

*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

### New IAS True-Up Statement for Carriers

USAC's High Cost team has developed an Interstate Access Support (IAS) True-Up Statement, which gives recipient carriers better insight into their High Cost disbursements. Statements were sent via e-mail in early June and will be sent quarterly.

These true-up statements provide details about IAS amounts and how the amounts were calculated. Since not all ETCs receive IAS or had IAS true-ups for the fourth quarter of 2005, USAC has posted an [example](#) online.

Preliminary feedback has been positive and USAC anticipates providing detailed statements for other High Cost components prospectively.

### HCL, LSS, HCM, ICLS Line Counts Due July 31

Incumbent and competitive carriers must file line count data for High Cost Loop (HCL), Local

### IMPORTANT DATES AND REMINDERS

June 30—IAS Self-Certifications due at USAC & FCC  
June 30—ICLS Self-Certifications due at USAC & FCC  
June 30—IAS Line Counts due (report as of 3/31/06)  
July 31—HCL, LSS, HCM, ICLS Line Counts due (report as of 12/31/2005)

Switching Support (LSS), High Cost Model (HCM), and Interstate Common Line Support (ICLS) **by July 31, 2006**. All carriers must report lines served as of December 31, 2005. Rural and non-rural ILECs must file line count data with the National Exchange Carrier Association (NECA) with their annual cost data filings July 31, 2006.

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## Low Income Program

### Lifeline Verification Deadline Fast Approaching

Eligible telecommunications carriers (ETCs) in federal default states must verify the continued eligibility of a statistically valid sample of their Lifeline customers and submit the results to USAC by **June 22, 2006**.

ETCs should submit their verification results on the [Sample Letter](#) on the Low Income Program section of USAC's website. For more information on verification procedures, visit USAC's [Annual Verification](#) page. Verifications can be submitted to USAC:

**By Fax:** Attention: Low Income Program Verifications at (202) 776-0080.

**By Mail:** USAC-Low Income Program Verifications, 2000 L St. NW, Suite 200, Washington, DC 20036

**By E-Mail:** [liverifications@usac.org](mailto:liverifications@usac.org)

To see if USAC has received your 2006 Verification, check our [Low Income](#) page. Be sure to include your full 6-digit Study Area Code and sign your Verification (e-mailed verifications must be scanned or have an electronic signature).

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# High Cost Program

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## ***Line count information for rural carriers***

Rural ILECs must submit line count information at the study area level or consistent with the [Disaggregation Plan](#) adopted under the FCC's Rural Task Force Order. Rural ILECs without competition may voluntarily submit updated quarterly information. Rural incumbent carriers must file line count information with NECA.

## ***Line count information for non-rural carriers***

Non-rural ILECs are required to submit updated line count data at the wire center level on a quarterly basis. High Cost Model support is calculated and distributed at the wire center level. Non-rural ILECs must file HCM line count information with NECA.

## ***Line count information for competitive carriers***

Competitive eligible telecommunications carriers (CETCs) must file line count data in the same manner as the ILEC in whose service area the CETC competes. Competitive carriers must use the [Competitive Carrier Line Count Report](#) (Form 525) to submit line count data to USAC.

For HCL and LSS, you must report lines consistent with the disaggregation plan selected by the incumbent carrier(s) in whose service area(s) you serve lines. For HCM, you must report lines by wire centers. For ICLS, you must file the number of working loops you serve in the service area of a rate-of-return incumbent carrier, disaggregated by the incumbent carrier's cost zones and customer class, if applicable.

If the Form 525 is filed electronically (e.g., by fax or e-mail), the signed certifications of the authorized persons still must be received by USAC by the due date. If an agent files on behalf of the company, the company must complete the top portion of the agent certification page and the agent is responsible for completing the bottom portion.

## ***ICLS line count information***

Rate-of-return carriers must submit line count data **by July 31, 2006** for each study area by customer class as of December 31, 2005 in the following categories: number of residential and single-line business access lines in service; number of multi-line business access lines in service; and total number of access lines in service. Carriers must file disaggregated line count data, if such zones have been established within the study area. You, or your agent, must use the [Interstate Common Line Support Mechanism Line Count Report](#) (Form 507) and file your ICLS line count information with USAC.

## **Notice to All Carriers About Filing Line Count Data in a Timely Manner**

Remember that your line count filings must be received by USAC or NECA (as noted above) by July 31, 2006. If your line count filing is received after that date, you will need to file a petition with the FCC for a waiver of the line count filing rule in order for USAC to be permitted to use your line counts to calculate high cost support.

## **Line Count Forms**

ILECs must submit Part 36 data to NECA and Part 54 data to USAC using the appropriate forms. The Part 54 data filings can be sent by mail, e-mail, or fax to:

Universal Service Administrative Company  
444 Hoes Lane  
RRC 4A1060  
Piscataway, NJ 08854

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

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

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

For more information on the High Cost Program, visit [www.usac.org/hc](http://www.usac.org/hc).

**USAC Information: USAC will be closed Tuesday, July 4, for Independence Day.**

# Low Income Program

## Hurricane Katrina Lifeline Support Claims are Due July 17, 2006

USAC's administrative deadline for wireless carriers to file Hurricane Katrina Lifeline support claims is **July 17, 2006**. Here are some tips to make the submission process run more smoothly:

- [Hurricane Katrina Lifeline and Link Up Sample Letters](#) and revisions must be postmarked on or before July 17, 2006. Transmittal date for claims filed by fax or e-mail must be no later than July 17, 2006.
- Carriers must complete one Sample Letter per state for each month they provided support. For example, if you provided Hurricane Katrina Lifeline support to subscribers living in Louisiana and customers relocated to Maryland in January, February, and March; you must submit six (6) separate letters.
- When applicable, subscribers receiving Hurricane Katrina Lifeline support should be counted in the state in which they relocated, not the state from which they moved.
- ETCs and Temporary ETCs seeking Hurricane Katrina Lifeline Assistance must have a completed FCC [Form 498](#) (*Service Provider Identification Number & Contact Information*) on file with USAC in order to receive a disbursement. Call 1-888-641-8722 with questions about Form 498.

In order to expedite the filing process, please complete the entire Sample Letter. This includes the Study Area Code (SAC), complete address, and the signature of a company employee or officer. If your company does not currently have a SAC, please contact [Pamela Gallant](#) to have one assigned. In your e-mail, be sure to include the list of states for which you will be submitting claims.

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

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

USAC has issued separate Requests for Proposals for bids from independent public accounting firms to perform audits for the High Cost and Low Income Programs as well as providing investigative support services including audit, computer forensic support services, and telecommunications expertise.

The objectives of the audits are generally to detect and deter waste, fraud, and abuse by beneficiaries of the programs and generate insights about the compliance of beneficiaries and USAC's administration of the programs. For details, see [Low Income Request for Proposals](#) and [High Cost Request for Proposals](#).

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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](mailto:erovetto@usac.org).

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### Tips on Claiming TLS Support

Toll Limitation Service (TLS) is a service that eligible telecommunications carriers (ETCs) must offer to eligible low-income subscribers at no charge and allows eligible consumers to choose toll blocking or toll control at no cost.

ETCs can claim support for the incremental cost of providing TLS. These costs include the costs that carriers otherwise would not incur if they did not provide TLS to a given customer. The incremental cost of TLS is not the full retail charge for TLS that the carrier would charge other consumers. Please ensure your TLS support claim is not equal to your company's tariffed retail charge for toll blocking or toll limitation.