



FEDERAL COMMUNICATIONS COMMISSION REGULATORY COMPLIANCE GUIDE

INTRODUCTION

Thank you for visiting myFCCcompliance.com and downloading our complimentary Federal Communications Commission ("FCC") Regulatory Compliance Guide!

Companies providing telecommunication services in the United States face a daunting array of federal licensing and post-licensing regulatory compliance obligations. Whether your Company is a start-up or an established service provider, [The Compliance Group](#) is here to help you navigate your way through the regulatory minefield.

The *Compliance Group* is the consulting affiliate of a nationally-recognized Washington, D.C.-area telecommunications law firm, [TheCommLaw Group](#). Our firms offer a unique suite of affordable "do-it-yourself," cost-effective managed consultative services, and high-end legal services to the telecommunications and VoIP telephony industries. Regardless of your Company's size, sophistication or budget, our firms have developed a variety of solutions to fulfill each Company's unique objectives.

My FCC Compliance

For "do-it-yourselfers," we created myFCCcompliance™ ("myFCC"), a revolutionary online service that puts basic FCC licensing and compliance in your hands. myFCC offers the tools you need to secure basic FCC authorizations for providing traditional and Voice over Internet Protocol ("VoIP") domestic and international telecommunications services. Once licensed, stay informed of the monthly, quarterly and annual regulatory compliance filings applicable to your business with a subscription to myFCC's Compliance service.

If the specific FCC license or registration you are looking for is not presently available through myFCC, just [contact us](#) and we will provide a free estimate. To learn more about the breadth of our firms' FCC licensing capabilities, click below and visit our site:

Broadcast Services [Broadcast & New Media Services](#)
Wireless Services [Wireless Communications & Internet Services](#)
Satellite Services [Satellite; Land, Mobile, Aero Services](#)

We promise you will not be disappointed with our fee structure for professionally managed FCC spectrum licensing services!

The *Compliance* Group

If myFCC is unable to fulfill your needs or if you prefer working hand-in-hand with an experienced Regulatory Consultant, we invite you to explore the managed Licensing and Compliance services available through The *Compliance* Group.

Our goal is to become the market leader in outsourced regulatory compliance services providing reliable, technology-driven, yet personalized compliance, administrative reporting and consultative services tailored to meet the demands of the broadest base of clients; and to develop trusting, life-long relationships with our clients. Whether you require compliance services at the FCC, State Public Utility Commissions, Secretaries of State or Departments of Revenue for tax purposes, The *Compliance* Group offers a variety of scalable solutions, specifically-designed to fit practically any need or budget!

The *CommLaw* Group

And if your needs cannot be satisfied by the non-legal professionals at The *Compliance* Group, rest assured because the licensed Attorneys at our affiliated law firm, The *CommLaw* Group, are a mere phone call or e-mail away.

The *CommLaw* Group specializes in the representation of telecommunications, cutting-edge, enhanced communications service and technology providers. We are a new breed of law firm, built on the recognition that in today's economic environment every dollar spent on outside legal services is a dollar that must be rewarded with tremendous value.

No matter your Company's size, budget or need, our family of firms has a solution that is just right for you!

If you are uncertain which solution is best-suited for your particular situation, simply e-mail or call us to schedule a free consultation with Jonathan S. Marshlian, Principal of The *Compliance* Group and Managing Partner of The *CommLaw* Group:

Telephone: 703-714-1313

E-mail: JSM@CommLawGroup.com

ABOUT OUR FREE FCC REGULATORY COMPLIANCE GUIDE

myFCCcompliance offers this useful guide to some of the major licensing and reporting requirements that most telecommunications companies face, including those applicable to both interstate and international carriers. This Guide is not exhaustive and not intended to serve as legal guidance or precedent. Independent research on the applicability of any Federal Communications Commission ("FCC") rule or requirement may be necessary.

LICENSING REQUIREMENTS

The following requirements apply to all types of carriers. Please see below for additional requirements applicable to specific service providers.

Carrier Registration (CORES)

All entities doing business with the FCC must provide and maintain a current official contact address using the FCC's Registration System ("CORES"). CORES assigns registrants a 10-digit FCC Registration number ("FRN"). Individuals and organizations must have a valid FRN in order to make payments to the FCC.

Designation of Agent for Service of Process (Section 1.47(h))

Within 30 days of commencement of provision of service, all new carriers must designate an Agent for Service of Process located in D.C. In addition, carriers must notify the FCC within one week of any changes to their agent designation information via FCC Form 499-A. For more information, see [FCC Service of Process Information](#)

International Section 214 License

All entities that plan to provide any international telecommunications service must obtain a Section 214 license from the FCC before providing service. This requirement extends to all telecommunications service providers that transport traffic to or from the United States. Companies wholly owned by U.S. citizens may qualify for streamlined processing of a 214 application. Companies that have foreign ownership may be subject to additional reporting requirements and oversight by the federal government.

REPORTING AND COMPLIANCE OBLIGATIONS

The following sections highlight key reporting and compliance obligations for carriers subject to the FCC's jurisdiction; discussion of the specific application of these and other requirements to certain business models (prepaid, MVNO, etc.) follows.

FCC Form 499-A Telecommunications Reporting Worksheet

All telecommunications and VoIP service providers must register with the FCC before providing interstate telecommunications or interconnected VoIP service by filing FCC Form 499 with the FCC. Providers must notify the FCC within one week of any change in identification, contact information, names and addresses of officers, or jurisdictions in which the carrier operates.

FCC Form 499-Q Telecommunications Reporting Worksheet

Most carriers are required to contribute to the maintenance of universal service support mechanisms by filing quarterly FCC Forms 499-Q. This includes all FCC Form 499-A filers with interstate end-user telecommunications revenues that are sufficiently large to result in an annual contribution of \$10,000 or more. Other FCC Form 499-A filers must complete a *de minimis* worksheet to certify exemption and retain the worksheet, along with documentation of their contribution base, for three calendar years after the date each worksheet is due.

FCC Form 477 Local Telephone Competition and Broadband Reporting

FCC Form 477 must be filed biannually and collects information about broadband connections to end user locations, wired and wireless local telephone services, and interconnected VoIP services, in individual states.

FCC Form 502 Numbering Resource Utilization/Forecast (NRUF)

All carriers that receive telephone numbers from Pooling Administrator, the North American Numbering Plan Administrator ("NANPA"), or another telecommunications carrier must file Form 502 with the FCC.

Annual Customer Proprietary Network Information (CPNI) Compliance Certification

Most telecommunications service providers must file an annual Customer Proprietary Network Information ("CPNI") Certification with the FCC certifying compliance with the FCC's CPNI rules.

System Security and Integrity ("SSI") Manuals (CALEA)

All telecommunications carriers must maintain up-to-date System Security and Integrity ("SSI") plans with the FCC to certify certain aspects of Communications Assistance for Law Enforcement Act ("CALEA") compliance. CALEA was intended to preserve the ability of law enforcement agencies to conduct electronic surveillance by requiring that telecommunications carriers and manufacturers of telecommunications equipment modify and design their equipment, facilities, and services to ensure that they have the necessary surveillance capabilities.

Geographic Rate Averaging Certification

Each non-dominant provider of detariffed interstate interexchange service must certify that it provides such service in compliance with its geographic rate average and rate integration obligations pursuant to Section 254(g) of the Communications Act.

International Traffic Data Report (Section 43.61)

Carriers that provide service between the U.S and foreign points must file an International Traffic Data Report with the FCC. This filing requirement applies to both facilities-based carriers and resale carriers that transport traffic for an underlying carrier.

International Circuit Data Report (Section 43.82/ Section 63.23(e))

All facilities-based carriers that provide international telecommunications services must file a circuit status report annually. All facilities-based carriers (including facilities-based resellers) need to file the report regardless of whether they have activated circuits at the year-end. If carriers do not have any activated circuits at year-end, they are still required to file a report stating that they do not have any activated circuits.

Operating Revenue Letter (Section 43.21(c))

Miscellaneous common carriers with operating revenues in excess of an indexed revenue threshold, as defined in §32.9000 of the FCC's Rules, must file with the Chief of the Wireline Competition Bureau a letter showing its operating revenues for that year and the value of its total communications plant at the end of the year. The revenue threshold increases each year to account for inflation and was \$142 million for the 2009 filing.

Common Carrier Annual Employment Report and Discrimination Complaint Requirement (FCC Form 395)

FCC Form 395 is required of all FCC licensees or permittees of common carrier stations with 16 or more full-time employees. Resellers typically are not licensees or permittees subject to these requirements. In addition, discrimination reports must be filed by all licensees or permittees, regardless of the number of employees, in accordance with Sections 21.307(d), 22.321(c), and 23.55(d) of the FCC's Rules. The discrimination complaint requirement can be satisfied by completing Section V of FCC Form 395, instead of by submission of a separate report.

ADDITIONAL CONSIDERATIONS FOR SERVICE PROVIDERS**Discontinuance of Service****Cancellation of 499 Filer ID***

Filers who discontinue service must file a notification with the Universal Service Administration Company ("USAC") and the FCC. This notification should indicate that the filer is no longer providing interstate telecommunications services in the U.S. and provides proof of cessation of business.

Domestic Section 214 Discontinuance Approval

All carriers that plan to discontinue, reduce or impair an existing domestic or international telecommunications service must file an application with the FCC pursuant to Section 214. All carriers must also notify all existing customers, all state governments where such services are offered, and the Department of Defense before discontinuing, reducing or impairing service.

Regulatory Fees and Contributions

Many providers need to pay fees based on interstate and international end-user revenues, international circuits, and spectrum licenses. Regulatory fees include, but are not limited to, contribution to the Federal Universal Service Fund ("USF"), Telecommunications Relay Service ("TRS") Fund, Local Number Portability ("LNP") Administration Fund, and the North American Numbering Plan ("NANP") Fund. The FCC also imposes annual regulatory fees on providers. These regulatory fees are based on revenue information reported on FCC Forms 499. Additional telecommunications regulatory fees may apply to intrastate and international providers, and providers offering regulated services in addition to interstate telecommunications.

BREAK-OUT GUIDES FOR SPECIFIC SERVICES

Traditional Telecommunications Services Providers

Traditional providers must comply with the following requirements:

- International Authorization (Section 214)
- FCC Registration and Reporting (Forms 499-A and 499-Q) (*Applies to wireline, wireless, wholesale only, resale, interstate, international carriers (including Incumbent Local Exchange Carriers ("ILECs"), Competitive Local Exchange Carriers ("CLECs"), prepaid card, prepaid wireless phone and pay telephone providers*).
- NRUF Reporting (*Filers include incumbent and competitive LECs, 500-service providers, paging companies, wireless telephony carriers, shared-tenant service providers, satellite service providers, and resellers of these service; Excludes subscriber toll-free numbers*)
- SSI Manuals (CALEA) (*Filers include common carriers and facilities-based broadband Internet access providers*)
- Form 477 Reporting (*Applies to all facilities-based providers of broadband connections to end user locations, CLECs, and mobile telephony service providers who are not solely resellers*)
- CPNI Certification (*Includes, but is not limited to, LECs (including ILECs, rural LECs and CLECs), Interexchange Carriers ("IXCs"), paging providers, Commercial Mobile Radio Service ("CMRS") providers, prepaid telecommunications providers, calling card providers- including resellers wholesalers of these services*)
- State Certification: Providers seeking to offer intrastate services must obtain authorization from the Public Utilities Commission or relevant authority with jurisdiction over intrastate

telecommunications service before providing service in the state. Most states also require ongoing regulatory compliance similar to that at the federal level Requirements vary by state.

Conferencing Service Providers

Until recently, the jurisdictional status of conference bridging and certain virtual office services was unclear. As such, for a long time, much of the industry treated these services as unregulated. However, in its 2008 *InterCall Order*, the FCC classified InterCall's audio-bridging services as "telecommunications," clarifying the prospective regulatory classification of these services.

The FCC held that any ancillary features, such as validation features, billing options, and call modification, among other things, did not transform the underlying telecommunications service into an "information service," free from traditional regulation. In 2010, the FCC further cemented its decision to treat audio-bridging services as telecommunications services by explicitly including audio-bridging providers on the FCC Form 499-A list of entities subject to regulatory assessments. Thus, conference service providers remain subject to the numerous Title II requirements outlined above.

Prepaid Service Providers

PIU Reports. By the 45th day of each quarter, prepaid card providers must report percentage of interstate usage ("PIU") factors and associated call volumes to carriers that provide them with transport services. In addition, all prepaid providers must file a certification with the FCC containing traffic information and a statement that they are contributing to the Federal USF based upon accurate PIU information.

I-VoIP and IP-Enabled Service Providers

Interconnected VoIP.

The FCC has extended certain regulatory compliance obligations to interconnected VoIP ("I-VoIP") providers. Providers meeting the FCC's definition of I-VoIP must comply with the following requirements:

- FCC Registration and Reporting (Forms 499-A and 499-Q)
- Form 477 Reporting
- International Authorization (214)
- SSI Manuals
- CPNI Certification

E911 - I-VoIP providers must provide E911 service. Providers must (a) transmit all 911 calls to the appropriate Public Safety Answering Point ("PSAP"), designated statewide default answering point, or appropriate local emergency authority; (b) transmit a callback number (automatic numbering information or ANI) for each 911 caller to the PSAP; and (c) transmit the caller's "Registered Location" to the PSAP. Providers must also advise all subscribers to its service (existing and new) of the circumstances under which E911 service may not be available or may be limited in comparison to traditional E911 service (*i.e.*, power outages, Internet connection failure and network congestion).

State Requirements and Tax Considerations - State regulation of VoIP generally includes consumer protection and related issues. Only a few states require I-VoIP providers to register before providing service. However, jurisdictional lines between federal and state regulation of I-VoIP services are becoming increasingly blurred as states move to assert jurisdiction over both nomadic and static Interconnected VoIP service offerings. For example, recently, the FCC declared that states are not preempted by federal law from imposing state universal service contribution obligations on the intrastate revenues of nomadic interconnected VoIP providers provided that state USF contribution rules remain consistent with the Commission's USF rules for allocating interstate and intrastate revenues. Furthermore, state tax statutes often broadly apply to VoIP services, and taxes ranging from sales and use to excise to utility fees typically apply to VoIP service at the state level.

Other IP-Enabled Services

For the past four plus years, there has been an open rulemaking docket at the FCC, the "IP-Enabled Services" proceeding, wherein the myriad of legal & regulatory classification issues associated with the diverse universe of VoIP communications services, applications, and products are purportedly being considered. The FCC intended this docket to be the primary means by which to address the complex legal and regulatory classification issues associated with advanced IP-based communications services. However, the FCC has yet to issue any decisions, rules or regulations specifically in this generic rulemaking docket. Instead, the FCC has used the docket to support a piecemeal and ad hoc extension of specific regulations to certain IP-enabled services based on specific public interest demands, such as E-911 emergency services, Universal Service, CALEA, Telecommunications Relay Services for the disabled and other programs.

While the Commission has generally focused on I-VoIP services, a newly enacted law, the Twenty-First Century Communications and Video Accessibility Act of 2010, which aims to ensure access to IP-based communications and video programming to individuals with disabilities, adopts new definitions of "advanced communications services." This Act defines such services to include both non-interconnected VoIP and electronic messaging. And, while it primarily addresses disability access, it extends certain other requirements, such as contribution to the TRS Fund to non-interconnected VoIP providers. Further, via the Act, Congress has authorized the Commission to implement rules and regulations applicable to providers of "advanced communications services." The Commission may use this opportunity to begin to regulate IP-enabled services more heavily.

Wireless Resellers or MVNOs

MVNOs (Mobile Virtual Network Operators) traditionally function and are regulated like Commercial Mobile Radio Service ("CMRS") providers. MVNOs must comply with the following:

- International Authorization (214)
- FCC Registration and Reporting (Forms 499-A and 499-Q)
- State registration/certification
- CPNI
- E911 fees

Hearing Aid Compatibility

MVNOs and other wireless service providers that offer handsets for sale must comply with the FCC's Hearing Aid Compatibility ("HAC") rules. In short, the Commission's rules require providers to (1) contact manufacturers and confirm compliance with the Commission's technical HAC requirements; (2) file annual compliance reports; and (3) post certain website disclosures on the availability of HAC-compliant handsets.

State Requirements

States cannot regulate rates or entry of wireless services into the market. But, states can require that wireless providers and resellers register before providing service. Some states expressly require MVNOs to register and provide corporate information. MVNOs can also fall subject to a variety of taxes and fees at the state level, including public utility commission fees, E-911 surcharges, local taxes and state USF liability.

Broadcast & Spectrum-based services

Broadcast and spectrum-based service providers face a distinct set of issues and regulations uncommon to other communications service providers. These include intellectual property issues, trademark, copyright and Internet regulatory issues. Further, spectrum-based services generally require licensure based upon the nature of the service. Spectrum licenses also demand regular maintenance and renewal. Additionally, transfers of control or assignment must be approved by the Commission. Broadcast/spectrum licensees are not common carriers, and therefore not subject to the various Title II regulations discussed above. Instead, they must comply with the terms of their licenses, and related rules.

Though not presently available through our myFCC online service, if you require assistance with any of the following Broadcast and Spectrum services:

- FCC Form 601 Preparation for New and Modified Licenses
- Licensing Services under FCC Rules, Parts 25, 80, 87, 90, and 101
- License Renewals and Cancellations
- Special Temporary Authority
- Assignments of Authorization
- FCC Tower Registration
- Radio Station Applications

Please contact [The CommLaw Group](#) and a licensed professional will contact you.

Thank you for taking the time to review our FCC Regulatory Compliance Guide and learn about the wide variety of regulatory and legal services our family of firms offers telecommunications, Voice over Internet Telephony, broadcast and wireless service providers.

We wish you good luck and success in the industry!