

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.

High Cost Program

March 2008 CETC Baseline Information Available

The FCC released its *Interim Cap Order* ([FCC 08-122](#)) May 1, 2008, which adopted an interim, emergency cap on the amount of high-cost support that competitive eligible telecommunications carriers (CETCs) may receive. Specifically, as of the effective date of the *Interim Cap Order*, total annual CETC support for each state was capped at the level of support that CETCs in that state were eligible to receive during March 2008 on an annualized basis. The *Interim Cap Order* became effective on August 1, 2008.

On December 10, 2008, the FCC issued a Public Notice ([DA 08-2684](#)) that asked CETCs to confirm their March 2008 high-cost support amount information with USAC and file any corrections on or before December 31, 2008.

In response to the public notice, USAC has made available the [March 2008 CETC baseline information](#) consistent with FCC 08-122.

CETCs should confirm their March 2008 high-cost support amount information and file any corrections **on or before December 31, 2008**. If you have questions or inquiries, send them to CETCCap@usac.org. A listing of all potential changes to the March 2008 baseline will be kept by USAC for review with the FCC.

Correction Notice—Line Count Due Date

Due dates for competitive and incumbent ETCs filing for line counts for High Cost Loop, High Cost Model, Local Switching Support & Interstate Common Line Support were incorrectly listed in the November 2008 issue.

The **correct filing date is December 30, 2008**. Line count filings for all High Cost support components must be received by USAC no later than this date. The [November 2008](#) newsletter has been updated to reflect this correction. We apologize for any inconvenience.

Low Income Program

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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

- ETC did not submit an annual Verification to USAC
- ETC did not submit an annual Certification to USAC

All eligible telecommunications carriers (ETCs) in federal default states (AS, DE, HI, IN, IA, LA, MP, ND,

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NH) must submit their annual Lifeline verification survey results to USAC by **August 31 each year**.

All ETCs in a state with its own state-based Low Income program (all non-federal default states) must submit their annual Low Income certification to USAC by **August 31**, attesting that the ETC has complied with the state verification procedures.

Carriers should use the OMB-approved [Annual Certification and Verification Letter](#) to submit their information.

State Lifeline Eligibility Criteria

State Lifeline and Link Up eligibility criteria can change. Carriers in states that mandate support should work with their state utility commissions to ensure that they are using the most up-to-date criteria. [State PUC](#) contact information can be found on our website, <http://www.usac.org>.

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](#).

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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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High Cost Program

To provide certainty regarding the amount of high-cost support available to CETCs under the cap in each state, after December 31, 2008, changes will not be accepted from CETCs regarding the data on which their March 2008 high-cost support is based, absent the grant of a waiver of this deadline by the FCC.

Local Switching Support (LSS) True-Up Data Due by December 31, 2008

Incumbent eligible telecommunication carriers (ETCs) that filed for LSS in 2007 must file actual data for calendar year 2007 no later than **December 31, 2008**. If your LSS data is not timely filed, your 2007 LSS will be recovered, absent a waiver from the FCC.

You must submit the necessary data on an OMB-approved LSS form, which can be found on the [High Cost Forms](#) page. Average schedule companies should complete Form LSSa and cost companies should complete Form LSSc. You must also submit the required certification form, found in the form instructions, for the above forms.

If the National Exchange Carrier Association (NECA) files LSS data on your behalf, NECA must submit the same data as required on the LSS forms. In addition, NECA must file your data with USAC no later than **December 31, 2008**.

If you have questions, contact USAC's customer service center at 877-877-4925.

Interstate Common Line Support (ICLS) True-Up Data Due by December 31, 2008

All incumbent ETCs that projected for ICLS for any part of calendar year 2007 must file actual ICLS data for that year with USAC by **December 31, 2008**. This data will be used to true-up ICLS for calendar year 2007. If ICLS actual data for calendar year 2007 are not timely filed, all ICLS disbursed for that year will be recovered by USAC, absent an FCC waiver.

You must submit the data necessary to determine actual ICLS on OMB-approved Form 509, which can be found on the [High Cost Forms](#) page.

If the National Exchange Carrier Association (NECA) files ICLS data on your behalf, NECA must submit the same data as required on Form 509. In addition, NECA must file your data with USAC no later than **December 31, 2008**.

If you have questions, contact USAC's customer service center at 877-877-4925.

Competitive ETCs Must File Quarterly Line Counts by December 30, 2008

All competitive eligible telecommunications carriers (CETCs), or their agents, must file line counts with USAC using Form 525 on a quarterly basis to qualify for high cost support. USAC recommends that CETCs use the [Online Form 525](#) to submit their line count data.

THREE WAYS TO FILE YOUR LINE COUNT AND TRUE-UP DATA WITH USAC

You can file line count and other High Cost program data with USAC as follows:

Via Email: hcfilings@hcli.universalservice.org

Via Fax: 866-873-4666

Via Mail: Universal Service Administrative Co.
444 Hoes Lane
Piscataway, NJ 08854

Remember: Line count filings for all High Cost support components must be received by USAC no later than **December 30, 2008**.

LSS True-Up data and ICLS True-Up data must be received by **December 31, 2008**.

If a line count filing is received after the filing date, a petition for waiver will need to be filed with the FCC. Because USAC is not authorized to waive filing deadlines, only an FCC grant of a waiver will permit USAC to use late line counts to calculate high cost support.

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High Cost Loop, High Cost Model, Local Switching Support, & Interstate Common Line Support

Your next line count filing is due no later than **December 30, 2008** for the number of lines served as of June 30, 2008.

Lines must be reported consistent with the disaggregation path(s) selected by the incumbent carrier(s) in whose service areas you serve lines. You may obtain copies of the appropriate disaggregation plans by calling USAC or view maps using the [Disaggregation Map Search](#) tool on the USAC website. In addition, ICLS lines must be reported by customer class (residential and single line business lines are reported separately from multi-line business lines). HCM lines must be reported by wire center.

Interstate Access Support

Your next line count filing is due by the last business day of the quarter, **December 31, 2008**, for the number of lines served as of September 30, 2008. Lines must be reported by UNE zone and customer class (residential and single line business lines are reported separately from multi-line business lines).

Form 525, with instructions, and other forms can be found on the [High Cost Forms](#) page.

Incumbent ETCs Must File Quarterly Line Counts by December 30, 2008

All incumbent ETCs, or their agents, with a competitive ETC filing line counts in their service area(s) are required to file line counts with USAC or the National Exchange Carrier Association (NECA) on a quarterly basis. Incumbent ETCs must report line counts as follows:

High Cost Loop, High Cost Model, Local Switching Support & Interstate Common Line Support

Your next line count filing is due no later than **December 30, 2008** for the number of lines served as of June 30, 2008. Lines reported must be consistent with the disaggregation path you selected. For ICLS, you must report lines using FCC Form 507, which is available on the [High Cost Forms](#) page. Lines for ICLS must be reported by customer class (residential and single line business lines are reported separately from multi-line business lines) and consistent with the disaggregation path you selected. For HCM, lines must be reported by wire center.

Interstate Access Support

Your next line count filing is due no later than the last business day of the quarter, **December 31, 2008**, for the number of lines served as of September 30, 2008. Lines must be reported by UNE zone and customer class (residential and single line business lines are reported separately from multi-line business lines).

New Email Addresses for ETC Designation Orders and Program Certifications

All ETCs, State regulatory commissions, carriers, and agents submitting ETC designation orders or High Cost certifications must notify USAC of new or changed designation orders via email to expedite their processing. You may also submit certifications this way. Please make sure the scanned certifications are signed or they will not be considered effective.

The new addresses are:

ETC Designation Orders: hcorders@usac.org

Program Certifications: hccerts@usac.org