

# Contributor Office Hours

USF Contribution Factors

December 16, 2022



Universal Service  
Administrative Co.

# DISCLAIMER

To accommodate all attendees, real-time closed captions will be present during this presentation. We apologize in advance for any transcription errors or distractions. Thank you for your support.

# Housekeeping

- The audience will remain on mute.
- Enter questions at any time using the “**Questions**” box.
- If your audio or slides freeze, restart the webinar.
- A copy of the slide deck is in the “**Handouts**” section of webinar panel.
- The webinar is being recorded and will be available under the Service Provider’s Webinar page.



# Meet Our Presenter

## Amy Kavelman

Senior Telecom Industry Analyst | Contributor Operations

Ms Kavelman is a member of the 499 team that analyzes revenue reported on the FCC Form 499-A. She has worked at USAC for 12 years.

# Agenda

- Introduction
- Webinar Format
- USF Contribution Factors
- Questions
- Assistance Resources

# “Office Hours” Webinar Format

- Office Hours will be held monthly.
- Brief presentation of a common topic at the beginning
- Open the floor to questions from attendees
  - Attendees type their question in the ‘Questions’ box in the GoToWebinar panel
  - USAC staff will repeat the question so everyone can hear
  - USAC staff will answer the question, keeping identify of the asker private
  - If question contains specific company information, USAC staff will follow-up with an email, keeping the question private.

# USF Contribution Factors

# USF Contribution Factor

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- Published by the FCC
- Changes quarterly – usually published 2 weeks before the quarter begins.
- [1Q 2023 Public Notice](#) – 32.6%
- List of past contribution factors found on both [USAC](#) and [FCC](#) Websites
- Used to determine a service providers monthly contribution to the Federal Universal Service Fund



# Circularity Factor

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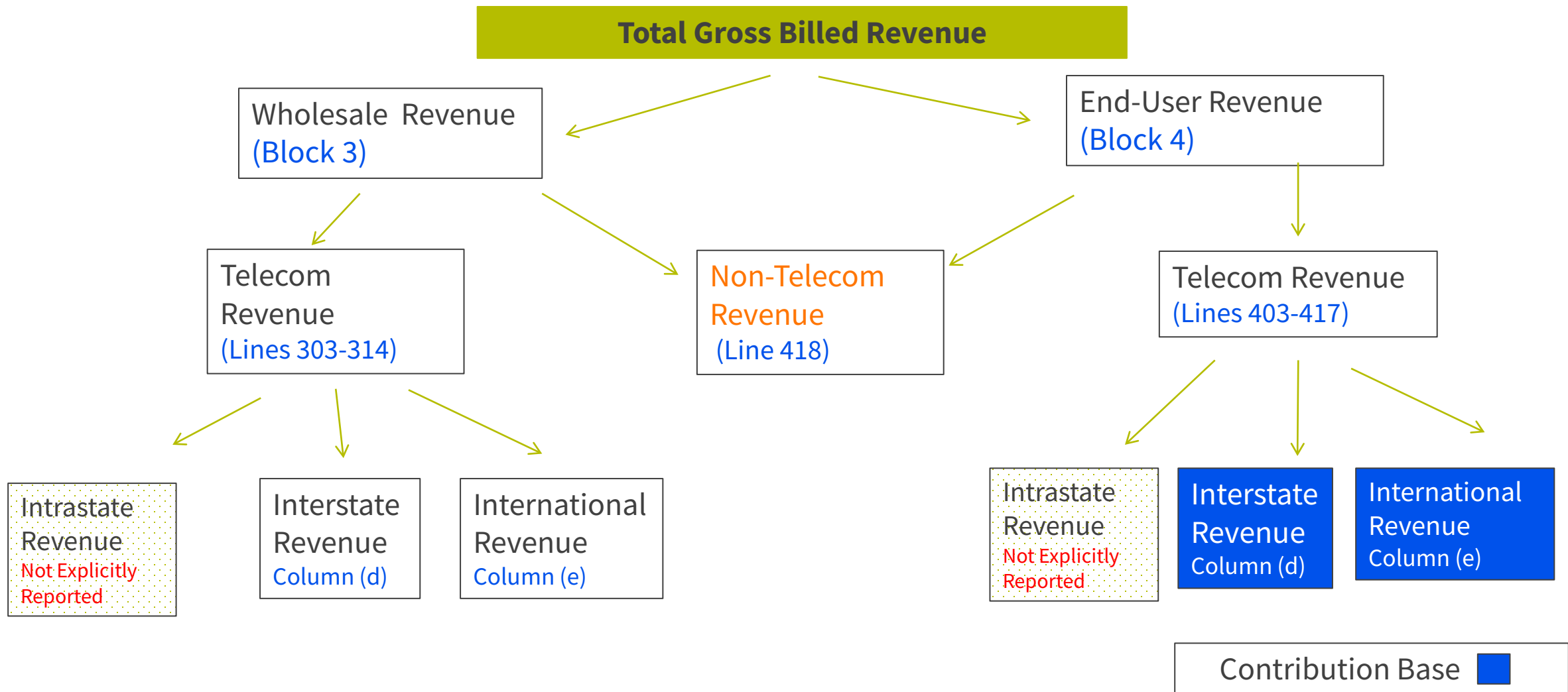
- USAC will reduce each provider's contribution obligation by a circularity discount or factor, approximating the provider's contributions in the upcoming quarter.
- The circularity factor also changes quarterly
- It is published along with the quarterly contribution factor.
- 1Q 2023 Circularity factor is 0.245701.

# Service Provider Contribution Base

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- The Federal Universal Service contribution is based on a service provider's contribution base.
- Contribution Base = End-user telecommunications revenue, interstate and international
- For each quarter, USAC uses the revenues reported on the FCC Form 499-Q to determine the contribution amount

# Service Provider Contribution Base



# Contribution Calculation

**Found on page 2 of your monthly printed invoice**

Calculation of a quarterly contribution base:

## Quarterly Contribution Base

The quarterly contribution base is a portion of your quarterly revenue that USAC considers when determining your quarterly Universal Service Fund contribution. The quarterly contribution base equals your interstate plus international revenue. Your current quarterly contribution base equals:

$$\begin{array}{r} \$ 76,921.25 \\ \hline \text{Interstate Revenue (Line 120B)} \end{array} + \begin{array}{r} \$ 0.00 \\ \hline \text{International Revenue (Line 120C)} \end{array} = \begin{array}{r} \$ 76,921.25 \\ \hline \text{Quarterly Contribution Base} \end{array}$$

Calculation of a contribution obligation for the quarter:

## Adjusted Quarterly Contribution

USAC adjusts carriers' quarterly contribution bases by the amount that they are expected to contribute in that quarter. The calculation for an adjusted contribution amount is as follows, and takes into account the circularity deduction:

$$\begin{array}{r} \$ 76,921.25 \\ \hline \text{Quarterly Contribution Base} \end{array} * \begin{array}{r} 0.161000 \\ \hline \text{FCC Contribution Factor} \end{array} = \begin{array}{r} \$ 12,384.32 \\ \hline \text{Unadjusted Contribution} \end{array}$$

$$\begin{array}{r} \$ 12,384.32 \\ \hline \text{Unadjusted Contribution} \end{array} - \left( \begin{array}{r} \$ 12,384.32 \\ \hline \text{Unadjusted Contribution} \end{array} * \begin{array}{r} 0.138544 \\ \hline \text{FCC Circularity Factor} \end{array} \right) = \begin{array}{r} \$ 10,668.55 \\ \hline \text{Adjusted Contribution} \end{array}$$

**Questions?**

## For More Assistance



Call Customer Support Center at:

[\(888\) 641-8722 Option 3](tel:(888)641-8722)

Monday – Friday, 9 a.m. – 5 p.m. ET



Form 499 questions: email [Form499@usac.org](mailto:Form499@usac.org)



Visit the Service Provider's [Learn](#) page

**Thank You!**







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