

ARKANSAS HIGH COST FUND
2014 CARRIER REVENUE REPORT & SELF INVOICE INSTRUCTIONS

For questions or assistance with these instructions, contact Rural Telcom Solutions, LLC via Email at: ruraltelcom@ruraltelcom.com , or by mail at:

ARHCF
P.O. Box 608
Danville, AR 72833

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Arkansas Public Service Commission (“ARPSC”) Docket No. 07-062-R Order No.6 (dated 7/20/07) has repealed the Arkansas Universal Service Fund (“ARUSF”) Rules.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 concluded by 12/31/07. The ARPSC 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).

Rural Telcom Solutions, LLC (“RTS”) has been selected by the ARPSC to serve as the Administrator of the ARHCF. As the Administrator, RTS 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.

C. When and Where to File

The 2014 ARHCF contribution period will include intrastate retail revenues billed for the period January 1, 2014 through December 31, 2014. Monthly worksheets and remittances must be **received** by the Administrator according to the filing schedule at Attachment A “2014 ARHCF Reporting Schedule”. Worksheets and instructions can be found on the RTS website at <http://www.ruraltelcom.com>.

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Depending on software available on your computer and settings selected within those programs, you may opt to choose the Excel version of the report which works within Microsoft Excel. A manual version is also available in PDF format. The Excel version is designed for use within Microsoft Excel version 2000, 2002, 2003 or 2007 and provides timesaving calculations, validations, hyperlinks and even a button (may not be functional within Excel 2007) 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 Excel version link at www.ruraltelcom.com and **right-click** the link. Choose to save it to your computer or network and then open it from that location. This procedure will open it within MS Excel, rather than within a browser window. (Not all functionality will work within a browser window.)

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D. Compliance

Carriers failing to submit an ARHCF report and corresponding assessment payment 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 for each month of delinquency. *See: ARHCF Regulations, § 4.03.C.* Notice of late payment will be incorporated into statements of account distributed via e-mail (when available) 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. *See: ARHCF Regulations, §3.06.*

II. Line-By-Line Instructions for Completion of the ARHCF Worksheet

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

You can register to file your Excel report via email, without having to print, sign and then remit a signed page. Unsigned reports received from unauthorized sources will be rejected. To register, contact the administrator for details and approval.

Identification Information

When completing the form electronically using MS Excel, the entry of a valid ID may automatically complete the next four lines. This will happen if an ID is entered that matches the list built into the report. If the information automatically added to the worksheet is inaccurate, you can edit it by simply making the needed corrections.

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Fill in the information as follows:

Carrier:

Line 1. ARHCF Assigned ID - The ARHCF company code, currently supplied by RTS and available at <http://www.ruraltelcom.com>, starts with AR- followed by six digits. If you do not have a company code assignment, please visit the website link above or contact the administrator.

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. 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 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 valid contact information is not on record.

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

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 contact provided below and will only be used when all contact email addresses and phone numbers fail. Do not enter the phone number of a filing agent here.

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, from 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 only 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, from the Administrator.

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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 report. 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 those additional email addresses.

Revenue Data Period:

The Revenue Data Period indicates the applicable time period that corresponds to the revenue data being reported. Please mark the appropriate period by filling in **only one circle**. Carriers should report according to the reporting frequency assigned to them by the Administrator. The reporting frequency is specified on each statement of account issued by the Administrator and is based on the level of revenues previously reported. Reports marked with a period that is not consistent with the carrier's assigned filing frequency are usually returned or disregarded.

When completing the report within Microsoft Excel, the heading "Select only one period" will change to reflect the filing frequency assigned to the assigned ID entered on Line 1. This is to assist you in selecting the correct period. A carrier's filing frequency may be adjusted by the administrator during the course of the year and thus it may be appropriate to select a period that is not consistent with the assigned frequency. If there is a question, please contact the administrator in order to avoid rejection of a report.

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 labeled as Jan-Mar, Apr-Jun, Jul-Sep or Oct-Dec. If you are reporting for the whole year, please mark the single circle labeled Jan-Dec. **All filings should be made after the period concludes.**

Filing Revisions:

If you wish to change a previously filed 2013 report, mark the reporting period to be replaced, and mark the square box below the list of calendar months (labeled as "This report replaces a previous submission") to indicate that this report is intended to replace the previously reported period, designated above. Please report the revenue and related information as it should have appeared. Do not report the differences.

Revisions may be used for correction of revenues previously reported in error. When submitting a revision, follow these same instructions being certain that the correct Revenue Data Period has been identified and the square box below the list of calendar months has been marked.

Projection:

Carriers assigned to the annual filing frequency are no longer to file an estimate of revenues for the current year. Those carriers are required to file an annual carrier revenue report by February 23rd of the following year and pay the annual assessment at that time.

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True-Ups:

True-ups used to be required end-of-year reconciliations, intended to replace estimated annual data. In 2014, carriers will not estimate revenues and make an estimated payment. Carriers should ONLY file after the conclusion of the period.

Assessment:

Revenues entered here should be for the revenue data period indicated on the form.

These revenues are *billed intrastate retail revenues* and should correspond to the official books and records of the reporting carrier except if using estimated numbers to be reconciled to actual revenues at the end of the funding period.

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.

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 endusers.
- 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:

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- 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 appropriate column, insert the figure for the carrier's total billed intrastate retail revenues that are assessable for ARHCF purposes. If completing the report for a period to which more than one assessment rate applies, enter the intrastate retail revenues for each period, into the appropriate column. If no revenues were billed, please enter a 0 in the appropriate column(s).

Line 12 – Uncollectible Intrastate Retail Revenues - [OPTIONAL]

Enter the uncollected intrastate retail revenues into the appropriate column (as a positive number). It is considered to be a deduction relative to the amount of Intrastate Retail Revenues.

Line 13 – Revenues Subject To Arkansas USF Assessment

The uncollectible intrastate revenue amount on Line 12 is subtracted from the total billed intrastate revenue figure on Line 11. The resulting amount is to be entered on Line 13. This amount is the reporting carrier's intrastate retail revenues that are subject to the ARHCF contribution assessment.

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Line 14 – Applicable Assessment Rate

The assessment rate(s) can be located on the website www.ruraltelcom.com. Insert the decimal rate corresponding to the period being reported. Seven tenths of a percent would be typed into the box as 0.007 rather than as .7. If completing the form within Excel, it will be displayed as a percentage after selecting the reporting period.

When completing the worksheet within Excel, the assessment rate is automatically calculated.

Line 15 – Total ARHCF Assessment

If prepared within Excel, the report automatically multiplies the amount appearing on Line 13 by the ARHCF assessment rate as indicated on the worksheet on Line 14, otherwise, you should perform the multiplication and enter the result on Line 15.

If filing the assessment form manually enter the sum of the two columns of Line 13 multiplied by Line 14.

Late Payment Penalty

ARHCF remittances are due on or before the due date. 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 28th, a \$50 penalty is assessed. If the assessment is \$5,500, then a \$110 penalty is assessed per month. **In the event the ARHCF assessment is received after the due date, the company will receive a separate invoice for the late charge assessment. This late charge assessment MUST be paid by the next month's regular ARHCF assessment due date.**

Remit:

Line 16 – Outstanding Debt, (Credit) or (Fund Support Amount)

Enter any outstanding debt as a positive number or unused credit as a negative number. ILECs who receive support from the fund should enter the expected net support as a negative number. If this report is replacing a previous submission for the same period, enter a credit for the previously reported Gross ARHCF Assessment.

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Line 17 – Total Remittance Due

Add the amounts from line 15 and line 16 and enter the sum on this line. If the sum is less than \$1.00, enter \$0. If prepared using 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.

Certification:

Line 18– 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 remittance worksheet.

Unsigned reports will not be accepted unless preapproval is acquired and the Excel report is submitted by an approved email address, in xls format, to ruraltelcom@ruraltelcom.com.

Worksheet Submission and Payment Method

Where to File

Signed reports with a remittance due should be submitted to the ARHCF at the address on the bottom of the worksheet. If no remittance is due, signed worksheets may be faxed to (479) 495-5995 or scanned and e-mailed to ruraltelcom@ruraltelcom.com. Preapproved filers may submit the Excel xls file via email. Please only send a report by one method. Please do not send the report by email, then again with a check. Reports received by the administrator by email will be acknowledged with an email response.

If a payment is made, please include the assigned ID on the check, stub or electronic payment request's memo/description field.

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Attachment A

**ARKANSAS HIGH COST FUND
2014 ARHCF Reporting Schedule**

INTRASTATE RETAIL REVENUES BILLED FOR THE PERIOD	REPORT AND REMITTANCE DUE TO ARRIVE ON OR BEFORE
MONTHLY REPORTING	
JANUARY 2014	FEBRUARY 21, 2014
FEBRUARY 2014	MARCH 21, 2014
MARCH 2014	APRIL 21, 2014
APRIL 2014	MAY 21, 2014
MAY 2014	JUNE 23, 2014
JUNE 2014	JULY 21, 2014
JULY 2014	AUGUST 21, 2014
AUGUST 2014	SEPTEMBER 22, 2014
SEPTEMBER 2014	OCTOBER 21, 2014
OCTOBER 2014	NOVEMBER 21, 2014
NOVEMBER 2014	DECEMBER 22, 2014
DECEMBER 2014	JANUARY 22, 2015
QUARTERLY REPORTING	
JANUARY THROUGH MARCH 2014	APRIL 21, 2014
APRIL THROUGH JUNE 2014	JULY 21, 2014
JULY THROUGH SEPTEMBER 2014	OCTOBER 21, 2014
OCTOBER THROUGH DECEMBER 2014	JANUARY 22, 2015
ANNUAL REPORTING	
JANUARY THROUGH DECEMBER 2014	FEBRUARY 23, 2015

Signed reports can be sent by mail to:

ARHCF
P.O. Box 608
Danville, AR 72833

Or by courier to:

ARHCF
810 Dan Ark Circle
Danville, AR 72833
Phone (479) 495-5881

Or by fax to:

(479) 495-5995

Or by email to:

ruraltelcom@ruraltelcom.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 ensure that the assigned ID appears on the check or stub. Payments should be transmitted as follows:

For Regular Payments by Check: ARHCF PO Box 608 Danville, AR 72833	Please make payments payable to: ARHCF and include assigned ID#
For Overnight Payments by Check: ARHCF 810 Dan Ark Circle Danville, AR 72833	Please include assigned ID# to assure that your payments are posted correct
For Electronic Funds Transfers: Identify transmittal as: " ARHCF Payment" Bank: <u>Chambers Bank</u> ABA #: <u>contact RTS for number</u> Acct #: <u>contact RTS for number</u> Acct : <u>Arkansas High Cost Fund</u>	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.

If you need additional information, please contact ARHCF Administration at (479) 495-5881