

**Questions Received during the Webinar,  
“2016 FCC Form 499-A, Line by Line”**

Presented Tuesday, March 15, 2016, at 3:00 PM EST

A recording of the event is available in the [Online Learning Library](#).

Questions Received	Responses
<p><b>What line items relate to Interconnected VoIP providers? We went through that slide too quickly.</b></p>	<p>404.4, 404.5, and 414.2, You can download the slides from the presentation under the 'Handout' section in the Control panel of this presentation. They will also be loaded to the Contributors page on the web page.</p>
<p><b>You didn't mention line 112, "List all trade names used in the past 3 years in providing telecommunications" This information is then reported on the FCC's 499 filer website and is a useful tool to determine if a customer (or a previous iteration of a customer) is a current 499 filer. If you could do a public service announcement in this line, that would be great! Thanks.</b></p>	<p>Correct, Line 112 does require companies to list all trade names used while providing telecommunication services in the past 3 years.</p>
<p><b>We do not own payphones, but collect payphone surcharges. What line do the surcharges get reported?</b></p>	<p>Line 306</p>
<p><b>What about Category 2 (Non Carrier) filings?</b></p>	<p>Scott, it sounds like you have specific questions that I don't understand. Can you put your questions in an email message and send them to <a href="mailto:form499@usac.org">form499@usac.org</a>? Please relate your questions to the 499-A. Note, this is a private message that will go only to you, not the entire audience.</p>

**If we are "billing" ourselves for DSL service to provide Internet and Video, do I report that in the Wholesaler or End User Revenue Section? Previously our Subsidiary was the ISP provider and we put it into end user since they were not a contributor - Now our company is providing Internet and Video below the line. I know the revenue from those services will be non-telecom but should the regulated DSL service be included in End User since we directly contribute to USAC each month?**

This question requires customer specific information in order to help us better understand the question. Please contact us at [form499@usac.org](mailto:form499@usac.org)

**Would like to clarify on reseller of services, line 105. We are also a reseller only, local and toll. Are we also considered a CAP/Clec also? Or just a local and toll reseller?**

You can choose Local Reseller and Toll Reseller.

**We purchase bandwidth from a submarine cable company and a satellite company. We sell that bandwidth to our customers. Are we then considered a Reseller?**

You're considered a telecommunications provider.

**We will sell a DS1 line to a customer who resells to their customers an internet line. We pass through USF as an end user. Is this correct?**

Yes, if the DS1 is a telecom product

**We will have standalone hosted pbx software appliance  
and separate optional sip trunking package.**

This question requires customer specific information in order to help us better understand the question. Please contact us at [form499@usac.org](mailto:form499@usac.org)

**A user may use the software appliance only.**

**Is the software appliance subject to USF?**

**Would revenues for dark fiber be reported and, if so, where?**

Those are considered non-telecom and are reported on line 418.

**So we can categorize calls to US destinations as Interstate and calls to non-US destinations as International? Please confirm.**

Yes, that is correct.

**Just to clarify - on line 403 - State USF is put in column a (Total Revenues) and Federal USF is but in column d (Interstate Revenues)?**

The total of state and federal USF goes in column A, and ONLY federal USF goes in column D.

**Can you explain the difference between local private line and long distance private line again?**

Local private line - local services that involve dedicated circuits, private switching arrangements, digital subscriber lines, and/or predefined transmission paths where the A and Z locations are within the same basic local area. Long distance private line are services that involve dedicated circuits, private switching arrangements, digital subscriber lines, and/or predefined transmission paths where the A and Z locations are outside the basic service (local) area.

**We are located in a US Territory. All calls outside of our area code (684) are considered International (even to the US). Which category do we use, Interstate or International?**

For the purposes of the FCC Form 499-A, calls from a territory to another territory or a state (or DC) are considered interstate.

**If we have \$15,000 in gross billed revenue we are still classified as de-minimus, correct?**

If that is all of your revenue for the entire year, then yes.

**Do we have to have an annual certification when nothing has changed? If we didn't get a current one for this year, do we treat as an end user or can we go by the last year?**

All filers must file a 499A, every year, even if nothing has changed. If you don't file, you will be charged a late filer fee. You must get a certification every single year from every customer you intend to treat as exempt.

**For our schools who receive E-Rate funding to assist with a percentage of their bill, if we are invoicing our schools only the undiscounted portion and USAC the discounted portion, do we report both revenues or just the amount we actually invoice the school?**

Both

**Why isn't there an actual approved certification form that we can use that USAC provides?**

No, but you can use the language in the FCC safe harbor method, which was described in the March 8 webinar and is also available in the 2016 Instructions. The webinar is on our Trainings and Outreach page, and the Instructions are available on our Forms page.

**So if we don't receive an annual certification, those revenues need to be reported as End User revenue instead of reseller revenue?**

That is correct.

**Fred mentioned that carriers need to report services that are billed and not those that are not billed. Does that mean that if we don't bill our customers for an amount, then we don't need to report the revenue?**

That is correct.

**We provide data cabling for schools this includes wire and connections where do we report revenue on 499-A?**

This question requires customer specific information in order to help us better understand the question. Please contact us at [form499@usac.org](mailto:form499@usac.org)

**If you have regulated bad debt. Can you jurisdictionalize based upon only the regulated revenues on line 419?**

You can allocate bad debt based on revenues reported on lines 419/420

**We provide wholesale directory assistance services to carriers who, in turn, assess USF on their end-user customers. Because our customers are carriers, we do not have USF-assessable end-user customers. We use fast Ethernet ISP circuits for connectivity in our backbone network and to connect to our carrier customers. I believe that we should be exempt from USF charges from our ISP vendors and that we are not a contributor because we have no end users. Am I correct?**

You may not be considered a direct contributor but you are still required to pay USF to your underlying carrier.

**If our USAC dollars are flowing thru NECA, does it still go on line 308?**

Yes

**if you enter something incorrectly, and submit for officer approval. can an officer kick the form back to you to make and adjustment?**

Yes! Until the officer approves, you should be able to make changes on the form (disclaimer: up until a certain date. There will be filing limits after the April 1 deadline)

**Will just the presentation slides (without recording) be available after the presentation?**

The presentation slides are available now, under the 'Handouts' tab. They will also be posted to the Contributors webpage on the USAC.org site.

**My officer name is not getting populated on the 499-Q report after it has been certified. Is there something wrong with my officer's profile?**

Please call Customer Operations at (888) 641-8722.

**We sell pre-paid calling cards directly to customers (retail) and to vendors (wholesale). Where do we record these revenues?**

Line 411. From the Instructions, page 29: "Gross billed revenues should represent the amounts actually paid by end user customers 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"

**What is the exact revenue requirement/threshold for de minimis filing?**

For calendar year 2015, filers that report less than \$68,932.88 of combined interstate and international revenues on Line 423, columns (d) and (e) of the 2016 FCC Form 499-A will be considered *de minimis* for 2015.

**What was the hotline number again please?**

866-411-8722

**gross sales of non-telecom includes all states or only DC?**

All states, all territories, all international revenue. Non-telecom revenue goes on line 418.

**What is the reason for the requirement that there must be an agent in Washington DC?**

It's an FCC requirement. The FCC Form 499-A collects a lot of information that isn't strictly related to USF, and this is one of those bits of information.

**I have some customers that are filers/contributors, but all of their circuits are intrastate. Do you want that revenue reported in Block 3 or Block 4?**

If you've verified that they're contributors following the FCC's safe harbor procedures, put that revenue in block 3.

**In my case our company is located on a territory of the US so our intrastate will be calls inside our territory, interstate will be calls to outside our territory to any of the continental states and international calls will be outside US territories and states. Correct?**

Yes, that is correct.

**We are a reseller of services how do we categorize our line 105**

Check off the services you resell.

**What is the de minimis amount again? \$67,000 of billed gross revenue?**

For calendar year 2015, filers that report less than \$68,932.88 of combined interstate and international revenues on Line 423, columns (d) and (e) of the 2016 FCC Form 499-A will be considered *de minimis* for 2015.

**If a carrier who states that they are exempt, if they purchase local phone service from me the ILEC, we should bill them the SLC and FUSC, correct.**

If a carrier states that they are exempt and they have proven that by providing you the documentation requested by the FCC safe harbor, then you do not charge them FUSF. FUSF has no bearing on whether you charge them SLC.

**If local service service and LD service are tracked as two separate charges in the billing system, but it is presented as just one charge on the customer's invoice, is this bundled revenue reported on one line, or is each revenue piece reported separately on different lines?**

If billed as bundled service then revenue will need to be reported under one line

**Is there a form I could be looking at to follow along with the narrator?**

If you are logged in to the webinar, the handout can be found under 'Handouts' in the webinar control panel.

<b>if you are a LTE in Rural America (LRA), your end users are other LRA (carriers) who have the end users and you have no end user. Are we "exempt" then?</b>	If you are only providing wireless internet service then your revenues should be reported on Line 418 which is not subject to USF. However, if service is wireless roaming including voice then you will need to report it on line 309 (carrier's carrier) or 409 (end user) which is subject to USF.
<b>Please confirm, direct internet access service is considered non-telecom?</b>	It depends if its sold as special access service which would be reported under line 406, if not sold under this category then yes it would be reported under line 418 as non telecom revenue.
<b>What type of revenue is Directory Assistance fees?</b>	It goes on line 413.
<b>Is an Ethernet based intrastate point to point service considered non-telecom or private line service?</b>	It's considered private line service
<b>Is the revenue from schools and libraries received from USAC considered 100% Intrastate?</b>	No
<b>Would you report NECA Settlement Revenue that is not Lifeline or High Cost on line 418.3?</b>	No, this revenue should not be reported on the FCC Form 499-A
<b>If you use the FCC VoIP safe harbor, do you populate the international column?</b>	No. Just the interstate column, which should show 64.9% of the revenue in column A.
<b>I have the E-file user Guide, the FCC Form 499-A filing user guide, and the 2016 FCC Form 499-A line by line which is posted above. Which one and what page?</b>	None of those. Go to the USAC website, click on Contributors, click on Forms, and then look for the 2016 Instructions to the FCC Form 499-A.
<b>Gross billed revenues? What about revenue that is not related to IVoIP services in any way?</b>	Non-telecom revenue goes on line 418. It is not assessable, by which we mean that you do not pay USF on anything on line 418.
<b>I am new to this can I pull a historical filing from the website and a blank form to use as a worksheet?</b>	PDFs of the 499A instructions and a blank form can be found on USACs website, under 'Forms' (top right hand side <a href="http://www.usac.org">www.usac.org</a> )

**Comment - It would be helpful to have a full report with the line items so I can get a visual. For those of us doing the reporting for the 1st time, it seems rather confusing.**

Please take a look at the 2016 Instructions in the Forms page. A 499-A is available at the end of the Instructions.

**If we are charging customers credit card, for prepaid services, but no calling card is issued, are we reporting these under 411-413?**

Prepaid calling cards go on line 411; postpaid calling cards go on line 413.

**If we offer a promotion to our customers of say 25% discount per month, we would not include that 25% in Gross Billed Revenues, correct?**

That is correct.

**so if we don't have reseller certifs of filer ID, we file revenue as end-user?**

That is correct.

**Please confirm that Column (b) + Column (c) may not necessarily equal 100%.**

That is correct.

**Is there a specific format or template for a traffic study available somewhere to ensure compliance with data necessary?**

There are instructions for the traffic study in the Instructions to the form on page 41.

**What if a company purchases a t-1 from you and are using it to provide cell service would this co be considered a reseller even though they don't sign the reseller certification?**

There's a difference between a reseller, which is a company that purchases services from you to resell and a company that has certified to you that they are a direct contributor to USAC and you should report their revenue in block 3. Not all companies that resell your services will certify that they are USAC direct contributors. If they are not direct contributors, their revenue goes in block 4 and they are considered your end user.

**This is a question regarding end user revenues when you get to that point: Would a hosted voice solution delivered via IP and including unlimited local and LD, be considered interconnected VoIP revenue? And how might this be reported differently if there was one flat fee for the local and LD, or the local and LD were split into two separate charges? Would the safe harbor percentage be applied to just the unlimited LD charges if they are billed separately?**

This question requires customer specific information in order to help us better understand the question. Please contact us at [form499@usac.org](mailto:form499@usac.org)

**We are a non-connected VoIP wholesale company with the majority of our revenue coming from international providers for calls which originate and terminate outside of the US. Do we need to breakout on a different those US customers for whom we have an exempt certificate?**

This question requires customer specific information in order to help us better understand the question. Please contact us at [form499@usac.org](mailto:form499@usac.org)

**What do we fill in if NECA pays our regulatory fee on our behalf?**

This question requires customer specific information in order to help us better understand the question. Please contact us at [form499@usac.org](mailto:form499@usac.org)

**Can you cover Category 2 filing?**

This webinar is meant to cover filing the FCC Form 499-A. Unfortunately, we won't be able to cover Schools and Libraries topics.

**Browser compatibility or recommendation? With 499A but not 499Qs, I have pop-up issues with Firefox and have to use IE instead.**

Whatever works is what we use here. Your choices include IE, Chrome, Firefox, Safari, and Edge.

**We offer only LTR mobile communications. We don't have VOIP or telephone services. Why do we have to contribute to the fund?**

Wireless internet is not subject to USF.

**So this 499A needs to match a carrier's Balance sheet for the year?**

Yes

**Should Line 308 include an incumbent LECs CAF support revenue too?**

Yes

<b>If we sell to a reseller (basically a pass-through entity) who resells to another reseller who contributes &amp; is a 499 filer, can we exempt the customer and receive certification from the 3rd party?</b>	Yes
<b>Is local access considered the same as Intrastate?</b>	Yes
<b>If i have a nonrecurring charge associated with an interstate circuit is that charge considered interstate revenue?</b>	Yes, it is.
<b>Bundled services refers to a package of TV, Internet, and phone, correct?</b>	Yes, that's one definition. A package that has only two of those services would also be considered a bundle.
<b>Will we be able to replay this? It is very fast.</b>	Yes. The recorded webinar will be loaded to the Contributor webpage after today.
<b>Where do we record the wholesale revenues for pre-paid card sales that the vendor we sold the cards to has in inventory and have not yet sold (thus no traffic information available yet for those cards)?</b>	You do not report wholesale revenues for pre-paid calling cards. Here is the information from the Instructions: "Gross billed revenues should represent the amounts actually paid by end user customers 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.
<b>A new revenue recognition standard (ASC 606) goes live in 2017/2018 which changes how revenue gets booked and may potentially affect the contributions to USAC. Is the USAC considering providing guidance or comments related to this new standard and its potential impact to USF contributions?</b>	The rule will not impact the process filers currently use to report their revenues for 499 purposes. The Rules allow for filers to use either GAAP or billed revenues. If a filer is already using GAAP for 499 reporting purpose, it may continue using GAAP even though some standards (such as ASC 606) have changed under GAAP. If they are using billed revenues, then this standard would have no impact on billed revenue.

**When the new revenue recognition standard comes into effect, carriers will not change their billing to customers so there will be a difference between billed v/s accounted. So in this case there will be a difference between billed - booked. How will USAC treat it after the new standard comes into play?**

The rule will not impact the process filers currently use to report their revenues for 499 purposes. The Rules allow for filers to use either GAAP or billed revenues. If a filer is already using GAAP for 499 reporting purpose, it may continue using GAAP even though some standards (such as ASC 606) have changed under GAAP. If they are using billed revenues, then this standard would have no impact on billed revenue.

As noted above, the Instructions allow the use of either billed or accounted revenue (i.e. GAAP). It is normal to have a difference between these two methods because GAAP recognizes revenue differently (accrual method) than billed revenue.

**How to report the revenue from Indefeasible Right of Use (IRU)? GL records amortized IRU revenue over the contract term, for example 10 years; however, the entire IRU contract value is billed at the beginning of the term. Should we report the gross billed revenue of IRU or the amortized revenue for the calendar year?**

The Rules allow for filers to use either Generally Accepted Accounting Principles (GAAP), which recognizes revenue when its earned, or a filer may use billed revenue. Regarding the reporting of IRU revenue, this depends on the method a filer uses to report revenues on the 499. If the filer is using GAAP, then it should use the amortized amount (which is a GAAP method of recognizing revenue). If the filer is using billed revenue, then it would report the IRU contract value billed at the beginning of the contract term.