

Oklahoma Universal Service Fund
Connections-Based Assessment Methodology
November 1, 2021 – June 30, 2023
FREQUENTLY ASKED QUESTIONS

CONNECTIONS-BASED REPORTING TO THE OUSF

1. Did the OUSF assessment methodology change in 2021?

The contribution methodology for funding the Oklahoma Universal Service Fund and Oklahoma Lifeline Fund was modified to a connections-based assessment methodology, consistent with the Commission’s findings and conclusions and the Joint Stipulation and Settlement Agreement in the Oklahoma Corporation Commission’s [Interim Order in Cause No. OSF 201900316](#), issued on August 5, 2021.

2. When does the OUSF connections-based assessment methodology go into effect?

The revenue-based assessment payments under Interim Order No. 695781 will continue through October 31, 2021, and cease on November 1, 2021. Note that, under the Revenue-Based reporting methodology, **September 2021 revenues** must be reported to the OUSF Manager and the related assessment paid by **October 31, 2021**. The connections-based methodology becomes effective on November 1, 2021.

For the initial transition month, November 2021, the number of **connections at September 30, 2021**, will be reported for the **October 2021** assessment period and the related assessment paid on or by **November 15, 2021**.

Although two different reporting metrics will be used for the month of September 2021:

- 1) September 2021 Revenue-Based reporting, due by October 31, 2021;
- 2) Connections at September 30, 2021, for the October 2021 assessment period, due by November 15, 2021

No Contributing Provider will pay more than twelve (12) monthly assessments during the calendar year 2021.

3. What is the OUSF connections-based assessment rate?

The initial connection-based assessment is set at \$1.14 per connection, for the October 2021 – November 2022 assessment periods. On November 29, 2022, the Commission issued an [Interim Order in Case No. OSF 2022-000045, Order No. 730170](#), approving a connections-based assessment of \$1.85 per connection. Payments of the revised assessment shall begin on January 15, 2023, based on the number of connections provided by each Contributing Provider on November 30, 2022, and reported to the Administrator for the December 2022 assessment period and due by January 15, 2023.

4. What is the customer notification process and does my company need to file tariff updates?

A Contributing Provider, in accordance with 17 O.S. 139.106(E), may elect to pass the assessment amount through to its retail customers. If the Contributing Provider elects to do so and has an existing tariff or terms of service that addresses the company’s pass through mechanism or process, in addition to meeting any requirements described in the existing tariff or terms of service regarding changes to the assessment, the Contributing Provider, will need to amend their tariff or terms of service. Such tariff amendments, would be accomplished through the submission process as provided in OAC 165:55-5-10(c) and, to the extent applicable, any

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required customer notice will be accomplished in accordance with OAC 165:55-5-11. Revisions to terms of service can be accomplished in accordance with OAC 165:55-5-1(d).

Contributing Providers that are not required, under the Commission’s rules, to have tariffs or terms of service, will provide notice to customers of the change in accordance with the applicable service agreement(s) with their customers.

5. When should my company begin to pass-through the new connections assessment to customers?

The last monthly revenue-based assessment payment, for the September 2021 assessment period, is due by October 31, 2021. The first connections-based assessment payment is due by November 15, 2021, is based on the number of connections at September 30, 2021, and will be reported for the October 2021 assessment period. A Contributing Provider may, at its option, recover the amount it pays into the OUSF from its retail customers as provided in the Oklahoma Telecommunications Act. The Public Utility Division and OUSF Administrator would direct you to [OAC 165:59-3-46](#) for guidance.

6. What is a Connection?

The Stipulated Settlement Agreement (“Settlement”), as supported by the testimony of the Administrator, contains provisions that specify the basis for how Contributing Providers are to calculate their number of connections for purposes of applying the OUSF per connection assessment amount.

Item No. 3 at page 2 of the Settlement provides:

For purposes of calculating the total number of assessable connections, as that term is used herein, to determine its monthly assessment obligation, Contributing Providers shall:

- (i) report the number of connections they provide on the last day of the reporting period that allow access to the PSTN in Oklahoma, based on the applicable definition(s) of connections as utilized for reporting on the FCC's Form 477, regardless of whether or not the Contributing Provider is required by federal law to directly report on the FCC Form 477;*

The reliance on the existing definitions and directions utilized in the FCC Form 477 provided for the creation of a process with which Contributing Providers already had experience and understanding. However, the FCC Form 477 captures significant amounts of information, much of which is unrelated to consideration of the number of connections in Oklahoma that allow access to the Public Switched Telephone Network (“PSTN”). Accordingly, in an effort to bring necessary clarity as to how Contributing Providers will identify their number of connections to be reported, the information provided below reflects the definitions and directions from the FCC Form 477 instructions specific to the nature of the services and methodology for calculating the number of connections.

Connection Type	Definition	Connection Count
Local Exchange Telephone	Local exchange or exchange access services allow end-users to originate and/or	Count these lines in voice-grade equivalents (VGEs) based on the service that the

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	<p>terminate local telephone calls on the public switched telephone network, whether used by the end user for voice telephone calls or for other types of calls carried over the public switched telephone network (for example, lines connected to facsimile equipment or lines used occasionally or exclusively for dial-up connection to the Internet).</p>	<p>end-user customer has bought. Count as one voice-grade equivalent line: traditional analog POTS lines, Centrex-CO extensions, and Centrex-CU trunks. When the end-user customer has bought channelized service, report VGEs of the activated, charged-for channels and do not report the theoretical capacity of the underlying circuit.</p>
<p>Interconnected VoIP Subscription</p>	<p>Interconnected VoIP service is a service that: (1) enables real-time, two-way voice communications; (2) requires a broadband connection from the user’s location; (3) requires Internet-protocol compatible customer premises equipment; and (4) permits users generally to receive calls that originate on the public switched telephone network and to terminate calls to the public switched telephone network. See 47 C.F.R. § 9.3.</p>	<p>Count the maximum number of interconnected VoIP calls that the end-user customer may have active—at the same time (that is, simultaneously)—between the customer’s physical location and the public switched telephone network. The maximum number of such calls may be set out under the terms of service agreements with business, institutional, or government customers, or it may be determined by some other method that best reflects customer needs and requirements.</p>
<p>Mobile Telephony</p>	<p>A mobile voice service is a real-time, two-way switched voice service that is interconnected with the public switched network using an in-network switching facility that enables the provider to reuse frequencies and accomplish seamless handoff of subscriber calls. See 47 C.F.R. § 20.15(b)(1).</p>	<p>Count as a subscriber a mobile handset, car-phone, or other revenue-generating, active, voice unit that has a unique phone number and that can place calls to and receive calls from the public switched telephone network.</p>

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For additional reference, detailed information about the current Form 477 reporting requirements is available at <https://www.fcc.gov/economics-analytics/industry-analysis-division/form-477-resources>. See [Glossary](#) for definitions of terms used in this report.

7. Who is required to report to the OUSF under the connections-based assessment methodology?

Contributing Providers that provide access to the Public Switched Telephone Network (“PSTN”) in Oklahoma shall report the number of connections based on the applicable definition(s) of connections as utilized for reporting on the FCC’s Form 477, regardless of whether or not the Contributing Provider is required by federal law to directly report on the FCC Form 477.

8. My company is not required to report on the FCC Form 477. Are we subject to OUSF assessment under the connections-based assessment methodology?

Yes, all Contributing Providers, regardless of their reporting status with the FCC for the Form 477, are subject to the OUSF assessment and are required to report the number of connections they provide in Oklahoma that allow access to the Public Switched Telephone Network.

9. My company does not connect to the PSTN. Are we subject to OUSF assessment under the connections-based contribution methodology?

If the local exchange, exchange access, interconnected VoIP or mobile service provided to the end-user does not allow for a voice call to be placed to or received from the public switched telephone network, then, for that service, there would not be a connection to report for assessment purposes.

10. My company provides stand-alone long-distance service. Is it required to report to the OUSF under the connections-based assessment methodology?

Stand-alone Long Distance Service Providers, meaning those offering long distance service only and do not offer local exchange, exchange access, interconnected VoIP, or mobile service in conjunction with long distance service, may have no connections to report, and if so, such providers are no longer subject to OUSF assessment under the connection-based assessment methodology. However, such providers are still required to report to the OUSF under the connections-based methodology, even if reporting zero connections.

11. How frequently must my company report connections to the OUSF under the connections-based assessment methodology?

Contributing Providers must report monthly based on one of the following reporting intervals:

- Monthly: Report the number of connections provided in Oklahoma on the last day of the reporting period that allow access to the PSTN, based on the applicable definition(s) of connections as utilized for reporting on the FCC’s Form 477, regardless of whether or not the Contributing Provider is required by federal law to directly report on the FCC Form 477.
- Quarterly: Must be **authorized** by the OUSF Manager. **NOTE:** Authorized Quarterly filers must report and pay on a Monthly basis. Filers will report the **same** number of

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connections and pay the related assessment based on the number of connections at the last day of the reporting quarter. Filers will report the same number of connections each month for the calendar quarter. For example, a Quarterly filer must report the number of connections at quarter-ending September 30, 2021 on November 15, 2021, December 15, 2021 and January 15, 2022.

- Contributing Providers seeking to use quarterly reporting of their connections will need to submit a request in advance to the OUSF Manager for authorization to use quarterly reporting. In order to qualify for Quarterly reporting, the Contributing Provider, within its request for authorization, must provide the following:
 - 1) the count of connections at the end of the most current quarter;
 - 2) the count of connections at the end of each of the past 4 quarters and demonstrate that the previous connection counts for each of the past 4 quarters prior to the request have not varied more than 5% in any given quarter as compared to the previous quarter and there has not been more than a total of 5% variance between the first quarter and the last;

Once authorized to utilize quarterly reporting, the Contributing Provider will utilize the same number of connections at the end of the previous quarter for each subsequent monthly assessment to the OUSF. If the number of connections reported in a quarter has a variance of greater than 5% as compared to the previously reported quarter or the variance between the reported quarter and the same quarter the previous year is greater than 5%, the Contributing Provider must move to Monthly reporting for the next reporting period.

12. How are Lifeline connections treated under the connections-based assessment methodology?

The number of connections that are supported by the Lifeline federal low-income support mechanism as submitted to the USAC Lifeline Claims System used for Lifeline claims certification are not assessable for OUSF purposes. They will be reported to the OUSF Administrator on the Carrier Remittance Worksheet and subtracted from the Total Number of Connections.

13. How are Wholesale connections treated under the connections-based assessment methodology?

The number of wholesale-service connections, as reported on the FCC Form 477 or provided by a Contributing Provider that does not report on the FCC Form 477, are not assessable for OUSF purposes. They will be reported to the OUSF Administrator on the Carrier Remittance Worksheet and subtracted from the Total Number of Connections.

14. How do I report to the OUSF under the connections-based assessment methodology?

A Contributing Provider must submit its Carrier Remittance Worksheet (CRW) using the OUSF E-File platform located at <http://usf.vantagepnt.com>.

For purposes of calculating the total number of assessable connections, to determine its assessment obligation, Contributing Providers will report the following to the OUSF Manager:

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1) Total Number of Connections

The number of connections provided in Oklahoma on the last day of each reporting month that allow access to the PSTN, based on the applicable definition(s) of connections as utilized on the FCC Form 477, regardless of whether the Contributing Provider is required by federal law to directly report on the FCC Form 477. Alternatively, upon approval by the Administrator, Contributing Providers may apply to use data from their billing system in lieu of the number of connections on the last day of a reporting period in order to calculate contributions to the OUSF as long as the calculation is based on all connections that allow access to the Public Switched Telephone Network (“PSTN”) in Oklahoma.

2) Number of Federal Lifeline-Supported Connections

Report the number of connections that are supported by the Lifeline federal low-income mechanism as submitted to the USAC Lifeline Claims System used for Lifeline claims certification.

3) Number of Wholesale Connections

Report the number of wholesale-service connections as reported on the FCC Form 477, or, if you are a Contributing Provider that does not file a FCC Form 477, the number of wholesale connections provided.

4) Total Number of Assessable Connections

The Total Number of Connections minus the Number of Federal Lifeline-Supported Connections and minus the number of wholesale connections results in the total assessable connections to be used for calculating the assessment obligation.

15. When is a Carrier Remittance Worksheets (CRW) and payment due to the OUSF under the connections-based assessment methodology??

Monthly Filers:

The number of connections provided in Oklahoma shall be reported on the 15th day of the second month following the end of the reporting period (for example, reporting for the month of January would be due by March 15th and would include the total number of connections, the total number of Lifeline supported connections, and the total number of wholesale connections which will be used to calculate the number of assessable connections as of the last day of January).

Quarterly Filers:

If **authorized** by the OUSF Manager, Contributing Providers may report on a calendar quarter basis. Authorized Quarterly filers must report and pay on a Monthly basis. Filers will report the **same** number of connections and pay the related assessment based on the number of connections at the last day of the reporting quarter. Filers will report that number of connections each month for the calendar quarter. For example, a Quarterly filer must report the number of connections at quarter-ending September 30, 2021 on November 15, 2021, December 15, 2021 and January 15, 2022.

Please refer to the Reporting and Payment Schedule - Attachment A for the full list of Monthly and Quarterly CRW and payment due dates.