June 2010
www.usac.org

USAC CONNECTION
Universal Service Administrative Company

High Cost & Low Income News

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.

HCLI Training Sessions Coming to Seattle, Chicago, and Orlando

USAC will hold High Cost and Low Income training sessions in Seattle July 14, 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.

High Cost Program

ICLS Annual Self-Certifications due June 30, 2010

Each rate-of-return carrier, and CETCs serving lines in the service area of a rate-of-return carrier, must file an annual self-certification **by June 30, 2010** in order to receive Interstate Common Line Support (ICLS) for the upcoming program year (July 1, 2010 to June 30, 2011).

This self-certification must be filed with USAC and the FCC, and must state that all ICLS provided will be used ONLY for the provision, maintenance, and upgrading of facilities and services for which the support is intended.

IMPORTANT DATES AND REMINDERS

June 30	IAS Certification	price-cap carriers; CETCs
June 30	ICLS Certification	rate-of-return carriers; CETCs
June 30	ICLS Revenue Req. Revisions	FCC Form 508 for upcoming ICLS program year (7/1/10-6/30/11)
June 30	ICLS Revenue Req. Revisions	FCC Form 508 for ending program year (7/1/09-6/30/10)
July 14	HCLI Training, Seattle	

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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. All ETCs must submit either their annual Lifeline verification survey results or a certification attesting that the ETC has complied with the state verification procedures to USAC by **August 31, 2010**. ETCs must use the OMB-approved Annual Certification and Verification Sample Letter and it must be signed by an officer of the company.

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Low Income Program

The charts below illustrate what each ETC should submit to USAC.

If you are…	Send	
An ETC in a federal default state	Your **annual verification results** to USAC	

If you are…	and	Send
An ETC in a state with its own Low Income program	Your state follows the federal verification requirement	Your **certification** ***with*** your **annual verification results** to USAC
	The ETC falls under the state Low Income program requirements	Your **certification** to USAC
	The ETC does not fall under the state Low Income program	Your **annual verification results** to USAC

ETCs can check USAC's Low Income Program certification and verification page to see if their verification or certification has been received. You can also view the FCC's Public Notice.

Best Practices: Online FCC Form 497

Low Income Program staff will be hosting an Online FCC Form 497 training in August for new users.

In the meantime, here are some tips to ensure that it is easy the first time you use the form.

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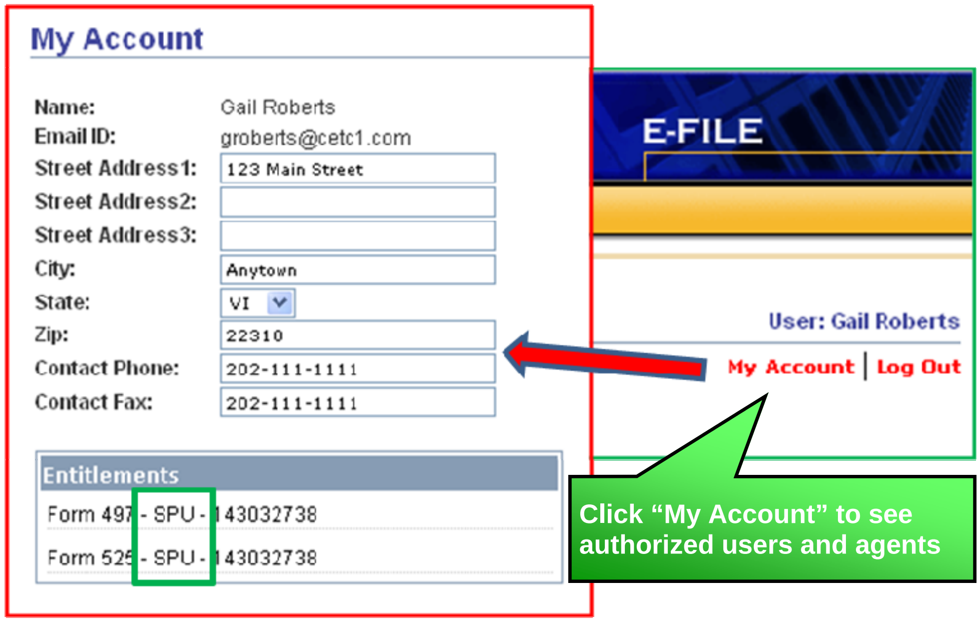
You may download and print copies of USAC Connection on USAC's website. You may subscribe to or unsubscribe from this newsletter. For program information, please visit the USAC website at www.usac.org. Feel free to forward this newsletter to any interested parties.

USAC appreciates feedback on this newsletter. For any questions or comments, please contact Ed Rovetto, Program Manager, External Relations, at erovetto@usac.org.

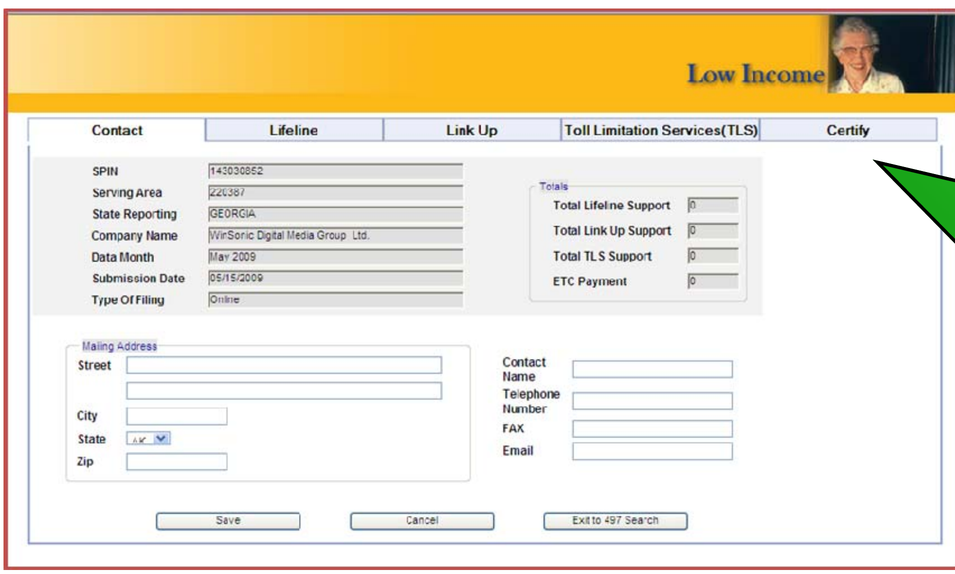
Before filing online, check to make sure that you have the proper entitlements.

You can log into your E-File account and click the "My Account" hyperlink on the upper right side of the screen. If you are listed as an "SPU," or Authorized User, General Contact, or Company Officer then you have full entitlements to enter, save and certify data. If you are listed as an "SPA," or Authorized Agent, then you will only be allowed to enter and save data. If your entitlements are incorrect, please have your Form 498 General Contact or Company Officer update your account.



Check to see if your account is set up properly by logging in and opening the online Form 497.

If you are an SPU or Authorized User, you should see five tabs when you go to the data entry screens, including a Certify tab. If it is not there, you are not set up as an Authorized User and cannot certify the Form 497. Only Authorized Users, General Contacts, and Company Officers, not Agents, can view the Certification Page. Please have your General Contact or Company Officer update your account.



Authorized Users, General Contacts, and Company Officers, will see the Certify tab. They can enter, submit, and certify filings.

Authorized Agents, will not see this tab. A company employee will need to log in and certify any data saved by an agent.

Remember to certify your Online Form 497 to complete your submission.

Saving your Online Form 497 is not the same as certifying. Submissions are considered incomplete until they are certified. You will know you have completed your submission when you receive a message screen stating: "Form 497 certified successfully." You may save a copy of this screen for your records.

New USAC Payment Quality Assurance Program Coming Soon

This summer, USAC is launching the Payment Quality Assurance (PQA) Program, a key part of USAC's commitment to preserving USF program integrity. The PQA Program will enable USAC to make accurate, timely calculations for rates of improper payments in all four USF programs, as required by the Improper Payments Information Act of 2002 (IPIA). In the past, USAC used audits for this purpose.

With results from the new PQA Program, USAC will be able to provide the Federal Communications Commission (FCC) with information about improper payments that is required for compliance with IPIA. USAC has designed the program to gather current, relevant information about USF payments as efficiently as possible.

How the PQA Program Works

USAC will select a limited number of USF beneficiaries for each cycle of PQA assessments. When selected, beneficiaries are required to participate as a condition of receiving USF support.

PQA participants will receive a letter by email from USAC specifying the payment under assessment, instructions about what information and documents to gather, and how and when to submit these materials.

Compliance with PQA Program requirements is designed to take as little of participants' staff time as possible, and PQA processors will be available by phone to assist participants with understanding and fulfilling program requirements.

Producing documents should require hours, not days, of participants' staff time and involve no on-site work by USAC staff. USAC will assess payments within months of their actual disbursement. And participants will receive results of their assessment within months of submitting their information and documentation.

Look for more information coming soon on USAC's website.

September 12-18, 2010 is National Telephone Discount Lifeline Awareness Week

The National Association of Regulatory Utility Commissioners (NARUC), the Federal Communications Commission, and the National Association of State Utility Consumer Advocates (NASUCA) have designated September 12-18 — the first week after Labor Day — as **National Telephone Discount Lifeline Awareness Week**.

The week is designed to raise awareness of and participation in **Lifeline** and **Link Up**, two federal/State programs that help make telephone service more affordable for qualified customers.

More information will be coming soon to NARUC's website (www.naruc.org)!

High Cost Program

An ICLS self-certification sample letter can be found on USAC's High Cost Forms page and may be filed by an authorized representative for the carrier. Be sure to reference CC Docket No. 96-45 and file the self-certification with both USAC and the FCC. After you file, go to the Certifications Search Page to see if your self-certification has been received. If your self-certification is filed late, absent a waiver from the FCC, you will be eligible for ICLS as follows:

By **9/30/10**, eligible for 1Q11, 2Q11.
By **12/31/10**, eligible for 2Q11.
After **12/31/10**, not eligible for ICLS.

See File Certifications for ICLS for more info or call the USAC Customer Service Center at 877-877-4925.

IAS Annual Self-Certifications due June 30, 2010

Each price-cap carrier, and CETCs serving lines in the service area of a price-cap carrier, must file an annual self-certification with USAC and the FCC **by June 30, 2010** to receive Interstate Access Support (IAS) for the upcoming program year (July 1, 2010 to June 30, 2011).

Addresses for Filing IAS and ICLS Self-Certifications

Karen Majcher Vice President, High Cost & Low Income Division Universal Service Administrative Company 2000 L Street, NW, Suite 200 Washington, DC 20036	Marlene H. Dortch Office of the Secretary Federal Communications Commission 445 12th Street, SW Washington, DC 20554

This self-certification must state that all IAS provided will be used ONLY for the provision, maintenance, and upgrading of facilities and services for which the support is intended.

An IAS self-certification sample letter can be found on USAC's High Cost Forms page and may be filed by an authorized representative for the carrier. Be sure to reference CC Docket No. 96-45 and file the self-certification with USAC and the FCC. After you file, go to the Certifications Search Page to see if your self-certification was received. If your self-certification is filed late, absent a waiver from the FCC, you will be eligible for IAS as follows:

By **9/30/10**, eligible for 4Q10, 1Q11, 2Q11.
By **12/31/10**, eligible for 1Q11, 2Q11.
By **3/31/11**, eligible for 2Q11.

See File Certifications for IAS for more information or call our Customer Service Center at 877-877-4925.

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.

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Submitting Line Counts

Rural ILECs with competition in their study areas must submit line count information quarterly at the study area level or consistent with their Disaggregation Plan. Rural ILECs without competition in their study areas may voluntarily submit updated quarterly information. Non-rural ILECs are required to submit updated line count data at the wire center level on a quarterly basis. Part 36 of the FCC rules outlines the filing requirements for ILECs.

Line count information for competitive carriers

Competitive ETCs (CETCs) must file line count data quarterly in the same manner as the ILEC in whose service area the CETC competes. CETCs can use the online Form 525 (*Competitive Carrier Line Count Report*) to submit line count data to USAC.

IAS line count information

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, 2010** for the number of lines served as of March 31, 2010. Lines must be reported by UNE zone and customer class.

ICLS line count information

ILECs with competition in their study areas must file line count information quarterly on Form 507 (*Interstate Common Line Support Mechanism Line Count Report*) for each study area by customer class (residential/ single-line business and multi-line business) as of 12/31/09 **by July 31, 2010**. Carriers must file disaggregated line count data, if such zones have been established within the study area.

The Part 54 data filings (Forms 507, 508, 525, IAS line counts) can be sent by mail, email, or fax to:

Universal Service Administrative Company
Customer Operations
2000 L Street, NW, Suite 200
Washington, DC 20036
Fax: (866) 873-4695
E-Mail: hcfilings@hcli.universalservice.org

If you have questions, please contact us at hcinfo@usac.org.

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 email addresses are:

ETC Designation Orders: hcorders@usac.org

Program Certifications: hccerts@usac.org