

## FCC Regulatory Fees at a Glance

Providers of regulated interstate telecommunications and interconnected Voice over Internet Protocol ("VoIP") services are required to contribute to several Federal Funds on an ongoing basis. These fees are generally determined by revenue amounts reports on FCC Form 499s filed throughout the year. To help licensed providers of telecommunications and interconnected VoIP services understand Federal Fee payment obligations, The *Compliance* Group has prepared the following overview.

### Federal Fee Overview

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**Universal Service Fund:** The USF is a federal fund developed to ensure the diffusion of universal telecommunications service. The Telecommunications Act of 1996 ("TCA") demands that every telecommunications carrier that provides interstate telecommunications services to the public for a fee as well as certain other providers of interstate telecommunications shall contribute, on an equitable and nondiscriminatory basis, to the specific, predictable, and sufficient mechanisms established by the Commission to preserve and advance universal service. Unless they meet the *de minimis* exemption, all regulated telecommunications service providers must contribute a percentage of their interstate and international end-user revenues as reported on Form 499-A.

**Telecommunications Relay Service:** The FCC has established the TRS Fund to reimburse TRS providers for the cost of providing interstate telecommunications relay services that provide the ability for an individual who has a hearing or speech disability to engage in communication with a hearing individual over the Public Switched Telephone Network ("PSTN"). Every common carrier and interconnected VoIP provider (including interconnected and non-interconnected) must contribute to the Fund on the basis of its relative share of intrastate, interstate, and international end-user telecommunications revenues based on the information provided in its annual Form 499-A.

**North American Numbering Plan Administration:** The North American Numbering Plan ("NANP") is an integrated telephone numbering plan for the Public Switched Telephone Network ("PSTN") serving multiple countries including the United States and its territories administered by the North American Numbering Plan Administration. All telecommunications carriers and interconnected VoIP providers in the United States must contribute to the fund. NANPA contributions are based upon the product of the contributors' end-user telecommunications revenues for the prior calendar year and a contribution factor determined annually by the FCC of no less than \$25, to be reported annually on Form 499-A.

**Local Numbering Portability:** To diffuse the costs of administering the North American local number portability program, the Local Number Portability Administrator must collect the shared costs of long-term number portability all telecommunications carriers and interconnected VoIP providers providing service in that region. LNP fees are based on total telecommunications amounts reported on the FCC Form 499-A, measured against regional percentages reported in Block 5 of the FCC Form 499.

**FCC Regulatory Fees:** All interstate telecommunications service providers ("ITSPs") must pay annual fees to the FCC. ITSPs include entities that identify themselves as local exchange carriers, interexchange carriers, resellers, interconnected VoIP Providers, payphone service providers, prepaid calling card providers, and toll resellers. The ITSP regulatory fee is based on billed interstate and international end-user revenues, as reported on FCC Form 499-A. In addition to the ITSP regulatory fee, other regulatory fees may apply as designated by the FCC.

**Fund: Universal Service Fund ("USF")**

| Administrator/ Invoicing Agent:  | Universal Service Administrative Company ("USAC")   |          |                  |            |   |       |  |          |   |            |  |
|----------------------------------|---|----------|------------------|------------|---|-------|--|----------|---|------------|--|
| Website:                         | www.usac.org  |          |                  |            |   |       |  |          |   |            |  |
| Applicable Form:                 | FCC Form 499-Q  |          |                  |            |   |       |  |          |   |            |  |
| Date when Fee Factor Determined: | March, June, September, December<br>(applicable to prospective quarter)   |          |                  |            |   |       |  |          |   |            |  |
| Reporting Period:                |   |          |                  |            |   |       |  |          |   |            |  |
|                                  | <table border="1"> <thead> <tr> <th>Due Date</th> <th>Revenue Reported</th> </tr> </thead> <tbody> <tr> <td>February 1</td> <td>Historical 4th Quarter (October - December)<br/>Projected 2nd Quarter (April - June)</td> </tr> <tr> <td>May 1</td> <td>Historical 1st Quarter (January-March)<br/>Projected 3rd Quarter (July - September)</td> </tr> <tr> <td>August 1</td> <td>Historical 2nd Quarter (April - June)<br/>Projected 4th Quarter (October - December)</td> </tr> <tr> <td>November 1</td> <td>Historical 3rd Quarter (July - September)<br/>Projected 1st Quarter (January-March)</td> </tr> </tbody> </table> | Due Date | Revenue Reported | February 1 | Historical 4th Quarter (October - December)<br>Projected 2nd Quarter (April - June) | May 1 | Historical 1st Quarter (January-March)<br>Projected 3rd Quarter (July - September) | August 1 | Historical 2nd Quarter (April - June)<br>Projected 4th Quarter (October - December) | November 1 | Historical 3rd Quarter (July - September)<br>Projected 1st Quarter (January-March) |
| Due Date                         | Revenue Reported  |          |                  |            |   |       |  |          |   |            |  |
| February 1                       | Historical 4th Quarter (October - December)<br>Projected 2nd Quarter (April - June)   |          |                  |            |   |       |  |          |   |            |  |
| May 1                            | Historical 1st Quarter (January-March)<br>Projected 3rd Quarter (July - September)  |          |                  |            |   |       |  |          |   |            |  |
| August 1                         | Historical 2nd Quarter (April - June)<br>Projected 4th Quarter (October - December)   |          |                  |            |   |       |  |          |   |            |  |
| November 1                       | Historical 3rd Quarter (July - September)<br>Projected 1st Quarter (January-March)  |          |                  |            |   |       |  |          |   |            |  |
| Billing Period:                  | Monthly (based on projected revenue)  |          |                  |            |   |       |  |          |   |            |  |
| Invoice Date:                    | Monthly (on the 21st)   |          |                  |            |   |       |  |          |   |            |  |
| Assessed on:                     | Interstate and International Revenue  |          |                  |            |   |       |  |          |   |            |  |
| Pass-through?                    | Yes   |          |                  |            |   |       |  |          |   |            |  |

**Fund: Universal Service Fund ("USF") - True-up**

|                                  |  |
|----------------------------------|--|
| Administrator/ Invoicing Agent:  | Universal Service Administrative Company ("USAC")  |
| Website:                         | www.usac.org   |
| Applicable Form:                 | FCC Form 499-A   |
| Date when Fee Factor Determined: | Aggregated from Quarterly Factors from previous year ( <i>see above</i> )                                      |
| Billing Period:                  | Preceding Year (January - December)  |
| Invoice Based On:                | "True-up" issued to reconcile projected revenue reported on Form 499-Q with actual revenue from preceding year |
| Invoice Date:                    | "True-up" included in USF invoices issued July - October   |
| Assessed on:                     | Interstate and International Revenue   |
| Pass-through?                    | N/A  |

**Fund: Telecommunications Relay Service ("TRS")**

|                                  |   |
|----------------------------------|---|
| Administrator/ Invoicing Agent:  | Rolka Loube Saltzer Associates  |
| Website:                         | <a href="http://www.r-l-s-a.com/TRS/">http://www.r-l-s-a.com/TRS/</a>     |
| Applicable Form:                 | FCC Form 499-A  |
| Date when Fee Factor Determined: | June  |
| Fee Factor/ Billing Period:      | July 1 <sup>st</sup> through June 30 <sup>th</sup>                        |
| Invoice Based On:                | Revenue from preceding year (January - December)                          |
| Invoice Date:                    | June/ July, or monthly if amount due above \$1,200.00                     |
| Assessed on:                     | Intrastate, Interstate, International, and International-traverse Revenue |
| Pass-through?                    | No  |

**Fund: North American Numbering Plan Administration ("NANP")**

|                                  |   |
|----------------------------------|---|
| Administrator/ Invoicing Agent:  | Welch LLP   |
| Website:                         | <a href="http://www.nanpa.com/">http://www.nanpa.com/</a>                                       |
| Applicable Form:                 | FCC Form 499-A  |
| Date when Fee Factor Determined: | August  |
| Fee Factor/ Billing Period:      | October 1 <sup>st</sup> through September 30 <sup>th</sup>                                      |
| Invoice Based On:                | Revenue from preceding year (January - December)  |
| Invoice Date(s):                 | September   |
| Assessed on:                     | All Telecom Revenue (Intrastate, Interstate, International, and International-traverse Revenue) |
| Pass-through?                    | No  |



**Fund: Local Numbering Portability ("LNP")**

|                                  |   |
|----------------------------------|---|
| Administrator/ Invoicing Agent:  | iconectiv   |
| Website:                         | <a href="https://iconectiv.com/">https://iconectiv.com/</a>                                     |
| Applicable Form:                 | FCC Form 499-A  |
| Date when Fee Factor Determined: | June  |
| Fee Factor/ Billing Period:      | July 1 <sup>st</sup> through June 30 <sup>th</sup>  |
| Invoice Based On:                | Revenue from preceding year (January - December)  |
| Invoice Date:                    | June/July or monthly if over threshold  |
| Assessed on:                     | All Telecom Revenue (Intrastate, Interstate, International, and International-traverse Revenue) |
| Pass-through?                    | No  |

**Fund: FCC Regulatory Fees**

|                                  |   |
|----------------------------------|---|
| Administrator/ Invoicing Agent:  | Federal Communications Commission ("FCC")   |
| Website:                         | <a href="http://transition.fcc.gov/fees/feefiler.html">http://transition.fcc.gov/fees/feefiler.html</a> |
| Applicable Form:                 | FCC Form 499-A  |
| Date when Fee Factor Determined: | August / September  |
| Fee Factor Period:               | Preceding Year (January - December)   |
| Invoice Based On:                | Preceding Year (January - December)   |
| Invoice Date:                    | September   |
| Assessed on:                     | Interstate, International, and International-traverse Revenue   |
| Pass-through?                    | No  |

