

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 timely information.

## High Cost Program

### Joint Board Proposes CETC Cap; Seeks Comments for Long-Term USF Stability

The Joint Board issued a recommended decision ([FCC 07J-1](#)) May 1 that proposed that the FCC immediately adopt "an interim, emergency cap on the amount of high-cost support that competitive ETCs may receive for each state based on the average level of competitive ETC support distributed in that state in 2006." The Joint Board expects to make further, long-term recommendations within six months. The FCC would be required to act on those within one year of their release.

In a companion public notice ([FCC 07J-2](#)), the Joint Board asked parties to provide "detailed, comprehensive proposals" for reforming high-cost USF mechanisms. **Initial comments are due May**

### IMPORTANT DATES AND REMINDERS

July 2—IAS Self-Certifications due at USAC & FCC  
July 2—ICLS Self-Certifications due at USAC & FCC  
June 29—IAS Line Counts due (report as of 3/31/07)

**31 and replies are due July 2**, as the Joint Board seeks to devise **new recommendations by November 1**. The docket is **WC Docket No. 05-337**.

The Joint Board specifically asked for comment on proposals and ideas to:

- (1) use reverse auctions to determine high-cost support,
- (2) use computer mapping and modeling

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## Low Income Program

### 2007 Lifeline Verification and Certification Deadline not yet Established by the FCC

The Federal Communications Commission has not yet established the 2007 deadline for eligible telecommunications carriers (ETCs) to submit their Lifeline certifications and verification results. Once the deadline is established, we will post a notice and sample verification and certification letters on our website. We will also send an e-mail to all ETCs and will note the deadline in a future issue of this newsletter.

### Tier 1 Rate is Equal to the Tariffed EUCL for the Incumbent ETC

In accordance with [47 C.F.R. 54.403\(a\)\(1\)](#), competitive ETCs must claim Tier 1 support in the amount equal to that of the End User Common Line Charge (EUCL) of the incumbent local exchange carrier serving the area in which the qualifying low-income consumer resides. Competitive ETCs should verify the current EUCL with the incumbent local exchange carrier or their state utility commission on a regular basis.

### Lifeline Program Participation Rate Data

Each year, USAC staff completes a study of participation rates in the Lifeline program in each state. The study uses U.S. Census data to determine the number of households and compares the eligibility criteria used by each state against government and other publicly available data to determine the number of

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- techniques to calculate and target support at more granular levels,
- (3) disaggregate support below the study area or wire center levels,
  - (4) change the methodology for calculating CETC support, and
  - (5) directly support broadband deployment.

## IAS Annual Self-Certifications Due July 2, 2007

Each price cap carrier, and CETCs serving lines in the service area of a price cap carrier, must file an annual self-certification **by July 2, 2007** with USAC and the FCC in order to receive Interstate Access Support (IAS) for the upcoming program year (July 1, 2007 to June 30, 2008).

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. After you file, go to the [Certifications Page](#) to see if your self-certification has been received.

See [File Certifications for IAS](#) for more information or call the Customer Service Center at 877-877-4925.

## ICLS Annual Self-Certifications Due July 2, 2007

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 July 2, 2007** with USAC and the FCC in order to receive Interstate Common Line Support (ICLS) for the upcoming program year (July 1, 2007 to June 30, 2008).

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. After you file, go to the [Certifications Page](#) to see if your self-certification has been received.

See [File Certifications for ICLS](#) for more information or call the Customer Service Center at 877-877-4925.

## Price Cap Carriers and CETCs Receiving IAS Must File Quarterly Line Counts by June 29, 2007

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 29, 2007** for the number of lines served as of March 31, 2007. CETCs must use the new [Form 525](#). Lines must be reported by UNE zone and customer class.

An officer or authorized employee must complete the reporting carrier certification page of Form 525. 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.

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 filings, including certifications, are not received by the due date, you will need to seek a waiver from the FCC. USAC cannot waive the filing deadline. Only an FCC waiver will permit USAC to use your filings to calculate IAS. CETCs can send Form 525 to:

Universal Service Administrative Company  
444 Hoes Lane  
Piscataway, NJ 08854  
By Fax: (866) 873-4666  
By E-mail: [hcfilings@hcli.universalservice.org](mailto:hcfilings@hcli.universalservice.org)

For questions about IAS line counts, call USAC's Customer Service Center at 877-877-4925.

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households eligible under certain federal assistance programs.

Also, because many states, including those that use the federal default criteria, include income as a criterion, the study uses the Federal Poverty Guidelines to determine the number of households eligible based on income in these states.

The study relies on data published for Medicaid, Supplemental Security Income, and Food Stamps to calculate an average number (58%) of households that are receiving assistance through more than one program. This amount is subtracted from the total number of eligible households in states that included multiple programs in their eligibility criteria. The study then compares the number of eligible households in each state against USAC's data on Lifeline participation to calculate an estimated participation rate for each state.

## 2006 Lifeline Participation Rate Data

### [2006 Participation Rates by State](#)

This map shows the 2006 Lifeline participation rates by state. Eligibility criteria may differ by state and sometimes by individual telephone company.

### [2006 ETC with the Most Lifeline Subscribers by State](#)

This map shows the ETC that serves the most Lifeline subscribers in each state. ETCs with multiple study area codes have been combined within each state.

## 2005 Lifeline Participation Rate Data

### [2005 Participation Rates by State](#)

### [2005 ETC with the Most Lifeline Subscribers by State](#)

## California PUC Reports on Strategies to Improve its Certification and Verification Processes

In a report issued April 2, 2007, the California PUC provided strategies for improving customer response rates and enrollment in the California LifeLine Program. Over 60% of California Lifeline recipients failed to submit their certification and verification forms, the PUC had found. This prompted Commissioner Dian M. Grueneich to suspend the termination of Lifeline benefits for a period of time no longer than six months. The [entire report](#) is available online. For more information contact the [California Public Utilities Commission](#): 505 Van Ness Avenue, San Francisco, CA 94102, Phone (415) 703-2782.

## High Cost & Low Income Quarterly Program Data Available on USAC's Website

USAC's Board of Directors meets once each quarter to manage the business affairs of the company and to hear reports from the programmatic groups. After each Board meeting, USAC's High Cost and Low Income Division makes available quarterly program data for the High Cost Program and the Low Income Program.

The [High Cost Program Quarterly Statistics page](#) provides data such as number of competitive ETCs receiving support, distribution between wireline and wireless ETCs, and projected support for High Cost Components. The [Low Income Quarterly Statistics page](#) provides similar data such as distribution of support between ILECs and CETCs, disbursements by component, and comparisons for projections versus actual disbursements. These and other program statistics are found on USAC's [Fund Facts](#) page.

**USAC CONNECTION** is published monthly by the Universal Service Administrative Company.

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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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