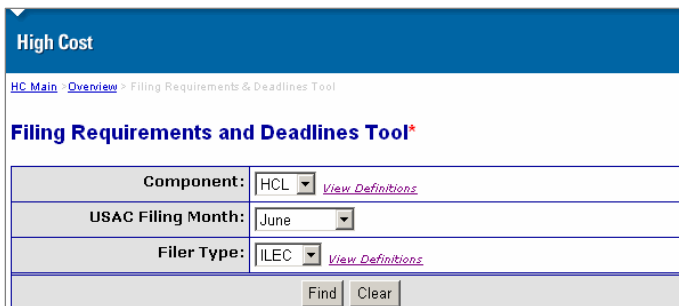


The USAC Connection High Cost & Low Income newsletter will give you information about upcoming program deadlines, tips to help you ensure timely and proper filings, and other timely information. This electronic newsletter will be issued monthly.

High Cost Program

The High Cost Program Filing Requirements and Deadlines Tool

Incumbent & competitive eligible telecommunications carriers (ETCs) can use the [High Cost Filing Requirements and Deadlines Tool](#) to search for deadline information, filing requirements, and forms.



The screenshot shows a web interface for the 'High Cost' tool. It includes a navigation bar with 'HC Main' and 'Overview' links. Below is the title 'Filing Requirements and Deadlines Tool*'. The main area contains three search criteria: 'Component' (set to 'HCL'), 'USAC Filing Month' (set to 'June'), and 'Filer Type' (set to 'ILEC'). Each criterion has a 'View Definitions' link. At the bottom are 'Find' and 'Clear' buttons.

Search fields include Component, USAC Filing Month, and Filer Type. You can also choose all the categories of each search field. After you select your criteria, the tool will retrieve the relevant data and links to any forms or sample letters you would need.

The tool also provides the time frame of the data to be reported by the deadline and additional comments to help make filing the data easier.

Components of High Cost Program Support

Only ETCs—whether rural or non-rural incumbent local exchange carriers (ILECs) or competitive carriers serving in the areas of ILECs—receive High Cost support. State public utility commissions have

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Low Income Program

2006 Certification and Verification Process

The FCC plans to release a public notice that will provide instruction regarding the 2006 certification and verification process.

USAC will post this information as soon as it is available to the [Low Income Program](#) section of its website.

ETCs in federal default states must check the continued eligibility of a [statistically valid sample](#) of Lifeline customers and report those results to USAC **by June 22** each year. Please note that the appropriate size of a company's sample for 2006 depends upon the number of ineligible consumers reported during the 2005 verification process. See [Annual Verification of Consumer Eligibility](#) on USAC's website for more details. ETCs in states that have their own Lifeline programs must follow the verification rules established by their own state. ETCs in both federal default and non-federal default states are required to certify that they are complying with the relevant verification rules.

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TIPS AND HINTS

The links below provide additional information for ETCs participating in the Low Income Program:

[Overview of the Process](#)

[Low Income Katrina Site](#)

[Understand What is Supported](#)

High Cost Program

(Continued from page 1)

the primary responsibility for designating ETCs.

The High Cost Program consists of five support components:

- [High Cost Loop \(HCL\) support](#), which includes two sub-components:
 - [Safety Net Additive \(SNA\) support](#); and
 - [Safety Valve Support \(SVS\)](#)
- [High Cost Model \(HCM\) support](#)
- [Interstate Access Support \(IAS\)](#)
- [Interstate Common Line Support \(ICLS\)](#)
- [Local Switching Support \(LSS\)](#)

HCL support is available to **rural price-cap and rate-of-return incumbent carriers** and **competitive carriers** providing service in the areas of these rural companies. See [Filing requirements](#).

HCM support, also known as forward-looking support, is available **only to non-rural incumbent carriers** (mostly price-cap carriers) and **competitive carriers** providing service in the eligible wire centers of these non-rural companies. See [Filing requirements](#).

IAS is available **only to price-cap incumbent carriers** (mostly non-rural and some rural carriers) and **competitive carriers** operating in the service area(s) of a price-cap carrier. See [Filing requirements](#).

ICLS is available **only to rate-of-return incumbent carriers** (mostly rural and some non-rural carriers) and **competitive carriers** providing service in the areas of these companies. See [Filing requirements](#).

LSS is available to **rural incumbent carriers** serving 50,000 lines or fewer (mostly rate-of-return and some price-cap carriers) as well as **competitive carriers** providing service in the areas of these rural companies. See [Filing requirements](#).

SNA support is a sub-component of HCL support and is available to **rural price-cap and rate-of-return incumbent carriers** and **competitive carriers** providing service in the areas of these rural companies. See [Filing requirements](#).

SVS is a sub-component of HCL support and is available for **rural price-cap and rate-of-return incumbent carriers** and **competitive carriers** providing service in the areas of these rural companies. See [Filing requirements](#).

For more information on the High Cost Program, visit www.usac.org/hc.

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USAC, 2000 L Street, NW, Suite 200
Washington, DC 20036
Phone (202) 776-0200 Fax (202) 776-0080
www.usac.org

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USAC appreciates feedback on this newsletter. For any questions or comments, please contact Ed Rovetto, Program Manager, External Relations, at erovetto@usac.org.

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Low Income Program

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Link Up Reminder – Eligible Consumer Must Relocate to Be Eligible for Second Discount

The FCC's rules permit an eligible consumer to receive a [Link Up](#) discount only once unless that consumer moves to a new address. A consumer who is disconnected for non-payment or other reasons may not receive a Link Up discount for reconnecting service if he or she has already received a Link Up discount, unless the consumer relocates to a new address. ETCs should not claim Link Up support from the federal fund more than one time for each eligible consumer unless a consumer transfers service to a new address.

Advertise on USAC's Website

ETCs are invited to post information about their Lifeline programs on USAC's consumer-oriented website, www.lifelinesupport.org. Consumers and social service organizations use this website to determine eligibility, to find out the amount of discount available, and to locate specific contact information for each company. ETCs that have already submitted information should check their information periodically to ensure it is up-to-date. ETCs can submit information or revisions by contacting USAC at telcolifeline@usac.org.

What is Link Up?

Link Up is an assistance program for qualifying low-income consumers, which ETCs are required to offer under the FCC's Universal Service Fund (USF) rules. There are Link Up programs for residents of non-tribal lands and tribal lands.

Link Up

The Link Up program reduces eligible low-income consumers' charges for initiating telephone service by one-half of the telephone company's charge, or \$30, whichever is less.

Tribal Link Up

For subscribers residing on tribal lands, the discount is up to \$70 or 100% of the charges between \$60 and \$130, in addition to the \$30 available to non-tribal subscribers.

The Link Up program also offers a deferred payment plan for charges assessed for starting service, for which eligible subscribers do not have to pay interest. Eligible subscribers are relieved of the requirement to pay interest charges of up to \$200 for a period not to exceed one year. The following **restrictions** apply to the Link Up program:

- A consumer **may not** receive more than one Link Up discount at the same address.
- The Link Up discount cannot be applied to charges for facilities or equipment that fall on the customer side of demarcation point (e.g., telephone, wiring inside the home, etc.).
- The Link Up discount cannot be used to offset the cost of a wireless handset.

For more information on the Low Income Program, visit www.usac.org/li.

USAC Information

Finding FCC Orders on USAC's Website Has Just Gotten Easier

USAC has posted major FCC orders and other documents that deal with USAC and the USF. The orders can be found under [FCC Orders](#) in the [About USAC](#) section of our website. The documents are listed in chronological order and are linked by the official FCC number (e.g., FCC 97-157, FCC 98-306, etc.).

The FCC Orders page contains links to documents by year or you can view [all major FCC Orders 1997-2006](#). Some of the FCC orders available cover contributions, reporting revenues, high cost components such as High Cost Model (also called forward-looking support) and Interstate Access Support, Low Income Program components, and eligible telecommunications carrier designations.