

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

Local Switching Support (LSS) True-Up Data Due by December 31, 2008

Incumbent eligible telecommunication carriers (ETCs) that filed for LSS in 2007 must file actual data for calendar year 2007 no later than **December 31, 2008**. If your LSS data is not timely filed, your 2007 LSS will be recovered, absent a waiver from the FCC.

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, found in the form 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 31, 2008**.

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

New Email Addresses for ETC Designation Orders and Program Certifications

All ETCs, State regulatory commissions, carriers, and agents submitting ETC designation orders or High Cost certifications must notify USAC of new or changed designation orders via email to expedite their processing. You may also submit certifications this way. Please make sure the scanned certifications are signed or they will not be considered effective.

The new addresses are:

ETC Designation Orders: hcorders@usac.org

Program Certifications: hccerts@usac.org

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Low Income Program

Audit Findings Related to the Low Income Program

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

Common Audit Finding

- **Carrier is not filing FCC Form 497 correctly**

In order to be reimbursed for providing Lifeline, Link Up, and Toll Limitation Service (TLS) support, ETCs must submit properly completed FCC Forms 497 that accurately reflect the support provided to low-income customers. ETCs must submit one form per month for each of its study areas. Auditors have identified several findings related to the FCC Form 497.

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Low Income Program

Substantiating subscriber numbers

As detailed in the [September 2008](#) newsletter, ETCs must retain accurate records in order to be reimbursed by USAC. During some audits, carriers cannot substantiate the number of subscribers they claimed on FCC Form 497. Carriers should retain all documentation used to populate the form each month. A best practice would be to save (for three years) electronic or hard copies of the subscriber lists used to populate the form each month.

Revisions

Carriers often need to update the data submitted on FCC Form 497. If a revision is necessary, carriers should file a new FCC Form 497. Carriers should provide the data month and indicate that the form is a revision in Box 4 of Form 497. They should not revise one month's data on a Form 497 submitted for a different month. For example, if a carrier realizes after reconciling its books that it over-claimed Tier 1 support by 10 subscribers for October 2008, the company should not deduct those subscribers from the November 2008 form. Instead, the carrier should submit a revised form for October 2008. The entire form must be completed even if the company is revising only one field.

Link Up and Enhanced (Tribal) Link Up

USAC must report Form 497 data to its board of directors and to the FCC. It is crucial that the information reported on Form 497 is as accurate as possible. Carriers are often confused as to how to [calculate](#) and report Tribal Link Up customers on FCC Form 497. All Link Up support provided to new customers living on federally recognized tribal lands should be recorded on lines 11-15(b). All other Link Up customers should be recorded on lines 11-15(a).

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

The FCC is requiring all 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. See [FCC 08-56](#), released March 3, 2008.

A March 28, 2008, FCC [Public Notice](#) announced that the effective date for the new rule was March 31, 2008. Accordingly, as of March 31, ETCs must begin using bill inserts or language on a monthly bill to notify their Lifeline and Link Up customers about the DTV transition.

However, the FCC released a reconsideration order ([FCC 08-119](#)) April 23 that expanded its rules regarding the method in which ETCs must notify their Lifeline and Link Up customers of the February 2009 DTV transition. ETCs are now permitted to mail customers monthly stand-alone outreach materials (brochures, postcards, etc.) instead of including the notice as a monthly bill insert. The language that must be included on the mailer has not changed.

ETCs are still required to include DTV transition information on all Lifeline and Link Up outreach materials. These revised rules will be effective May 30, 2008. However, carriers may still use stand-alone mailers for the April 30 deadline.

The National Telecommunications and Information Administration (NTIA) has a number of outreach materials relating to the DTV transition, particularly the coupon program, available on its website at www.dtv2009.gov. Please contact NTIA directly to discuss co-branding printed materials or outreach methodology. For more information on these requirements, please see USAC's March 19 [DTV Important Notice](#) or the [March 2008 High Cost & Low Income News](#).

High Cost Program

Interstate Common Line Support (ICLS) True-Up Data Due by December 31, 2008

All incumbent ETCs that projected for ICLS for any part of calendar year 2007 must file actual ICLS data for that year with USAC by **December 31, 2008**. This data will be used to true-up ICLS for calendar year 2007. If ICLS actuals for calendar year 2007 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 **December 31, 2008**.

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

Competitive ETCs Must File Quarterly Line Counts by December 30, 2008

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. USAC recommends that CETCs use the [Online Form 525](#) to submit their line count data.

High Cost Loop, High Cost Model, Local Switching Support, & Interstate Common Line Support

Your next line count filing is due no later than **December 30, 2008** for the number of lines served as of June 30, 2008. 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 view maps using the [Disaggregation Map Search](#) tool on the USAC website. In addition, ICLS lines must be reported by customer class (residential and single line business lines are reported separately from multi-line business lines). HCM lines must be reported by wire center.

Interstate Access Support

Your next line count filing is due by the last business day of the quarter, **December 31, 2008**, for the number of lines served as of September 30, 2008. 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 instructions can be found on the [High Cost Forms](#) page.

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
Piscataway, NJ 08854

Remember: Line count filings for all High Cost support components must be received by USAC no later than **December 30, 2008**.

LSS True-Up data and ICLS True-Up data must be received by **December 31, 2008**.

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.

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High Cost Program

Incumbent ETCs Must File Quarterly Line Counts by December 30, 2008

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. Incumbent ETCs must report line counts as follows:

High Cost Loop, High Cost Model, Local Switching Support & Interstate Common Line Support

Your next line count filing is due no later than **December 30, 2008** for the number of lines served as of June 30, 2008. Lines reported must be consistent with the disaggregation path you selected. For ICLS, you must report lines using FCC Form 507, which is available on the [High Cost Forms](#) page. Lines for ICLS 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. For HCM, 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 31, 2008**, for the number of lines served as of September 30, 2008. Lines must be reported by UNE zone and customer class (residential and single line business lines are reported separately from multi-line business lines).

Advertising Requirements for All Eligible Telecommunications Carriers (ETCs)

All ETCs are required by FCC Rule 54.201(d) to advertise the availability of required Universal Service Fund services and their rates using media of general distribution. These services include: voice grade access to the public switched network, local usage, dual tone multi-frequency signaling or its functional equivalent, single-party service or its functional equivalent, access to emergency services, access to operator services, access to interexchange service, access to directory assistance, and toll limitation services for qualifying low-income consumers.

Recommended Guidelines

States and carriers should use advertising materials and methods designed to reach households that do not currently have telephone service by posting notices at public transportation stops, shelters, soup kitchens, and public assistance agencies as well as by making public service announcements. Remember that bill inserts and advertising in telephone books are not likely to attract individuals who do not have phone service. Also, an Internet notice should not be the primary means of outreach as it is not likely to attract individuals who do not have Internet service.

It is also important that states and carriers develop advertising that can be read by members of any sizeable non-English speaking population. Make sure to offer a toll-free number and applications in other languages.

States and carriers should coordinate their advertising efforts with governmental agencies that administer any of the relevant government assistance programs such as social service agencies, tribal organizations, community centers, and organizations like AARP and the United Way.

States and carriers should use USAC as a resource. We work with carriers, associations, tribal organizations, and consumers. [Read more about FCC guidelines and USAC outreach materials.](#)

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