



# REGULATORY FEES FACT SHEET

Federal Communications Commission  
445 12<sup>th</sup> St., S.W.  
Washington, D.C. 20554

September 10, 2014

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## WHAT YOU OWE – INTERSTATE TELECOMMUNICATIONS SERVICE PROVIDERS (ITSP) FOR FY 2014

Each year, the Commission is required to collect regulatory fees. Licensees and regulatees are assessed fees as set forth in *Assessment and Collection of Regulatory Fees for Fiscal Year 2014, Report and Order*, (released August 29, 2014) (“FY 2014 Regulatory Fees, *Report and Order* and *Further Notice of Proposed Rulemaking*”). The Commission also publishes industry-specific guidance in *Who Owes Fees & What Is My FY 2014 Fee*, which can be found on the Commission website at <http://www.fcc.gov/regfees>.

The Commission’s automated filing and payment system (“Fee Filer”) is available for filing and viewing of FY 2014 regulatory fees. While FY 2014 regulatory fees will not become effective until the rulemaking is published in the Federal Register, regulatees at their own discretion, may submit payments at any time before the effective due date of FY 2014 regulatory fees. **Regulatory fee payments must be RECEIVED<sup>1</sup> by the Commission no later than 11:59 PM, Eastern Daylight Time, on September 23, 2014.**

This *Fact Sheet* provides information for interstate telecommunications service providers (ITSPs) to help them prepare and pay their regulatory fees. ITSPs typically identify themselves on FCC Form 499-A filings as offering service in one or more of the following categories:<sup>2</sup>

**All Distance** -- provides fixed local exchange services and interstate long distance services to end users for a flat rate (may also include intrastate toll).

**Audio Bridging (Teleconferencing) Provider** - Allows end users to transmit a call (using telephone lines), to a point specified by the user (the conference bridge), without change in the form or content of the information as sent and received (voice transmission).

**CAP/CLEC** (Competitive Access Provider/Competitive Local Exchange Carrier) -- competes with incumbent local exchange carriers (LECs) to provide local exchange services, or telecommunications services that link customers with interexchange facilities, local exchange networks, or other customers, other than coaxial cable providers.

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<sup>1</sup> The Commission has instituted a mandatory electronic payment policy, which means that licensees will no longer be able to make regulatory fee payments by check, money order, or cashier’s check. Only credit card, ACH, and wire transfer payments will be accepted. Please make sure that your electronic fee payment is made and the transaction is complete by the due date of FY 2014 regulatory fees.

<sup>2</sup> ITSPs that timely filed an FCC 499-A (OMB Control No. 3060-0855) by April 1, 2014 will have their FY 2014 regulatory fees calculated on the basis of the information contained therein..

**Coaxial Cable** -- uses coaxial cable (cable TV) facilities to provide local exchange services or telecommunications services that link customers with interexchange facilities, local exchange networks, or other customers.

**Incumbent LEC** -- provides local exchange services. An incumbent LEC generally is a carrier that was at one time franchised as a monopoly service provider. *See* 47 U.S.C. §251(h).

**Interconnected VoIP provider** -- provides “interconnected VoIP service” as that term is defined in 47 CFR §9.3.

**Interexchange Carrier (IXC)** -- provides long distance telecommunications services substantially through switches or circuits that it owns or leases.

**Local Reseller** -- provides local exchange or fixed telecommunications services by reselling services of other carriers.

**Operator Service Provider (OSP)** -- serves customers needing the assistance of an operator to complete calls, or needing alternate billing arrangements such as collect calling.

**Other Local and Other Toll Service Providers** -- other providers of local exchange or toll services, including private service providers (those offering telecommunications services to others, including companies that offer excess capacity on a private system used primarily for internal purposes) and VoIP Toll providers, which use IP technology to facilitate calls that originate and terminate on the public switched network and which undergo no net protocol conversion.

**Payphone Service Provider** -- provides customers access to telephone networks through payphone equipment, special teleconference rooms, etc. Payphone service providers also are referred to as payphone aggregators.

**Prepaid Calling Card Provider** -- provides prepaid calling card services by selling prepaid calling cards to the public or to retailers. Prepaid card providers typically resell the toll service of other carriers and determine the price of the service by setting the price of the card and controlling the number of minutes that can be used by the card.

**Private Service Provider** -- offers telecommunications to others for a fee on a non-common carrier basis. This would include a company that offers excess capacity on a private system that it uses primarily for internal purposes. This category does not include Specialized Mobile Radio operators.

**Shared-Tenant Service Provider /Building LEC** -- manages or owns a multi-tenant location that provides telecommunications services or facilities to the tenants for a fee.

**Stand-Alone Audio Bridging Provider/Integrated Teleconferencing Service Provider** -- allows end users to transmit a voice call over telephone lines to a point specified by the user (the conference bridge), without change in the form or content of the information as sent and received.

**Toll Reseller** -- provides long distance telecommunications services primarily by reselling the long distance telecommunications services of other carriers.

In its *FY 1996 Regulatory Fee Report and Order*, the Commission amended its rule regarding the Telecommunications Relay Service Fund administrator to permit the National Exchange Carrier Association (NECA) to process regulatory fees on behalf of its pooling exchange carriers and to submit their consolidated fees to our lockbox bank in a single payment instrument. However, entities subject to regulatory fee payment should

be reminded that the regulatee, not an agent such as NECA, is responsible for ensuring that payment is made, and that there is a penalty for not submitting the entire fee in a timely manner.

### **Fee Payment Amount and Payment Type Code for ITSPs**

**Fee Payment Amount:** \$0.00343 per dollar of subject revenue

**Payment Type Code:** 1472

### **Regulatory Fee Obligation and FCC Form 499-A**

This *Fact Sheet* provides information for ITSP providers to prepare and to pay their ITSP regulatory fees. As in prior years, ITSP providers in FY 2014 will not receive a pre-completed regulatory fee bill (FCC Form 159-B) in the mail from the Commission. An ITSP regulatory fee bill will be created, but this bill will be available for viewing only by accessing Fee Filer at [www.fcc.gov/feefiler](http://www.fcc.gov/feefiler). ITSP providers are also required to make regulatory fee payments for all other fee categories. The ITSP bill that is accessible in Fee Filer is based on information that was provided on FCC Form 499-A, which was due on April 1, 2014, and includes revised 499-A filings processed through August 21, 2014.

### **MANDATORY USE OF FEE FILER**

The use of the online Fee Filer system for filing regulatory fees has not changed since the process was first initiated in FY 2009: licensees and regulatees must first enter the Commission's Fee Filer system with a valid FRN and password, and follow the online prompts to review their data and submit an electronic fee payment. Use of the online Fee Filer system is mandatory, and payments in the form of checks, money orders, and cashier's checks are no longer accepted.<sup>3</sup> A Form 159-E voucher will only be accepted when the regulatee is making a wire transfer payment. Instructions on the use and submission of Form 159-E vouchers are available on the Commission's website.

For wire transfers, a Form 159-E should be transmitted via FAX ((314) 418-4232)) to U.S. Bank so that the Commission can associate the wire payment with the corresponding regulatory fee payment.

#### **To Begin the Process:**

To begin the process of filing your FY 2014 ITSP regulatory fee, please access the FCC's Fee Filer web application located at: [www.fcc.gov/feefiler](http://www.fcc.gov/feefiler).

ITSP providers may incorporate within a single payment the ITSP fee and any other regulatory fee that is owed. After logging into Fee Filer with the FRN associated with the ITSP regulatory fee, a pre-completed worksheet resembling a Form 159-W will be presented.

After logging into Fee Filer, ITSP providers will have an opportunity to electronically edit the pre-completed ITSP worksheet. Upon completion of the edits, the provider can pay electronically.

**PLEASE NOTE:** Please note that if the Form 159-W worksheet is revised, it is the responsibility of the ITSP provider to file a revised 499-A form with USAC. Until this revised 499-A form is filed with USAC, the Commission will continue to use the 499-A form upon which the regulatory fee bill was created as the official regulatory fee amount due.

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<sup>3</sup> Payers should note that this change will mean that entities that have previously paid both regulatory fees and application fees at the same time by paper check will no longer be able to do so because regulatory fees payments by paper check will no longer be accepted.

**Payment methods for electronic filings:**

- Online Credit Card via Fee Filer (see paragraph below on limits to credit card transactions)
- Online ACH Debit from Bank Account, via Fee Filer
- Wire Transfer (preceded by a faxed (314-418-4232) copy of a Fee Filer-generated Remittance Voucher Form 159-E – see <http://www.fcc.gov/fees/wiretran.html> for full instructions.)

**LIMITATIONS ON CREDIT CARD TRANSACTIONS**

The U.S. Treasury will not process credit card transactions greater than \$49,999.99. Treasury Financial Manual (TFM) No. A-2012-02 (February 2012) directs agencies to limit credit card collections amounts not to exceed \$49,999.99. The revised policy, effective June 30, 2012, lowers the maximum dollar amount for a credit card transaction from \$99,999.99 to \$49,999.99, and eliminates the maximum dollar limit for a debit card transaction.

In addition, the U.S. Treasury will reject multiple credit card transactions from a single credit card in a single day that total more than \$49,999.99. The system will also reject transactions charged to a credit card on that day that exceed the total daily dollar limit of \$49,999.99. The FCC policy will conform to the U.S. Treasury policy. Fee payors needing to remit amounts of \$50,000.00 or greater must use alternative methods of payment: debit card, ACH or FedWire. The FCC will post warnings on FCC websites to remind licensees of the U.S. Treasury policy. Additional information can be found at <http://www.fcc.gov/regfees>.

Regulatory fee payments that exceed the U.S. Treasury limit and are rejected by Treasury, causing a payment not to meet the required payment deadline, will be subject to interest, fees, and a 25% late payment penalty.

**Corrections to ITSP Worksheet**

**De Minimis Fee Exemption (Less Than \$10):** Please review the information on the 159-W worksheet to ensure that the data used to calculate the fee amount is correct. If the data is correct and the total regulatory fee obligation, including the ITSP fee and all other FCC regulatory fees obligations, is less than \$10, then no FY 2014 regulatory fee is due. If that is the case, there is no need to respond to the Commission regarding the ITSP regulatory fee.

**Frequently Asked Questions:****Question 1. What is the FCC Form 499-A Telecommunications Reporting Worksheet?**

As required under the Communications Act of 1934, as amended,<sup>4</sup> the Commission has established, in a series of separate proceedings, procedures to finance interstate telecommunications relay services (TRS), universal service support mechanisms, administration of the North American Numbering Plan (NANPA), and shared costs of local number portability (LNPA). To accomplish these Congressional directed objectives, contributions are collected from all telecommunications carriers providing interstate telecommunications and certain other providers of telecommunications. In 1999, the Commission amended its rules so that for the purpose of determining their contribution(s), contributors to these mechanisms need only file the FCC Form 499-A Telecommunications Reporting Worksheet.<sup>5</sup> The FCC Form 499-A is filed by interstate service

<sup>4</sup> 47 U.S.C. §§151, 225, 251, 254.

<sup>5</sup> 1998 Biennial Regulatory Review -- Streamlined Contributor Reporting Requirements Associated with Administration of Telecommunications Relay Services, North American Numbering Plan, Local Number Portability, and Universal Service Support Mechanisms, CC Docket No. 98-171, Report and Order, 14 FCC Rcd 16602 (1999) (Contributor Reporting

providers each year on April 1. A copy of the form and instructions can be downloaded at <http://www.fcc.gov/forms>.

## **Question 2. Which companies must file an FCC Form 499-A?**

All providers of telecommunications and Interconnected VoIP services within the United States, with very limited exceptions, must file an FCC Form 499-A.<sup>6</sup> For this purpose, the United States is defined as the contiguous United States, Alaska, Hawaii, American Samoa, Baker Island, Guam, Howland Island, Jarvis Island, Johnston Atoll, Kingman Reef, Midway Island, Navassa Island, the Northern Mariana Islands, Palmyra, Puerto Rico, the U.S. Virgin Islands, and Wake Island. As a general matter, each legal entity that provides interstate telecommunications and Interconnected VoIP services for a fee, including each affiliate or subsidiary of an entity, must complete separately and file a copy of the FCC Form 499-A. The Commission, however, has adopted an exception to the separate legal-entity requirement, which enables contributors meeting certain criteria to file the FCC Form 499-A on a consolidated basis.

For purposes of determining whether an entity provides telecommunications, please note that the term "telecommunications" means the transmission, between or among points specified by the user, of information of the user's choosing, without change in the form or content of the information as sent and received. For the purpose of filing, the term "interstate telecommunications" includes, but is not limited to, the following types of services: wireless telephony including cellular and personal communications services (PCS); paging and messaging services; dispatch services; mobile radio services; operator services; access to interexchange service; interconnected Voice over Internet Protocol (VoIP) service, special access; wide area telecommunications services (WATS); subscriber toll-free services; 900 services; message telephone services (MTS); private line; telex; telegraph; video services; satellite services; and resale services. Note, for example, that all local exchange carriers provide access services and, therefore, provide interstate telecommunications. "Interconnected VoIP service" is defined in 47 CFR §9.3.

Note: Entities that offer interstate telecommunications and Interconnected VoIP services for a fee to the public, even if only to a narrow or limited class of users that utilize their services, must file the FCC Form 499-A and are subject to the universal service contribution requirement. This includes entities that provide interstate telecommunications to entities other than themselves for a fee on a private, contractual basis. In addition, owners of pay telephones, sometimes referred to as "pay telephone aggregators," must file this worksheet. Most telecommunications carriers must file this worksheet even if they qualify for the *de minimis exemption* under the Commission's rules for universal service.<sup>7</sup>

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*Requirements Order*).

<sup>6</sup> Section 254(d) applies not only to "every telecommunications carrier that provides interstate telecommunications services" but also to certain "other providers of interstate telecommunications." 47 U.S.C. §254(d) (emphasis added).

<sup>7</sup> See *Federal-State Joint Board on Universal Service, 1998 Biennial Regulatory Review – Streamlined Contributor Reporting Requirements Associated with Administration of Telecommunications Relay Service, North American Numbering Plan, Local Number Portability, and Universal Service Support Mechanisms, Telecommunications Services for Individuals with Hearing and Speech Disabilities, and the Americans with Disabilities Act of 1990, Administration of the North American Numbering Plan Cost Recovery Contribution Factor and Fund Size, Number Resource Optimization, Telephone Number Portability, Truth-in-Billing and Billing Format*, CC Docket Nos. 96-45, 98-171, 90-571, 92-237, 99-200, 95-116, 98-170, Further Notice of Proposed Rulemaking and Report and Order, 17 FCC Rcd 3752 (2002).

**Question 3. Should all FCC Form 499-A filers also pay ITSP regulatory fees?**

No. Interstate service providers that have mobile service or satellite service revenues but that do not have interstate local revenues or interstate toll revenues are exempt from payment of ITSP fees. Interstate service providers that provide service to only other carriers are also exempt from paying ITSP regulatory fees. Governmental entities and entities that are tax exempt under §501 of the Internal Revenue Code are exempt. Carriers whose total regulatory fee payment obligation is less than \$10 are also exempt. However, the vast majority of FCC Form 499-A filers are required to pay ITSP regulatory fees.

**Question 4. Should a carrier make a regulatory fee payment if it has not filed an FCC Form 499-A?**

Yes. If a telecommunications or Interconnected VoIP service provider offered interstate telecommunications services in 2013, then it should have filed an FCC Form 499-A, and pay the appropriate regulatory fee payment. The FCC Form 499-A was due on April 1, 2014 and should have contained revenue information for calendar year 2013. Carriers which have not yet filed the FCC Form 499-A should contact the Universal Service Administrative Company (USAC) at (888) 641-8722 in order to obtain a filing package and to be assigned a 6-digit Filer 499 ID number. If a carrier has forgotten its Filer 499 ID, it may contact USAC at (888) 641-8722, or it may access the Commission's online carrier *Locator*: <http://gullfoss2.fcc.gov/cib/form499/499a.cfm>.

**Question 5. What types of revenues are reported on the FCC Form 499-A?**

The FCC Form 499-A requires filers to disclose all revenues from all goods and services, including revenues from non-regulated and non-telecommunications services. Detailed information is submitted for telecommunications and Interconnected VoIP services provided to other carriers, for telecommunications and Interconnected VoIP provided to end users, and for other goods and services. The detailed information is used to classify revenues. Only certain revenues are subject to the ITSP regulatory fee.

**Question 6. When calculating the ITSP regulatory fee, what kind of costs can be deducted from revenues that appear on FCC Form 499-A?**

None. The ITSP regulatory fee is based on billed interstate and international end-user revenues for local and most toll services. Other types of revenues provided on FCC Form 499-A are excluded. Filers are not allowed to deduct any expenses from subject end-user revenues. Filers may not reduce revenues to reflect uncollectible amounts.

**Question 7. Where can I call to get help calculating my ITSP regulatory fee?**

Call the FCC Financial Operations Help Desk at (877) 480-3201, and select Option 4.



**DO NOT MAIL IN THIS FORM**

Approved by OMB  
3060-0589

**FCC FORM 159-W  
INTERSTATE TELEPHONE SERVICE PROVIDER WORKSHEET**

Payer Name:		Filer 499 ID (FCC Form 499-A, Line 101):
Calendar Year 2013 Revenue Information (show amounts in whole dollars)		
1	Service provided by U.S. carriers that both originates and terminates in foreign points. FCC Form 499-A, Line 412 (e)	
2	Interstate end-user revenues from all telecommunications services. FCC Form 499-A, Line 420 (d)	
3	International end-user revenues from all telecommunications and IVoIP services except international-to-international. FCC Form 499-A, Line 420 (e)	
4	Total interstate and international end-user revenues (Sum of lines 1, 2 and 3) <b>Note:</b> Also enter this number on Block (28A) - FCC Code 1.	
5	End-user interstate mobile service monthly and activation charges. FCC Form 499-A, Line 409 (d)	
6	End-user international mobile service monthly and activation charges. FCC Form 499-A, Line 409 (e)	
7	End-user interstate mobile service message charges including roaming charges but excluding toll charges. FCC Form 499-A, Line 410 (d)	
8	End-user international mobile service message charges including roaming charges but excluding toll charges. FCC Form 499-A, Line 410 (e)	
9	End-user interstate satellite service. FCC Form 499-A Line 416 (d)	
10	End-user international satellite service. FCC Form 499-A Line 416 (e).	
11	Surcharges on mobile and satellite services identified as recovering universal service contributions and included in Line 403 (d) or 403 (e) on your FCC Form 499-A. <b>Note: You may not include surcharges applied to local or toll services, nor any surcharges identified as intrastate surcharges.</b>	
12	Interstate and international revenues from resellers that do not contribute to USF. FCC Form 499-A, Line 511 (b)	
13	Total excluded end-user revenues. (Sum of lines 5 through 12.) <b>Note:</b> Also enter this number on Block (29A) – FCC Code 2.	
14	Total subject revenues. (Line 4 minus Line 13) Also enter this number on Block (25A) – Quantity. <b>Please round to nearest dollar.</b>	
15	Interstate telecommunications service provider fee factor	.00343
16	2014 Regulatory Fee (Line 14 times Line 15). Also enter this number on Block (27A) – Total Fee. You are exempt from filing if the sum of all regulatory fees due on Line 16 is less than \$10. <b>Note: This is only a worksheet for your records and should not be used to accompany your payment.</b>	<b>Please Round to Nearest Dollar</b>

**FCC NOTICE TO INDIVIDUALS REQUIRED BY THE PAPERWORK REDUCTION ACT**

The public reporting for the two collections of information mentioned herein are estimated as follows: FCC Form 159-W (3060-0949), 15 minutes per response; FCC Form 499-A (3060-0855), 10 to 13.5 hours per response; and FCC Forms 159 and 159-C (3060-0589), 10 minutes to 4 hours. The estimated time to respond includes the time for reviewing instructions, searching existing data sources, gathering and maintaining the required data, and completing and reviewing the collection of information. If you have any comments on this burden estimate, or how we can improve the collection, please write to the Federal Communications Commission, AMD-PERF, Paperwork Reduction Project ((3060-0949), (3060-0855), and/or (3060-0589), Washington, DC 20554. We will also accept your comments via the Internet if you send them to pra@fcc.gov. PLEASE DO NOT SEND COMPLETED FORMS TO THIS ADDRESS.

You are not required to respond to a collection of information sponsored by the federal government, and the government may not conduct or sponsor a collection, unless it displays a currently valid OMB control number. FCC Form 159-W has been assigned OMB Control Number 3060-0949; FCC Form 499-A has been assigned OMB Control Number 3060-0855; and FCC Forms 159 and 159-C have been assigned OMB Control Number 3060-0589.

**THE FOREGOING NOTICE IS REQUIRED BY THE PAPERWORK REDUCTION ACT OF 1995, P.L. 104-13, OCTOBER 1, 1995, 44 U.S.C. SECTION 3507.**

**-FCC-**