

Arkansas High Cost Fund 2025 Carrier Revenue Report Instructions

I. Filing Requirements and General Instructions

A. Introduction

The Arkansas Public Service Commission's ("ARPSC") Docket No. 07-062-R Order No.6 (dated 7/20/07) has repealed the Arkansas Universal Service Fund ("ARUSF") Rules.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 ("AHCF") 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 AHCF (Rule 4.01). Vantage Point Solutions ("Vantage Point") has been selected by the ARPSC to serve as the Administrator of the AHCF as of August 9, 2024. As the Administrator, Vantage Point performs all the AHCF implementation, management and administration functions.

On December 19, 2024, Vantage Point filed an AHCF Assessment Rate Change in Docket No. 97-393-A with the Arkansas Public Service Commission. Effective February 1, 2025 and until further notice, the AHCF assessment rate is **11.92%**.

B. Who Must File

ARPSC 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 AHCF. A telecommunications provider may recover the amount of its contribution to the AHCF from its intrastate retail telecommunications service customers. Telecommunications providers include wireless telecommunications carriers but not providers of radio paging services. The ARPSC High Cost Fund Rules can be found at the following web site address by searching for Docket No. 07-062-R: https://apps.apsc.arkansas.gov/olsv2/docket_search.asp.

C. How to Register with the AHCF

To register with the AHCF, the AHCF Registration Form (Attachment D) must be completed online via E-File at <https://usflogon.vantagepnt.com/>. The AHCF Company Code will be assigned by the AHCF Administrator upon registration.

List the date the provider began operating in Arkansas. Note that the AHCF assessment obligation applies from the start of service. The provider may need to complete multiple monthly carrier revenue reports to bring its reporting requirement into compliance. For example, if your company began providing service in Arkansas in August 2024, but does not register with the AHCF until January 2025, it is required to report its intrastate revenues to the AHCF from August 2024 forward and pay the related past due assessments late payment fees.

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I. Filing Requirements and General Instructions (cont'd)

The Primary Communications Business type must be indicated. If the provider is certificated with the Arkansas Public Service Commission, please select the Primary Communications Business type based on its certification. Please refer to the chart below for acronym definitions:

Primary Communications Business types:

Select the communications business type that best describes the principal carrier activity. Primary business type is not determinative of whether or not the reporting entity is providing connections subject to assessment under the connections-based methodology.

- LEC – Local Exchange Carrier – authorized provider of local exchange telecommunications service.
- IXC – Interexchange Carrier – Facilities-based provider of interexchange services.
- CLEC – Competitive Local Exchange Carrier- Competes with incumbent local exchange carrier to provide local exchange telecommunications services.
- CAP – Competitive Access Provider – Competes with incumbent local exchange carrier to provide services that link customers with interexchange facilities, local exchange networks or other customers.
- CELL – includes Cellular, CMRS (Commercial Mobile Radio Service), SMR/ESMR (Enhanced Specialized Mobile Radio), PCS (Personalized Communications Services) and Paging. Any wireless or paging services, including airphone revenues that interface into the public switched network are included in the assessment.
- OSP – Operator Service Provider – Companies other than LECs that provide services to customers needing the assistance of an operator such as to complete away-from-home calls or calls using alternative billing arrangements. These companies typically employ operators, as well as credit and cash card technologies, to complete calls.
- PAY – Payphone Service Provider – Provides customers access to telephone networks through pay telephone equipment.
- SAT – A satellite telephone, satellite phone, or satphone is a type of mobile phone that connects to orbiting satellites instead of terrestrial cell sites. They provide similar functionality to terrestrial mobile telephones; voice, short messaging service and low-bandwidth internet access are supported through most systems.
- VoIP – Interconnected Voice over Internet Protocol includes both fixed and nomadic versions of the service, with fixed VoIP service able to be used at only one location, and nomadic VoIP service able to be used at multiple locations. Interconnected Voice over Internet Protocol means a service that:
 - (A) enables real-time, two-way voice communications;
 - (B) requires a broadband connection from the user's location;
 - (C) requires Internet protocol-compatible customer premises equipment; and
 - (D) permits users generally to receive calls that originate on the public switched telephone network and to terminate calls to the public switched telephone network.

D. When to File - (See Attachment A)

The 2025 AHCF contribution period will include intrastate retail revenues billed for the period January 1, 2025 through December 31, 2025. Monthly worksheets and remittances must be **received** by the Administrator according to the filing schedule at Attachment A “2025 AHCF Reporting & Payment Schedule”.

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I. Filing Requirements and General Instructions (cont'd)

D. When to File - (See Attachment A) (cont'd)

Revenue earned in one month must be reported to the AHCF on or before the 15th of the following month or the next business day if the 15th falls on a weekend or holiday.

- **Monthly:** Report intrastate retail revenue and pay the related assessment for each month by the 15th of the following month (e.g. the March 2025 revenues and related assessment must be received (and payment processed) no later than April 15, 2025).
- **Quarterly:** Report **actual** intrastate retail revenue and pay the related assessment for each quarter by the 15th following the end of each quarter (e.g. the July - September 2025 (3rd Quarter) revenues and related assessment must be received (and payment processed) no later than October 15, 2025).
- **Annual:** Report **actual** intrastate retail revenue and pay the related assessment for the January 1, 2025 – December 31, 2025 period following the end of the calendar year. The 2025 revenues and related assessment must be received (and payment processed) no later than February 17, 2026.

All Filings must be received by the AHCF Administrator by the due date. All payments must be received and posted by Encore Bank by the due date. Postmark does not constitute receipt.

E. Where to File

Filings, which include the AHCF Registration (Attachment D) form and Carrier Revenue Reports, must be submitted on the Vantage Point USF Solutions website using the E-File platform at: <https://usflogon.vantagepnt.com/>. Doing so reduces errors, ensures a report is complete and reduces administrative resources and late fees. E-File is available 24 hours a day, 7 days a week. Carrier Revenue Reports must be received by the AHCF Administrator by the due date.

F. Payments

Payments must be remitted directly to Encore Bank. Electronic payment may avoid delays and penalties. Contact Vantage Point Solutions, AHCF Administrator, for electronic payment information. See Attachment B for payment submission instructions. AHCF payments must be received and processed by Encore Bank on or before the due date. Postmark does not constitute receipt.

G. Compliance

Carriers failing to submit an AHCF 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 email to the contact designated by the carrier to receive such notices. Failure of a carrier to participate in the AHCF mechanism and pay an assessed contribution will be considered a violation of the Commission's ARHCF rules. *See: ARHCF Regulations, §3.06.*

Arkansas High Cost Fund 2025 Carrier Revenue Report Instructions

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

Section 1 - Carrier Identification Information

Company Code

The company code starts with “AR” followed by six digits. The company code is assigned by the AHCF Administrator upon registration. Companies owning separate legal entities and separate lines of business (e.g. a local exchange entity and a wireless entity), must file a separate worksheet for each entity. Once the AHCF Administrator has assigned a unique company code to your company, all future correspondence must reference this code.

IMPORTANT NOTE: Please reference your Company Code in all correspondence from your company, including remittance checks, Electronic Fund Transfers, Emails, etc. This is especially important with regard to remittances as payments are applied to carrier accounts based on the Company Code.

Carrier Identification:

Upon selecting the Company Name, company information, including primary communications business type and company code will be displayed.

Submission Date

The Submission Date is the date the worksheet is being filed online and is automatically populated.

Revenue Data Period

Select the Revenue Data Period. The Revenue Data Period indicates the Year and Month or Quarter that corresponds to the data being reported. Carriers should report according to the reporting frequency assigned to them by the Administrator. The reporting frequency based on the level of revenues previously reported. A carrier’s filing frequency may be adjusted by the Administrator during the course of the year. If there is a question, please contact the Administrator. Please see Attachment A for “AHCF Reporting and Payment Schedule”.

Submission Type - Original or Revision

The system will automatically indicate if this is the initial (Original) submission for a data period. A Revision will be indicated when an Original worksheet already exists for the selected filing period. If you wish to revise a previously filed report, select the reporting period to be revised. 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.

Section 2 – Intrastate Retail Revenue Data

Line 5 – Intrastate Retail Revenues Only

Enter the figure for the carrier’s total billed intrastate retail revenues that are assessable for AHCF purposes. If no revenues were billed, please enter a 0 in this field. **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.

Arkansas High Cost Fund 2025 Carrier Revenue Report Instructions

II. Line-By-Line Instructions for Completion of the AHCF Worksheet (cont'd)

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 AHCF 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 AHCF assessment.

Section 2 – Intrastate Retail Revenue Data (cont'd)

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 end users.
- 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 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:

- Local, state, and federal taxes.
- Interstate long distance and special access services.
- Federal USF payments.
- Support payments from AHCF.
- 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.

Line 6 – 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.

Arkansas High Cost Fund 2025 Carrier Revenue Report Instructions

II. Line-By-Line Instructions for Completion of the AHCF Worksheet (cont'd)

Section 2 – Intrastate Retail Revenue Data (cont'd)

Line 7 – Revenue Subject to Arkansas HCF Assessment

The uncollectible intrastate revenue amount on Line 5 is subtracted from the total billed intrastate revenue figure on Line 4. The resulting amount will automatically be calculated and displayed on Line 6. This amount is the reporting carrier's intrastate retail revenues that are subject to the AHCF contribution assessment.

Line 8 – Applicable Assessment Rate

The AHCF assessment rate, **effective February 1, 2024, is 11.92%** for all telecommunications providers. The rate will automatically be populated in the online form.

Line 9 – Total AHCF Assessment

The system will automatically multiply the amount appearing on Line 6 by the AHCF assessment rate as indicated on Line 7 and the result will be displayed.

Section 3 – Remittance Calculation

Line 10 – AHCF Support Amount (Applies to awarded ETCs only)

The authorized AHCF support amount awarded to ETCs that receive support from the fund will automatically be displayed in this field. NOTE: Outstanding debt or credit should NOT be reported on the Carrier Revenue Report.

Line 11 – Total Remittance Due

The system will automatically calculate this total. If the result is positive, this represents the net AHCF remittance to be paid to the AHCF. For support recipients, a negative amount represents the net amount due to the provider.

Section 4 – Certification

Officer Name Information

Enter the date, officer name, officer signature, and officer title. The officer's signature attests to the accuracy of all information submitted on the remittance worksheet.

To certify the data being submitted: The checkbox must be checked next to the statement "Under penalties as provided by law, I certify that I have examined this report and to the best of my knowledge and belief it is true, correct and complete. I acknowledge Vantage Point Solutions authority to request additional information as necessary."

Carrier Revenue Reports may not be submitted without an electronic signature.