

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. Look for more information soon on the [High Cost/Low Income Training Events](#) page.

High Cost Program

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).

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.

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) |

An [IAS self-certification sample letter](#) can be found on USAC's [High Cost Forms](#) page and may be filed by

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Low Income Program

Best Practices: Calculating Lifeline and Link Up Weighted Average Values

Some competitive eligible telecommunications carriers (CETCs) serve study areas that include multiple incumbent carriers with different End User Common Line charges (EUCLs). In addition, some incumbent ETCs have multiple exchanges with multiple rates within one study area. In these instances, CETCs should calculate a weighted average when claiming Lifeline support. There may also be instances when an ETC has different connection charges within a study area. In that case, the CETC should use a weighted average when claiming Link Up support.

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Below are examples of how to calculate the weighted average for Lifeline Tier 1 support and Link Up support:

Calculating Lifeline Tier 1 Support

A carrier that serves three Lifeline subscribers located where the EUCL is \$6.50, and three subscribers located where the EUCL is \$5.87 should claim \$6.19 per subscriber on its FCC Form 497.

$$\frac{(3 \text{ subs} \times \$6.50) + (3 \text{ subs} \times \$5.87)}{6 \text{ total subs}} = \frac{(\$19.50) + (\$17.61)}{6} = \frac{\$37.11}{6} = \$6.19$$

Calculating Link Up Support

A carrier that has three subscribers located where the connection charge is \$60 (\$30 discount), and three subscribers located where the connection charge is \$40 (\$20 discount) should claim \$25 on its FCC Form 497.

$$\frac{(3 \text{ subs} \times \$30) + (3 \text{ subs} \times \$20)}{6 \text{ total subs}} = \frac{(\$90) + (\$60)}{6} = \frac{\$150}{6} = \$25$$

For more information on calculating weighted averages, please contact the Low Income Program at telcolifeline@usac.org.

Best Practices: Annual Lifeline Program Certification and Verification Process

Certification and verification are the processes by which telecommunications companies establish eligible consumers' qualification for Lifeline and Link Up discounts. Certification occurs at the time an individual applies to enroll in Lifeline and Link Up, while verification occurs on a periodic basis after the subscriber has already begun receiving discounted service from the company.

To ensure a problem-free certification and verification process, carriers should:

- Submit their Annual Certification and Verification results to USAC by the **August 31** deadline.
- Use the Annual Certification and Verification form, available on the Low Income [Certification and Verification](#) page.
- On the form, eligible telecommunications carriers (ETCs) serving a federal default state should select box #1; ETCs serving in a non-federal default state should select box #2; Carriers who have not claimed federal low income support for Lifeline in 2009 should select box #3.

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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.

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- For companies in federal default states and states that require a statistically valid sample of customers surveyed or verified, make sure to complete columns D and E of the table on the form.
- Provide accurate contact information for the person completing the form.
- All submitted documents should contain the signature and name of an officer of the company.
- Submit the form to USAC using only **one** method:

Fax: (202) 776-0080
E-mail: LiVerifications@usac.org
Mail to: USAC
 Low Income Program
 2000 L Street, Suite 200, NW
 Washington, D.C. 20036

- Check the [Certification and Verification](#) page periodically to see if USAC has received your company's certification and/or verification results.

Contact Bryan Harvey at LiVerifications@usac.org for any questions or concerns about the Annual Low Income Lifeline Certification and Verification Process.

Annual Lifeline Certification & Verification

Complete Section 1, 2, or 3. Then complete the chart below.

1. Eligible Telecommunications Carrier (ETC) serving **Federal Default State** *(complete columns A through E and sign below)*

OR

2. Eligible Telecommunications Carrier (ETC) serving **Non-Federal Default State** *(complete columns A through C and sign below; complete columns D and E if required by your state commission)*

OR

3. I certify that my company has not provided Lifeline support for any Lifeline customers in _____ (insert current year).

Form Snapshot

| | B | C | D | E |
|--------------|-------------------------|-------|--------------------------------------|---|
| Company Name | SAC (6 digit number) | State | Customers Surveyed or Verified | Customers Found to be Ineligible* |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

* Include customers who did not respond to the survey in the ineligible column.

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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.

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).

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 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.

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.

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.