VERMONT UNIVERSAL SERVICE FUND
FISCAL YEAR 2005/2006 REVENUE REPORT INSTRUCTIONS

I. Filing Requirements and General Instructions

A. Introduction

In 1994, the State of Vermont established its first state-wide Universal Service Fund. The purpose of the Vermont Universal Service Fund (VTUSF) is to support the Vermont Telecommunications Relay Services (VTTRS), telephone Lifeline Assistance and the development of state-wide enhanced Emergency 911 service. Vermont law also provides that in the future, pending additional action by the legislature, the fund may be used to support telephone service in high-cost areas. Vermont statute requires all telecommunications carriers to assess a universal service charge for retail telecommunications services, both intrastate and interstate, provided and/or billed to a Vermont address. The VTUSF charge must be included on customer bills at the rate set from time to time by the Vermont Public Service Board. The statute, Vermont Statute Title 30 V.S.A. Chapter 88, is available at www.leg.state.vt.us/statutes/fullchapter.cfm?Title=30&Chapter=088.

The Rolka Louba Saltzer Associates(RLSA or Administrator) has been selected by the Vermont Public Service Board (VTPSB) to serve as the "Fiscal Agent" or Administrator of the VTUSF. As the Administrator, RLSA will perform all of the VTUSF implementation, management and administration functions. The current VTUSF rate can be determined from the RLSA website at http://www.r-l-s-a.com/vermont.

B. Who Must File

Vermont statute requires all local exchange carriers, interexchange carriers, cellular companies, competitive access providers, operator service providers, customer-owned pay telephone providers and resellers to collect and remit the VTUSF charge. Providers are only required to collect and remit if the provider has a certificate of public good from the VTPSB to offer intrastate services or if the provider provides only interstate service and is authorized by the Federal Communication Commission to offer those services.

C. When to File

All reporting carriers will be assigned by RLSA to monthly, quarterly or annual reporting cycles. Monthly worksheets and remittances comprising all VTUSF collections must be remitted to and **received by RLSA** (see Attachment B) **on or before the 15th day of each month** (unless falling on a weekend or holiday, in which case, the filing is due the preceding business date. Quarterly and annual filings are also due on the 15th of the month. See Attachment A "FY2005/2006 VTUSF Reporting Schedule" for the schedule). Reports and instructions can be found on the RLSA website at www.r-l-s-a.com/vermont.

In order to locate an electronic copy of the Revenue Report, these Instructions and any other information about the VTUSF Administration:

1. *Go to www.r-l-s-a.com*
2. *Click on "Fund Admin"*
3. Click on Vermont

D. Compliance

Carriers failing to submit a VTUSF Revenue Report and corresponding assessment in a timely manner and according to the assigned filing schedule, are subject to a one and half percent (1.5%) monthly late payment fee (effective 18% APR). Vermont Statutes Annotated, Title 30 Chapter 88 §7525. Notice of late payment charges will be incorporated into statements of account distributed via e-mail (or by mail when a valid email address is not provided) to the contacts 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 VTUSF mechanism and pay an assessed contribution will be considered a violation of Vermont law.

II. Line-By-Line Instructions for Completion of the VTUSF Revenue Report

All information provided on the revenue report must be legible and printed in black or blue ink or typed.

Fill in the information as follows:

Carrier Section:

Line 1. VTUSF Assigned ID - The VTUSF company code, currently supplied by the Administrator, starts with VT followed by six digits. For existing companies, this code can be located on the Vermont page of the RLSA website.

If this is the first filing for your company and you have not been assigned a code, you may indicate NEW in this block.

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.

Line 3. Street Address – Enter the complete street or post office box etc. mailing address where the carrier wants to receive mail from the Administrator.

Line 4. City, State, Zip Code – Enter the city, state and zip code for the line 3 street address where the carrier wants to receive mail from the Administrator.

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.

Contact Section:

Line 6. Name – Enter the name of the primary 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 mail from the Administrator.

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 mail from the Administrator.

Line 9. Telephone – Enter the area code and telephone number 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 and notification of the imposition of any late payment penalties. 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 the additional contact information separately.

Revenue Data Period Section:

The Revenue Data Period indicates the applicable time period that corresponds to the revenue data being reported. Please mark the appropriate period. Carriers should report according to the reporting frequency assigned to them by the Administrator. Please see the company's VTUSF statement of account, above the mailing address, for the current reporting frequency assigned by the Administrator.

If you are reporting for a monthly period, please mark the circle to the left of the corresponding month. If you are reporting for a quarterly period, please mark the circle to the right of the corresponding three month period. If you are reporting for an annual period, please mark the single circle to the right of the list of calendar months.

Retail Revenues Section:

Revenues entered here should be for the revenue data period indicated on the report. These revenues are ***billed 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 VTUSF assessment on revenues collected from its end-users. The wholesale company will not include in its retail revenues any services to resellers that are reporting carriers. Services purchased for internal use and not resold to end-users are considered retail revenues of the selling company, subject to the VTUSF assessment.

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

- Local Service, including basic monthly charges, extended area service charges, local measured service usage, location charges for "mileage bands," the federal subscriber line charge, and any directory related charges such as for additional listings or for non-publication or non-listing of a telephone number.
- Enhanced services provided through the local switch such as call forwarding, caller identification, and voice mail, but only to the extent that these charges are not stated separately from other local services.
- Toll services, whether intrastate, interstate, or international, which are billed to a Vermont address, regardless of origin and terminating location.
- Credit card or third number calls billed to Vermont addresses, regardless of where originated or terminated. Conversely, a call originating in Vermont that is charged to a credit card with a billing address outside Vermont should not be included.
- Both voice and electronic directory assistance services.
- Revenues from comparable services billed by wireless providers to Vermont customers, including monthly charges, usage, roaming usage and long distance charges. (Includes revenues from mobile cellular telephone services, and PCS/PCN services.)
- Two-way cable television service that interacts with the public switched network. An example would be a home shopping system wherein a customer orders merchandise from a mail order firm by creating some input for the local television set that is sent to the head end of the video system, processed, and forwarded on telephone lines to the retailer.

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

- Wholesale transactions, including access charges paid by or to a local exchange carrier, interconnection charges paid by or to a cellular provider and billing and collection charges.
- Services consisting primarily of the creation of artistic material or other information that is later transmitted over telecommunications equipment, including information services.
- Mobile radio and paging services
- Support payments from VTUSF or the federal universal service programs.
- Telecommunications services provided inside a company's proprietary network. However, if the company pays a telecommunications service provider for some

services, such as for trunk lines or transport services, those revenues are not exempt.

- Sales and rentals subject to the sales and use tax including sales and rental of telephone equipment.
- Inside wire installation or maintenance services sold to customers.
- Yellow pages advertising.
- Payments between aggregators and operator services providers, such as when an operator service provider pays a hotel for the right to put a pay telephone in the hotel's lobby.
- Video on demand, where a customer input selects only a video to be seen by a customer, and where there is no connection to the outside telephone system.

➢ *Revenues in this section should be reported in whole dollars using half rounding. For example: $488.50 would be rounded to $489 and $488.496 would be rounded to $488.*

For lines 11 thru 24, there are two columns. The left column is to be used for revenues related to the month of July 2005. The right column is to be used for revenues related to the months of August 2005 thru and including June 2006.

Line 11 - Local Exchange - Includes basic monthly charges, extended area service charges, and local measured service usage. This <u>excludes</u> the federal subscriber line charge (record SLCs on Line 12) and <u>includes</u> any directory-related charges such as for additional listings or for non-publication or non-listing of a telephone number.

Line 12 - End User SLCs (Federal) - Flat monthly fee for residential and business lines, imposed by the Federal Communications Commission.

Line 13 - Enhanced Services - Includes revenues derived from custom calling services such as call-waiting, call-forwarding and central office-controlled answering service.

Line 14 - Private Lines - Includes revenues from providing services that involve dedicated circuits, private switching arrangements and/or predefined transmission paths, whether virtual or physical, providing communications between specific locations.

Line 15 - Toll Telephone Service - Includes long distance message revenue, including WATS, 800, 900, “WATS-like" and similar services. (To the extent possible, record Operator Services on Line 17).

Line 16 - Operator Service - Includes revenues from calling cards, credit card calls, person-to-person calls, and calls with alternative billing arrangements such as third number billing and collect calls.

Line 17 - Directory Assistance - Includes revenues from directory assistance information services, both voice and electronic.

Line 18 - Pay Telephone (non-coin revenues) - Includes revenues derived from public and semi-public telephone services, excluding revenues for calls paid for by depositing coins in the set (coin sent - paid).

Line 19 - Mobile, Cellular and PCS - Includes revenues from cellular telephone service and any non-cellular mobile services, such as radio, telephone or personal communication services.

Line 20 - 2 Way Cable TV - Includes revenues from a 2- W ay CATV, which is a two-directional cable transmission that interacts with the public switched network.

Line 21 – Total Retail Revenues Subject to Vermont USF Assessment - Enter the sums of the revenues reported on Lines 11 thru 20 in the cell at the bottom of the July 2005 column and in the cell at the bottom of the August 2005 thru June 2006 column. When using the form electronically, the totals will be filled in automatically.

Assessment Section:

Line 22 – Applicable Assessment Rate - The assessment rates for July and August thru June are entered for you.

Line 23 - VTUSF Assessment - If prepared electronically, the form automatically multiplies the amounts appearing on Line 21 by the VTUSF assessment rates on line 22, as indicated on the worksheet, otherwise, you should perform the multiplications and enter the results in the two cells on Line 23.

Adjustments Section:

Line 24 – Outstanding (Credit) Or Debt - Enter any outstanding VTUSF account debt as a positive number or unused VTUSF account credit as a negative number.

Line 25 - Lifeline Credits - Enter the number of Lifeline customers and the average Lifeline Assistance credit per customer. Multiply the number of customers by the average credit per customer (to the extent reimbursable by the Vermont USF*) and enter the result in the rightmost column. **Do not include Subscriber Line Charge credits reported to the Federal Lifeline Program.**

Line 26 - Allowable Lifeline Administrative Expenses - Enter the amount of Lifeline Program allowable administrative expenses for the report period.

Line 27 - Gross Total Due - If prepared electronically, the form automatically calculates the gross total due, as indicated on the worksheet, otherwise, you should perform the following calculation and enter the result on Line 27:

Line 23's July Assessment + Line 23's August thru June Assessment + Line 24 - Line 25 - Line 26

* For detailed information on calculating the Lifeline Credit amounts contact Sharon Allen (802) 828-3081 or sharon.allen@state.vt.us

Line 28 – Estimated Late Payment Penalty - VTUSF remittances are due to be received by the Administrator on or before the 15th day of the month (except for when the 15th falls on a weekend or federal holiday, in which case, the due date is the previous business day), according to the filing schedule in Attachment A. Assessments not received by the scheduled date are subject to a one and a half percent (1.5%) penalty per monthly cycle of delinquency (18% cumulative APR), e.g. if the assessment is $200 and is received on the 20th, a $3 penalty is assessed. If the assessment is $5,000, then a $75 penalty is assessed per cycle. If reporting late (or such that the report and payment will not be received by the administrator on or before the due date), enter the appropriate figure on Line 28 as a positive number.

Line 29 – Total Remittance Due With Report- Add the amounts from lines 27 and 28. If prepared electronically, the form will automatically calculate this total. If the result is positive, this represents an amount to be submitted by check or electronic payment to be received on or before the due date.

Certification Section:

Line 30 – Date, Officer Name, Officer Signature, Officer Title - Enter date, officer name, officer signature, and officer title. The officer's signature attests to the accuracy of all information submitted on the remittance worksheet.

Worksheet Submission and Payment Method:

At the bottom of the worksheet and Attachment B, please take note of several ways to contact the Administrator and where to send VTUSF worksheets and remittances. Payments may be made by check or electronic payment (ACH or EFT), initiated through your financial institution. To ensure proper credit of payments, place the company code on the check or electronic payment request.

How and Where to File:

Signed worksheets may be sent by courier, mailed via the postal service, faxed to RLSA at (717) 231-6600 or scanned and e-mailed to msaltzer@r-l-s-a.com. Worksheets completed electronically within Microsoft Excel can be submitted via email from an authorized contact address. Please contact the administration to gain authorization prior to sending your worksheet electronically in Excel format. Unauthorized Excel format filings will not be accepted.

Filing Revisions:

Revisions may be used for correction of revenues previously reported in error. If you need to change a previously filed report, complete a Revenue Report, mark the reporting period to be replaced, and mark the square box below the list of calendar months to indicate that this report is intended to replace the previously submitted report. Please report the revenue and related information as it should have appeared. Do not report the differences. If multiple periods are being revised, please submit a separate report for each revised period, unless revising the whole fiscal year or single quarter which can be covered by a single report.

Attachment A

VERMONT UNIVERSAL SERVICE FUND

FY2005/2006 VTUSF Reporting Schedule

REVENUE DATA PERIOD TO BE REPORTED	REMITTANCE DUE
Monthly Reporting	
July 2005	August 15, 2005
August 2005	September 15, 2005
September 2005	October 14, 2005
October 2005	November 15, 2005
November 2005	December 15, 2005
December 2005	January 16, 2006
January 2006	February 15, 2006
February 2006	March 15, 2006
March 2006	April 14, 2006
April 2006	May 15, 2006
May 2006	June 15, 2006
June 2006	July 14, 2006
Quarterly Reporting (for carriers designated to file quarterly)	
July 2005 through September 2005	October 14, 2005
October 2005 through December 2005	January 16, 2006
January 2006 through March 2006	April 14, 2006
April 2006 through June 2006	July 14, 2006
Annual Reporting (for carriers designated to file annually)	
July 2005 through June 2006	July 14, 2006

Note: If the due date for the submission of the required report falls on a weekend or a holiday, submit the worksheet so that it arrives to the Administrator on or before the preceding business day.

Worksheets and remittances are to be sent to:

VTUSF
P.O. Box 64777
Baltimore, MD 21264-4777

OR

Worksheets completed electronically within Microsoft Excel can be submitted via email from an authorized contact address. Please contact the administration to gain authorization prior to sending your worksheet electronically in Excel format. Unauthorized Excel format filings will not be accepted.

Attachment B

Vermont Universal Service Fund

VTUSF Payment and Worksheet Submission Information

Payments may be made by check or transmitted via electronic funds transfer. Please send the Carrier Remittance Worksheet and payment to P.O. Box 64777, Baltimore, MD 21264-4777. Payments should be transmitted as follows:

For Regular Payments by Check: VTUSF P.O. Box 64777 Baltimore MD 21264-4777	Please make payments payable to: VTUSF
For Overnight Payments by Check: **VTUSF** M&T Bank Lockbox 64777 8th Floor 1800 Washington Blvd. Baltimore, MD 21230 Telephone: (410) 347-6245	Please include the VTUSF Company Code, assigned by RLSA, to assure that your payments are posted correctly.
For Electronic Funds Transfers: **Fedwire** Identify the transmittal as: "VTUSF Payment" Bank: M&T Bank (ATTN Agent Banking) ABA #: [redacted] Account #: Lockbox #64777 (Checking Account [redacted]) Acct Name: Vermont Universal Service Fund **ACH** Identify the transmittal as: "VTUSF Payment" Bank: M&T Bank (ATTN Agent Banking) ABA #: [redacted] Account #: Lockbox #64777 (Checking Account [redacted]) Acct Name: Vermont Universal Service Fund	RLSA's Taxpayer Identification Number (TIN): 251853684 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 Accounts. Please contact us for this information

If you need additional information, please contact VTUSF Administration at (717) 237-6748 or msaltzer@r-l-s-a.com.