Jurisdictional Reporting of Private Line Revenue
The jurisdiction of the private line traffic is not always obvious. In fact, inaccurate private line jurisdiction is a finding we see on almost all audits in which the filer provides private line services.

Jurisdiction cannot be determined by the endpoints of the circuit; the traffic over the circuit determines the jurisdiction.

Ten Percent Rule for Private Lines: For private lines, including WATS lines, the FCC has developed the ten percent rule, which states that if more than ten percent of the traffic carried over a private line is interstate, then the revenue from the entire circuit should be considered interstate. Filers reporting private line service revenue on the FCC Form 499-A should make sure to obtain and maintain documentation that supports the type of traffic (e.g., intrastate, interstate, etc.) carried over each circuit when determining the jurisdiction of such revenues.

Guidance on Documentation: In a recent order (FCC 17-309), the FCC provided the following guidance on the types of documentation that a carrier can maintain to support the jurisdiction determination of their private line revenues.

1. Tariff:
The revenues associated with services purchased pursuant to a tariff are properly assigned to the jurisdiction in which the tariff was published.

QUESTIONS? / FEEDBACK
Contact Us
We are here to support you! Visit the Contact Us page and let us know how we can help you.
2. Customer Certifications Or Equivalent Acknowledgments:
The carrier may rely on customer certifications or equivalent acknowledgments (such as
terms in contracts) regarding the jurisdictional nature of its traffic.
  o These statements only need to indicate whether, to the customer’s understanding,
    more than ten percent of the traffic on its private line is interstate or, alternatively,
    ten percent or less of the traffic is interstate.
  o Carriers should provide basic guidance to their customers regarding what constitutes
    intrastate or interstate traffic, to ensure that customers make informed certifications.
  o Carriers should specifically make customers aware that it is the nature of the traffic
    over the private line that determines its jurisdictional assignment, not the physical
    endpoints of the facility over which service is delivered.

3. Sworn Declaration:
In instances where a private line is technically unsuitable for any interstate use, the carrier
may document the jurisdictional nature of the line through a sworn declaration from a
 corporate officer.
  o The declaration should be based on the carrier’s precise knowledge of the network
design and the customer’s stated or planned usage of the network.
  o Ideally, this declaration would be supported with engineering reports or other
documents regarding the technical specifications for the service.

**Line Reporting of Private Line End-User Revenue: Lines 406, 415, & 418.3**
Revenue from the sale of private line circuits is reported on Line 406, 415, and/or 418.3 of the FCC
Form 499-A.

Line 406 should include:

- Revenue from providing local services that involve dedicated circuits, private switching
  arrangements, digital subscriber lines, and/or predefined transmission paths, including
  services that provide dedicated point-to-point transmission of data at certain guaranteed
  speeds and service levels using high-capacity connections
- Revenue from special access lines resold to end users
- Revenue from offering dedicated capacity between specified points even if the service is
  provided over local area switched, asynchronous transfer mode (ATM), or frame relay
  networks
- Revenue from broadband transmission service, including consumer broadband-only loop
  service, voluntarily provided on a common carrier basis to providers of retail broadband
  internet access
- Revenue derived from the sale of special access service on a common carrier basis to
  providers of retail broadband Internet access service

Note: End-user revenues from PRI or voice circuits used by the carrier to provide local or long
distance service should be reported with the company’s local revenue on Line 404 or long distance
revenues on Line 411.

Line 415 should include:

- Revenue from dedicated circuits, private switching arrangements, and/or predefined
  transmission paths, extending beyond the basic service area
- Frame relay and similar services where the customer is provided a dedicated amount of
  capacity between points in different basic service areas

Line 418.3 should include:
Revenue for the provision of broadband transmission offered on a non-common-carrier basis to providers of broadband internet access
Foreign circuit revenue or revenue from private line circuits with both end-points outside the U.S.

Did You Know

**Online Invoice Summaries Now Available**
Contributors now have the option to view the first page, also known as the summary page, of their invoice online from the past 24 months. Previously, only paper copies of invoices were available. They can also opt-in to receiving email notifications when invoice summaries are posted online.

For instructions on how to view your online invoice summary or to opt-in to email notifications, view the [Online Invoices Tip Sheet](#).

USAC will continue to mail companies a hard copy of their complete invoices, which include all calculation details.

**True Up Process**
USAC sent the 2017 true up letters with July invoices. The annual true up is the contribution reconciliation of the previous calendar year. The 2017 FCC Form 499-A filing is used to reconcile contributions from calendar year 2016.

USAC mailed the first true up letter to the billing contact on record for your filer ID, and included the following:

- Outlined the true up calculation specific to your filer ID
- Stated the variance of the contribution paid and the resulting monthly adjustment for the third quarter invoices (if the true up resulted in a variance)
- Addressed *de minimis* contributors, LIRE, sales, and mergers (if applicable)

If you file a revision to your FCC Form 499-A after July, you can request to have another true up performed. You can submit your request via email to customersupport@usac.org.

For more information about the true up process, visit the [Annual True Up web page](#).

**Update Your Billing Address**
Filers can update their invoice billing address by entering the new information on their FCC Form 499-Q. USAC uses the billing address on line 112 of submitted forms to update central contact information. Simply entering in the correct billing address will result in an update.

**USAC Program News**

**Lifeline National Verifier**
Beginning in March 2018, contributors participating in the Lifeline Program will be required to use the National Lifeline Eligibility Verifier (the "National Verifier") in select states.

Contributors that participate in Lifeline should begin educating themselves about the National Verifier now. USAC will announce the initial states to roll into the National Verifier in August 2017, and begin releasing technical specifications and training materials shortly afterward. The “soft launch” (test period) for initial states will begin in December 2017.
The National Verifier will use both electronic and manual methods to determine initial subscriber eligibility, conduct annual recertification, and populate the Lifeline Eligibility Database (all subscribers deemed eligible for the Lifeline Program).

Learn more on the [National Verifier web page](#) and in the [National Verifier Plan](#) (January 2017 version).