

ARKANSAS HIGH COST FUND

2007 Carrier Revenue Report & Self Invoice Annual True-Up Instructions

I. Filing Requirements and General Instructions

A. Introduction

Arkansas Public Service Commission (“ARPSC”) Docket No. 07-062-R Order No.6 (dated 7/20/07) has repealed the Arkansas Universal Service Fund (“ARUSF”) Rules. The operations of the ARUSF shall conclude by 12/31/07. It has also adopted the Arkansas High Cost Fund (“ARHCF”) Rules to provide support to ETCs pursuant to the provisions of Act 385 of 2007 and to defray the costs of administering the fund, including the costs of completing an annual, independent audit.

Rule 1.01 indicates that pursuant to Act 77 of 1997 and Act 385 of 2007, the Commission has the authority and responsibility to assess a High Cost fee upon all providers of telecommunications services, as defined by the rules of the Commission to support State High Cost objectives, within the state of Arkansas. Every telecommunications provider that operates or provides retail telecommunications services within Arkansas shall contribute, on a nondiscriminatory basis, into the ARHCF (Rule 4.01).

Rolka Loube Saltzer Associates (“RLSA”) has been selected by the ARPSC to serve as the Administrator of the ARHCF. As the Administrator, RLSA performs all of the ARHCF implementation, management and administration functions.

B. Who Must File

The APSC Order states that every telecommunications provider that operates or provides telecommunications services within the state of Arkansas shall contribute, on a nondiscriminatory basis, into the ARHCF. A telecommunications provider may recover the amount of its contribution to the ARHCF from its intrastate retail telecommunications service customers. Telecommunications providers include wireless telecommunications carriers but not providers of radio paging services. The APSC High Cost Fund Rules are posted at the following web site address: http://www.apscservices.info/PDF/07/07-062-r_19_1.pdf.

The Year 2007 carrier revenue report & self invoice – Annual True-Up must be completed by carriers who were assigned to the ARUSF/ARHCF annual filing schedule for 2007. Carriers assigned to the monthly or quarterly filing schedule during 2007 should only submit a 2007 annual true-up report if the previously reported revenues were incorrect.

You can register for permission to file your report without a signature, by email. Contact Matt Saltzer at 717-237-6748 or by email at msaltzer@r-l-s-a.com.

C. When and Where to File

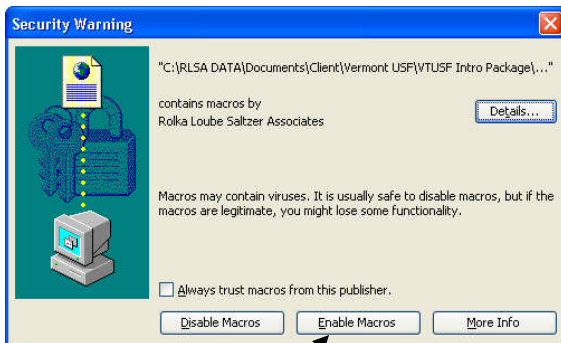
The 2007 annual true-up shall include intrastate retail revenues earned between January 1, 2007 and December 31, 2007. It is due to arrive to the administrator on or before February 20, 2008 along with any assessments due. It encompasses the period during which the Arkansas Universal

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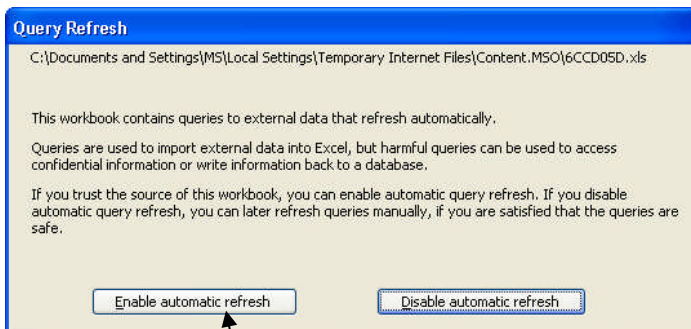
Service Fund was in operation as well as the successive Arkansas High Cost Fund period. The 2007 annual true-up shall state actual revenues earned during the year and will replace the assessment liability associated with any previously submitted ARUSF and ARHCF reports for 2007.

The blank report can be downloaded at www.r-l-s-a.com/arkansas. Depending on software available on your computer and settings selected within those programs, you may opt to choose a manual version or enhanced version of the report which works within Microsoft Excel. The enhanced version provides time-saving calculations, validations, hyperlinks and even a button for pre-authorized filers to send their report via email, rather than printing, signing, mailing, etc. To complete the report using MS Excel, locate the enhanced version link at www.r-l-s-a.com/arkansas and right-click the link. Choose to save it to your computer or network and then open it. This should open it within MS Excel, rather than within a browser window. (Not all functionality will work within a browser window.)

Upon opening the report, you may receive prompts similar to these:



Selecting “Enable Macros” will enable some additional functionality that will not be available if you either have your Microsoft Excel macro security set to HIGH or if you choose “Disable Macros”.



Selecting “Enable automatic refresh” at this prompt will update the rate and worksheet version information contained within the worksheet and will provide additional verification that you are using the latest rates and worksheet.

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D. Compliance

Carriers failing to submit an ARHCF worksheet in a timely manner are subject to a two percent (2%) monthly late payment fee (effective 26.8% APR), or \$50, whichever is greater, on delinquent payment of assessments due. ARHCF Regulations, § 4.03.C. Notice of late payment will be incorporated into statements of account distributed via e-mail to the contact designated by the carrier to receive such notices at the end of each month for which payment is not received. Failure of a carrier to participate in the ARHCF mechanism and pay an assessed contribution will be considered a violation of the Commission's ARHCF rules. ARHCF Regulations, § 3.06.

II. Line-By-Line Instructions for Completion of the ARHCF 2007 True-Up Report

All information provided on the worksheet must be legible and printed in black or blue ink or typed. All filers are encouraged to use Microsoft Excel to complete the worksheet. Electronic completion offers many calculations and validation processes that will save you time and prevent potential filing issues.

Identification Information

Fill in the information as follows:

Carrier:

Line 1. ARHCF Assigned ID - The ARHCF company code, currently supplied by RLSA and available at <http://www.r-l-s-a.com/arkansas/500622.pdf> as well as within the Company Codes worksheet of the report. The ID starts with AR and is followed by a hyphen and six digits. If you do not have a company code assignment, please visit the website link above or contact RLSA via e-mail at msaltzer@r-l-s-a.com, or call 717-237-6748.

When completing the form electronically using MS Excel, the entry of a valid ID should automatically complete the Company Name on line 2. This will happen if an ID is entered that matches the list built into the worksheet. IDs assigned after December, 2007 might not automatically fill in the company name on line 2.

Line 2. Company Name – Enter the name that identifies the entity for which data is being reported and any doing business as (d/b/a) names if applicable. If the company name appeared automatically but is incorrect, please note that either the ID entered on line 1 is incorrect or the name of the company may need to be corrected. If the later, please make any changes that may be necessary to reflect an official name change, acquisition, merger or error.

Line 3. Street Address – Enter the complete street or post office box etc. mailing address of the carrier. Postal mail correspondence is secondary to email and this address is used only when a valid contact email address and contact postal address is not on record.

Line 4. City, State, Zip Code – Enter the City state and zip code for the line 3 street address.

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Line 5. Main Telephone – Enter the area code and telephone number of the Company identified on line 1 where the Administrator may directly contact the Company. This need not be the same number as that provided for the Company contact provided below and will only be used when all contact email addresses and phone numbers fail.

Contact:

Line 6. Name – Enter the name of the current contact person that is responsible for responding to any questions, including the accuracy of the report, by the Administrator.

Line 7. Street Address – Enter the complete street or post office box, etc. mailing address where the carrier wants the contact person to receive any postal mail from the Administrator. Postal mail is secondary to email and will be used when a valid contact email address is not on record.

Line 8. City, State, Zip Code – Enter the City State and Zip Code for the line 7 street address where the carrier wants the contact person to receive postal mail from the Administrator.

Line 9. Telephone – Enter the area code and telephone number (and extension number when appropriate) of the contact person responsible for responding to any questions, including the accuracy of the report, by the Administrator.

Line 10. E-Mail Address – Enter the e-mail address of the contact person identified on line 6. This contact will receive any statements of account, notification of issues and be the primary contact regarding the account. If the Company wishes any additional persons to receive copies of statements of account or other information distributed by the Administrator via e-mail, please supply that additional information.

Assessment:

Revenues entered here should be for the revenue data period indicated on the report. These revenues are *billed intrastate retail revenues* and should correspond to the official books and records of the reporting carrier.

Retail revenues are derived from the provision of services to end users and not to reseller carriers. Retail revenues exclude revenues from wholesale services, unbundled local access services, and access for the provision of long distance service.

A company purchasing a service for resale to an end-user will assess the ARHCF assessment on revenues collected from its end-users. The wholesale company will not include service, which it sells to resellers in its retail revenues. Services purchased for internal use and not resold to end-users are considered retail revenues of the selling company, subject to the ARHCF assessment.

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Retail revenues include, but are not limited to, revenues from the following types of services and charges:

- Intrastate local service, intrastate vertical services, intrastate private Line service, coin service, directory assistance, directory listings (including charges for additional listings and non-listed numbers), mobile service billed to end-users, and special access service billed to end-users.
- Enhanced services and vertical features provided through a central office switch such as call forwarding, call waiting, caller identification, and voice mail.
- Intrastate long distance services, including intercity special access billed to end-users.
- Both voice and electronic directory assistance services.
- Revenues from comparable services billed by wireless providers to Arkansas customers, including monthly charges, usage, roaming usage and intrastate long distance charges. (Includes revenues from mobile cellular telephone services, and PCS/PCN.)
- Revenues from text messaging and one way paging.
- Miscellaneous charges including: late payment charges, customer fees, and nonrecurring and installation charges.

Retail revenues do not include revenues derived from the following types of services and charges:

- Local, state, and federal taxes.
 - Interstate long distance and special access services.
 - Federal USF payments.
 - Support payments from ARHCF.
 - Federal local number portability (LNP), primary inter-exchange carrier charge (PICC), or federal USF Line charges.
 - Ring tones, games, songs, video or similar media downloaded to a wireless phone or computer, usually billed on a per click basis without a separate telecommunications charge.
 - Warranty or Service agreements on a wireless device.
 - One time or monthly recurring charges for premium web content. The premium content is usually a better version of a free site.
- *Revenues in this section should be reported in whole dollars using half rounding. For example: \$488.505 would be rounded to \$489 and \$488.494 would be rounded to \$488.*

Line 11 –Intrastate Retail Revenues Only

In the first yellow box, insert the figure for the carrier's total billed intrastate retail revenues that were assessable for ARHCF purposes between and including January through September, 2007. In the second yellow box on line 11, enter the assessable intrastate retail revenues billed for periods October through December, 2007.

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Line 13 – Uncollectible Intrastate Retail Revenues - [OPTIONAL]

Enter the uncollected intrastate retail revenues into each of the two yellow boxes corresponding to the two periods January thru September and October thru December. It is considered to be a negative amount relative to the amount of Intrastate Retail Revenues.

Line 14 – Revenues Subject To Arkansas USF Assessment

The uncollectible intrastate revenue amounts on Line 13 are subtracted from the total billed intrastate revenue figures on Line 11. The resulting figures are to be inserted in the two yellow boxes on Line 14.

Line 15 – Applicable Assessment Rate

Line 16 - Gross ARHCF Assessment

If prepared electronically, the form automatically multiplies the amount appearing on Line 14 by the ARHCF assessment rate as indicated on the worksheet on Line 15, otherwise, you should perform the multiplication and enter the results into the two yellow boxes on Line 16.

Sum of assessment due for 2007

If preparing the report manually, enter the sum of the assessments on line 16.

Assessment Amount Reported on Prior Filing(s) for 2007 Period(s)

Enter the total of the assessments reported on the most recent, previous reports submitted for 2007 periods. Examples include an annual projection that was submitted to the Arkansas Universal Service Fund or quarterly reports sent in advance of having actual revenue amounts. Enter the amount as a negative. If completing within MS Excel and the yellow **box turns red**, the assessment entered is not entered as a negative and should be corrected.

Subtotal of Assessment Due

If completing the report manually, enter the difference between the Sum of Assessment Due for 2007 and the Assessment Amount Reported on Prior Filings for 2007 Periods.

Adjustments:

Line 17 – Estimated Late Payment Penalty

The Subtotal of Assessments Due for 2007 is due on or before February 20, 2008. Assessments not received by the scheduled due date are subject to a two percent (2%) penalty (minimum charge of \$50.00) per monthly cycle of delinquency, e.g. if the assessment is \$200 and is received on the 22nd, a \$50 penalty is assessed. If the assessment is \$5,500, then a \$110 penalty is assessed per month. Enter the appropriate figure on Line 17 as a positive number. If completing the form on the website or using MS Excel, an estimated late payment charge will be calculated for you based on the date when the report is being completed. The estimate will not reflect delays in arrival, existing account credit or fund support payments due to the carrier.

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Line 18 – Account Debt or (Credit)

Enter any outstanding debt as a positive number or unused credit as a negative number.

Line 19 – Total Remittance

Add the amount from the Subtotal of Assessments Due, to the amounts on lines 17 and line 18 and enter the sum in the yellow box. If the sum is less than \$1.00, enter \$0. If prepared using MS Excel, the worksheet will automatically calculate this total. If the result is positive, this represents the Net ARHCF Remittance to be paid to the ARHCF such that it arrives on or before the due date. If the result is negative, this indicates that an ARHCF disbursement payment or account credit may be due to the carrier.

Certification:

Line 20 – Date, Authorized Signor Name, Signature, Title

Enter the signature date, name and title of the person who is signing the report. The signor's signature attests to the accuracy of all information submitted on the report. Unsigned reports will not be accepted unless they arrive by email as a MS Excel file from a pre-authorized filer.

Report Submission and Payment Method

On the bottom of the report and Attachment B, please take note of several ways to contact the Administrator and where to send ARHCF reports and remittances.

Where to File

Signed reports with a remittance due should be submitted to the ARHCF lockbox at the address on the bottom of the report.

You can register for permission to file your report without a signature, by email. Contact Matt Saltzer at 717-237-6748 or by email at msaltzer@r-l-s-a.com.

If no remittance is due and you are not pre-authorized to submit without a signature via email, signed reports may be faxed to (717) 231-6667 or scanned and e-mailed to msaltzer@r-l-s-a.com. Unsigned reports will not be accepted by fax or as scanned images by email.

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Attachment A

**ARKANSAS HIGH COST FUND
2007 ARHCF True-Up Report Filing Schedule**

REVENUE DATA PERIOD TO BE REPORTED	REMITTANCE DUE TO ARRIVE ON OR BEFORE
January 2007 through December 2007	February 20, 2008

Signed reports can be sent by postal mail to:

ARHCF
P.O. Box 64273
Baltimore, MD 21264-4273

Or by courier to:

ARHCF
M&T Bank Lockbox 64273
8th Floor
1800 Washington Blvd.
Baltimore, MD 21230
Phone (410) 347-6245

Or by fax to: (717) 231-6667

Or by email to msaltzer@r-l-s-a.com

Filers with advance authorization can send unsigned MS Excel files by email to msaltzer@r-l-s-a.com.

Please choose only one method for delivery.

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Attachment B

Arkansas High Cost Fund

ARHCF Payment and Worksheet Submission Information

Payments may be made by check or transmitted via electronic funds transfer. If paying by check, please send the Carrier Revenue Report and payment to P.O. Box 64273, Baltimore, MD 21264-4273. Payments should be transmitted as follows:

<p><u>For Regular Payments by Check:</u> ARHCF P.O. Box 64273 Baltimore MD 21264-4273</p> <hr/> <p><u>For Overnight Payments by Check:</u> ARHCF M&T Bank Lockbox 64273 8th Floor 1800 Washington Blvd. Baltimore, MD 21230 Telephone: (410) 347-6245</p> <hr/> <p><u>For Electronic Funds Transfers:</u></p> <p>Fedwire Identify the transmittal as: "ARHCF Payment" Bank: <u>M&T Bank (ATTN Agent Banking)</u> ABA #: <u> </u> Account #: <u>Lockbox #64273 (Checking</u> <u>Account 9)</u> Acct Name: <u>Arkansas High</u> <u>Cost Fund</u></p> <p>ACH Identify the transmittal as: "ARHCF Payment" Bank: <u>M&T Bank (ATTN Agent Banking)</u> ABA #: <u> </u> Account #: <u>Lockbox #64273 (Checking</u> <u>Account 9)</u> Acct Name: <u>Arkansas High</u> <u>Cost Fund</u></p>	<p>Please make payments payable to: ARHCF</p> <p>Please include the ARHCF Company ID, assigned by RLSA, to assure that your payments are posted correctly.</p> <p>RLSA's Taxpayer Identification Number (TIN): 30-0410008</p> <p>If paying by Electronic Funds Transfers please also send a fax or e-mail to the Administrator indicating the date and identifying any amounts involved in the transfer to insure proper credit to your Account(s).</p> <div style="border: 1px solid black; background-color: yellow; padding: 5px; margin-top: 20px; text-align: center;">For ABA and account information, please contact us.</div>
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If you need additional information, please contact ARHCF Administration at (717) 237-6748.