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**From:** USAC <DoNotReply@usac.org>  
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Universal Service  
Administrative Co.

Universal Service Fund

## 498/499 Spotlight

Second Quarter 2019

April 8, 2019

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### Report Revenues on FCC Form 499-Q by May 1, 2019

Each quarter, all telecommunications carriers and interconnected VoIP providers that are not de minimis are required to contribute directly to the Universal Service Fund and must file the [FCC Form 499-Q](#) (Telecommunications Reporting Worksheet) with USAC. *De minimis* carriers should notify USAC that the filer remains de minimis for the quarter. Send an email to [Form499@usac.org](mailto:Form499@usac.org).

The FCC Form 499-Q is used to collect filer revenue information and to determine the filer's universal service contribution obligation for the upcoming quarter.

Revenue data is reported on the May FCC Form 499-Q. Revisions to this form are due by June 17, 2019.

- Actual billed revenue (lines 115-118): January 1 – March 31, 2019
- Projected end-user revenue (lines 119 & 120): July 1 – September 30, 2019
  - Line 119 is used to **estimate** the company's gross billed, end user interstate and international telecommunications revenues.
  - Line 120 is used to report how much of the revenue reported on Line 119 the company actually expects to collect.
  - **Remember!** This revenue represents only end user telecommunications revenues. Do not estimate any non-telecommunications revenues on these line numbers.

Watch this FCC Form 499-Q Basic Training [video](#) to learn how to review reported revenue data prior to submitting to USAC to ensure accurate invoices are generated.

For questions about the revenue you are reporting on your form, call USAC's Customer Operations team at (888) 641-8722, Option 4.

## **Bottom Line: Filer Merger/Sale Revenue Reporting**

Each type of company structure change requires notification to USAC and there is a unique form required for submission.

These forms can be found on the [Mergers, Sales & Deactivations](#) webpage.

This is a reminder to filers that when they acquire another company--or simply their customers or other assets--they must communicate with USAC *which* entity--either the legacy/purchased filer or the acquiring company filer--is going to report the revenues associated with the legacy/purchased filer on the upcoming FCC Form 499(s). The FCC Form 499 selected will designate to USAC the date USAC should see the shift of legacy revenues. This should align with the official sales or merger agreement between companies and the sales or merger date.

After receipt of the Merger/Sale/Consolidation Deactivation form, the USAC Deactivation group works with the USAC Billing team. Based on the date of the sale/merger/consolidation, any remaining billing activity will appear on an invoice within the next two months. However, further FCC Form 499s may be expected from the deactivated legacy Filer ID.

If the 499 Filer ID was deactivated in the middle of a calendar year, the legacy filer may prefer (or be required, according to their Sale/Merger Agreement) to complete an FCC Form 499-A reporting any revenue for that calendar year. This takes place the following April. To do this, the 499 Filer ID must be reactivated by the former registered Company Officer to obtain temporary access to file the form. USAC offers a quick [video](#) explaining the steps needed to request reactivation.

If the USAC deactivation form does not state who will file the next FCC Form 499-A, the acquiring company is required by the FCC Instructions to combine the total annual revenues of the legacy filer ID with their own annual revenues on their next FCC Form 499-A. USAC will combine payments made during the year by the legacy account with those made by the acquiring company to determine the annual true up amounts to be applied to the acquiring filer.

Still confused? Please send your question to our 499 Analyst team at [Form499@usac.org](mailto:Form499@usac.org).

## **Refund Process for Double USF Payments**

If you have contributed to the Universal Service Fund (USF) for a given period twice, once to your underlying carrier and once to USAC, you have two methods to receive credits.

### **Method 1 – Open Filing Period**

If the FCC Form 499-A filing period for which you made double contributions is still open, notify

your underlying carrier that you are a direct USF contributor for that period. The underlying carrier can then file or refile its FCC Form 499-A, reporting the revenues from your company as a reseller in Block 3. USAC will use the new/revised FCC Form 499-A filing to give the underlying carrier a credit, which they then should pass along to your company.

## **Method 2 – Closed Filing Period**

If the FCC Form 499-A for the period of double contributions is in the past (reporting calendar year 2017 or prior) OR if the underlying carrier refuses to give you a credit, then you can use this new method to obtain a credit from USAC.

On January 13, 2017, the FCC released [FCC Order 17-66](#) that provides a remedy to resellers for USF contributions that they paid to their underlying providers. In order for USAC to find a reseller eligible for this remedy, the reseller must demonstrate by preponderance of evidence that the underlying carrier (i.e., wholesale provider) has contributed on the amounts at issue.

As noted in the order, the reseller is responsible for providing USAC with proof that its underlying carrier contributed to the USF on revenues from the telecommunications services that the reseller sold. Such evidence should include:

- A sworn affidavit from the underlying carrier's certifying officer attesting that they have submitted the amount of USF surcharges on behalf of the reseller. This affidavit must include the underlying carrier's filer number and the year of the FCC Form 499-A on which they included the USF surcharges.
- A sworn affidavit from the reseller company signed by the Company Officer on the most recent FCC Form 499-A attesting to the validity of the underlying carrier's statement. This affidavit should indicate the total amount paid to the underlying carrier for the year the credit is being requested. In addition, it should specify the services bought from the underlying carrier and if reported as telecommunications on the reseller's respective FCC Form 499-A. (Please specify the line numbers reflecting these telecommunications revenues).
- Invoices or other evidence of the services that the underlying carrier billed the reseller or the amounts that the reseller paid to the underlying carrier. This evidence should outline the USF surcharges billed and the time period covered.

If you believe you may have made duplicate payments to the USF, please [email USAC](#) with the supporting documents.

## **Form 499 Status in E-File**

As a USAC 499 filer, have you ever wondered about all of the different form statuses that show up on the 'Form 499 – Search Forms' screen in E-file? Over the course of an FCC Form lifecycle, various status names will be assigned to the form. Some status require action by the filer, others do not.

Please visit our website for a [table](#) outlining each of the statuses a Form 499 can have along with

a description of each.

### **FCC Notices: 2nd Quarter Contribution Factor Decreases to 18.8 Percent**

The FCC released [Public Notice \(DA-178\)](#) announcing that the proposed universal service contribution factor for the second quarter (April – June) of 2019 will be .188, or 18.8 percent.

Need Help? Contact Us!

For questions about these topics, please contact USAC Customer Support at (888) 641-8722 or via email at [customersupport@usac.org](mailto:customersupport@usac.org).