

Contributor Office Hours

Safe Harbor Allocations

November 3, 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.

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Agenda

- Introduction
- Webinar Format
- Safe Harbor Allocations
- November 499-Q
- 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.

Safe Harbor Allocations

Allocating Revenue

When reporting telecommunications revenue on both the FCC Form 499-A & Q, service providers are required to allocate telecommunications revenue as interstate and/or international where appropriate.

The end user allocated revenue is defined as the USF contribution base for determining a company's contribution amounts.

Total Revenue = Intrastate + Interstate + International

When reporting on the forms, service providers are not required to report intrastate revenues separately.

Methods for Determining Jurisdictions

Service providers have 3 methods for determining the amounts.

1. Safe Harbor percentages
2. Traffic Studies
3. Call Detail Records (CDR)

Filers should use the same methodology (traffic study or safe harbor) to report interstate and international jurisdictions on the FCC Form 499-A as used on the FCC Form 499-Qs to forecast revenue in each quarter of the applicable calendar year.

Safe Harbor Percentages

Interconnected and Non-Interconnected VoIP Safe Harbor: interstate revenues associated with Lines 303.2, 311, 404.4, 404.5, 414.2, 418.4

- 64.9% of interconnected VoIP and non-interconnected VoIP telecommunications revenue

Wireless Safe Harbor: interstate revenues on Lines 309, 409, and 410

- 37.1% of cellular and broadband PCS telecommunications revenues
- 12.0% of paging revenues
- 1.0% of analog SMR dispatch revenues

Safe Harbor Calculations

An example of how to calculate interstate revenue for VoIP services

Total VoIP revenue is reported at \$100,000

Multiply the total by the VoIP Safe Harbor percentage or .649

The result of that calculation is \$64,900.

Report this result as interstate revenue.

Switching Methods of Allocating

If you have been using any of the Safe Harbor percentages to report your interstate revenue and wish to switch to using a traffic study or call details, the November 499-Q is the form to make the switch on.

The November Form 499-Q is projecting the 1st Quarter of 2023, so by switching now, you won't have to report using two methods on the 2024 FCC Form 499-A.

Define “*de minimis*”

Definition of *de minimis*

A filer qualifies for *de minimis* status for a given calendar year when the revenue reported on its corresponding FCC Form 499-A is such that the calculated annual contribution to the federal Universal Service Fund is less than \$10,000.

Annual Revenue Threshold

For calendar year 2023, filers that bill less than **\$39,062** of combined **end user** interstate and international telecommunication revenues will be considered *de minimis* for 2023.

Which leads to the question, “How do I know if I’m below the threshold for a quarter?”

Quarterly Revenue Threshold

For every quarter in 2023, if the revenue reported on Line 120(b) + (c) is **\$9,765** or less, then the service provider will be *de minimis*.

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



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

Thank You!





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