

# New USF Form Announced; Audio Bridging Changes Headline the Revisions

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## UPDATED -- FORM 499 RELEASED

The FCC's Wireline Competition Bureau announced the new FCC Form 499A today. This form, which must be used to file the April 1 annual revenue report, includes several potentially significant changes. Audio bridging providers (conference service providers) and those close to the *de minimis* threshold are most affected.

As of COB yesterday, only the [announcement](#) was available. The 499A itself will be released today and I will update this post when it is available. **UPDATE: The new Form 499A is [available here](#).**

Follow the jump for a discussion of the changes.

According to the public notice, the primary changes are:

\* several revisions regarding the obligations of stand-alone conferencing providers to pay USF. The FCC added a check box for audio bridging providers, updated their "who pays what" chart to include audio bridging and added a description of audio bridging providers. Last year, the FCC [mistakenly referred to audio bridging providers as "telecommunications service providers"](#) and then [quickly corrected that error](#). I will be checking to see if the new guidance is consistent with the [Calling Card Classification Order](#). **UPDATE: The form confirms that audio bridging providers offering service on a non-common carrier basis are only subject to USF, and not TRS and other funds. However, on p. 29 (fn 47) the instructions again mistakenly refer to audio bridging as "telecommunications services."**

\* adjusted the *de minimis* estimation factor and the circularity factor to account for the new 14% USF contribution factor. This is a sure sign that a USF factor in the 14% range is here to stay. **Important Note:** The FCC did not adjust the "Limited Interstate Revenues Exemption" (LIRE) threshold, even though the USF factor now exceeds the threshold. Thus, there is a possibility that a carrier's interstate revenue percentage will exceed 12% but the carrier will still pay more in USF than its total interstate revenues. Such a result was declared unlawful by the [5th Circuit Court of Appeals in 1999](#).

\* "added more specific language, consistent with the body of the text" to require CMRS and interconnected VoIP providers to submit traffic studies if they are not relying upon the safe harbor percentage of interstate calling. The filing obligation (not a prior approval requirement) has existed for some time, but compliance with it was low. I expect this will be an area for enforcement inquiries this year.

More when the Form is released. Stay tuned.