



# Contributor Office Hours

Traffic Studies

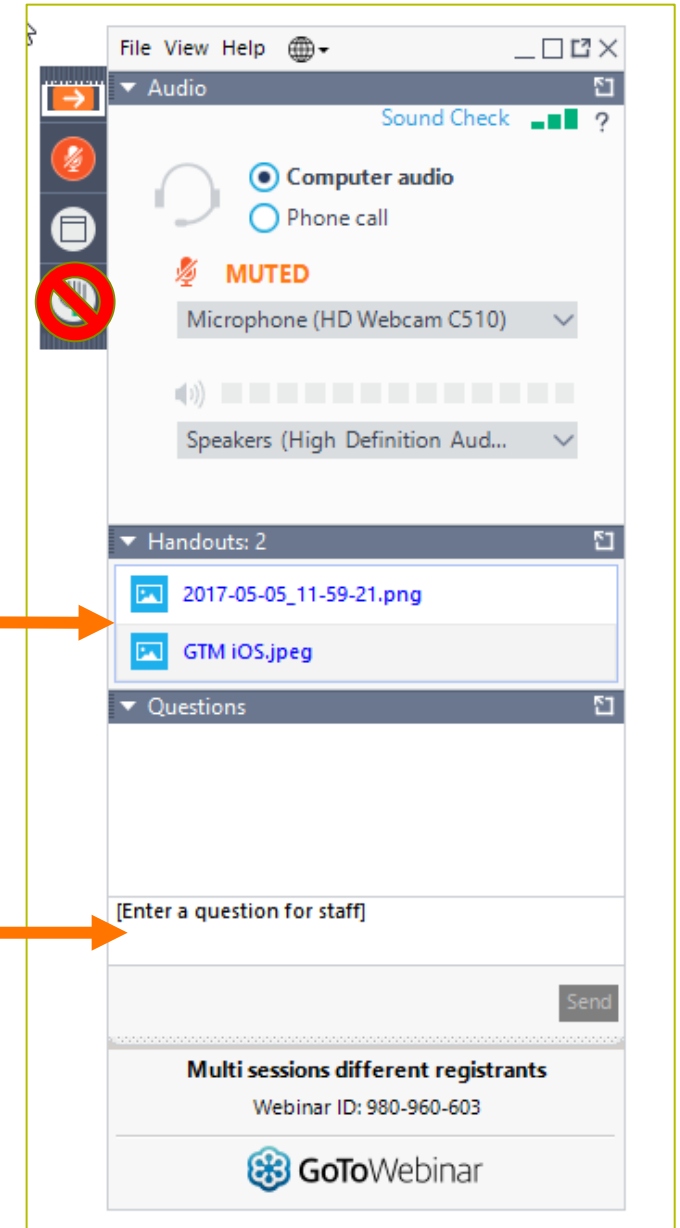
November 8, 2024

# DISCLAIMER

To accommodate all attendees, real-time closed captions will be present during this presentation. We apologize in advance for any transcription errors or distractions. Thank you for your support.

# Housekeeping

- The audience will remain on mute.
- If your audio or slides freeze, restart the webinar.
- A copy of the presentation is in the **'Handouts'** section of webinar panel.
- Enter questions at any time using the **'Questions'** panel.



# Webinar Recordings

Please be aware that this webinar is being recorded.

A copy of the recorded webinar, along with a copy of the presentation will be available on the Service Provider's '**Webinars**' [webpage](#) within two days.

Future webinars are also posted on the webpage as well as their registration link. At the beginning of each quarter, all webinars scheduled for that quarter will be posted.

# Meet Our Presenter

## **Amy Kavelman**

Senior Telecom Industry Analyst | Contributor Operations

Ms Kavelman is a member of the 499 team that analyzes revenue reported on the FCC Form 499-A. She has worked at USAC for 14 years.

# Agenda

- Introduction
- Switch from Safe Harbor
- Traffic Studies
- Saving and Submitting
- Questions
- Assistance Resources

# “Office Hours” Webinar Format

- Office Hours will be held monthly.
- Brief presentation of a common topic at the beginning
- Open the floor to questions from attendees
  - Attendees type their question in the ‘Questions’ box in the GoToWebinar panel
  - USAC staff will repeat the question so everyone can hear
  - USAC staff will answer the question, keeping identify of the asker private
  - If question contains specific company information, USAC staff will follow-up with an email, keeping the question private.

# **Switching From Safe Harbor**

Interstate and International Jurisdictions



# Safe Harbor

## Determining Interstate and International Revenue Jurisdictions

When companies are unable to determine the amount of revenue to allocate as interstate and international, for certain services they can use the Safe Harbor percentages outlined in the FCC Form 499-A instructions.

- 64.9% of VoIP revenue
- 37.1% of cellular and broadband PCS telecommunications revenues
- 12.0% of paging revenues
- 1.0% of analog SMR dispatch revenues

# Safe Harbor

**Safe Harbor is only used for the revenues with unknown jurisdictions**

For example,

If a company charges \$100 for local and \$50 for anywhere long distance. The safe harbor would be applied only to the \$50 long distance.

But if a company does not charge local and long distance separately and charges \$100 for unlimited US calling then the safe harbor would be applied to the entire \$100.

# Safe Harbor

Filers check a box on the 499-Q to select which services are using Safe Harbor for a particular quarters projections.

- For example a filer may use the paging safe harbor , but still use a traffic study or actual call detail records to report cellular revenues.

The method you use to determine your projections for the quarterly FCC Form 499-Q **must** be the method used on the annual FCC Form 499-A.

# Safe Harbor

All Affiliated Filers must make the same election each quarter using the same safe harbor type.

For example,

if a wireless telecommunications provider filer projected revenue based on the wireless Safe Harbor for paging (12%), all its affiliates would need to use the safe harbor for paging services.

However the same wireless telecommunications provider and all affiliates could use a traffic study to report interstate revenues for its cellular telecommunications services.

(Note: Traffic Studies are based on the individual affiliated filer's traffic not combined traffic .)

# Switching from Safe Harbor

When companies wish to lower their contribution base, they often switch to using actual call detail records (CDR) or traffic studies to determine the amount of revenue to allocate as interstate and international.

When this change of methodology occurs, the annual revenue reporting **must** follow the quarterly jurisdiction determination method you used in your projections for the quarterly FCC Form 499-Q.

- For example, if a filer projected revenue based on a Safe Harbor percentage for the first two quarters (Nov and Feb 499Q's), and based on traffic studies for the final two quarters (May and Aug 499Q's), when its time to file the Form 499A Annual Revenues the filer would :
  - Apply the Safe Harbor percentage on the actual billings of the first half of the year's revenues
  - Apply the Traffic Study percentage on the actual billings of the final two quarters of the year.

# Switching from Safe Harbor

**The best (easiest) time to switch from using the Safe Harbor percentage to traffic studies is with the 1<sup>st</sup> quarter filing of the year – the November FCC Form 499-Q.**

- On that form, you are projecting revenues for the 1<sup>st</sup> quarter.
- Keeping methodology consistent for all quarters simplifies annual revenue reporting on the applicable Form 499-A due the following April.

# Traffic Studies

# Traffic Study Format

- In developing their traffic studies, such providers may rely on [statistical sampling](#) to estimate the proportion of minutes that are interstate and international.
- Sampling techniques must be designed to produce [a margin of error of no more than one percent with a confidence level of 95%](#).
- If the sampling technique does not employ a completely random sample (e.g., if stratified samples are used), then the respondent must document the sampling technique and explain why it does not result in a biased sample.
- Traffic studies should include, at a minimum: (1) an explanation of the sampling and estimation methods employed and (2) an explanation as to why the study results in an unbiased estimate with the accuracy specified above.

*Source: Page 43 of 2023 FCC Form 499-A Instructions*



# Traffic Study Format – USAC tips

- Any revenues associated with charges on customer bills that are identified as interstate or international must effectively be accounted for as 100 percent interstate or international on line 414 and not be included as part of the traffic study.
- The jurisdiction is based on the originating and terminating point of the communication, and not on the physical location of the circuit.
- Interstate and international telecommunications means: communications or transmission between a point in one state, territory, possession of the United States or the District of Columbia and a point outside that state, territory, possession of the United States or the District of Columbia.
  - A call from Virginia to Illinois is considered interstate.
  - Please note that if a local service area extends beyond state lines, then a portion of the local service revenues will have to be allocated to interstate.

# Traffic Study Format – USAC tips

- Look at the origination and termination of all calls for the time period, total up the minutes of all calls, then total the minutes by sub categories: intrastate, interstate and international. Take the total of interstate calls divided by total of all calls to determine the interstate percentage you will be using.
- For example here is a summary table that could be submitted. If further detail or supporting documents are required, USAC will ask for it.

Type	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	%
Local Outbound														
Long Distance														
Intrastate														
Interstate														
International														
Toll Free														
Total														

# Traffic Study Compliance

Failure to file the Worksheet, submit traffic studies (if applicable), submit supporting documentation upon request, and pay contributions in a timely fashion may subject entities to the enforcement provisions of the Communications Act and any other applicable law. (page 14 of 2021 FCC Instructions to the Form 499A)

In addition, filers that rely on traffic studies must submit those studies to USAC at the time of the FCC Form 499-A filing.

# Traffic Study Compliance

- Submit your documentation by email to '[Form499@usac.org](mailto:Form499@usac.org)' when you file your annual form, the FCC Form 499-A.
  - Submitting quarterly traffic studies is no longer required.
  - Include your 499 filer id, company name and time period covered in the subject line of your email.
  - Include your 499 filer id, Company name, on the top of each page of the Traffic Study
- Submit timely traffic studies
  - A new traffic study must be completed every year.
  - You cannot rely on a traffic study performed 2 years ago.

**Questions?**

# E-File Message Portal

499 Forms   Payments   **Messages (0)**

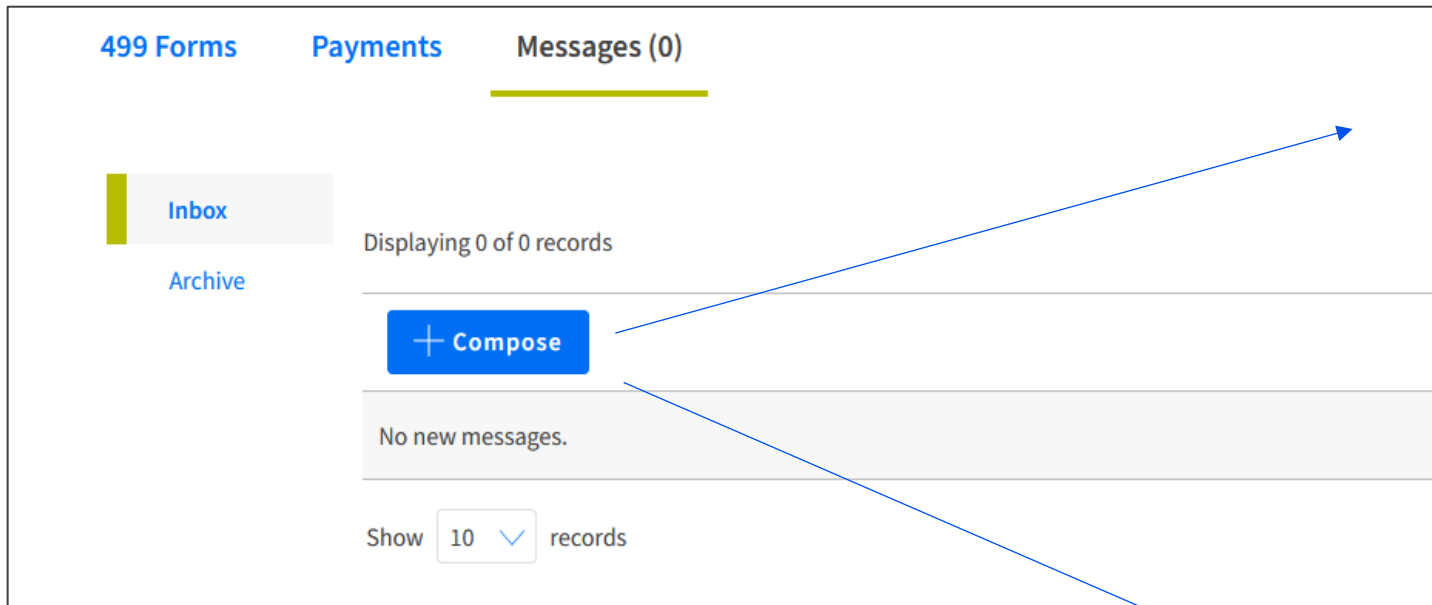
**Inbox**  
Archive

Displaying 0 of 0 records

**+ Compose**

No new messages.

Show  records



Send a message to the Service Provider team directly through the new Message Portal in E-File!

## New Message

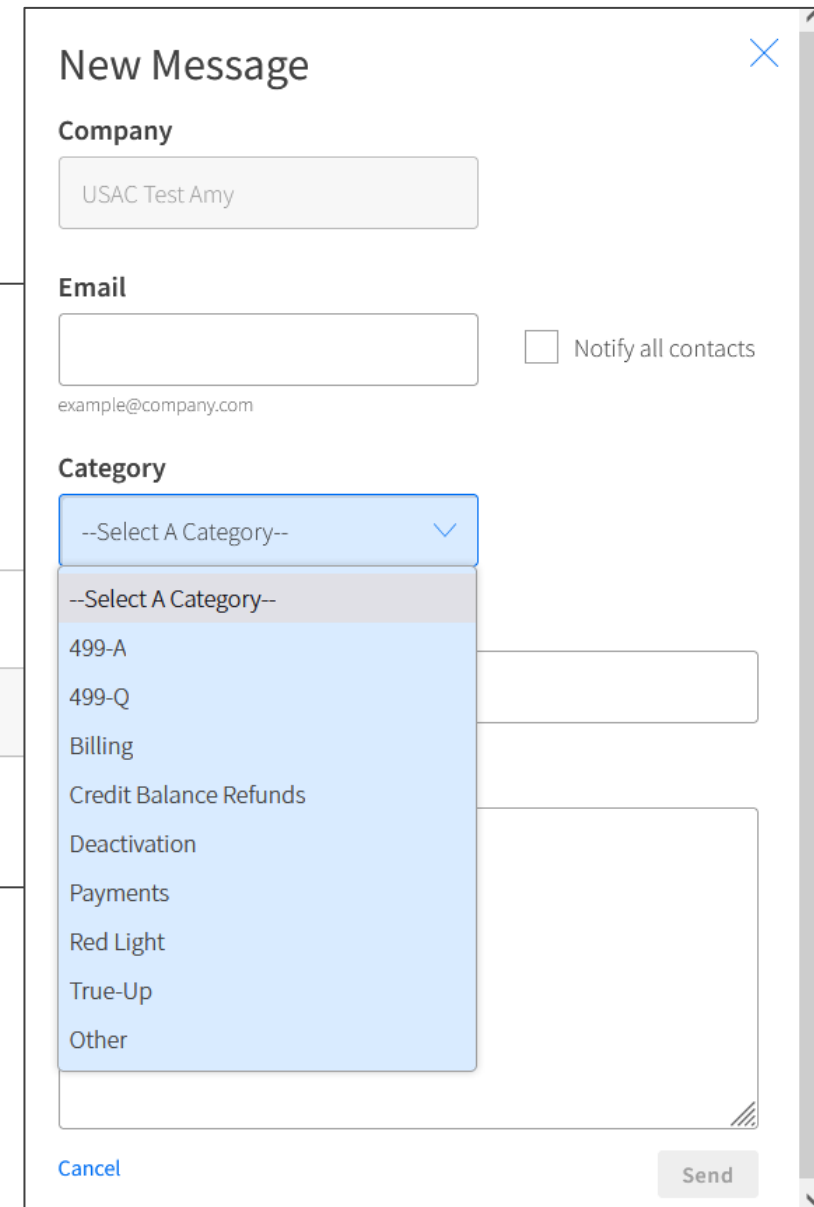
**Company**

**Email**  
  
example@company.com

Notify all contacts

**Category**  
--Select A Category--  
--Select A Category--  
499-A  
499-Q  
Billing  
Credit Balance Refunds  
Deactivation  
Payments  
Red Light  
True-Up  
Other

Cancel



# Contributors/Service Providers Customer Service Center (CSC)



**Call us at (888) 641-8722**

Monday – Friday 9 a.m. to 5 p.m. ET



**Email:** [CustomerSupport@usac.org](mailto:CustomerSupport@usac.org)

- Include in your email
  - 498 ID/Service Provider ID Number (SPIN)
  - 499 Filer ID

**Thank You!**







**Universal Service**  
Administrative Co.