

Helping Keep Americans Connected

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

Registration Open for High Cost/Low Income Training Sessions in Denver and Dallas

USAC is holding one-day training events in Denver and Dallas for companies that participate in the High Cost and Low Income Programs. The trainings provide guidance on program rules, audits, and payment calculations. Training dates are: **September 10, 2008** in [Denver, CO](#); and **November 19, 2008** in [Dallas, TX](#). While both sessions are full, you can sign up to be on a waiting list if you still wish to attend.

More details on who should attend, topics covered, training registration, and hotel accommodations can be found at [High Cost Training Events](#) or [Low Income Training Events](#).

High Cost Program

Rural and Non-Rural Certifications Due on or before October 1, 2008

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**.

IMPORTANT DATES AND REMINDERS

Sept. 15-16—NECA Expo. Visit USAC at Booth 129.

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.

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Low Income Program

2008 Deadline for Lifeline Verification Surveys and Certifications is September 2

The submission deadline for all eligible telecommunication carriers (ETCs) to submit their annual certification or verification results has been revised for the 2008 calendar year. Because August 31, 2008, falls on a Sunday and September 1, 2008 is observed as a federal holiday, **the submission deadline for ALL certifications and verifications will be September 2, 2008**. See the [FCC Public Notice](#) regarding this recent change.

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

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

The [Non-Rural Use Certifications](#) page on USAC's website explains 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
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[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 October 1, 2007

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.

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, Piscataway, NJ 08854

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

Via **E-Mail**: hcfilings@hcli.universalservice.org

Note: If the National Exchange Carrier Association (NECA) files 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.

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Lifeline Certification and Verification

The Office of Management and Budget (OMB) has recently approved a new version of the [Annual Lifeline Certification and Verification Letter](#). The new document can be used to submit both a certification and verification results. These are normally due **August 31**, but are due **September 2, 2008**. This new version can be used in 2008 and in subsequent years.

Beginning in 2008, ETCs are no longer required to submit follow-up verification information. Instead, ETCs should contact consumers who do not initially respond and indicate their final designation as eligible or ineligible on the verification submission filed by August 31.

The new Annual Lifeline Certification and Verification Letter allows ETCs to indicate if they have not claimed federal Low Income support for any Lifeline customers during the year.

Companies that have already submitted their 2008 certification or verification do not have to re-file using the new Annual Lifeline Certification and Verification Letter.

FCC Releases Revised Form 497

The FCC has released a [revised FCC Form 497 – Lifeline and Link Up Worksheet and Instructions](#). ETCs use this form to seek reimbursement from the federal USF for providing Lifeline, Link Up, and Toll Limitation Service support. The revisions to the Form 497 will not result in any changes to support calculations. Changes include:

- Removal of references to the Presubscribed Interexchange Carrier Charge (PICC), which is no longer available.
- Moving the ETC payment block from Line 22 to Line 19.
- Modifying the instructions to accurately reflect total amount of Lifeline and Enhanced Lifeline available.
- Changing the instructions for Line 5(b) to clarify that Tier 1 support is an amount equal to the incumbent's end user common line charge.
- Adding clarifying language to the instructions in reference to Toll Limitation Service (TLS).

Please review the revised instructions and begin using the updated Form 497 to submit your company's Low Income support claims.

Audit Findings Related to the Low Income Program

USAC has identified some common errors made by ETCs in the Low Income Program that auditors have deemed to be audit findings. Over the next few months, we will highlight these common audit findings so that companies can review their practices to ensure they are in compliance with FCC rules.

Common Audit Findings

1. *Carrier did not publicize the availability of Low Income Telephone Assistance*
2. *Carrier did not publicize the availability of Toll Limitation Service*

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Low Income Program

3. *Carrier's advertising did not have accurate eligibility criteria*
4. *Carrier did not advertise the supported services*

Publicize the Availability of Low Income Telephone Assistance. All ETCs are required to publicize the availability of Lifeline, Link Up, and Toll Limitation Support in a way reasonably designed to reach eligible households within its study area ([47 C.F.R. §54.405\(b\)](#)). The FCC has provided [advertising guidelines](#) for states and carriers:

- States and ETCs should use outreach materials and methods designed to reach households that do not currently have telephone service.
- States and ETCs should develop advertising that can be read by members of any sizeable non-English speaking populations.
- States and ETCs should coordinate outreach efforts with governmental agencies that administer any of the relevant government assistance programs
- States and ETCs should use USAC as a resource.

In addition, carriers should ensure that their outreach materials include:

- Information about Lifeline, Link Up, *and* Toll Limitation Service
- Accurate eligibility criteria
- Appropriate contact information

Advertise Supported Services. ETCs are also required to advertise the [services supported](#) through the Universal Service Fund using media of general distribution ([47 C.F.R. §54.201\(d\)\(2\)](#)).

ETCs Must Notify Lifeline Customers about the Transition to Digital Television (DTV)

The FCC is requiring all ETCs that receive federal universal service funds to provide information about the television broadcasting transition from analog to digital service (the "DTV Transition") to their Lifeline and Link Up customers. See [FCC 08-56](#), released March 3, 2008.

A March 28, 2008, FCC [Public Notice](#) announced that the effective date for the new rule was March 31, 2008. Accordingly, as of March 31, ETCs must begin using bill inserts or language on a monthly bill to notify their Lifeline and Link Up customers about the DTV transition.

However, the FCC released a reconsideration order ([FCC 08-119](#)) April 23 that expanded its rules regarding the method in which ETCs must notify their Lifeline and Link Up customers of the February 2009 DTV transition. ETCs are now permitted to mail customers monthly stand-alone outreach materials (brochures, postcards, etc.) instead of including the notice as a monthly bill insert. The language that must be included on the mailer has not changed.

ETCs are still required to include DTV transition information on all Lifeline and Link Up outreach materials. These revised rules will be effective May 30, 2008. However, carriers may still use stand-alone mailers for the April 30 deadline.

The National Telecommunications and Information Administration (NTIA) has a number of outreach materials relating to the DTV transition, particularly the coupon program, available on its website at [www.dtv2009.gov](#). Please contact NTIA directly to discuss co-branding printed materials or outreach methodology. For more information on these requirements, please see USAC's March 19 [DTV Important Notice](#) or the [March 2008 High Cost & Low Income News](#).