USAC CONNECTION
Universal Service Administrative Company

November 2006
www.usac.org

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 timely information.

# High Cost Program

## Competitive ETCs Must File Quarterly Line Counts by December 29, 2006

All competitive eligible telecommunications carriers (CETCs), or their agents, must file line counts with USAC using Form 525 on a quarterly basis to qualify for high cost support as follows:

### High Cost Loop & Local Switching Support

Your next line count filing is due no later than **December 29, 2006** for the number of lines served as of June 30, 2006. Lines must be reported consistent with the disaggregation path(s) selected by the incumbent carrier(s) in whose service areas you serve lines. You may obtain copies of the appropriate disaggregation plans by calling USAC or from the USAC website, www.usac.org/hc.

### Interstate Common Line Support

Your next line count filing is due no later than **December 29, 2006** for the number of lines served as of June 30, 2006. Lines must be reported by customer class (residential and single line business lines are reported separately from multi-line business lines). You must report lines consistent with the disaggregation path(s) selected by the incumbent carrier(s) in whose service area(s) you serve lines.

### High Cost Model Support

Your next line count filing is due no later than **December 29, 2006** for the number of lines served as of June 30, 2006.  Lines must be reported by wire center.

*(Continued on page 3)*

# Low Income Program

## What's New with USAC's Low Income Program?

USAC strives to ensure that households that are eligible for Lifeline and Link Up discounts are able to apply and receive the discounts in a timely and straightforward manner. USAC is preparing to rollout an update to our low-income consumers' website at www.lifelinesupport.org to increase the amount of information available to consumers about eligibility criteria and the application process for Lifeline and Link Up discounts.

The update will include links to each state's Lifeline Program website, a more user-friendly layout for each company's page (which will include links to the company's homepage and downloadable Lifeline applications when available), and a new online advertising tool for ETCs to submit and update their company's www.lifelinesupport.org page.

In early December the new online advertising tool will rollout over a ten-week period to approximately six

*(Continued on page 2)*

states each week to ensure that each state has accurate eligibility criteria and to allow USAC staff adequate time to review and approve the new and updated pages.

All ETCs currently advertising on www.lifelinesupport.org will need to submit their company's information even if the current information is up-to-date so that USAC can fully transition from the old pages to the new more user-friendly format.

ETCs will receive an e-mail containing a link to the new online advertising tool during the 10 week rollout. If you have any questions or comment concerning the new online advertising tool, please contact us via E-mail.

### FORM 497 INSTRUCTIONS UPDATE

Please note that the instructions for "Box 4" of the FCC Form 497 are out of date.

**The current instructions read:**

The federal Lifeline Program benefits eligible low-income subscribers by reducing their monthly local phone charge between \$3.50 and \$32.85 per month.

**Tier 1**

All eligible subscribers will receive a minimum of \$3.50 in federal support. Price cap companies are eligible to receive an additional \$0.85 in support for the period July 1, 2000 through June 30, 2001, if the additional amount is tariffed.

**The updated instructions should read:**

The federal Lifeline Program benefits eligible low-income subscribers by reducing their monthly basic local phone charge up to \$10.00 per month for regular customers and up to \$35.00 per month for "enhanced" or tribal customers.

**Tier 1**

All eligible subscribers will receive up to \$6.50 in federal support which is equal to the tariffed rate in effect for the primary residential End User Common Line charge of the incumbent local exchange carrier serving the area in which the qualifying low-income consumer receives service.

Go to the Instructions for Completing Form 497 to learn more.

### California Adopts New Lifeline Customer Certification and Verification Procedures

The California Public Utilities Commission (CPUC) adopted new procedures in July for the Lifeline customer certification and verification processes in its California Lifeline program.

Consumers can apply for a California Lifeline discount if they believe they are qualified. The discount takes effect when the local telephone company provides service under the program subject to approval of the customer's eligibility. The customer is mailed a California Lifeline Certification Form by the California Lifeline administrator (not from their carrier) that must be completed and mailed back within 30 days.

The letter states the customer must submit a certification or verification form to the California Lifeline Program administrator within 30 days from the date on the letter, or their Lifeline discount will be terminated after 60 days.

Certification and Verification forms completed within the 30 days from the date on the original letter may be submitted to:

California Lifeline
P.O. Box 6033
Artesia, CA 90702-6033

If the customer doesn't complete their form within the 30 day period, they must wait until they are terminated from the program before reapplying for the discount. To reapply, customers should contact their phone company directly. They will then receive another form from the California Lifeline Program with 30 days to respond with their certification data. If a customer believes they were wrongly terminated, they may appeal the Lifeline termination by contacting the California PUC using the address on their disqualification letter.

The California PUC is aware of many of the issues concerning the consumer certification and verification processes and is actively working to update and improve this system. Comments about this process can be made to the California Public Utilities Commission Telecommunications Division at 1-800-649-7570.

For more information, contact the California Lifeline Telephone Service Program at 1-877-858-7463 or visit the California Lifeline Telephone Service website.

**Interstate Access Support**

Your next line count filing is due by the last business day of the quarter, **December 29, 2006**, for the number of lines served as of September 30, 2006. Lines must be reported by UNE zone and customer class (residential and single line business lines are reported separately from multi-line business lines).

Form 525, with instructions, and other forms can be found on the High Cost Forms page.

## Incumbent ETCs Must File Quarterly Line Counts by December 29, 2006

All incumbent ETCs, or their agents, with a competitive ETC filing line counts in their service area(s) are required to file line counts with USAC or the National Exchange Carrier Association (NECA) on a quarterly basis. CETCs are also required to file quarterly line counts with USAC.

Incumbent ETCs must report line counts as follows:

**High Cost Loop & Local Switching Support**

Your next line count filing is due no later than **December 29, 2006** for the number of lines served as of June 30, 2006. Lines reported must be consistent with the disaggregation path you selected.

**Interstate Common Line Support**

Your next line count filing is due no later than **December 29, 2006** for the number of lines served as of June 30, 2006. You must report lines using FCC Form 507, which is available on the High Cost Forms page. Lines must be reported by customer class (residential and single line business lines are reported separately from multi-line business lines) and consistent with the disaggregation path you selected.

**High Cost Model Support**

Your next line count filing is due no later than **December 29, 2006** for the number of lines served as of June 30, 2006. Lines must be reported by wire center.

**Interstate Access Support**

Your next line count filing is due no later than the last business day of the quarter, **December 29, 2006**, for the number of lines served as of September 30, 2006. Lines must be reported by UNE zone and customer class (residential and single line business lines are reported separately from multi-line business lines).

### THREE WAYS TO FILE YOUR LINE COUNT AND TRUE-UP DATA WITH USAC

You can file line count and other High Cost program data with USAC as follows:

Via Email: hcfilings@hcli.universalservice.org

Via Fax: 866-873-4666

Via Mail: Universal Service Administrative Co.
444 Hoes Lane
RCC 4A1060
Piscataway, NJ 08854

**Remember:** Line count filings for all High Cost support components and LSS True-Up data must be received by USAC no later than **December 29, 2006**.

ICLS True-Up data must be received by **January 2, 2007**.

If a line count filing is received after the filing date, a petition for waiver will need to be filed with the FCC. Because USAC is not authorized to waive filing deadlines, only an FCC grant of a waiver will permit USAC to use late line counts to calculate high cost support.

## Local Switching Support (LSS) True-Up Data Due by December 29, 2006

Incumbent ETCs that filed for LSS in 2005 must file actual data for calendar year 2005 no later than **December 29, 2006**. If your LSS data is not timely filed, your 2005 LSS will be recovered, absent a waiver from the FCC.

*(Continued on page 4)*

You must submit the necessary data on an OMB-approved LSS form, which can be found on the High Cost Forms page. Average schedule companies should complete Form LSSa and cost companies should complete Form LSSc. You must also submit the required certification form, attached to the instructions, for the above forms.

If the National Exchange Carrier Association (NECA) files LSS data on your behalf, NECA must submit the same data as required on the LSS forms. In addition, NECA must file your data with USAC no later than **December 29, 2006**.

If you have questions, please contact USAC's customer service center at 877-877-4925.

### Interstate Common Line Support (ICLS) True-Up Data Due by January 2, 2007

All incumbent Eligible Telecommunication Carriers (ETCs) that projected for ICLS for any part of calendar year 2005 must file actual ICLS data for that year with USAC by **January 2, 2007**. This data will be used to true-up ICLS for calendar year 2005. If ICLS actuals for calendar year 2005 are not timely filed, all ICLS disbursed for that year will be recovered by USAC, absent an FCC waiver.

You must submit the data necessary to determine actual ICLS on OMB-approved Form 509, which can be found on the High Cost Forms page.

If the National Exchange Carrier Association (NECA) files ICLS data on your behalf, NECA must submit the same data as required on Form 509. In addition, NECA must file your data with USAC no later than January 2, 2007.

If you have questions, please contact USAC's customer service center at 877-877-4925.

### IMPORTANT HIGH COST PROGRAM FILING DEADLINES

| | | | | |
|---|---|---|---|---|
| Dec. 30 | Rural & Rate-of-Return | HCL, LSS, ICLS | Voluntary* | Quarterly line counts as of 6/30 |
| | CETC | | Mandatory | |
| | Non-Rural, CETC | HCM | Mandatory | Quarterly line counts as of 6/30 |
| Dec. 31 | Rural | LSS | Mandatory | Actual data for previous calendar year |
| | Rate-of-Return | ICLS | Mandatory | Actual data (Form 509) for previous calendar year |
| Dec.** | Price-Cap, CETC | IAS | Mandatory | Quarterly line counts as of 9/30 |

Because December 30 and 31, 2006 fall on Saturday and Sunday, respectively, some filings are due on December 29, 2006 and the ICLS Form 509 filing is due on January 2, 2007.

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

USAC, 2000 L Street, NW, Suite 200
Washington, DC 20036
Phone (202) 776-0200 Fax (202) 776-0080
www.usac.org

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.