

Federal Universal Service Fund Surcharge Private Line Services

What is it?

The Federal Universal Service Administrative Company (USAC), as agent of the FCC, requires the assessment of the federal universal service fund surcharge on private line services except where 10% or less of the traffic transmitted over the service is interstate in nature. The FCC uses the funds collected to expand telecommunications to rural and low-income areas, and to schools and libraries across the nation. The surcharge is assessed as a percentage of billed revenue and is sometimes referred to as a contribution factor. The percentage varies and is updated every quarter: <http://www.usac.org/cont/tools/contribution-factors.aspx>

As a Customer, what do I need to do?

Customers must assess the traffic carried across its private line circuits and make a determination of whether 10% or less of the traffic is interstate. If you determine that 10% or less of your traffic is interstate, then you may sign a certification provided by Midwest Telecom of America, Inc. If you choose not to sign the certification, Midwest Telecom of America must apply the fee and remit payment to the Federal USAC.

Our circuits both start and end in-state, none of them cross state boundaries, why do we have to participate?

It is important to recognize that the nature of traffic carried over a private line, and not merely the location of physical endpoints, is what determines the jurisdictional assignment of traffic.

How do we tell if our traffic is greater than 10% inter-state? Can Midwest Telecom of America do this for us?

Customers must assess their own usage. As a customer, you can use various types of services across point to point circuits. Midwest Telecom of America, Inc. cannot determine all of the services a customer uses across the circuit. Customers are advised that long distance traffic originating from, or terminating to, another State is considered interstate. Customers are advised that internet traffic is considered interstate. Customers are also advised that a closed network which exchanges information between two locations and does not otherwise connect to interstate network facilities, can be considered intrastate if both locations are within the State. Finally customers are advised that private line services with endpoints located in different States are considered interstate.

Can I change our position?

Yes, a customer can change:

- If a customer is currently certified (not paying the surcharge) and the jurisdictional nature traffic changes to greater than 10% interstate, they are obligated to revoke their certification. Midwest Telecom of America, Inc. will begin assessing the surcharge starting the next billing cycle.
- If a customer is currently paying the surcharge and traffic changes to less than 10% inter-state, they can notify Midwest Telecom of America, Inc, and sign a certification letter. Midwest Telecom of America, Inc will stop assessing the surcharge on the next billing cycle.

Are pro-rates or credits allowed?

No. Billing is monthly. No pro-rates or credits are allowed.

What if I have additional questions?

Please contact your account manager at 1-800-935-2181. You may also send email to customers@pickmta.com