

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 information.

Beginning August 31, USAC will withhold support payments to any entity that has not provided USAC with electronic banking information.

Service providers that do not have electronic banking information on file for one or more of the support mechanisms in which they participate will not receive payments for those mechanisms. To avoid non-payment, service providers must update their banking information in advance of the August 31 date. USAC encourages all service providers to update their Form 498 information using [USAC's E-File System](#).

You can view USAC's [online video tutorials](#) if you need help updating your FCC Form 498.

If you have any questions, please contact USAC Customer Operations at **(888) 641-8722** or customersupport@usac.org.

High Cost Program

Rural and Non-Rural Certifications Due on or before October 1, 2010

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

(Continued on page 3)

Low Income Program

August 31: Deadline for Lifeline Certifications and Verifications

Annual Lifeline Certification and Verification submissions are due **August 31, 2010**. Companies must use the [Annual Lifeline Certification and Verification Letter](#) to submit their certification or verification results.

You can check to see whether USAC has received your company's submission by checking [USAC's website](#).

(Continued on page 2)

Low Income Program

Poverty Guidelines Remain Unchanged for 2010

The Department of Health and Human Services (DHHS) has extended the 2009 federal poverty guidelines through the end of 2010. If your company provides Lifeline and Link Up in a state that uses the federal poverty guidelines, please continue to use the rates from last year.

You can visit [the Department of Health and Human Services](#) (DHHS) webpage on poverty guidelines for more information about the extension. USAC has updated its [website](#) to reflect the change.

Sign Up for Chicago and Orlando HCLI Training Sessions

USAC will hold High Cost and Low Income training sessions in [Chicago September 29](#), and in [Orlando November 3](#). The sessions will highlight changes in USAC's Audit program under the new Beneficiary/Contributor Compliance Audit Program (BCAP) and discuss USAC's new Payment Quality Assurance Program (PQA) for 2010. For more information, go to the [High Cost/Low Income Training Events](#) page.

USAC Information

USAC Launches its Payment Quality Assurance (PQA) Program

In August 2010, USAC rolled out its Payment Quality Assurance (PQA) Program. The PQA Program enables USAC to provide accurate, timely information about improper payments to the FCC, as required by the Improper Payments Information Act of 2002 (IPIA).

Under this program, USAC assesses specific payments made to beneficiaries in all four USF programs (Schools and Libraries, High Cost, Low Income, and Rural Health Care) to determine if these payments were made in accordance with program rules. Using results of these assessments, USAC calculates estimates of improper payment rates across entire USF programs and provides this information to the FCC.

For more information, visit the [PQA Program](#) page where you can obtain specific PQA document requirements for each of the four USF programs.

USAC has also posted [a list of FAQs](#) that provide information about the program, what to do if you are selected, and how/when to submit documents.

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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. 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.

Please do not reply to this email directly, as it was sent from an unattended mailbox.
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High Cost Program

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**.

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 following table.

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

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.

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.

(Continued on page 4)

Check if Your Certification was Received by USAC

State commissions and carriers can see if USAC has received their October 1 Use Certification using the [certification checklist](#) tool. Select "October1" from the drop-down menu, the year, and your state to see all the companies that were certified.

Certification Checklists Search

All eligible telecommunications carriers (ETCs) - rural, non-rural, and competitors - are subject to component-specific certification requirements a direct impact on those carriers' receipt of High Cost support. To see if USAC has received your October 1 Use Certification, IAS Certification, or Certification, please query the database below.

Checklist Type:	IAS <i>*(required field)</i>	<div style="border: 1px solid blue; padding: 2px;"> IAS IAS October1 Federally Designated Covered Location Quarter 1 Covered Location Quarter 2 Covered Location Quarter 3 Covered Location Quarter 4 </div>
Year:	2010 <i>*(required field)</i>	
Study Area Name:	<input type="text"/>	
Study Area Code:	<input type="text"/>	
State:	<input type="text"/>	
<input type="button" value="Find"/> <input type="button" value="Clear"/>		

High Cost Program

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](#) for self-certification instructions.

IMPORTANT DATES AND REMINDERS

Sept. 30	Line Counts as of 3/31	HCL, LSS, HCM, ICLS
Sept. 30	Line Counts as of 6/30	IAS
October 1	Rural, Non-Rural Use Certs. (States and self-certifying ETCs)	HCL, LSS, HCM
October 1	Rate Comparability Review	As required by FCC 03-249

Rate Comparability Review Requirement for States

In the Order on Remand ([FCC 03-249](#), released October 27, 2003), the FCC adopted a new annual state certification requirement that took effect for the first time on October 1, 2004. Section 54.316 of the FCC's rules requires each state to review annually the comparability of residential rates in rural areas of the state served by non-rural incumbent local exchange carriers (ILECs) to urban rates nationwide, and to certify to the FCC and USAC as to whether the rates are reasonably comparable.

Please note that the Rate Comparability Review certification is in addition to the annual certifications in which states certify to the use of High Cost universal service support, which are also **due on October 1**.

[Effect of Failure to Certify](#)

In the event that a state fails to certify, no eligible telecommunications carrier (ETC) in the state shall receive High Cost Model support pursuant to Section 54.309 of the FCC's rules.

LSS Projection Filings for Rural ILECs Due on or before October 1, 2010

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 LSS. 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, 2000 L Street, NW, Suite 200, Washington, D.C. 20036

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**.