission for your company, the OUSF assessment obligation applies to Oklahoma retail revenues earned for all months of operations.**

Block D – Original or Revision

Indicate whether this is the original or a revised submission for the data month(s) being reported. **Revisions should be submitted as soon as possible to correct or adjust the previously reported revenue data.** Revisions will be processed in the monthly cycle when they are received so companies will not be required to wait until the end of the fiscal year to correct a reporting error. Report actual revised revenue amounts, *not* the difference between the original filing and the Revision.

Annual True-ups: Required for Annual Filers

Company-specific true-ups should be reported as revisions to the worksheet as stated above. **Annual filers are required to submit an Annual revised worksheet, to report actual revenues for the July 2016 – June 2017 period, by August 31, 2017.**

Section 1 - Carrier Identification

Most of this information will be prefilled in on our online worksheet template in the OUSF E-File feature located at www.gvnw.com/ousf.aspx, based on the information currently on file. To update company and/or contact information, please send an email to ousf@gvnw.com.

Line 1- Company Name

The carrier name that identifies the entity for which data is being reported and any "doing business as" (d/b/a) names, if applicable.

Line 2- Primary Communications Business

Displays the communications business type that best describes the principal carrier activity.

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- **ILEC**-Incumbent Local Exchange Carrier – Provider of franchised local exchange service.
- **IXC**-Interexchange Carrier – Facilities-based provider of interexchange services.
- **RES** – Reseller – Leases underlying transmission facilities from facilities-based carrier for purposes of providing interexchange service.
- **CLEC**-Competitive Local Exchange Carrier.
- **CAP**-Competitive Access Providers - Competes with incumbent local exchange carrier to provide services that link customers with interexchange facilities, local exchange networks or other customers.
- **CELL**-Cellular telephone service provider.
- **PCS**-Personal Communication Service provider.
- **OSP**-Operator Service Provider – Companies other than LECs that provide services to customers needing the assistance of an operator such as to complete away from home calls or calls using alternative billing arrangements. These companies typically employ operators, as well as credit and cash card technologies, to complete calls.
- **PAG**-Paging Service Provider – Provides customers access to telephone networks through pay telephone equipment.
- **OTHER**- Check “Other” if none of the above categories describes the carrier. Please explain as indicated (i.e., CMRS, etc.).
- **VoIP** – “**Interconnected Voice over Internet Protocol**” or “**VoIP**” includes both fixed and nomadic versions of the service, with fixed Interconnected Voice over Internet Protocol service able to be used at only one location, and nomadic Interconnected Voice over Internet Protocol service able to be used at multiple locations. Interconnected Voice over Internet Protocol means a service that:
 - (A) enables real-time, two-way voice communications;
 - (B) requires a broadband connection from the user’s location;
 - (C) requires Internet protocol-compatible customer premises equipment; and
 - (D) permits users generally to receive calls that originate on the public switched telephone network and to terminate calls to the public switched telephone network.

Line 3- Agent Company Name

The name of the holding company or controlling company, if any.

Line 3b- Agent Contact Name

The name of the primary person at the Agent Company responsible for OUSF issues.

Section 2- Revenue Data

Revenues entered here should be for the revenue data month indicated in Block C of this form. These revenues should correspond to the official books and records of the company except if the company is using estimated numbers to be reconciled to actuals at the end of the funding period.

Retail revenues *include*, but are not limited to, revenues from the following types of services and charges:

- Local Service, including basic monthly charges, extended area service charges, local measured service usage and any directory related charges such as for additional listings or for non-publication or non-listing of a telephone number.

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- Enhanced services provided through the local switch such as call forwarding, caller identification and voice mail.
- Intrastate toll service.
- Directory Assistance service, both voice and electronic.
- Cellular telephone services, PCS, CMRS and paging services.
- Interconnected VoIP services. For Interconnected VoIP services, contributing providers shall, consistent with the methodology of the Federal Communications Commission, identify intrastate retail revenue subject to the OUSF/OLF assessment through 1) direct assignment; 2) a company specific traffic study; or 3) the inverse of the FCC safe harbor, currently 35.1% for intrastate allocation purposes. A contributing provider must file an application with the Commission and received approval to utilize any methodology other than the safe harbor calculation.

Retail revenues ***do not include*** revenues derived from the following types of services and charges:

- Wholesale transactions, including access charges paid by or to a local exchange carrier, interconnection charges paid by or to a cellular provider.
- Services consisting primarily of the creation of artistic material or other information that is later transmitted over telecommunications equipment, including information services.
- Mobile radio and one-way paging services that do not have an electronic interface into the public switched network. Typically these services require the paged person to go to a telephone to respond to the page. Any wireless or paging services, including airphone revenues that do interface into the public switched network are included in the assessment.
- Telecommunications services provided inside a company's proprietary network.
- Sales and rentals subject to the sales and use tax includes sales and rental of telephone equipment.
- Inside wire installation, billing and collection, or maintenance services sold to customers.
- Yellow pages advertising.
- Payments between aggregators and operator service providers, such as when an operator service provider pays a hotel for the right to put a pay telephone in the hotel's lobby.
- Video on demand, where a customer input selects only a video to be seen by a customer, and where there is no connection to the outside telephone system.

**Revenues reported on the remittance worksheet should be entered in dollars and cents rounded to two decimal places using half-up rounding. For example: \$488.885 would be rounded to \$488.89 and \$488.884 would be rounded to \$488.88.*

Line 4- Local Exchange Service

Includes revenue from retail charges for basic monthly service, extended area service and local measured service usage. Also includes revenue from any directory-related retail charges such as for additional listings or for non-publication or non-listing of a telephone number (Do not include the Federal Subscriber Line Charge). For Lifeline subscribers, the reported revenue is to include the total gross intrastate retail charges for services provided to Lifeline subscribers prior to the application of any Federal or State Lifeline discounts. For instance, if the retail rate for a service provided to a Lifeline subscriber is \$20.00 per month and, because it is provided to a Lifeline subscriber, a \$9.25 discount (from the federal USF program) applies, the reportable revenue would be \$20.00, not the post discount \$10.75 amount.

Line 5- Local Private Line

Includes revenues from providing local services that involve dedicated circuits, private switching arrangements and/or predefined transmission paths.

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Line 6- Wireless Monthly Charges

Includes revenue generated from monthly retail charges for cellular/PCS/mobile wireless services. . . Assignment to the Oklahoma intrastate jurisdiction is to be based on the customer's Primary Place of Use, as that term is defined in 4 U.S.C. § 124(8). For Lifeline subscribers, the reported revenue is to include the total gross intrastate retail charges for services provided to Lifeline subscribers prior to the application of any Federal or State Lifeline discounts. For instance, if the retail rate for a service provided to a Lifeline subscriber is \$40.00 per month (assuming no usage or roaming charges) and, because it is provided to a Lifeline subscriber, a \$34.25 discount (from the Federal USF program) applies, the reportable revenue would be \$40.00, not the post discount \$5.75 amount.

Line 7- Wireless Usage Charges

Includes cellular/PCS/mobile wireless airtime, roaming and similar usage charges. Airtime should include revenue received from charges to wireless customers on a usage sensitive basis. For Lifeline subscribers, the reported revenue is to include the total gross intrastate retail charges for airtime and roaming usage charges for services provided to Lifeline subscribers prior to the application of any Federal or State Lifeline discounts.

Line 8- Intrastate Switched Toll

Includes revenue from the provision of intrastate toll message services including, but not limited to, operator services, wireless intrastate long distance service and intrastate 800 services. For purposes of determining intrastate jurisdiction for 800 services, carriers may use Percent Interstate Usage (PIU) factor to calculate the intrastate usage.

Line 9- Toll Private Line

Includes revenue from the provision of intrastate toll services involving dedicated circuits, private switching arrangements and/or predefined transmission paths, whether virtual or physical, providing communications between specific locations beyond the basic service area.

Line 10- Alternative Access & Directory

Includes intrastate services, for calling card and credit card revenues, person-to-person call revenues and calls with alternative billing arrangements such as third number billing and collect calls. Includes all other local service revenues including revenues for competitive access providers and revenues from directory services. Prepaid calling card revenue, including prepaid wireless service, is to be reported by the card's sponsor. Oklahoma calling card revenue is recognized at the point of sale. Prepaid wireless revenue is recognized when Oklahoma, is the Primary Place of Use, as that term is defined in 4 U.S.C. § 124(8), but applied to the alternative access & directory services.

Line 11- Pay Telephone

Includes revenues derived from the provision of public and semi-public pay telephone services.

Line 12 – Interconnected VoIP

Include all intrastate monthly revenue received from charges for VoIP services provided to end-user customers allocated to Oklahoma based on the customer's Primary Place of Use, as that term is defined in 4 U.S.C. § 124(8). In the event a customer's Primary Place of Use cannot be determined, an acceptable proxy would be the customer's registered E-911 address, in the State of Oklahoma.

Line 13- Miscellaneous Charges

Includes miscellaneous intrastate retail revenues that would not reasonably be included with one of the other service categories such as late payment charges, customer fees, etc.

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Line 14 – Total Intrastate Retail Revenues

Sum the amounts entered on Line 4 through Line 13 and enter this amount on Line 14. This represents the total intrastate retail revenues.

Section 3- Payment Calculation

Line 15- 2017/2018 OUSF Contribution Factor

The 2017/2018 OUSF Contribution Factor remains at 2.16% (.0216) for the plan year beginning July 1, 2017 through June 30, 2018, as approved by Commission Order in Cause No. PUD 201700001.

Line 16- Gross OUSF Assessment

Multiply the amount entered on Line 14 by the OUSF assessment rate as indicated on the worksheet on Line 15 and enter the result on Line 16.

Section 4- Change in Company Status

Line 16 – New Business Start Date

If new business, enter the date that operations started in Oklahoma.

****Note:** OUSF assessments are due beginning with the date that operations started in Oklahoma, or with the 1/98 data month, whichever is later.

Line 17- Business Status Change

If business has changed in Oklahoma, enter the date that the business was sold, merged or discontinued. Provide a letter on company letterhead explaining the business status change.

Section 5- Certification

Line 18- Officer Name Information

Enter the date, officer name, officer signature, and officer title. The officer's signature attests to the accuracy of all information submitted on the remittance worksheet.

Worksheets may not be submitted without a signature.

Worksheet Submission and Payment Method

Please see Attachment B "OUSF Payment and Worksheet Submission Information" for additional details on submitting payments to the OUSF.

Additional OUSF Information and Filing Considerations

- Contributing Provider Remittance Worksheets are to be submitted online only, via GVNW's Online Worksheet Submission E-File feature on our website at <http://www.gvnw.com/USF/OKUSF.aspx>. Payments are to be remitted directly to First Fidelity Bank in Oklahoma City, OK.**
- Carriers should be aware that an interest fee of one and one half percent (1.5%) per month (18% APR) will be applied for on any payment not received by the reporting due date. Please refer to Attachment A – FY2017/2018 OUSF Reporting Schedule, for a list of current due dates.

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- The OUSF instructions provide descriptions of revenues and the Contributing Provider Remittance Worksheet lines to be used. **Correct Completion of Section 2** of the worksheet will avoid edit errors, revisions, and additional contacts.

- **Forms without an authorized signature** will be considered incomplete and cannot be processed.

- **Companies requiring corrections** to information initially submitted on OUSF worksheet(s) should submit a **revised worksheet**. Revisions should be submitted to correct or adjust previously reported data.