

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

Guidance for CETCs Serving “Covered Locations” in Alaska Native Regions, Tribal Lands

The FCC recently set forth how a competitive eligible telecommunications carrier (CETC) must file its line count data in order to comply with the “covered locations” exception for Alaska Native regions and tribal lands under the interim cap on high cost support.

“A competitive ETC seeking to take advantage of the tribal lands/Alaska Native region exception to the interim cap on support will be required to file its line count data for covered locations on a separate FCC Form 525. In addition, each time it files line count data for a covered location it must file a letter with USAC certifying that the lines qualify for the exception,” the FCC said in DA 09-1157 ([Small Entity Compliance Guide: Interim Cap on High-Cost Universal Service Support for Competitive Eligible Telecommunications Carriers](#)), issued May 27.

IMPORTANT DATES AND REMINDERS

April 1— June 30	ICLS Revenue Req. Revisions	FCC Form 508 for upcoming ICLS program year (7/1/09- 6/30/10)
June 30	ICLS Revenue Req. Revisions	FCC Form 508 for ending program year (7/1/08-6/30/09)
June 30	IAS Certification	Price-cap carriers; CETCs
June 30	ICLS Certification	Rate-of-return carriers; CETCs
June 30	IAS Line Counts	Price-cap carriers; CETCs
July 31	Line Counts	HCL, LSS, HCM, ICLS

(Continued on page 3)

Low Income Program

Annual Certification and Verification Deadline is August 31

The deadline for submitting annual certifications and verification results to USAC is fast approaching. An ETC in a state with its own state-based Low Income program must submit a certification, signed by an officer of the company, to USAC by **August 31, 2009**, attesting that the ETC has complied with the state verification procedures. All ETCs in federal default states must submit their annual Lifeline verification survey results to USAC by **August 31, 2009**.

The format for the [2009 certification and verification sample letters](#) is available on our website.

Check [USAC's Low Income Program](#) page to see if your verification or certification has been received.

(Continued on page 2)

Low Income Program

FCC Form 497 is Moving Online!

The FCC Form 497 is the latest form to move online. Starting in August, ETCs will be able to submit Form 497 electronically, rather than sending paper copies and faxes. The online form will allow carriers to input their monthly support claims directly. The online Form 497 will include automated validations, which should reduce the number of resubmissions made by carriers. By eliminating the need for USAC to perform manual data input, electronic filing will reduce the amount of time it takes to process Low Income disbursements. And electronic filing is a “greener” alternative to paper!

ETCs using the online Form 497 can submit both original submissions and revisions, including revisions of forms previously submitted offline. Finally, the online filing mechanism has a bulk upload and a bulk certify feature that will allow ETCs with multiple study area codes (SACs) to submit all of their Forms 497 at one time.

Over the next few weeks, your company will be contacted by USAC with instructions on how to set up an online account and how to enroll in a training webinar. We look forward to working with you!

Publicizing Lifeline: Partner with Food Banks

In January, Feeding America reported that food banks are responding to a 30% increase in the number of people seeking emergency food assistance. Feeding America is a network of more than 200 food banks across the country. This organization serves 25 million Americans each year.

With so many low income households turning to food bank programs for assistance, ETCs should consider establishing relationships with food bank distribution networks in order to make eligible individuals aware of the Lifeline and Link Up telephone discounts. A partnership between a telecommunications company and a food bank provides the food bank representatives with another assistance program to offer their clients and may increase the visibility of your company's brand throughout its service area. It also helps the ETC meet its obligation to “publicize the availability of Lifeline service in a manner reasonably designed to reach those likely to qualify for the service” under Federal Communications Commission rules.

For more ideas about ways to publicize Lifeline, please contact USACs Low Income Program staff members at 202-776-0200.

REMINDER: ETCs Must Continue DTV Transition Outreach to June 30, 2009

The DTV Delay Act, extended the analog to digital broadcast transition to June 12, 2009. The FCC extended ETCs' outreach obligations via a February 20, 2009 order (see [FCC 09-11](#)).

ETCs must continue to notify their Lifeline and Link Up customers of the impending DTV transition through June 30, 2009. See [May 2009 High Cost & Low Income News](#) for details.

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High Cost Program

In order to accommodate the first requirement to file lines separately, USAC requires each CETC seeking the tribal lands exception to file for a new, separate Study Area Code (SAC) **ONLY IF** it does not entirely serve tribal lands. To request a new SAC, call (877) 877-4925 or email hcfilings@hcli.universalservice.org.

Once a separate SAC for tribal lands has been obtained, the CETC may re-file its line count data for both its non-tribal and tribal study areas back to the 1Q2008 filing (lines as of September 30, 2007, IAS as of December 31, 2007). CETCs serving Alaska will not need a new SAC as the entire state is considered Alaska Native. Similarly, CETCs serving only tribal lands do not need a new SAC.

However, the second requirement still applies and a certification letter must be filed going forward. CETCs re-filing prior line counts may submit a single certification letter listing the line counts being re-filed.

A sample covered locations certification letter is available on at the [USAC High Cost Forms](#) page.

CETCs re-filing lines via [Form 525 Online](#) must submit a certification letter separately via mail, fax, or email (scanned copy). The new SACs will be available for online filing.

IMPORTANT NOTE: This **ONLY** applies to High Cost reporting. ETCs *should not* use this procedure for Low Income reporting. Doing so could significantly affect your Low Income support via unintended true-ups.

Upcoming Deadlines

All eligible telecommunications carriers (ETCs) have ongoing requirements to fulfill, usually on an annual or a quarterly basis, such as submitting certifications, updating line count information, and for incumbent local exchange carriers, filing certain cost and revenue information in order to receive proper support.

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

Incumbent and competitive carriers must file line count data for High Cost Loop (HCL), Local Switching Support (LSS), High Cost Model (HCM), and Interstate Common Line Support (ICLS) **by July 31, 2009**. All carriers must report lines served as of December 31, 2007. 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, 2009.

ICLS line count information

Rate-of-return carriers must submit line count data **by July 31, 2009** for each study area by customer class as of December 31, 2008 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.

IAS Line Counts Due June 30

All price-cap carriers and CETCs serving lines in the service area of a price-cap carrier, or their agents, are required to file line counts for IAS with USAC **by June 30, 2009** for the number of lines served as of March 31, 2009. Lines must be reported by UNE zone and customer class.

(Continued on page 4)

High Cost Program

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. CETCs must use the [Competitive Carrier Line Count Report](#) (Form 525) to submit line count data to USAC. USAC has developed an online Form 525 (e525) and CETCs are encouraged to use this option, which makes it easier to certify and submit line count data with USAC. The online Form 525 is accessed through USAC's [E-File](#) system.

For HCL and LSS, CETCs 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 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.

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, 2009**. 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
Piscataway, NJ 08854

Fax: (866) 873-4695

E-Mail: hcfilings@hcli.universalservice.org

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