

Helping Keep Americans Connected

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

Understanding USF Contribution Invoicing

Contributors to the Universal Service Fund (USF) are invoiced on a monthly basis. The balance due will be delinquent if it is not paid in full by the due date. If a company fails to pay these invoices, the company may be placed in "Red Light" status or have its outstanding debt transferred to the FCC under the Debt Collection Improvement Act (DCIA).

Contributing companies that are delinquent in their USF payments will receive delinquency notices from USAC reminding them of their obligation to pay. Delinquency notices are generated monthly. A company may receive more than one notice in one month if they are more than one month behind in their payments. Each notice represents one month of unpaid USF payments and identifies how delinquent each payment has become.

IMPORTANT DATES AND REMINDERS

July 31—HCL, HCM, LSS, ICLS Line Counts as of 12/31/2005 due

August 1—Contributor Form 499-Q due at USAC

If your invoice balance becomes over 90 days delinquent, USAC will transfer the balance to the FCC for further collections activity. This transfer will be identified on the USAC invoice with a line item called "DCIA Transfer." At that time, the amount is due for payment to the FCC directly, rather than to USAC. Once transferred to the FCC, the delinquent balance is subject to further interest and penalties.

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Low Income Program

FCC Announces Annual Lifeline Verification and Certification Deadline

On July 3, 2006, the Federal Communications Commission (FCC) released a Public Notice announcing the **August 31, 2006** deadline for ETCs in federal default states (American Samoa, Delaware, Hawaii, Iowa, Illinois, Indiana, Louisiana, Northern Mariana Islands, and New Hampshire) to submit to USAC their annual Lifeline verification survey results. The FCC also set an **October 31, 2006** deadline for ETCs that did not receive replies from all of their sample recipients to submit updated verification results.

In addition, the FCC also announced the **August 31, 2006** deadline for all ETCs in states with their own state-based Low Income program to submit to USAC their annual Lifeline certification. Please see the FCC's [Public Notice](#) for more information, including answers to frequently asked questions.

USAC has created sample letters for ETCs to use when submitting verification and certification information and more specific information in the links below:

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High Cost Program

What is "Red Light" status?

The "Red Light" rule is part of FCC procedures associated with the DCIA. With respect to the USF, when an entity's account becomes delinquent by one day, that entity and any other entity with a Service Provider Identification Number (SPIN) associated through a shared taxpayer identification number (TIN), will be considered in "Red Light" status.

USAC will not make any disbursements to the associated SPIN(s) until the delinquency has been satisfied or until arrangements for payment, satisfactory to the FCC, have been made such as entering into an approved payment plan. USAC will offset the delinquent balance with the pending disbursement.

Apart from USF-related Red Light status, USAC also will take into consideration the Red Light status of each entity at the FCC and will hold disbursements until the Red Light status is resolved at the FCC. You can [view your Red Light status on the FCC's website](#).

At the time a disbursement is held because an entity is in Red Light status, USAC will send the entity and/or service provider an e-mail notification. If USAC uses a pending disbursement to offset a USF delinquency, USAC will notify the delinquent entity and/or service provider. Please call USAC's Customer Service Center at **1-888-641-8722** for questions about invoicing and "Red Light" status.

USAC Projection Filings to the Federal Communications Commission

Sixty days prior to the start of each quarter, USAC is required to submit projections of the High Cost, Low Income, Rural Health Care, and Schools & Libraries support requirements for the ensuing quarter to the FCC. Go to USAC's [FCC Filings](#) page to view current and past year filings.

Each quarter's filing contains a set of appendices that project the support amounts for each program, which are then further broken down by support component, recipient, study area, and other pertinent categories.

For example, the High Cost appendices include items such as High Cost Support Projected by State by Study Area, High Cost Support Projected by State, and Rural Study Areas with Competition as well as individual appendices for each of the High Cost components.

For the Low Income Program you can find appendices such as Quarterly Low Income Support Disbursement Amounts by Company, Lifeline Subscribership by State or Jurisdiction, and Eligible
For more information on the High Cost Program, visit www.usac.org/hc.

USAC Information: Form 499-Q for Contributors due August 1, 2006

The Telecommunications Reporting Worksheet (Form 499-Q) must be received by USAC **on or before August 1, 2006** to be considered timely filed. Form 499-Q is used by contributors to report projected future quarters' revenue and is only open for downward revisions for **45 days** after the original due date. The August 1 Form 499-Q reports projected revenue for the fourth quarter (October-December 2006). If a form due date falls on a weekend or holiday, the form is due the following business day. USAC will charge [late filing penalties](#) when a required form is not filed by the due date.

USAC encourages fund contributors to take advantage of its online submission capabilities ([E-file](#)). Contributors must have filed their first Form 499 on paper with certification to enable online filing. Contributors can also file a paper copy of [Form 499-Q](#). Call USAC's Customer Service Center at **1-888-641-8722** for questions about Form 499-Q.

Low Income Program

- Lifeline [Verification Sample Letter](#).
- See USAC's [Verification page](#).
- Low Income [Certification Sample Letter](#).
- See USAC's [Certification page](#).

Verifications and certifications can be sent via mail, fax, or e-mail and must include a signature:

By Mail

Low Income Programs – Verifications/Certifications
Universal Service Administrative Company
2000 L Street, NW, Suite 200
Washington, DC 20036

By Fax

(202) 776-0080
Attn: Low Income Programs – Verifications/Certifications

By E-mail

Scanned Adobe version of the certification with signature to Liverifications@usac.org.

Notice of Receipt of Verifications and Certifications will be Available on USAC's Website

ETCs submitting 2006 Lifeline verification survey results or 2006 Low Income certifications can check USAC's website to see if USAC has received and processed their submissions. Updates for verification submissions and certifications are provided weekly. Both verifications and certifications must be signed by an officer of the company.

Go to [2006 Verification](#) to see if USAC has received and processed your verification.

Go to [2006 Certification](#) to see if USAC has received and processed your certification.

For questions about your verification or certification, call USAC at **202-776-0200** and ask to speak to someone in the Low Income Program.

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

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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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