March 2009
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USAC CONNECTION
Universal Service Administrative Company

High Cost & Low Income News

Helping Keep Americans Connected

Registration Open for High Cost/Low Income Training Session in Atlanta March 26
USAC is holding a one-day training workshop in Atlanta, Georgia March 26. More details can be found at High Cost/Low Income Training Events.

High Cost Program

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

To increase the number of CETCs filing Forms 525 online (e525), USAC encourages all ETCs to become familiar with the E-File portal, which is also used for the Form 498 (*Service Provider Identification Number & Contact Information*). All ETCs should take this opportunity to review, correct, and update their Form 498 information. Some carriers have not updated their information since 2003, and many have incorrect email and postal addresses listed.

In addition, the Low Income Program will be rolling out an online Form 497 at a future date, which will

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IMPORTANT DATES AND REMINDERS

March 26	HCLI Workshop Atlanta, GA	Embassy Suites Atlanta-Airport
March 30	HCL, HCM, LSS, ICLS, SVS, SNA	Line count as of 9/30/08
March 31	IAS	Line count as of 12/31/08
March 31	ICLS	Revenue projections upcoming year (7/1/09-6/30/10)
April 1	All telecoms	Report revenue (Form 499-A)
April 16	Price-cap ILECs	CMT Revenue data

Low Income Program

Deadline for Filing FCC Form 497 for 2007 is March 31, 2009

March 31, 2009 is the last day to file FCC Form 497, new or revised, for any month in **2007**.

USAC's administrative window for submitting FCC Form 497 will close March 31, 2009, for all months prior to January 2008. 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 2007 prior to March 31, 2009. USAC's administrative window for submitting data for the year 2006 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 866-873-4727.

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Low Income Program

Changes to DTV Transition Notification

The DTV Delay Act, extending the analog to digital broadcast transition to June 12, 2009, was signed into law February 11, 2009. The FCC extended ETCs' outreach obligations via a February 20, 2009 order (*see* FCC 09-11).

Background—In March 2008, the FCC revised Part 54 of the Universal Service rules to include a section on DTV outreach (see Public Notice). 47 C.F.R. § 54.418 required all ETCs to notify their Lifeline and Link Up customers about the DTV transition using bill inserts or language on a monthly bill. In April 2008, the FCC released a reconsideration order (FCC 08-119), expanding its rules to include stand-alone outreach materials (brochures, postcards, etc.) to the ways ETCs could notify their Lifeline and Link Up customers of the DTV transition.

New ETC requirements—ETCs must continue to notify their Lifeline and Link Up customers of the impending DTV transition through **June 30, 2009**. All materials sent between **April 1, 2009** and **June 30, 2009** should convey, at a minimum, the following language (emphasis added by FCC):

> **The nationwide switch to digital television broadcasting will be complete on June 12, 2009, but your local television stations may switch sooner. After the switch, analog-only television sets that receive TV programming through an antenna will need a converter box to continue to receive over-the-air TV. Watch your local stations to find out when they will turn off their analog signal and switch to digital-only broadcasting.** Analog-only TVs should continue to work as before to receive low power, Class A or translator television stations and with cable and satellite TV services, gaming consoles, VCRs, DVD players, and similar products.
>
> Information about the DTV transition is available from **your local television stations,** www.DTV.gov, **or 1-888-CALL-FCC (TTY 1-888-TELL-FCC),** and from www.dtv2009.gov or 1-888-DTV-2009 **(TTY 1-877-530-2634)** for information about subsidized coupons for digital-to-analog converter boxes.

All ETCs that receive federal USF support must include the above language on all Lifeline and Link Up related outreach materials in addition to the monthly bill inserts or stand-alone mailer (postcard, brochure, etc).

Take Advantage of USAC's Online Posting Tool on www.lifelinesupport.org

More than 800 ETCs have used the online Lifeline Support ETC Posting Tool to list their company's Lifeline and Link Up information on www.lifelinesupport.org. The user-friendly website helps consumers find state and a carrier-specific Lifeline eligibility criterion, appropriate customer service numbers, and includes downloadable applications and links to company websites.

USAC encourages ETCs to post their Lifeline and Link Up information to www.lifelinesupport.org. To begin using the online tool, send an e-mail to USAC's Low Income team with your company's Service Provider Identification Number (SPIN) and Study Area Code (SAC) so you can obtain login information and begin posting your company's information.

Best Practices

The Low Income Program will print a series of best practices covering a range of Lifeline, Link Up, and Toll Limitation Service (TLS) topics in 2009. We hope that the best practices will help reduce audit findings and serve as a valuable resource for both new and old ETCs.

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Records Retention

Document management helps ensure program integrity and compliance with FCC rules. USAC has outlined a number of general records retention regulations below. Prior to the 2004 Lifeline and Link Up Order, an ETC was required to maintain “accurate records of the revenues it forgoes in providing Lifeline” in a manner determined by USAC. The 2004 order categorized what types of documentation should be retained and how long records should be kept. Below is an overview of the types of records that auditors may request.

Evidence of compliance with state and federal Lifeline rules (retain for **three years**)

- State orders and rules
- Tariff pages or price lists related to Lifeline, Link Up, or TLS
- Policies and procedures related to Lifeline, Link Up, or TLS administration
    - ◊ Enrollment
    - ◊ Certifications
    - ◊ Verifications
    - ◊ Terminations
    - ◊ Appeals
- TLS cost studies
- Advertising related to Lifeline, Link Up, or TLS
    - ◊ Applications, brochures, TV, newspaper, radio ads, screenshots etc that include accurate eligibility criteria for the time period
- Data used to populate FCC Form 497
    - ◊ Subscriber listings
    - ◊ Billing records
- Customer bills
- Lifeline resale agreements
- Call Center scripts related to Lifeline, Link Up, and TLS

Consumer documentation (retain for **as long as the consumer is a Lifeline customer)**

- Complete self-certifications or applications
    - ◊ Signed
    - ◊ Number of household members if the customer is qualifying based on income
    - ◊ Accurate eligibility criteria
- Complete verification forms
    - ◊ Signed if customers were instructed to complete the forms themselves
    - ◊ Documentation from third party administrator or human service office if verification was outsourced
        - ▪ List of eligible or ineligible consumers
        - ▪ Email confirmations of consumer eligibility
- Documentation from any third party administrator that conducts application, certification or verification processes
- Carriers SHOULD NOT retain customers’ personal information such as Medicaid cards, EBT (food stamp) cards, tax forms, etc.

also be available through E-File. E-File allows online management of Form 498 & Form 499 (*Telecommunications Reporting Worksheet*) and serves as the gateway to e525. To set up E-File access, please call USAC Customer Service at 888-641-8722 or visit the USAC Forms page, where you can fill out and submit the Form 498 online. However, you must send USAC a signed certification before being issued an E-File User ID and password.

If you have not updated your Form 498 since 2005, you will be required to update the form as described above for setting up access to E-File. Remember, only the General Contact and Company Officer listed on your Form 498 can set up profiles for E-File access (but they may designate other users afterwards).

If you have questions about High Cost, please contact us at hcinfo@usac.org. If you have any questions about updating your Form 498, contact USAC at 888-641-8722.

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.

Interstate Access Support – Required Filings

A price-cap incumbent local exchange carrier (ILEC) must file its Average Price Cap CMT Revenue per Line per month with USAC annually. Data as of December 31 each year is due ***no later than April 16***.

ILECs must also submit revenue information; unbundled network element (UNE) zone rates, if UNE zones have been established; and UNE zone maps, if UNE zones have been established. ILECs must also notify USAC if no UNE changes have occurred.

Interstate Common Line Support (ICLS) – Revenue Requirement Information for ILECs

All rate-of-return ILECs have **until March 31** of each year to submit their projected revenue requirement data on Form 508 *(ICLS Projected Annual Common Line Revenue Requirement)* for the ICLS upcoming program year beginning July 1, 2009 to June 30, 2010.

The following data must be submitted by study area: projected common line revenue requirement; projected subscriber line charge (SLC) revenues; projected special access surcharges; and projected line port costs in excess of basic analog service.

Revisions to projected revenue data filed March 31 may be submitted **April 1 through June 30**. Revisions to projected data for the ending ICLS program year (July 1, 2007 to June 30, 2008) are due by **June 30**.

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.

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High Cost Program

IAS line count information

A price-cap local exchange carrier must file the number of lines served as of 12/31/08 within each study area in which it serves ***by March 31, 2009***.

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 9/30/08 ***by March 30, 2009***. 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 & CMT Revenue data) can be sent by mail, email, 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 questions, please contact us at hcinfo@usac.org.

USAC Information

Telecommunications Companies Must Report Revenues on Form 499-A by April 1

All telecommunications carriers providing international and interstate telecommunications services, providers of interstate telecommunications that offer interstate telecommunications for a fee on a noncommon carrier basis, and payphone providers that are aggregators are required to contribute to universal service and file a Form 499 (*Telecommunications Reporting Worksheet*).

USAC encourages fund contributors to take advantage of its online submission capabilities using the E-File portal. Online users will be able to quickly revise Forms 499 by pulling up historical forms, editing and submitting your changes, and certifying online.

All paper Forms 499 (including prior-year forms) should be mailed to:

Universal Service Administrative Company
Form 499 Data Collection Agent
2000 L Street, N.W., Suite 200
Washington, DC 20036

See USAC's Revenue Reporting page for more details.

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Please do not reply to this email directly, as it was sent from an unattended mailbox.