

ARIZONA UNIVERSAL SERVICE FUND

2017 Remittance Worksheet Instructions

I. Filing Requirements and General Instructions

A. Introduction

On June 23, 1995 the Arizona Corporation Commission (ACC) issued Decision No. 59124, approving new rules for competitive telecommunications services. A.A.C. R14-2-1113 of the Competitive Rules requires that the Commission establish an intrastate universal service fund to assure the continued availability of basic telephone service at reasonable rates. On March 24, 1996, the ACC adopted rules (R-14-2-1201 et. seq.) establishing the new Universal Service Fund mechanism. These rules expanded the types of telecommunications providers that contribute to the AUSF and revised eligibility criteria for drawing from the fund.

The assessment rates calculated for the 2017 reporting year were adopted by the Arizona Corporation Commission at its Open Meeting on December 19 and 20, 2016 as Decision No. 75880 and docketed on January 3, 2017.

B. Who Must File

In accordance with the rules, the AUSF is to be funded by all telecommunications service providers that interconnect with the public switched network. One half of the AUSF funding requirement will be collected via a surcharge from providers of basic local exchange service, wireless, paging and other Commercial Mobile Radio Service that interconnect with the public switched network. These entities are known as “Category One” providers. The remaining one half of the funding requirement will be collected from providers of intrastate toll service. These entities are known as “Category Two” providers.

All telecommunications service providers that interconnect to the public switch network and begin providing telecommunications service after the effective date of Article R14-2-1204, which is 4/26/1996, shall choose to be considered either a Category 1, Category 2, or both Category 1 and Category 2 service provider. Such election shall be made in writing to the Administrator within 30 days of beginning to provide telecommunications service in Arizona, with a copy to the Director of Utilities. Written concurrence of the Director of Utilities must be received by the Administrator for such selection to be effective. Such selection will be irrevocable for a period of at least three years.

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C. When and Where to File

The 2017 AUSF contribution period will include intrastate revenues earned between January 1, 2017 and December 31, 2017. Monthly worksheets and remittances must be received by the AUSF administrator, Solix, Inc. (Solix), on the 20th day of each month, or the 19th if the 20th falls on Saturday, or the 21st if the 20th falls on Sunday. **The first submission for the 2017 fiscal year is due on February 20, 2017.** See Attachment A for the 2017 AUSF reporting schedule. Instructions can be found on the Solix website through: www.solixinc.com/public-sector-outsourcing-solutions/

D. Compliance

Carriers failing to submit an AUSF worksheet by the scheduled date are subject to a one and one-half percent (1.5%) per month charge (18% Annual Percentage Rate) **or \$50, whichever is greater**, on delinquent submissions of assessments due. Notice of delinquent payments will be mailed at the end of each month when payment is not received. All delinquent filings over 30 days are to be assessed the greater of 1.5% or \$50.

II. Line-by-Line Instructions for Completion of the AUSF Worksheet

All information submitted through the online worksheet must be legible.

Filing Identification Information

The following blocks are located in the top margin of the worksheet. Fill in the information as follows:

Block A- Company Code

The company code, supplied by Solix, starts with AZ followed by six digits. This block will populate when you log in.

Block B- Submission Date

The Submission Date is the date the remittance worksheet is initially entered online. The administrator should see the online worksheet by the 20th day of each month, or the 19th if the 20th falls on Saturday, or the 21st if the 20th falls on Sunday. Please see Attachment A for “2017 AUSF Reporting Schedule.”

Block C- Revenue Period

The Revenue Data Month indicates the month or year that corresponds to the revenue data being reported. Please see Attachment A for “2017 AUSF Reporting Schedule.”

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Carriers will indicate their reporting frequency by selection of Revenue Period Type: Monthly, Quarterly or Annual. If you choose to report quarterly or annually in order to minimize administrative burden, payments must be submitted at the beginning of the reporting period based on an estimate for the period. An annual true-up based on actual data must be filed if required.

Block D- Original or Revision

A change to the initial (original) submission of a revenue data month will populate this block as a revision to the original submission. Revisions should only be done when submitting a correction or adjustment to a previously filed data period.

Filing Revisions:

Revisions may be used for correction of revenues previously reported in error or for estimated revenues. When submitting a revision, follow these same instructions being certain that the correct “Revenue Data Month” has been selected from the screen that shows previously submitted worksheets. **Provide actual revised lines/revenue and assessment amounts, not differences.**

Annual True-ups:

With implementation of online reporting in 2012, carriers may revise worksheets at any time. *Please complete all true-ups and revisions for the prior year, e.g. 2016, no later than March 31, 2017.* Your timely completion will be helpful in preparing prior year financial reports.

Section 1: Carrier Identification

Line 1- Company Name

This will be pre-populated with the information you provided.

Line 1a- Complete Mailing Address

The complete mailing address of the corporate headquarters of the carrier including street address, city, state, zip, suite numbers, floor, etc. will be pre-populated.

Line 1b- Telephone and E-Mail Address

The telephone number for the company headquarters should appear as well as the e-mail address, mailing address and telephone number for the contact person.

Primary Communications Business

When enrolling new carriers the type of carrier must be identified. The type should be the one that best describes the principal carrier activity. Carrier types follow.

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- LEC- Local Exchange Carrier- provider of franchised local exchange service.
- IXC- Interexchange Carrier.
- CAP- Competitive Access Provider- competes with incumbent local exchange carrier to provide services that link customers with interexchange facilities, local exchange networks or other customers.
- ALEC- Alternative Local Exchange Carrier.
- Wireless- Cellular telephone and Mobile Radio Service providers.
- OSP- Operator Service Providers- Companies other than LECs that provide services to customers needing assistance of an operator such as to complete away from home calls or calls using alternate billing arrangements. These companies typically employ operators as well as credit and cash card technologies to complete calls.
- RES- Reseller- Leases underlying transmission facilities for purposes of providing telecommunication services.
- Other- Check *Other* if none of the above categories describe the carrier's activity. Please explain as indicated.

CATEGORY 1 ACCESS LINE & INTERCONNECTING TRUNK LINE DATA

Line 4- Residence Lines

Enter the number of residence lines in service for the data month.

Line 5- Business Lines

Enter the number of business lines in service for the data month.

Line 6- Total Access Lines in Service

Sum the amounts entered on Line 4 and Line 5 and enter this amount on Line 6.

(If reporting access lines for more than one month make sure the access line assessment total reflects the reporting period).

Line 7- Access Line Assessment Rate

The monthly Access Line Assessment Rate of **\$0.012884** per access line is applicable for the data months of January 2017 through December 2017.

Line 8- AUSF Access Line Assessment

The system will multiply the amounts on Line 6 by the rate on Line 7 as indicated on the worksheet and enter the result on Line 8. The resulting amount on Line 8 is the monthly access line assessment.

Line 9- Interconnecting Trunks

An interconnecting trunk is a one-way or two-way voice grade or an equivalent voice grade switched message transmission channel furnished by a local switched access

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provider to a provider of wireless services or to a wireline customer of such local switched access provider to interconnect the provider of wireless services or wireline customer to the public switched network. (If reporting interconnecting trunks for more than one month, make sure the trunk assessment total reflects the reporting period.)

Line 10 - Interconnecting Trunk Assessment Rate

The monthly Interconnecting Trunk Assessment Rate of **\$0.128837** per interconnecting trunk is applicable for the data months of January 2017 through December 2017.

Line 11- Interconnecting Trunk Assessment

The system will multiply the numbers of interconnecting trunks reported on Line 9 by the Interconnecting Trunk Assessment Rate on Line 10 as indicated on the worksheet and enter the result on Line 11. The resulting amount on Line 11 is the monthly interconnecting trunk assessment.

CATEGORY 2 INTRASTATE TOLL REVENUE DATA

Line 12- Toll Private Line

Includes revenues from providing dedicated circuits, private switching arrangements and/or predefined transmission paths, whether virtual or physical, which provide communications between specific locations (e.g., point-to-point communications) beyond the basic service areas.

Line 13- Alternative Access/ Directory Assistance

Includes calling card and credit card revenues, person-to-person call revenues, and calls with alternative billing arrangements such as third number billing and collect calls. Includes all other intrastate toll service revenues, including revenues from directory services such as listings, non-published numbers, classifieds and sales of directory.

Line 14- Intrastate Revenue

Includes intrastate toll message revenues including operator services and intrastate 800 revenues. [For purposes of determining intrastate 800 revenues, carriers may use 1-Percent Interstate Usage (PIU) Factor used for reporting interstate access minutes.]

Fixed and Nomadic Voice over Internet Protocol (VoIP) Revenue

Arizona expects carriers under its jurisdiction to remit intrastate universal service assessments with respect to revenues, access lines and interconnected trunks associated with *non-nomadic* interconnected VoIP services provided in Arizona. **Include this revenue on Line 14.**

Because the ACC has not conducted a proceeding to ensure that it does not assess intrastate universal service assessments with respect to revenues associated with nomadic interconnected VoIP services provided in another state, the AUSF surcharges do not

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apply at this time. See “In the Matter of Universal Service Contribution Methodology, et al., Declaratory Ruling,” WC Docket No. 06-122 (FCC 10-185) at para. 11 (November 5, 2010).

If not listed elsewhere, include all other Intrastate Revenue on Line 14.

Line 15- Special Access

Includes all state tariff charges assessed, other than end user or switched access charges.

Line 16- Miscellaneous Revenue

Includes miscellaneous intrastate revenue that would not reasonably be included with one of the other service categories such as late payment charges, customer fees, etc.

Line 17- Total Intrastate Toll Revenue

Sum the amounts entered on Lines 12 through 16 and enter this amount on Line 17.

Line 18- 2017 Monthly Intrastate Toll Revenue Assessment Rate

The monthly Intrastate Toll Revenue Assessment Rate of **0.3483% (.003483)** applicable for the data months of January 2017 through December 2017.

Line 19- AUSF Intrastate Toll Revenue Assessment

The system will multiply the amounts on Line 17 by the monthly Intrastate Toll Revenue Assessment Rate Line 18 as indicated on the worksheet and enter the result on Line 19. The resulting amount on Line 19 is the monthly intrastate toll revenue assessment.

Line 20- Total AUSF Remittance

The system will calculate the amounts entered on Line 8, Line 11 and Line 19 and enter the result on Line 20. This represents the total assessment to be submitted to Solix.

Changes in Company Status

Carrier Name Change

If there is a carrier name change notify Solix of the new name and the effective date.

Business Status Change

If business status has changed in Arizona, notify Solix the date that the business was sold, merged, or discontinued.

Survivor Company Name

If business has been sold or merged, provide Solix with the survivor company name.

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Business Start Date

If new business or initial submission of information, notify Solix with the date that company began operations in Arizona.

Certification

When registering to file online, mandatory for the Arizona USF, the following information will be required on the certification form you will receive by email:

Officer Name Information

Enter date, officer name, officer signature, and officer title. The officer's signature attests to the accuracy of all information on this remittance worksheet.

Provide Complete Contact Mailing Address when requesting enrollment of a new company

Provide the complete mailing address for the contact person. Mailings will be sent to the contact person address unless other arrangements are made by completing Attachment B.

Worksheet Submission and Payment Method

In the bottom of the online worksheet please take note of submission addresses and payment options.

Please see Attachment C "AUSF Payment and Worksheet Submission Information" for additional details.

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2017 AUSF Reporting Schedule

Worksheets due to Solix, Inc.	Revenue Data Month to be reported
February 20, 2017	January 2017
March 20, 2017	February 2017
April 20, 2017	March 2017
May 19, 2017	April 2017
June 20, 2017	May 2017
July 20, 2017	June 2017
August 21, 2017	July 2017
September 20, 2017	August 2017
October 20, 2017	September 2017
November 20, 2017	October 2017
December 20, 2017	November 2017
January 19, 2018	December 2017
Quarterly Reporting	
February 20, 2017	January 2017 through March 2017
May 19, 2017	April 2017 through June 2017
August 21, 2017	July 2017 through September 2017
November 20, 2017	October 2017 through December 2017
Annual Reporting	
February 20, 2017	January 2017 through December 2017

ARIZONA UNIVERSAL SERVICE FUND AUSF Address Information

The following clarifies the purpose of each address that is required on the AUSF worksheet:

Section 1- Line 1a

Provides the complete mailing address of a carrier's **corporate headquarters**.

Section 5- Line 26

Provides the complete mailing address of the **AUSF contact person**. This address will be used for future AUSF mailings, *including statement/bill*, unless Solix, the AUSF Administration is notified otherwise by submission of the form below.

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Statement/Billing Address Change

Please mark one:

	Use Section 1- Line 1a
	Other, provide address below

Company Code: **AZ-**_____ Company Name:_____

Attn.:_____

Statement/Billing Address:_____

City/ State/ Zip:_____

Telephone #: _____ E-mail Address:_____

Additional Address for Future Mailings

Complete this form if an *additional* mailing address is desired for future mailings. Information will automatically be sent to the corporate headquarters address and contact name address.

Company Code: **AZ-**_____ Company Name:_____

Attn.:_____

Statement/Billing Address:_____

City/ State/ Zip:_____

Telephone #: _____ E-mail Address:_____

If completion of this form is required, please submit to: AUSF Administration, 30 Lanidex Plaza West, P.O. Box 685, Parsippany, NJ 07054. Phone: 973-581-5393 or Fax: 973-599-6504.

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AUSF Payment and Worksheet Submission Information

When mailed, payments must always be accompanied by vouchers and may be made by check or transmitted via electronic funds transfer. Please send both the voucher generated and payment to the bank. **Payments and vouchers should be submitted directly to BNY Mellon as follows:**

<u>For Regular Payments by Check:</u> AUSF PO Box 360802 Pittsburgh, PA 15251-6802	Please make payments payable to: <p style="text-align: center;">“AUSF”</p> Please include the AUSF Company Code, Telephone: (412) 234-4381 assigned by Solix, to assure that payments are posted correctly.
<u>For Overnight Payments by Check:</u> AUSF Pittsburgh Lockbox Attn: Lockbox 360802 500 Ross Street 154-0455 Pittsburgh, PA 15262-0001 Note inside the overnight package: “Deposit in AUSF Lockbox 360802”	
<u>For Electronic Funds Transfers:</u> Identify the transmittal as: “AUSF Payment” ABA #: 043000261 Account #: 032-8137 Mellon Bank, Pittsburgh, PA	

If payments are made by electronic funds transfer, please fax or mail a copy of the Voucher to: →

**AUSF Administration
 Solix, Inc.
 30 Lanidex Plaza West
 P.O. Box 685
 Parsippany, NJ 07054
 (973) 599-6504 - Fax**

If you need additional information, please contact AUSF Administration at (973) 581-5393 (Phone) or (973) 599-6504 (Fax).

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Additional AUSF Information and Filing Considerations

- Carriers should be aware that **penalties** of one and one-half percent (1.5%) per month (18% APR), or \$50, **whichever is greater**, are authorized to be applied to submissions received after the 20th day of the current month, or after the 19th if the 20th falls on Saturday, or after the 21st if the 20th falls on Sunday.
- The AUSF instructions provide descriptions of revenues and the worksheet lines to be used. **Correct and up to date contact information** will avoid edit errors, revisions, additional contacts and possible penalties.
- **Incomplete or incorrect submittals will be returned to carriers for completion** and may result in late charges.
- **Carriers requiring subsequent changes** and/or corrections to information initially submitted on AUSF worksheet(s) should submit a **revised worksheet**. Revisions should be submitted for errors such as submitting incorrect data on a worksheet or mathematical errors. **Please provide actual revised amounts, not differences.**
- **Annual true-ups** are to be used if the carrier has submitted estimated data during the year that is to be true-up to the actual data at the end of the funding period. Carriers may also true-up previously reported data to account for uncollectibles or other required adjustments that were not known when originally submitted (see Page 3).