

**Kansas Universal Service Fund
March 1, 2009-February 28, 2010 (FY 13)**

FREQUENTLY ASKED QUESTIONS

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FREQUENTLY ASKED QUESTIONS

1. REPORTING TO KUSF:

1. Is my company required to report to the KUSF?
 - Kansas statute K.S.A. 66-2008(a) and Kansas Corporation Commission ('KCC') orders require every telecommunications carrier, telecommunications public utility and wireless telecommunications service provider that provides intrastate telecommunications services and, to the extent not prohibited by federal law, every provider of interconnected VoIP service, as defined by 47 C.F.R. 9.3 (October 1, 2005), to contribute to the KUSF on an equitable and nondiscriminatory basis.

2. How often must my company report to the KUSF?
 - Reporting frequency election is monthly, unless a carrier has revenue of *less than \$50,000 annually*, in which case the carrier may elect to file less frequently, as detailed below:

Monthly	\$50,000 or more in annual revenue
Quarterly	\$25,001 - \$50,000 in annual revenue
Semi-Annual	\$10,001 - \$25,000 in annual revenue
Annual	\$10,000 <u>or less</u> in annual revenue
 - See January 23, 2007 Order, Docket 06-GIMT-332-GIT:
<http://www.kcc.state.ks.us/scan/200601/20060123150938.pdf>

3. Does Kansas have a *de minimus* exemption?
 - No. Kansas statute does not reference a *de minimus* exemption and the KCC has not adopted one.

4. When are my CRW and payment due to the KUSF?
 - The due date is the 15th of the month, unless the 15th falls on a holiday or weekend; in which case, the CRW and payment is due the next business day. For companies that report and pay on a basis other than monthly, CRWs and payments are due at the beginning of the applicable period. See Attachment A at: [**Link Attachment A**](#)

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1. REPORTING TO KUSF (cont'd):

5. What forms do I use to report to the KUSF?
- All companies must file an Attachment B.
 - All companies must file the Carrier Remittance Worksheet (CRW) in accordance with the frequency selected above. CRWs and the applicable instructions are available from GVNW's website at:
<http://www.gvnw.com/usf/kansas/index.htm>
6. What is an Attachment B form?
- The Attachment B form is otherwise known as the Company Identification & Operations form. This form is required to be signed by an officer of the company and submitted on an annual basis at the beginning of each plan year and is due on April 15. Should the company need to report any changes, such as address, contact information, agent information, or reporting frequency election, this form must be submitted with such changes. Changes can be made at any time during the plan year. A company is authorized to make 2 election changes free of charge during a KUSF year. An automatic \$100 election change fee is assessed for the 3rd and additional, election changes.
[*LINK to Attachment B*](#)
7. How do I receive a "Carrier Identification Code"?
- Please contact GVNW and provide a completed, signed, attachment B. GVNW will contact you with your Carrier Identification Code.
8. How do I know what revenues should be reported on the CRW?
- All Kansas intrastate retail revenues from telecommunications and interconnected VoIP services are to be reported to the KUSF. Please see the KUSF Instructions and Attachment E for a more complete listing of the revenues at:
[**Link to Instructions & Attachment E**](#)

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1. REPORTING TO KUSF (cont'd):

9. What revenue is reported for each “data month” listed?
- For companies using the accrual method of accounting, report the revenue billed or earned in one month to the administrator by the 15th of the following month. For example, revenue earned and billed to customers in March 2009 is considered as “March 2009” data month revenue and is to be reported to the administrator on or before April 15, 2009.
 - For companies using a cash-basis of accounting, revenue collected in March 2009 would be reported as the “March 2009” data month on or before April 15, 2009.
10. Due to internal procedures, our company is unable to finalize its monthly earned revenues and related uncollectibles until after the due date. As a result, the company reports one month in arrears. When is the company required to revise the revenues to reflect revenue by month earned?
- The Commission has addressed this issue within several company-specific KUSF audit dockets. The Commission directed each of these companies to report their actual revenue, by month earned, through quarterly revised Carrier Remittance Worksheets that are to be filed within 45-days of the end of each fiscal year quarter.
 - The Commission recognized that other companies may also report revenues in arrears and directed Staff to address this issue in its December 2009 testimony in Docket No. 10-GIMT-188-GIT.
11. Is revenue generated from schools, governmental agencies, or other “tax-exempt” companies exempt from contributing to the KUSF?
- No. Only wholesale revenues are exempt from contributing to the KUSF.

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1. REPORTING TO KUSF (cont'd):

12. What are the penalties for not complying with KUSF requirements?
- Late payment penalties are 1% of the assessment due, per month (12% cumulative). Please see KCC's February 18, 1997 Order, Docket No. 94-GIMT-478-GIT at:
<http://www.kcc.state.ks.us/scan/199702/19970219143935.pdf>
 - Late CRW penalties are 1% of the assessment due (12% cumulative) or \$100, whichever is greater. Please see KCC's January 23, 2006 Order, Docket No. 06-GIMT-332-GIT at:
<http://www.kcc.state.ks.us/scan/200601/20060123150938.pdf>
- ** Mail date does not constitute "receipt"; therefore, remit CRWs and payments early enough to ensure **receipt by the administrator and the bank** on or before the due date. We encourage electronic submissions**

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1. REPORTING TO KUSF (cont'd):

13. How can I remit the CRWS and payments?

- CRWs may be scanned & sent via e-mail to GVNW at: KUSF@gvnw.com or faxed to: 217-698-2715
- CRWs may be mailed or sent via over-night delivery to GVNW at:

KUSF Administration
GVNW Consulting, Inc.
3220 Pleasant Run
Springfield, IL 62711
- Electronic remittances and payments are encouraged to ensure they are **received** on or before the due date. Please contact us at: 217-862-1550 or kusf@gvnw.com to receive information on electronic payments.
- Checks should be made payable to “Kansas Universal Service Fund” or “KUSF”.
- Checks may be sent via US Postal Mail to:

KUSF
CoreFirst Bank & Trust
PO Box 1512
Topeka, KS 66611-1512
- Checks may be via overnight delivery to:

KUSF
CoreFirst Bank & Trust
3035 South Topeka Blvd.
Lockbox 1512
Topeka, KS 66611-1512
- Allow adequate mailing and/or delivery time to ensure payment is processed to the company’s account on or before the due date. It is recommended overnight delivery occur 1 day prior to the due date.

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FREQUENTLY ASKED QUESTIONS

2. ASSESSMENT RATE:

1. What KUSF assessment rate should I use?
 - Rural LECs = \$1.15 per line
 - United Telephone Cos. Of Kansas d/b/a Embarq \$1.49 per line
 - Southwestern Bell -\$1.52 per line
 - All other carriers = 0.0503
 - The current rates may be viewed at:
<http://www.kcc.state.ks.us/telecom/kusfhistory.pdf>
 - An Incumbent LEC must report its access lines in service at the end of the month in order to calculate the company's assessment owed to the KUSF.

2. How often does the KUSF assessment rate change?
 - Annually, at the start of each plan year (March 1)
 - The Commission opens a docket each September to address the next year's assessment rate. Be sure your company has current contact information on file with the Commission and GVNW. You may view the docket next year's docket on the KCC's website at:
<http://www.kcc.state.ks.us/docket/cal.cgi?docket=10-GIMT-188-GIT>
 - Contact the KCC at (785)271-3165 to update your company information.

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FREQUENTLY ASKED QUESTIONS

3. LIFELINE:

1. Does My Company qualify for Lifeline Reimbursement?
 - Any facilities-based provider, including providers offering services via their own facilities or the purchase of Unbundled Network Elements or Local Wholesale Complete, may qualify for Lifeline credit reimbursement.
 - A company providing service via reselling another carrier's services does not qualify for Lifeline credit reimbursement.
 - All wireline carriers and all wireless carriers designated as Eligible Telecommunications Carriers must offer and advertise Lifeline services.

2. How does my company seek reimbursement?
 - If the company is eligible for Lifeline reimbursement, report the number of qualifying Lifeline lines in service at the end of each month on line 18 of the Carrier Remittance Worksheet.

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FREQUENTLY ASKED QUESTIONS

4. PENALTIES:

1. My company incurred a late payment penalty and/or a late Carrier Remittance Worksheet (CRW) penalty. How are these penalties determined?
 - Late payment penalties are 1% of the assessment due, per month (12% cumulative). Please see KCC's February 18, 1997 Order, Docket No. 94-GIMT-478-GIT at:
<http://www.kcc.state.ks.us/scan/199702/19970219143935.pdf>
 - Late CRW penalties are 1% of the assessment due (12% cumulative) or \$100, whichever is greater. Please see KCC's January 23, 2006 Order, Docket No. 06-GIMT-332-GIT at:
<http://www.kcc.state.ks.us/scan/200601/20060123150938.pdf>

2. What do I do if I believe my company was incorrectly assessed a penalty?
 - Contact GVNW via e-mail with the following information to allow us to review your account and verify that the penalty was in accordance with KCC orders:
 - Company name
 - Company Identification Code (this begins with "KS00", followed by 4 numbers).
 - Amount of Penalty
 - Date of Penalty
 - Reason why company believes the penalty is incorrect and documentation to support company's position.
 - Name and contact information where GVNW can send written correspondence or call the company regarding its review of the company's account.

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FREQUENTLY ASKED QUESTIONS

4. PENALTIES (cont'd):

3. How can my company seek a waiver of a penalty?
 - GVNW and KCC Staff are not authorized to waive any properly assessed penalty.
 - The company should first ask GVNW to review your account (see #20) and confirm the penalty was applied appropriately.
 - If GVNW verifies the penalty was appropriate, your company may file a pleading with the Commission asking for the penalty to be waived. The pleading should clearly state why the penalty was incurred and the related time period.
 - Any pleading should comply with Kansas Administrative Regulations, including:
 - K.A.R. 82-1-219 regarding the general rules relating to pleadings and other papers, and
 - K.A.R. 82-1-228(d) regarding the requirement for a corporation to enter an appearance in a docket, with the appearance entered by its attorney admitted to practice in the state of Kansas or that is associated with a local counsel that resides in the state of Kansas.

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5. Wireless/Paging/Interconnected VoIP:

1. What methods has the Commission approved for wireless, paging, and interconnected VoIP companies to identify intrastate revenues to report to the KUSF?
 - The Commission has adopted the following FCC's methodologies:
 - Safe harbor
 - Direct Assignment and
 - Company-specific traffic factor (updated annually)

2. How does the company determine which revenues in Kansas are subject to allocation?
 - For Wireless and paging: The Commission adopted the Primary Place of Usage (PPU), effective March 2006. Please see Docket No. 06-GIMIT-943-GIT: <http://www.kcc.state.ks.us/telecom/kusfhistory.pdf>
 - For VoIP: The Commission adopted registered the use of a customer's Primary Place of Physical Service, typically the E911 address. Please see Docket No. 07-GIMIT-432-GIT, September 28, 2008 Order at: <http://www.kcc.state.ks.us/scan/200809/20080922111755.pdf>

3. Is revenue from an IP station equipment rental or Customer Premises Equipment (phones) at the customer's premise reportable?
 - No. Revenue from the sale of equipment is exempt; however, the service revenues are reportable.

4. Is revenue from DID virtual numbers, Ethernet bandwidth, Ethernet bandwidth over a private network, a T-1, or third party conference calling vendor reportable?
 - Yes, all service revenue is reportable to the KUSF.

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5. Wireless/Paging/Interconnected VoIP:

5. If service is sold in a bundle, and the bundle includes VoIP, inside wire, and/or voice mail, what revenue is reported?
- Only the VoIP service revenue is reportable, inside wire and voice mail is non-regulated and therefore exempt.
 - Revenue from services included in a bundle must first be allocated to those services subject to the KUSF, based on a “stand-alone” price of the service. In this example, the stand-alone price for “VoIP” service would be imputed and reported to the KUSF. The remaining revenue would be allocated to voice mail and inside wire and excluded.