

Annual Form Training

Block 3 – Wholesale Revenue

March 15, 2024



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.
- A copy of the slide deck is in the “**Handouts**” section of webinar panel.
- This webinar is being recorded and a copy of the presentation will be on our website under Service Providers and “**Webinars**”.



Meet the 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.

Amy also develops and delivers most of the 499 training. She has worked at USAC for 13 years.

Raised in central Illinois, she moved to the Washington DC area in 1997.

Agenda

- Introduction
- Webinar Format
- Annual Form – Block 3, Wholesale Revenue
- Questions
- Assistance Resources

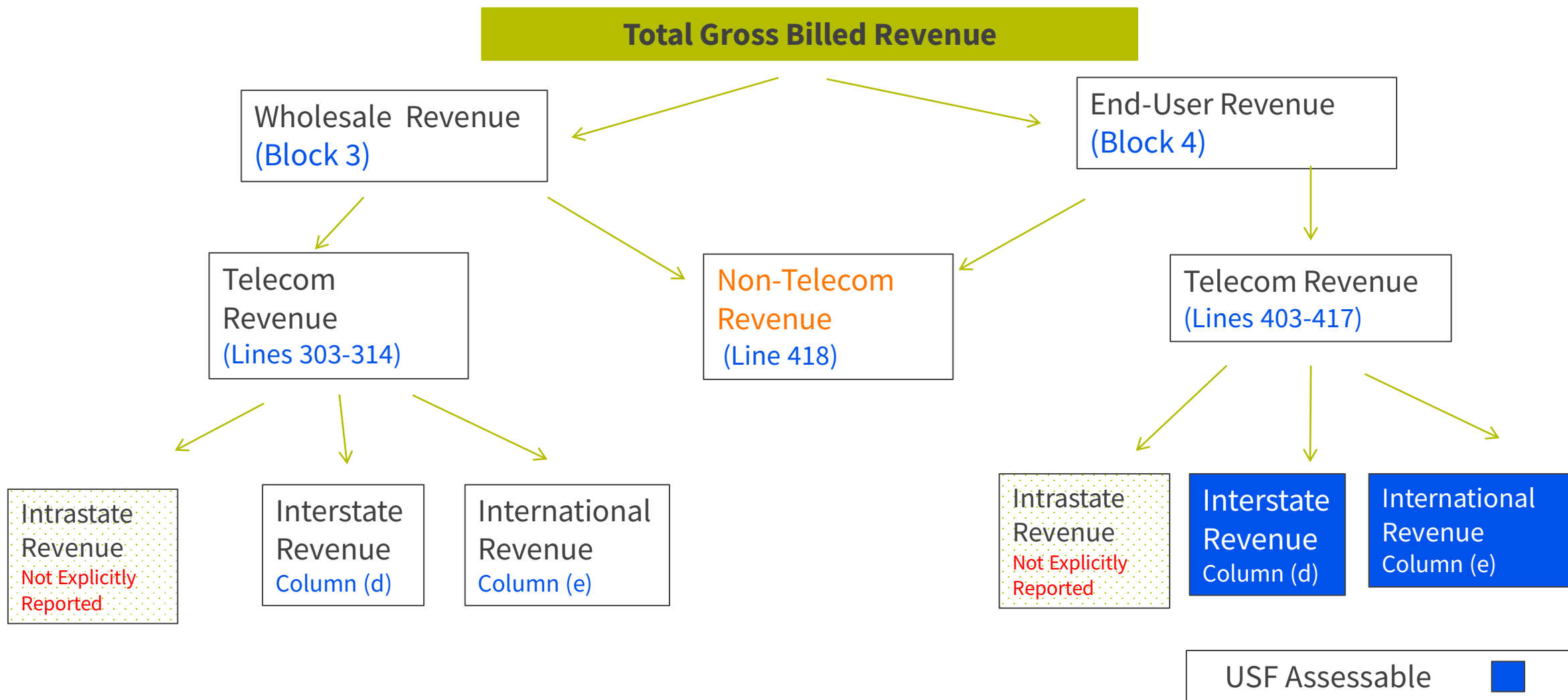
“Office Hours” Webinar Format

- 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.

Annual Form Filing

Block 3 – Wholesale Revenue Reporting

FCC Form 499-A Revenue Reporting



Block 3

Block 3: Carrier's Carrier Revenue Information

Filers may report revenues from contributing resellers (i.e., universal service contributors) on Lines 303 through 314 and must report all other revenues on Lines 403 through 418

The following categories of revenues are not end-user revenue and are reported in Block 3:

Intercarrier compensation and universal service support

In many cases, the line-item categories are duplicated in Block 3 and Block 4. These are outlined in the instructions and an example is below.

Line 305 (Carrier's Carrier)	Local Private Line and Business Data Service
Line 406 (End User)	

Block 3 vs. Block 4

Block 3: Carrier's Carrier Revenue Information

Revenue from sale of services to contributing service providers.

Block 4: End User and Non-Telecommunications Revenue Information

Revenue that does not qualify for Block 3 is reported in Block 4.

- End users are the final consumer of the service.
- Reseller revenue with *de minimis* amounts of interstate and international end user revenues. (These companies are not direct contributors).
- All other revenues, non-telecommunications in nature.

Block 3

See instructions regarding percent interstate and international.

Revenues from Services Provided for Resale as Telecommunications by Other Contributors to Federal Universal Service Support Mechanisms

Fixed local service

	Monthly service, local calling, connection charges, vertical features, and other local exchange service including subscriber line and
303.1	<u>PICC charges to IXC's</u> Provided as unbundled network elements (UNEs)
303.2	Provided under other arrangements
	<u>Per-minute charges for originating or terminating calls</u>
304.1	Provided under state or federal access tariff
304.2	Provided as unbundled network elements or other contract arrangement
	<u>Local private line & business data service</u>
305.1	Provided to other contributors for resale as telecommunications
305.2	Provided to other contributors for resale as interconnected VoIP
306	Payphone compensation from toll carriers
307	Other local telecommunications service revenues
308	Support revenues received from Federal or state sources

Mobile services (i.e., wireless telephony, paging, and other mobile services)

309	Monthly, activation, and message charges except toll
	<i>Toll services</i>
310	Operator and toll calls with alternative billing arrangements (credit card, collect, international call-back, etc.)
311	Ordinary long distance(direct-dialed MTS, customer toll-free (800/888 etc.) service, "10-10" calls, associated monthly account maintenance, PICC pass-through, and other switched services not reported above)
312	Long distance private line services
313	Satellite services
314	All other long distance services
315	Total revenues from resale [Lines 303 through 314]

This is a screenshot of the .pdf of the annual form, Block 3.

You can see the list of the line numbers as well as the services associated with that line.

It's important to realize that each line number represents a type of service. Rarely, will a service provider sell every one of these services.

This means that there will be many line numbers that will contain \$0 in revenue.

Refer to the annual for instructions for important definitions and explanations for the individual line numbers.

Reseller Certification

Definition of a Reseller

Any filer reporting revenue in Block 3 of the FCC Form 499-A must demonstrate that the reseller meets both parts of the reseller definition.

1. Purchasing service(s) for resale, at least in part, and incorporating the purchased services into its own offerings which are, at least in part, assessable U.S. telecommunications or interconnected VoIP service; and
2. Either directly contributing or have a reasonable expectation that another entity in the downstream chain of resellers directly contributes to the federal universal service support mechanisms on the assessable portion of revenue from offerings that incorporate the purchased services.

Last year, the instructions were clarified that the reseller's 499 Filer ID must be active.

Resellers attest to this definition by signing a Reseller Certificate. Certificates must be submitted annually. It is the responsibility of the wholesale carrier to request and collect these certificates.

Certificate Exemptions

The following categories of revenues reported in Block 3 do not require a reseller certificate.

Category of Revenue	499-A Line #
Per-minute switched access charges and reciprocal compensation	Line 304
Revenues received from carriers as payphone compensation for originating toll calls	Line 306
Charges for physical collocation of equipment pursuant to 47 U.S.C. § 251(c)(6)	Line 307
Revenues that filers receive as universal service support from either states or the federal government	Line 308
Revenues received from another U.S. carrier for roaming service provided to customers of that carrier	Line 309

Certificate Template

USAC | Service Providers | Resources | Forms & Instructions | **USAC-Designed Forms and Templates**

Resources

Forms ^

 Forms & Instructions

Prior Year Forms

USAC-Designed Forms and Templates

Upcoming Dates

Announcements

Quick Links

Glossary of Terms



Appeals and Audits

Multi-Factor Authentication

USAC-Designed Forms and Templates

Paper forms and templates designed to help gather information that is not found on an FCC Form. Follow instructions on each form for submission requirements.

Certificates developed by the filer are acceptable as long as they meet the requirements outlined in the FCC Form 499-A instructions, pages 39 & 40.

Credit Balance Refund	Who Must File
Credit Balance Refund Form 	Use this form to request USAC refund your company's credit balance Learn more
FUSF Reseller Certification Template	Who Must File
FUSF Reseller Certification Template 	Wholesale carriers can use this template to get information from resale customers regarding their FUSF (federal Universal Service Fund) contributions Learn more

Questions?

Additional Help

Weekly Webinars - Questions about the Annual Form

*** New * this year. Scheduled opportunities to ask questions about completing the 2024 FCC Form 499-A**

Friday, March 8 – **Annual Form Training: Registration Questions**

- Review of information found in Block 1 and Block 2.

Friday, March 15 – **Annual Form Training: Wholesale Revenue (Block 3)**

- Review of line numbers reporting revenue in Block 3.

Friday, March 22 - **Annual Form Training: End User Revenue (Block 4)**

- Review of line numbers reporting revenue in Block 3.

Friday, March 29 – **Annual Form Training: Regional Percentages and Certification**

- Review of information reported in Block 5.

All webinars are 2 p.m. – 3 p.m ET. [Register here](#).

Webinars will be recorded and posted on the same website where you register.

E-File Message Portal

Send a message to the Service Provider team directly through the Message Portal in E-File.

499 Forms

Payments

Messages (0)

Inbox

Archive

Displaying 0 of 0 records

+ Compose

No new messages.

Show 10 records

New Message

Company

USAC Test Amy

Email

example@company.com

☐ Notify all contacts

Category

--Select A Category--

--Select A Category--

499-A

499-Q

Billing

Credit Balance Refunds

Deactivation

Payments

Red Light

True-Up

Other

Cancel

Send

Customer Service Center (CSC)

Contributors/Service Providers



Call us at (888) 641-8722

Monday – Friday 9 a.m. to 5 p.m. ET



Email: CustomerSupport@usac.org

- Include in your email
 - 498 ID/Service Provider ID Number (SPIN)
 - 499 Filer ID



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