

**Colorado High Cost Support Mechanism (CHCSM) Report Form Instructions  
For  
Colorado High Cost Support Mechanism (CHCSM) Worksheet**

**INTRODUCTION AND PURPOSE**

In order to achieve the goal of universal basic service, the Colorado Public Utilities Commission (Commission) was directed to create a system of support mechanisms to assist in the provision of basic telephone service in high-cost areas (§40-15-502(5)(a), C.R.S.). Specifically, the Colorado High Cost Support Mechanism (CHCSM) was created under §40-15-208, C.R.S., with the Commission designated as its Administrator.

On June 30, 1996, the Rules Prescribing the Administration of the Colorado High Cost Support Mechanism, *4 Code of Colorado Regulation* (CCR) 723-2-2840, became effective. On February 14, 2019 new high cost rules will be effective. Among other changes, Declaration of De Minimis exemption has been eliminated. Rule 2845 requires all telecommunications service providers that provide Colorado intrastate telecommunications services to contribute to the CHCSM based on their proportionate share of revenues collected from the sale of intrastate telecommunications services.

**FILING REQUIREMENTS AND GENERAL INSTRUCTIONS**

**WHO MUST FILE**

**All providers of intrastate telecommunications services within the state of Colorado must file a CHCSM Report Form.**

For the purpose of determining whether an entity provides telecommunications, please note that the term “telecommunications” means the transmission, between or among points specified by the user, of information of the user’s choosing, without change in the form or content of the information as sent and received. For the purpose of filing and calculating contributions, the term “intrastate telecommunications” includes, but is not limited to, the intrastate portion of the following services: all types of local exchange service; vertical services, also known as Advanced Features or Premium Services (e.g. call waiting, call forwarding, caller ID, etc.); listing services; directory assistance service; wireless telephony including cellular and personal communications services (PCS); paging services; mobile radio services; both optional and non-optional operator services; wide-area telecommunications services (WATS) and WATS-like services; toll-free service; 976 and 900 services; message telephone service (MTS or toll); private line service; special access service; special arrangements; special assemblies; CENTREX, Centron and Centron-like services; telex; telegraph; video and/or teleconferencing services; satellite services; the resale of any intrastate telecommunications services; payphone services; any services regulated by the Commission under §40-15-305(2), C.R.S.; and such other services as the Commission may by Order designate from time to time as equivalent or similar to the services listed above. Entities are subject to the CHCSM contribution requirement if they offer intrastate telecommunications for a fee to the public even if only a narrow or limited class of users could utilize the services. Included are entities that provide intrastate telecommunications to entities other than themselves for a fee on a private, contractual basis. In addition, owners of pay telephones, sometimes referred to as “pay telephone aggregators”, also must contribute to the CHCSM. For the purpose of determining whether an entity must contribute to the CHCSM, an entity provides intrastate telecommunications services if it, or any affiliate, provides intrastate telecommunications.

Each legal entity that provides intrastate telecommunications service, including each affiliate or subsidiary of an entity must complete and file separately the CHCSM Report Form. Entities that have distinct Articles of Incorporation, for example, are separate legal entities. Each affiliate or subsidiary completing and filing a CHCSM Report Form should show the same holding company name on Line (105) of the CHCSM Report Form.

**- CHCSM WORKSHEET - WHO IS REQUIRED TO FILE**

All entities that provide intrastate telecommunications are required to contribute to the CHCSM.

**WHEN AND WHERE TO FILE**

The CHCSM Report Form can be found on the PUC's website at <http://cdn.colorado.gov/cs/Satellite/DORA-PUC/CBON/DORA/1251634246115>, and must be filed with the CHCSM Administrator. **The forms are due on March 31, with Colorado revenue data for January 1, through December 31 of the previous year and September 1, with Colorado retail revenue data representing operations for January 1, through June 30 of the current year.**

File electronically with E-filing in the appropriate Proceeding Number.

If not E-Filing, submit a signed hard copy to the following address and refer to the Proceeding Number on the form:

**CHCSM Administrator  
Colorado Public Utilities Commission  
1560 Broadway, Suite 250  
Denver, CO 80202-5143**

Please direct any questions regarding how to complete the CHCSM forms to the Administrator at (303) 894-2911. Changes to the CHCSM will be announced by Commission Decision and will be available on the Colorado PUC webpage (<http://cdn.colorado.gov/cs/Satellite/DORA-PUC/CBON/DORA/1251633146477>). Subsequent filings will be due each year as follows:

**September 1:** Data for the six-month period from January 1 through June 30 of the current year.

**March 31:** Data for the twelve-month period from January 1 through December 31 of the prior year.

**WHO IS NOT REQUIRED TO FILE**

- Entities that provide services only to themselves or to commonly owned affiliates are not required to file or contribute to the CHCSM.
- Government entities that purchase telecommunications services in bulk on behalf of themselves (e.g. state networks provided to schools and libraries) are not required to file or contribute to the CHCSM.
- Public safety and local governmental entities licensed under Subpart B of Part 90 of the Federal Communications Commission's ("FCC") rules are not required to file or contribute to the CHCSM.

**HOW WORKSHEET INFORMATION IS USED**

**Calculating CHCSM Estimated Contribution.** Intrastate revenues from the March 31 worksheet will be used to calculate the provider's estimated contributions to the CHCSM for the second and third quarters of the year in which the worksheet is filed. Intrastate revenues from the September 1 worksheet are used to calculate the provider's estimated contributions to the CHCSM for the fourth quarter of the current year and the first quarter of the following year. The CHCSM Administrator will notify contributors to submit collections quarterly to the escrow account. Payment instructions will be provided with the notification.

The current rate element is 2.6% which is posted on the Commission's website.

**REQUESTS FOR CONFIDENTIALITY**

Requests for nondisclosure of the information contained in the CHCSM Report Form may be made pursuant to the Colorado Open Records Law (Title 24, Article 72, Part II, Colorado Revised Statutes)

at the time that the subject data is submitted to the Commission as administrator and records custodian. As required by PUC rules, such requests for nondisclosure must contain a statement of the reasons for withholding the materials from disclosure (e.g. competitive harm) and the facts supporting that statement. Such requests shall be considered in accordance with the Open Records Law to determine if the information can be withheld from public disclosure.

**ROUNDING NUMBERS - Dollar Amounts** Reported revenues in Block 5, column (A) and column (C) may be rounded to the nearest thousand dollars. **All dollar amounts must be reported in whole dollars.** For example, \$2,271,881.93 may be reported as \$2,271,882 or as \$2,272,000, but should not be reported as \$2272 thousand or \$2.272 million. Please enter \$0 on any line for which the contributor had no revenue for the reporting period.

**PERCENTAGES** Percentages reported in Block 5, column (B) should be rounded to the nearest whole percent. Percentages between zero and one percent should be reported as one percent. Enter zero percent if there were no Colorado intrastate revenues for the line for the reporting period.

**NOTE.** Gross revenues reported must be taken directly from corporate books of account. The Colorado intrastate portion of any revenue category should be taken directly from corporate books of account, if available. Otherwise, intrastate revenues should be calculated as gross revenues in column (A) multiplied by a good faith estimate of the percentage of intrastate revenues shown in column (B). An entity may not submit a good faith estimate lower than one percent.

**COMPLIANCE AND ENFORCEMENT**

Entities failing to file the CHCSM Report Form or to make contributions in a timely fashion may be subject to the enforcement provisions of the Public Utilities Law, the Communications Act, and any other applicable law. Entities will be assessed a charge for reasonable costs, including penalty interest and administrative costs, as a result of inaccurate or untruthful filing of the CHCSM Report Form, or overdue contributions. (Rule 4CCR 723-2-2845(d)(II)). Entities may also be subject to Fining Rules (Rule 4CCR 723-2-2011).

**SPECIFIC INSTRUCTIONS – Page 1**

**Check the appropriate box** whether the filing is an original filing or a revised filing.

**Check the appropriate box** whether filing the CHCSM Worksheet or Declaration of De Minimis Form.

**BLOCK 1: COMPANY IDENTIFICATION**

**Line (101). Legal name of reporting entity.** The legal name of the company as it appears on the Articles of Incorporation or other legal documents. Each legal entity must file a separate CHCSM Worksheet or De Minimis Form.

**Line (102). IRS employer identification number. (Required Field)** The Internal Revenue Service (IRS) employer identification number (EIN) for the company. If the company has more than one EIN, it should include the number used to file federal excise taxes.

**Line (103). Name reporting entity is doing business as.** The principal name under which the company conducts telecommunications activities. This would typically be the name that appears on customer bills or used when service representatives answer customer inquiries.

**Line (104). Principal telecommunications business.** Check the two categories that best describes the company's primary business, as described below:

a. **CLEC/CAP** (Competitive Local Exchange Carrier/Competitive Access Provider). Competes with incumbent LECs to provide local exchange services or telecommunications services that link customers with interexchange facilities, local exchange networks, or other customers.

b. **Cellular/PCS/SMR** (Cellular, Personal Communications Service, and Specialized Mobile Radio service provider). Primarily provides wireless telecommunications services (wireless telephony). This category includes the provision of wireless telephony by resale. An SMR provider would select this category if it primarily provides wireless telephony rather than dispatch or other mobile services.

c. **ILEC** (Incumbent Local Exchange Carrier). Provides local exchange service. Generally is a carrier that was at one time franchised as a monopoly service provider.

d. **IXC** (Interexchange Carrier). Provides long-distance telecommunications services substantially through switches or circuits that it owns or leases.

e. **Local reseller.** Provides local exchange or fixed telecommunications services by reselling services of other carriers.

f. **OSP** (Operator Service Provider). Companies other than incumbent LECs that serve customers needing the assistance of an operator to complete calls, or needing alternate billing arrangements.

g. **Paging and Messaging.** Provides wireless paging or wireless messaging services. This category includes the provision of paging and messaging services by resale.

h. **Payphone Service Provider.** (aka pay telephone aggregators) Provides customers access to telephone networks through pay telephone equipment, equipment, etc.

i. **Pre-paid Card.** Provides pre-paid calling card services by selling pre-paid calling cards to the public or to retailers. Pre-paid providers may resell the services of other carriers and determine the price of the service by setting the price of the card and may also control the number of minutes that the card can be used.

j. **Private Service Provider.** Offers telecommunications to others for a fee which includes a company that offers excess capacity on a private (primarily internal purposes) system to others.

k. **Satellite.** Provides satellite space segment or earth stations that are used for telecommunications services.

- l. **Shared Tenant Service Provider.** Manages or owns a multi-tenant location that provides telecommunication services or facilities to the tenants for a fee.
- m. **SMR** (Specialized Mobile Radio service provider, dispatch). Primarily provides dispatch and mobile services other than wireless telephony.
- n. **Toll Reseller.** Provides long-distance telecommunications services primarily by reselling the long distance telecommunications services of other carriers.
- o. **Wireless Data.** Provides mobile or fixed wireless data services using wireless technology. This category includes the provision of wireless data services by resale.
- p. **ISP Provider.** Provides Dial-up and Dedicated Internet Service connection to the end-user.
- q-s. **Other Local, Other Mobile, Other Toll.** If one of these categories is checked, the company should further describe the nature of the service it provides. For example, a company that provides network access services on behalf of a group of incumbent LECs would identify itself as "Other Local" and enter "incumbent LEC network access" in the space provided or a company that provides interconnected fixed location VOIP services in accordance with a Commission Decision would identify itself as "Other Local" and describe itself.

**Line (105). Holding company.** The name of the company's holding company or controlling entity, if any. All affiliates or commonly controlled companies should have the same name appearing on Line (105). An affiliate is a "person that (directly or indirectly) owns or controls, is owned or controlled by, or is under common ownership or control with, another person."<sup>1</sup>

**Line (106). Holding company IRS Number.** The company's holding company's IRS employer identification number.

**Line (107). Management company.** The name of the management company, if the company is managed by an entity other than itself. If the filing company and at least one other company are commonly managed, then each should show the same management company. Companies need not be affiliated to have a common management company. The management company would typically be the point of contact for the CHCSM Administrator.

**Line (108). Complete mailing address of entity's corporate headquarters.** The complete mailing address of the corporate headquarters.

**BLOCK 2: CONTACT INFORMATION**

**Line (109)** The contact name, e-mail address, and phone number of person who can provide clarifications, additional information, and if necessary, who could serve as the first point of contact in the event that either the Commission or the CHCSM Administrator have questions on or choose to audit *this* CHCSM filing.

**BLOCK 3: SALE OR ACQUISITION**

**Line (110)** Information on whether the entity on Line 101 was sold during current year, and if YES, the date of sale and name of the entity which purchased the entity identified on Line 101.

**Line (111)** Information whether or not the entity identified on Line 101 purchased another company in the current year, and if YES, the date of acquisition and name of the entity which was purchased. If more than one company was purchased, please attach a separate sheet

**BLOCK 4: CERTIFICATION**

An officer of the company must examine the data provided on the CHCSM Report Form and certify that the information provided therein is accurate. An officer is a person who occupies a position

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<sup>1</sup> 47 U.S.C. § 153(1).

specified in the corporate by-laws (or partnership agreement), and would typically be president, vice president for operations, vice president for finance, comptroller, treasurer or a comparable position. If the company is a sole proprietorship, the owner must sign the certification.

**Line (112)** The signature of the officer and the date it is signed.

**Line (113)** The printed name of the officer.

**Line (114)** The position of the officer within this company.

## **SPECIFIC INSTRUCTIONS – Page 2**

### **BLOCK 5: CONTRIBUTOR REVENUE INFORMATION**

**Line (201)** The legal name of the contributor.

**Line (202)** This line is reserved. Do not complete.

The CHCSM Worksheet contains two broad types of service categories:

- I. Revenue from other contributors (wholesale or other support) - Lines 203 through 214.
- II. Revenue from all other sources (retail or end-user) - Lines 215 through 231.

Sections I and II of the Worksheet are divided into three specific categories of service: 1) Fixed Local Service; 2) Mobile Service; and 3) Toll Service. These categories are defined as follows:

- 1) **Fixed Local Services** connect a specific point to one or more other points. These services can be provided using either wireline or wireless technologies and can be used for either local exchange service, private communications, or access to toll services.
- 2) **Mobile Services** are wireless communications between wireless equipment, such as cellular phones and other points.
- 3) **Toll Services** are telecommunications services, wireline, or wireless, that enable customers to communicate outside of local exchange calling areas. Toll service revenues include intrastate, interstate, and international long distance services.

In many cases, the service categories are duplicated in Sections I and II. Carriers required to use the Uniform System of Accounts (USOA) prescribed in Part 32 of the FCC's rules should base their response on their USOA account data and supplemental records, dividing revenues into those received from other universal service contributors and end-user revenues.

**COLUMN (A): Total Revenues.**

Contributors should enter **total Colorado booked revenues** in Column (A).

**COLUMN (B): Percent Intrastate.**

For each entry in Lines (203) through (231), determine the percentage amounts reported in Column (A) that are for Colorado intrastate service, and enter this percentage in Column (B). Colorado intrastate revenues include all revenues received for all calls that originate and terminate in Colorado. For example, if a cellular carrier collects a fixed amount of revenue per minute of traffic, then Colorado intrastate revenues would include 62.9 percent of the per-minute revenues. Similarly, if a LEC bills local measured service charges for calls that originate in one state and terminate in another, these billings should be classified as interstate even though they are included in a local service account. In general, revenues should be classified according to the regulatory agency that has primary jurisdiction over such revenues.

Wherever possible, contributors should calculate the percentage of total revenues that are intrastate by using information from their books of accounts and other internal data reporting systems. In such cases, contributors should enter the booked amount in Column (C). Contributors who cannot calculate a percentage by using information from their books of accounts and other internal data reporting systems may elect to rely on a special study to estimate the percentages. All information supporting special studies must be made available to either the Colorado Public Utilities Commission or to the Administrator of the CHCSM.

**COLUMN (C): Intrastate Revenues**

Contributors should enter booked **revenues for Colorado intrastate service** in Column (C). If Colorado intrastate revenues cannot be taken directly from the contributor's books, then multiply the gross revenues reported in Column (A) by the Colorado intrastate percentages reported in Column (B).

**Section I. - WHOLESALE TRANSACTION REVENUE**

**Fixed Local Service - Wholesale**

**Line (203).** Monthly service, local calling, connection charges, vertical features, and other local exchange service, including Prescribed Interexchange Carrier charges (PICCs) levied on carriers, should include the basic local service revenues except for local private line revenues, access revenues, and revenues from providing mobile or cellular service. For carriers required to use USOA, this line should include Account 5001 - Basic area revenue; Account 5002 - Optional extended area revenue; Account 5050 - Customer premises revenue; Account 5060 - Other local exchange revenue including charges for local directory assistance; and Account 5069 - Other local exchange revenues settlements. Line (203) also should include amounts in Account 5004 - Other mobile service revenue - that were derived from connection with mobile service carriers.

Revenues for services provided to carriers should be divided between Line (203a) - provided as unbundled network elements and Line (203b) - provided under tariffs or arrangements other than unbundled network elements (e.g. resale). Report end-user revenues on Line (216).

**Line (204).** Per-minute charges for originating or terminating calls should include Account 5082 - Switched access revenue - and any revenues in Account 5084 - State access revenue - that were based on per-minute charges. This line also would include Account 5003 - Cellular mobile revenue (revenues to the local exchange carrier for messages between a cellular customer and another station within the mobile service area). The line should include gross charges to other carriers for the origination or termination of non-toll traffic. Do not deduct or net payments to carriers for origination or termination of traffic on their networks. Revenues for originating and terminating minutes should be

divided between Line (204a) - provided under state or federal access tariffs and Line (204b) - provided as unbundled network elements or other contractual arrangements.

**Line (205).** Local private line and special access should include revenues from providing local services that involve dedicated circuits, private switching arrangements and/or predefined transmission paths. This line should include amounts recorded in Account 5040 - Local private line revenue. This line also should include Account 5083 - Special access revenue - and any intrastate special access revenues in Account 5084 - State access revenue. Report end-user revenue on Line (218).

**Line (206).** Pay telephone compensation should include Account 5020 - Pay telephone revenues. Line (206) should include revenues received from carriers as compensation for originating toll calls. Report end-user revenue on Line (219).

**Line (207).** Other local telecommunications service revenues should include some revenues contained in Account 5200 - Miscellaneous - as well as other local telecommunications service revenues that reasonably would not be included with one of the other local service revenues categories. Line (207) should include charges for physical collocation of equipment pursuant to 47 U.S.C. § 251 (c)(6). Line (207) should exclude: enhanced services; billing and collections; customer premises equipment sale, lease or insurance; and any non-telecommunications revenues. [NOTE: Published directory revenues of Account 5230 - Directory Revenue are also excluded. The intrastate portion of Account 5230 - Directory Revenue is reported on Line 231 column (c).] Report end-user revenue on Line 220.

**Line (208).** Universal service support revenues should include all amounts that contributors receive as universal service support from either state (e.g. the Colorado High Cost Support Mechanism) or the federal government. Line (208) should include Lifeline Assistance reimbursement for the waived portion of subscriber line charges or credits for subsidized services provided to schools, libraries, and rural health care providers. Line (208) should include amounts received as cash as well as amounts received as credit against contribution obligations.

### **Mobile Services - Wholesale**

**Line (209).** Data reported on this line should contain mobile service revenues other than toll charges to mobile service customers and charges associated with customer premises equipment. Report all mobile service provided to resellers on Line (209). Report end-user revenues on Lines (221) and (222).

### **Toll Services - Wholesale**

**Line (210).** Operator and toll calls with alternative billing arrangements should include all calling card or credit card calls, person-to-person calls, and calls with alternative billing arrangements such as third number billing, collect calls, and country-direct type calls that either originate or terminate in a U.S. point. This line should include all charges from toll or long distance directory assistance. Line (210) should include revenues from all calls placed from coin, public and semi-public, accommodation and prison telephones, except that calls paid for by coins deposited in a payphone should be reported on Line (219). Report end-user revenue on Line (225).

**Line (211).** Other switched toll service should include amounts from Account 5100 - Long distance message revenue - except for amounts reported on Lines (210), (223), or (225). Line (211) includes ordinary message telephone service, WATS, toll-free, 900, "WATS-like," and similar switched services. Report end-user revenue on Line (226).

**Line (212).** Ordinary Long distance should include revenues from dedicated circuits, private switching arrangements, and/or predefined transmission paths, extending beyond the basic service area. This category should include revenues from the resale of special access services. Line (212) should include Account 5120 - Long distance private network revenue. Report end-user revenues on Line (227).



**Line (213).** Satellite service should contain revenues from providing space segment service and earth station up-link capacity used for providing telecommunications or telecommunications services via satellite. Revenues derived from the lease of bare transponder capacity should not be included on Line (213). Report end-user revenue on Line (228).

**Line (214).** All other long distance services should include all other revenues from providing long distance communications services. This line should include Account 5160 - Other long distance revenue. Report end-user revenue on Line (229).

## **Section II. END-USER OR RETAIL REVENUES**

**Line (215).** Charges levied by the reporting entity in order to recover contributions to the federal universal service fund and the state high cost support mechanism should be classified as end-user billed revenues and should be reported on Line (215). Any charge that is included on a bill in order to recover contributions to the federal universal service fund and the CHCSM must be shown on Line (215). Column (a) reflects the total amount shown on FCC Form 499A, Column (b) shows the percentage of Column (a) related to intrastate, and Column (c) shows the intrastate dollar amount.

### **Fixed Local Services - End-User**

**Line (216).** See instructions for Line (203).

**Line (217).** Tariffed subscriber line charges levied on end-users should contain charges to end-users (other than for special access services) specified in access tariffs. Line (217) should include revenues in Account 5081 - End-user revenue - as well as the appropriate portion of revenues in Account 5084 - Sate access revenue. Contributors that do not have subscriber line charge tariffs on file with the FCC or with the Colorado PUC should report \$0 on Line (217).

**Line (218).** See instructions for Line (205).

**Line (219)** Pay telephone revenues should include revenues paid directly to the payphone service provider. This will primarily consist of revenues from coin sent paid traffic.

**Line (220).** See instructions for Line (207).

### **Mobile Service - End-User**

**Lines (221) and (222).** Line (221) should contain monthly charges, activation fees, and service order processing charges, etc. Line (222) should contain message charges, including any roaming charges assessed for calls placed out of customers' home areas. Lines (221) and (222) should include amounts in Account 5004 - Other mobile services revenues - that were derived from providing service directly to the public. End-user pre-paid wireless service revenues attributable to activation and daily or monthly access charges should be reported on Line (221). End-user pre-paid wireless service revenues attributable to airtime should be reported on Line (222). Toll charges to mobile service customers should be included on Line (226).

**Line (223).** Pre-paid calling card charges should include revenues from pre-paid calling cards provided either to customers or to retail establishments. Gross billed revenues should represent the amounts actually paid by customers for the cards without any reduction or adjustment for discounts provided to retail establishments. All pre-paid card revenues are classified as end-user revenues.

### **Toll Service – End-User.**

**Line (224).** See instructions for Line (223) except that this is for pre-paid toll calling card charges.

**Line (225).** See instructions for Line (210).

**Line (226).** See instructions for Line (211).

**Line (227).** See instructions for Line (212).

**Line (228).** See instructions for Line (213).

**Line (229).** See instructions for Line (214).

**Other revenues that should not be included in the contribution base.**

**Line (230)** should contain revenues from enhanced services and other services that are exempt from contribution requirements and are not reported elsewhere. Line (230) should include Account 5270 - Carrier billing and collection revenue. Line (230) should include revenues from the sale, lease, maintenance or insurance of customer premises equipment (CPE) and all non-telecommunications service revenues on the contributor's books.

Revenue that is not derived from telecommunications or telecommunications-related functions should not be included in the CHCSM contribution base. For example, information services offering a capability for generating, acquiring, storing, transforming, processing, retrieving, utilizing, or making available information via telecommunications are not included in the universal service contribution base. Information services do not include the use of any such capability for the management, control, or operation of a telecommunications system or the management of a telecommunications service. Information services also are called enhanced services because they are offered over common carrier transmission facilities used in intrastate communications and employ computer processing applications that act on the format, content, code, protocol, or similar aspects of the subscriber's transmitted information; provide the subscriber additional, different, or restructured information; or involve subscriber interaction with stored information. These services are exempt from contribution requirements.

**Line (231).** Other intrastate miscellaneous revenues include any revenues in Account 5230 - Directory revenue. Do include Directory Revenue on Line (207).

**Line (232). CHCSM Contribution Base.** Enter the total revenues reported on Lines (216) through (229) and Line (231). This amount will be used to calculate estimated contributions to the CHCSM, and the CHCSM contribution rate element factor will be based upon Line (232) column (c). This line should not include revenue from Line (215) or Line (230).

**Line (233).** Gross billed revenues from all sources. On Line (233), contributors must report gross revenues from all sources, including non-regulated and non-telecommunications services. Gross billed revenues from all sources should equal the sum of revenues by type of service reported on Lines (203) through (231). Gross revenues include revenues derived from the provision of interstate, international, and intrastate telecommunications and telecommunications services. Gross revenues consist of total revenues billed to customers during the filing period, with no allowances for uncollectibles or out-of-period adjustments. Billed revenues may be distinct from booked revenues. NECA pool companies should report the actual gross billed revenues (CABS Revenues) reported to the NECA pool and not settlement revenues received from the pool. For international services, gross revenues consist of gross revenues billed by U.S. contributors during the filing period, with no allowances for settlement payments. International settlement receipts for foreign-billed service should not be included. Gross revenues also should include any surcharges on communications services that are billed to the customer and either retained by the contributor or remitted to a non-government third party under contract. Gross revenues should exclude taxes and any surcharges that are not recorded on the company's books as revenues but which instead are remitted to government bodies.

**Mergers.** When two contributors have merged prior to filing the worksheet, the successor company should report total revenues for the reporting period for all predecessor operations. However, the two contributors should continue to report separately if each maintains a separate corporate identity and continues to operate. Contributors should not file a revised CHCSM Worksheet to reflect mergers, acquisitions, or the sale of operating units. In the event that a contributor that filed a CHCSM Form no longer exists, the successor company to the contributor's assets or operations is liable for making payments for the contribution period.

**Resellers.** Revenues from service provided to resellers that contribute directly to high cost support mechanism will be excluded from the funding base for determining high cost support contributions of

the underlying contributor (i.e. the entity selling service to the reseller). For this purpose, a reseller is a telecommunications service provider that: (1) incorporates purchased telecommunications services into its own offerings; and (2) can reasonably be expected to contribute to support universal service based on revenues from those offerings. For example, IXCs use access services in providing switched toll services - the underlying contributor would report the access service revenues as revenues from resellers, and those revenues would not be incorporated in determining the underlying contributor's high cost support contribution.

An underlying contributor should have documented procedures to ensure that it reports as revenues from resellers only revenues from entities that reasonably would be expected to contribute to support the CHCSM. The procedures should include, but not be limited to, maintaining the following information on resellers: legal name; address; and name and phone number of a contact person. If the underlying contributor does not have other assurances to know that the entity will, in fact, resell service, then the contributor should obtain a signed statement to that effect. "International only" and "interstate only" carriers should not be treated as resellers for the purpose of reporting revenues because they are not required to contribute to the CHCSM. A carrier will be considered a non-contributing "international only" or "interstate only" carrier if neither it nor any of its affiliates provide any intrastate telecommunications. Broadcasters and systems integrators that derive less than five percent of their systems integration revenues from telecommunications, and non-profit schools, colleges, universities, libraries, and rural health care providers should be treated as end-users for reporting purposes because these entities are not required to contribute directly to the CHCSM.

#### REMINDERS

- ✓ **Do not send a check with the CHCSM worksheet.** An invoice and payment instructions will be mailed quarterly. Payments are due 30 days after the end of each quarter.
- ✓ **Each legal entity** that provides intrastate telecommunications service, including each affiliate or subsidiary of an entity, must complete and file separately a copy of the worksheet or form. Each affiliate or subsidiary should show the same holding company name on Line (105).
- ✓ **Column (a)** of your Colorado Worksheet should, with some exceptions, match Column (a) on the FCC Form 499A ("Telecommunications Reporting Worksheet"). Line (231) is unique to the Colorado Worksheet. Line (232) of the Colorado Worksheet will differ from FCC Form 499A because it includes revenues reported on Line (231). Line (233) of the Colorado Worksheet will differ from FCC Form 499A because it does include revenues reported on Line (231).
- ✓ **Provide data for all lines that apply.** Show a zero for all items for which the contributor had no revenues for the filing period.
- ✓ **Companies must file twice per year.** Companies must provide revenue data from January 1 through December 31 of the prior year by March 31 of each year and must provide revenue data for January 1 through June 30 of the current year by September 1 of each year.
- ✓ **Must be signed by an officer of the company.** An officer is a person who occupies a position specified in the corporate by-laws (or partnership agreement), and would typically be president, vice-president for operations, comptroller, treasurer, or a comparable position.
- ✓ **Systems integrators** must notify their underlying carrier that they should be considered end-users for reporting purposes.
- ✓ **Questions** concerning the CHCSM Report Form should be directed to the Administrator at (303) 894-2911. Commission Orders underlying the CHCSM program are available on the PUC web site at: <http://cdn.colorado.gov/cs/Satellite/DORA-PUC/CBON/DORA/1251633146477>.
- ✓ **On July 10, 2006, the FCC adopted new guidelines for reporting interstate/international percentages for wireless telecommunications revenues. These new safe harbor percentages to Colorado are as follows:**

Cellular and Broadband PCS Services	62.9%
Paging Service	88%
Analog Specialized Mobile Radio	99%