

VERMONT UNIVERSAL SERVICE FUND

INSTRUCTIONS TO COMPLETE THE FISCAL YEAR 2011/2012 CARRIER REVENUE REPORT & INVOICE

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.

Rolka Loube Saltzer Associates (RLSA) 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 and filing materials can be found on 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 a monthly, quarterly or annual reporting cycle. All 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. See Attachment A “FY2011/2012 VTUSF Reporting Schedule” for the schedule). Reports and instructions can be found on the RLSA website at www.r-l-s-a.com/vermont/.

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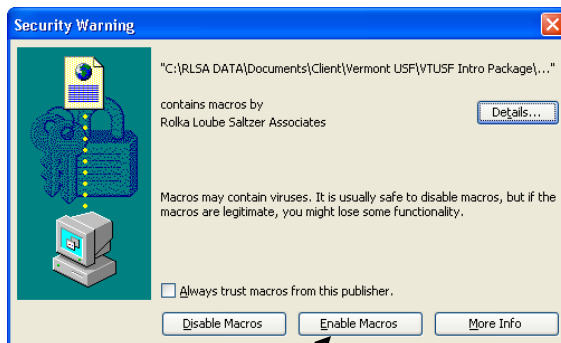
D. Compliance

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). See Vermont Statutes Annotated, Title 30 V.S.A. Chapter 88 §7525. Notice of late payment charges will be incorporated into statements of account distributed via e-mail (or by US mail when a valid email address is not provided) to the contacts designated by the carrier to receive such notices. Failure of a carrier to participate in the VTUSF mechanism and pay an assessed contribution will be considered a violation of Vermont law.

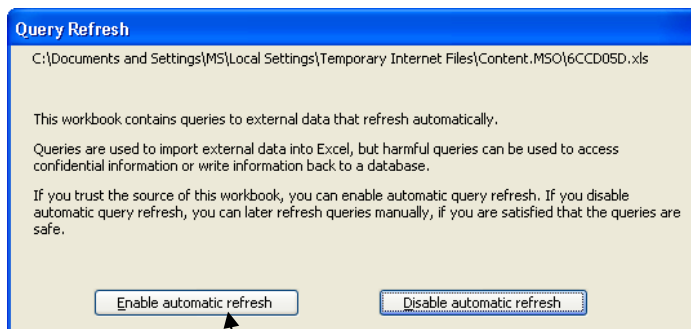
II. Line-By-Line Instructions for Completion of the VTUSF Revenue Report

All information provided on the revenue report must be legible and printed in black or blue ink or typed. The best way to complete the worksheet is to use an electronic copy. There are formulas and many features built in to the electronic version that are not available when completed any other way.

Upon opening the worksheet within an Internet browser window or Microsoft Excel, 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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Fill in the information as follows:

Carrier Section (Lines 1 – 5):

Line 1. VTUSF Assigned ID - The VTUSF company code, supplied by the Administrator and available at <http://www.r-l-s-a.com/Vermont/VTUSFCompanyCodes.pdf>, starts with VT followed by four digits.

If this is the first filing for your company and you have not yet been assigned a code, you may indicate NEW on line 1.

Line 2. Carrier Name – Enter the name that identifies the entity for which data is being reported. Include a doing business as (d/b/a) name, if applicable.

Line 3. Carrier Street Address – Enter the complete street or post office box etc. mailing address where the carrier may receive mail from the Administrator. Do not enter the street address of a filing agent here.

Line 4. Carrier City, State, Zip Code – Enter the city, state and zip code for the line 3 street address where the carrier may receive mail from the Administrator. Do not enter the information for a filing agent here.

Line 5. Carrier Telephone # – Enter the area code and telephone number of the Company identified on line 1 where the Administrator may directly contact the Company. Do not provide a phone number that only goes to a customer service calling center that cannot connect the Fund Administrator to the Carrier’s administrative personnel. This need not be the same number as that provided for the Company contact provided below.

Contact Section (lines 6 – 10):

Line 6. Contact Name – Enter the name of the current contact person who can be reached to answer questions from the Fund Administrator, including issues with or regarding the accuracy of the report.

Line 7. Street Address – Complete this line only if the contact provided on line 6 is not located at the address provided in the Carrier detail section, lines 1 thru 5. Enter the complete street or post office box, etc. mailing address of the person identified on line 6. This address will only be used when all other methods of contact, including email and phone (in that order) are not successful.

Line 8. City, State, Zip Code – Complete this line only if the contact provided on line 6 is not located at the address provided in the Carrier detail section, lines 1 thru 5. Enter the City State and Zip Code for the line 7 street address where the person identified on line 6 can be reached if other methods of contact are not successful.

Line 9. Contact Phone # – Enter the area code and telephone number of the contact person identified on line 6 and who is responsible for responding to any questions,

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including the accuracy of the report. Include an extension number or additional phone numbers when appropriate.

Line 10. E-Mail Address – Enter the e-mail address of the contact person identified on line 6. This contact will receive 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.

Data Period Section (upper right of worksheet):

The Revenue Data Period indicates the applicable time period that corresponds to the revenue data being reported. Please select 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.

Select Month / Quarter / Annual

<input type="radio"/> JUL 2011	due by 8/15/11	}	<input type="radio"/>	due by 10/14/11
<input type="radio"/> AUG 2011	due by 9/15/11			
<input type="radio"/> SEP 2011	due by 10/14/11			
<input type="radio"/> OCT 2011	due by 11/15/11	}	<input type="radio"/>	due by 1/16/12
<input type="radio"/> NOV 2011	due by 12/15/11			
<input type="radio"/> DEC 2011	due by 1/16/12			
<input type="radio"/> JAN 2012	due by 2/15/12	}	<input type="radio"/>	due by 4/16/12
<input type="radio"/> FEB 2012	due by 3/15/12			
<input type="radio"/> MAR 2012	due by 4/16/12			
<input type="radio"/> APR 2012	due by 5/15/12	}	<input type="radio"/>	due by 7/16/12
<input type="radio"/> MAY 2012	due by 6/15/12			
<input type="radio"/> JUN 2012	due by 7/16/12			

If this worksheet is being prepared to replace a report previously submitted for the same period, place a checkmark in the box to the left of the label “This report replaces a previous submission”.

This report replaces a previous submission

Billed Retail Revenues Section (lines 11 – 21):

Revenues entered here should be for the revenue data period indicated in the Data Period Section as described above. 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.

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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 that do not have an electronic interface into the public switched network.
- Support payments from VTUSF.
- 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.

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- 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.

Line 11 - Local Exchange - Includes basic monthly charges, extended area service charges, and local measured service. This excludes the federal subscriber line charge (record SLCs on Line 12) and includes 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) - The Subscriber Line Charge is the 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 (originating, terminating or billed to a VT address)- Includes all toll services including intrastate, interstate, or international, which are billed to a Vermont address, regardless of origin and terminating location. This includes credit card or third number calls billed to a Vermont addresses, regardless of where originated or terminated as well as WATS, 800, 900, "WATS-like" and similar services. (To the extent possible, record Operator Services on Line 16). Conversely, a call originating in Vermont that is charged to a credit card with a billing address outside Vermont should not be included.

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 (PCS/PCN).

Line 20 - 2 Way Cable TV - Includes revenues from a 2- Way CATV, which is a two-

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directional cable transmission that interacts with the public switched network.

Line 21 – Total Retail Revenues Subject to Vermont USF Assessment - Enter the sum of the revenues reported on Lines 11 thru 20. When using the form electronically, the sum will be calculated and filled in automatically.

NOTE: If pop-up comments appear and disappear and/or hinder your ability to see, read, or enter data, try adjusting the zoom percentage with which you are viewing the worksheet. Different zoom percentages will relocate and change the shape of the pop-up comment boxes. You can find the Zoom option in the View menu.

Assessment Section:

This section permits carriers to report the assessment for the selected period using either an accrual or a cash accounting basis. To determine the assessment using the accrual accounting method, which multiplies billed retail revenues by the assessment rate but allows for an uncollectible deduction, complete lines 22 thru 25. To report the amount of assessments *collected* from end-users during the selected period, complete line 26. If completing the report electronically and you want to report using the cash accounting method, simply enter the collected assessment amount for the period on line 26 and the values on lines 22 thru 25 will appear grayed out and will not be used.

To report the assessment using an accrual accounting method, complete lines 22 through 25 and do not enter a value on line 26:

Line 22 – Applicable Assessment Rate - The assessment rate is filled in for you based on the decision of the Vermont General Assembly. If you have opened and are completing the worksheet electronically using MS Excel and you have opted to Enable Automatic Refresh of the queries (referenced on Page 2 of these instructions), this check happens for you. If you are preparing the worksheet by some other method, the rate should be verified by checking on the RLSA webpage www.r-l-s-a.com/vermont/. Insert the decimal rate corresponding to the period being reported. For example, if the rate is 1.25%, enter .0125.

Line 23 – Assessment Based on Billed Retail Revenues – If completing the report using MS Excel, this is completed for you. Otherwise, enter the rounded product of the total on line 21 and the decimal rate on line 22. Round results greater than or equal to half of a penny up to the next penny such that \$51.235 becomes \$51.24. Round results less than half a penny down to the next lower penny such that \$51.234 becomes \$51.23.

Line 24 – Uncollectible Assessments – *[OPTIONAL]* – Enter the amount of assessments that have not been or are not expected to be collected from the retail end-users. This amount is used to adjust the assessment as necessary, based on historical collections experience.

Line 25 – Total Assessment Expected to be Collected – If completing the report using MS Excel, this is completed for you. Otherwise, enter the value from line 23 minus the value from line 24.

To report the assessment using a cash accounting method, complete line 26:

Line 26 – Assessments Received from Vermont Retail Customers – Enter the total amount of Vermont USF assessments collected during the period being reported. If

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completing the worksheet using MS Excel, the values on lines 22 thru 25 will be grayed out to indicate that the cash accounting value of assessments Received from Vermont Retail Customers will be used instead of the accrual values.

Line 27 – Assessments for Period – If completing the worksheet electronically, this value will be completed for you automatically. Otherwise, enter the value from line 26 if using the cash accounting method **OR** the value from line 25 if using the accrual accounting method of reporting.

Adjustments Section:

Line 28 – Outstanding (Credit) Or Debt - Enter any outstanding VTUSF account debt as a positive number or unused VTUSF account credit as a negative number. If this worksheet is replacing a previous report for the same period, enter the previous worksheet's line 27 assessment value as a negative number. For example: A worksheet was submitted that reported \$45.16 as the assessment for April 2009 but was subsequently determined to be incorrect. On the replacement worksheet for April 2009, mark the "This report replaces a previous submission" checkbox (referred to page 4) and include -\$45.16 on this line, in addition to any other account credit or debt.

Line 29 - Lifeline Credits - Enter the number of Lifeline customers and the average Lifeline Assistance credit per customer. If completing the worksheet using MS Excel, the product will automatically appear in the rightmost column. Otherwise, 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 30 - Allowable Lifeline Administrative Expenses - Enter the amount of Lifeline Program allowable administrative expenses for the report period.

Line 31 - Gross Total - If prepared electronically, the form automatically calculates the gross total due. Otherwise, you should perform the following calculation and enter the result on Line 31:

$$\text{Line 27} + \text{Line 28} - \text{Line 29} - \text{Line 30}$$

Line 32 – Estimated Late Payment Charge - 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 remittance must be received on or before the previous business day), according to the filing schedule in Attachment A and within the Data Period Section of the worksheet referred to on page 4. 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

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

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estimated late payment charge on Line 32 as a positive number. Late payment charges are determined by the Administrator and added to delinquent carrier accounts regardless of whether a correct estimate is entered on this line. If completing the worksheet using MS Excel, an estimate will be provided for you based on the gross total, filing due date and the computer's current date.

Line 33 – Total Remittance Due – If prepared electronically, the form will automatically calculate this total. Otherwise, enter the sum of the amounts on lines 31 and 32. 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 34 – Date, Authorized Signor's Name, Signature and Title - Enter the date of signature, authorized signor's name and title. The signor'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 on 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 (888) 811-6920 or scanned and e-mailed to efile@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.

A button can be found at the bottom center of the worksheet which, if macros are enabled, will offer the functionality, with a single mouse click, of creating an email message automatically addressed, with an appropriate subject line and with the completed worksheet attached.

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 Carrier Revenue Report & Invoice, mark the reporting period to be replaced, and mark the square box below the list of calendar months indicating "This report replaces a previous submission". 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

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each revised period, unless revising the whole fiscal year or a single quarter which can be covered by a single report.

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REVENUE DATA PERIOD TO BE REPORTED	REMITTANCE MUST <u>ARRIVE</u> ON OR BEFORE
Monthly Reporting	
July 2011	August 15, 2011
August 2011	September 15, 2011
September 2011	October 14, 2011
October 2011	November 15, 2011
November 2011	December 15, 2010
December 2011	January 16, 2012
January 2012	February 15, 2012
February 2012	March 15, 2012
March 2012	April 16, 2012
April 2012	May 15, 2012
May 2012	June 15, 2012
June 2012	July 16, 2012
Quarterly Reporting (for carriers designated to file quarterly)	
July 2011 through September 2011	October 14, 2011
October 2011 through December 2011	January 16, 2012
January 2012 through March 2012	April 16, 2012
April 2012 through June 2012	July 16, 2012
Annual Reporting (for carriers designated to file annually)	
July 2011 through June 2012	July 16, 2012

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 by the preceding business day.

Worksheets and remittances are to be sent

by US mail to:

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

by fax to 888-811-6920

by courier to:

VTUSF
M&T Bank Lockbox 64777
1800 Washington Blvd., 8th Floor
Baltimore, MD 21230

phone (410) 347-6245

OR, the preferred method...

Worksheets completed electronically using MS 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.

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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:

<p><u>For Regular Payments by Check:</u> VTUSF P.O. Box 64777 Baltimore MD 21264-4777</p>	<p>Please make checks payable to: VTUSF</p>
<p><u>For Overnight Payments by Check:</u> VTUSF M&T Bank Lockbox 64777 8th Floor 1800 Washington Blvd. Baltimore, MD 21230 Telephone: (410) 347-6245</p>	<p>Please include the VTUSF Company Code, assigned by RLSA, to assure that your payments are posted correctly.</p>
<p><u>For Electronic Funds Transfers:</u></p> <p>Fedwire Identify the transmittal as: "VTUSF Payment" Bank: <u>M&T Bank (ATTN Agent Banking)</u> ABA #: <u>022000046</u> Account #: <u>Lockbox #64777 (Checking Account 9843369902)</u> Acct Name: <u>Vermont Universal Service Fund</u></p> <p>ACH Identify the transmittal as: "VTUSF Payment" Bank: <u>M&T Bank (ATTN Agent Banking)</u> ABA #: <u>052000113</u> Account #: <u>Lockbox #64777 (Checking Account 9843369902)</u> Acct Name: <u>Vermont Universal Service Fund</u></p>	<p>VTUSF's Taxpayer Identification Number (FEIN): 45-6246888</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>

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