

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

### Rural and Non-Rural Certifications Due on or before September 29, 2006

All eligible telecommunications carriers (ETCs) - rural, non-rural, and competitors - are subject to component-specific certification requirements that have a direct impact on those carriers' receipt of High Cost support.

State regulatory commissions typically submit ETC certifications for rural, non-rural, and competitive carriers that are eligible to receive High Cost support for High Cost Loop, High Cost Model, Local Switching Support, Safety Net Additive, or Safety Valve Support in the form of a letter to USAC and the FCC. These are due annually on or before October 1. Since October 1 is a Sunday, submissions **must be received on or before September 29, 2006.**

### IMPORTANT DATES AND REMINDERS

September 29—State Commissions must file Rural and Non-Rural Use Certifications with USAC and the FCC. ETCs not subject to state jurisdiction must file directly with USAC and the FCC.

September 29—Rural ILECs serving 50,000 or fewer lines must file LSS projected data for 2007.

ETCs should work with their state commissions to ensure they are included in the certifications. Failure to timely file October 1 certifications affects ETC support as indicated in the table on the next page.

#### *State Commission Certification Requirements*

In order for ETCs within a state to receive High Cost support (including HCL, HCM, LSS, SNA or SVS), the appropriate state public utilities commission must file an annual certification, by October 1 each year, with USAC and the FCC.

*(Continued on page 2)*

## Low Income Program

### Low Income Verifications and Certifications Due by August 31, 2006

#### Verifications

All eligible telecommunications carriers (ETCs) in federal default states (AS, DE, HI, IA, IL, IN, LA, MP, NH) must submit annual Lifeline verification survey results to USAC by **August 31, 2006.** Companies in other states that have been directed to file their verification results with USAC—such as Arkansas, Minnesota, North Dakota and South Dakota—should also file their verification results by August 31, 2006.

To see if USAC has received your 2006 Lifeline verification, go to the [Lifeline Verification Submission checklist](#). For more information, visit USAC's [Verification page](#).

#### Certifications

All ETCs in states that have their own Lifeline program must submit their Low Income certification to USAC by **August 31, 2006.** An annual certification is required from all ETCs, but companies that submit their verification results to USAC comply with the certification requirement at the same time.

*(Continued on page 3)*

# High Cost Program

The certification must state that all federal High Cost support provided to rural and/or non-rural carriers and competitive ETCs within the state will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended. The certification must also reference CC Docket No. 96-45. If a state fails to certify an ETC, that ETC will not be eligible to receive support in the first quarter of the following calendar year.

Components	Certification filed by:	ETC Eligible For Support:
High Cost Loop	October 1	January 1 to December 31 of the following calendar year
Safety Net Additive	January 1	Second, third, and fourth quarters of the same year
Safety Valve Support	April 1	Third and fourth quarters of the same year
Local Switching Support	July 1	Fourth quarter of the same year
High Cost Model	After July 1	No support for the same year

[Rural Use Certifications](#) on USAC's website explains the certification filings that state commissions make for **rural ETCs** and **competitive ETCs** providing service in the areas of these companies.

[Non-Rural Use Certifications](#) on USAC's website explains the certification filings that state commissions make for **non-rural ETCs** and **competitive ETCs** providing service in the areas of these companies.

If an ETC is not subject to state jurisdiction, it must file a self-certification directly with USAC and the FCC. See [Filing requirements](#).

## Addresses for Filing October 1 Use Certifications and Self-Certifications

Karen Majcher  
Vice President, High Cost & Low Income Division  
Universal Service Administrative Company  
2000 L Street, NW, Suite 200  
Washington, DC 20036

Marlene H. Dortch  
Office of the Secretary  
Federal Communications Commission  
445 12th Street, SW  
Washington, DC 20554

### [Check if Your Certification was Received by USAC](#)

To see if USAC has received your October 1 Use Certification, visit the [certification checklist](#).

## Local Switching Support Projection Filings for Rural ILECs Due on or before September 29, 2006

Rural incumbent local exchange carriers (ILECs) serving 50,000 or fewer lines may submit a projection filing for Local Switching Support (LSS). LSS projections are due on October 1 each year for support in the following calendar year. Since October 1 is a Sunday, submissions **must be received on or before September 29, 2006**.

A "cost company" serving 50,000 lines or fewer must submit the *Local Switching Support Reporting Worksheet for Cost Companies* (Form LSSc) in order to qualify for local switching support. An "average schedule" company must submit the *Local Switching Support Reporting Worksheet for Average Schedule Companies* (Form LSSa) in order to qualify for LSS. The forms can be found on the [High Cost Forms](#) page. LSS filings can be sent:

Via **Mail**: USAC, 444 Hoes Lane, RRC 4A1060, Piscataway, NJ 08854

Via **Fax**: (866) 873-4695

Via **E-Mail**: [hcfilings@hcli.universalservice.org](mailto:hcfilings@hcli.universalservice.org)

**Note**: If the National Exchange Carrier Association (NECA) files this LSS data on a carrier's behalf, the carrier does not need to file the data directly with USAC.

If you have any questions, call our Customer Service Center at 877-877-4925.

# Low Income Program

To see if USAC has received your 2006 Low Income certification, go to the [Certification Submission checklist](#). For more information, visit USAC's [Certification page](#).

All verifications and certifications must be SIGNED by an officer of the ETC.

## Check out the new Low Income Tips & Best Practices Page!

USAC has created a new Low Income [Tips & Best Practices](#) page to better serve ETCs claiming support from the Universal Service Fund (USF) and customers receiving Lifeline, Link Up, and Toll Limitation Service support. Currently, the page includes information on applying for Lifeline and recent state Low Income training session presentations.

## Lifeline Advertising Requirement

All ETCs are required to advertise the availability of Lifeline in a manner reasonably designed to reach eligible households within their study areas. The FCC has provided [advertising guidelines](#) for carriers. ETCs can use USAC as an outreach resource by posting Lifeline and Link Up information on USAC's Low Income consumer website [www.lifelinesupport.org](http://www.lifelinesupport.org) or by customizing a [USAC Consumer Outreach Letter](#) and sending it to households within the study area. If your company has completed a successful advertising campaign please tell us about it. If you would like to request brochures and fact sheets, contact USAC via [E-mail](#).

For more information on the Low Income Program, visit [www.usac.org/li](http://www.usac.org/li).

## USAC Information: USAC Issues Awards for High Cost & Low Income Audit Services

USAC has awarded contracts for audits of the Universal Service Fund to several CPA firms. These awards cover approximately 60 audits in the High Cost Program and about 110 in the Low Income Program. The audits are expected to kick off this fall and will be completed over the next 12 months.

The primary purposes of the audits are to ensure compliance with Federal Communications Commission rules and program requirements and to assist in program compliance. When selected for an audit, the carrier's designated contact person will be contacted by a member of the USAC Internal Audit Division. In addition, an announcement letter will be sent detailing the purpose and scope of the audit, identifying the personnel who will be performing the audit, making a request for company data, and stating the date upon which the data is due.

USAC's random sample selection includes various types of ETCs (cost companies and average schedule companies, incumbents and competitors, rural and non-rural carriers) from various states. For more information, visit [Understanding Audits](#) in the High Cost section or [Understanding Audits](#) in the Low Income section of USAC's website.

**USAC CONNECTION** is published monthly by the Universal Service Administrative Company.

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

You may download and print copies of USAC Connection on USAC's website. You may [subscribe](#) to or [unsubscribe](#) from this newsletter. For program information, please visit the USAC website at [www.usac.org](http://www.usac.org). Feel free to forward this newsletter to any interested parties.

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

Please do not reply to this email directly, as it was sent from an unattended mailbox.  
© 1997-2006, Universal Service Administrative Company, All Rights Reserved.