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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.

High Cost Program

CETCs: Update Your Form 498 (SPIN) Information to Access the Online Form 525

Last month's issue covered the March roll-out of the online Form 525 (e525), which will enable online filing of competitive eligible telecommunications carrier (CETC) line counts. USAC requested that CETCs confirm that all personnel filing High Cost line count data had access to USAC's E-File system (http://forms.universalservice.org).

Online Application Access
In addition, USAC recommends that CETCs update their Form 498 (*Service Provider Identification Number and Contact Information Form*) information to gain access to the online e525. Those carriers whose Forms 498 have not been updated since October 2005 do not have access through E-File to e525. If this is the case, a carrier must submit a new Form 498 complete with signature page to activate not only its online Form 525 but also Form 498, even if no carrier information has changed.

If you have any questions about updating your Form 498, please contact USAC at 888-641-8722.

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Low Income Program

Deadline for Filing FCC Form 497 for 2006 is March 31, 2008

March 31, 2008 is the last day to file FCC Form 497, new or revised, for any month in **2006**.

USAC's administrative window for submitting FCC Form 497 will close March 31, 2008, for all months prior to January 2007. This applies to submission of data on FCC Form 497, including original (first-time) submissions and revisions of previously submitted data. Therefore, all eligible telecommunications carriers (ETCs) should submit to USAC any FCC Form 497s for any month in 2006 prior to March 31, 2008. USAC's administrative window for submitting data for the year 2005 and all prior years is currently closed.

FCC Form 497 is available on USAC's website. You may submit FCC Form 497 via e-mail or via fax to 866-873-4665. Signed e-mailed copies can be sent in Excel or Adobe format. You may also mail FCC Form 497 to the following address:

USAC - Low Income Program
444 Hoes Lane
Piscataway, NJ 08854

If you have further questions, contact the Low Income Customer Service Center at 866-873(USF)-4727.

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ETCs Must Notify Lifeline Customers about the Transition to Digital Television (DTV)

On March 3, 2008, the Federal Communications Commission (FCC) released a Report and Order requiring all eligible telecommunications carriers (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. The notification requirement will go into effect 30 days after the FCC's Order is published in the Federal Register, and will remain in effect through March 2009.

ETCs must use bill inserts or language on a monthly bill to notify their Lifeline and Link Up customers about DTV Transition. The FCC's rules mandate that each DTV Transition notice convey at least the following information:

> "After February 17, 2009, a television receiver with only an analog broadcast tuner will require a converter box to receive over-the-air broadcasts with an antenna because of the Nation's transition to digital broadcasting. Analog-only TVs should continue to work as before with cable and satellite TV services, gaming consoles, VCRs, DVD players, and similar products."
>
> "Information about the DTV transition is available from www.DTV.gov and from www.dtv2009.gov or 1-888-DTV-2009 for information about subsidized coupons for digital-to-analog converter boxes."

The FCC's rules also require that DTV Transition notices must be:

- part of the bill or bill notice, a bill insert or a secondary notice mailed with the bill or bill notice;
- in the same language or languages as the bill or bill notice;
- in clear and conspicuous print; and
- provided in the same medium as the customer's monthly bill information, if the customer does not receive paper versions of either a bill or notice of billing.

ETCs must also provide information on the DTV Transition in conjunction with any publicity campaign conducted to promote Lifeline and Link Up.

These requirements are set out in the Code of Federal Regulations at 47 C.F.R. 54.418. Please contact the FCC for additional information.

Audit Findings Related to the Low Income Program

USAC has identified several common errors made by ETCs that auditors have deemed to be audit findings. Over the next few months, this newsletter will highlight these common audit findings so that companies can review their practices and ensure they are in compliance with FCC rules.

Common Audit Finding

"Carrier did not pass on all appropriate support to customer."

Auditors routinely examine whether an ETC has claimed the full amount of support available. A company's failure to claim the full amount of support available under state or federal rules could mean that its customers did not receive the full discount available.

Auditors also determine whether a company has provided discounts to its eligible low income consumers equal to the Lifeline, Link Up and TLS support it received. These types of findings can result in recovery of support or referral to the Federal Communications Commission for further action.

Bulk Upload Templates for Online CETC Form 525

CETCs wishing to use the bulk upload feature of the online Form 525 may request templates with carrier and wire center information in the proper file format. Please e-mail USAC High Cost at hcinfo@usac.org with the study area codes (SACs) for which you'd like templates.

Upcoming Deadlines

All eligible telecommunications carriers (ETCs) have ongoing requirements to fulfill, usually on an annual or a quarterly basis. Below are upcoming filings.

Important High Cost Program Filing Deadlines

DATE	TYPE OF CARRIER	COMPONENT	FILING TYPE	FILING DATA DUE
MARCH 30	Rural & Rate-of-Return	HCL, LSS, ICLS	Voluntary*	Quarterly line counts as of previous 9/30
	CETC		Mandatory	
	Non-Rural, CETC	HCM	Mandatory	Quarterly line counts as of previous 9/30
MARCH 31	Rate-of-Return	ICLS	Mandatory	Projections (Form 508) for upcoming program year (July-June)
MARCH**	Price-Cap, CETC	IAS	Mandatory	Quarterly line counts as of previous 12/31
APRIL 16	Price-Cap	IAS	Mandatory	CMT revenue, UNE zone rates, UNE zone boundaries as of previous 12/31
JUNE 30	Rate-of-Return	ICLS	Voluntary	Revisions to projections for current & upcoming program years
	Rate-of-Return, CETC	ICLS	Mandatory	Annual use certification for upcoming program year (July-June)
	Price-Cap, CETC	IAS	Mandatory	Annual use certification for upcoming program year (July-June)
JUNE**	Price-Cap, CETC	IAS	Mandatory	Quarterly line counts as of 3/31
JULY 31	Rural & Non-Rural ILECs	HCL	Mandatory	Annual filing of cost, investment, expense (Part 36) data for previous calendar year (filed with National Exchange Carrier Assoc.)
	Non-Rural, CETC	HCM	Mandatory	Quarterly line counts as of previous 12/31
	Rural & Rate-of-Return, CETC	HCL, LSS, ICLS	Mandatory	Quarterly line counts as of previous 12/31

*Mandatory for ILECs if competition exists /**Due on last business day of month

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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.