

Guidance for CETCs Serving “Covered Locations*”

On May 27, 2009, the FCC published DA 09-1157, “Small Entity Compliance Guide: Interim Cap on High-Cost Universal Service Support for Competitive Eligible Telecommunications Carriers.” This document set forth how a CETC must file its line count data in order to comply with the covered locations exception to the interim cap on high cost support:

“A competitive ETC seeking to take advantage of the tribal lands/Alaska Native region exception to the interim cap on support will be required to file its line count data for covered locations on a separate FCC Form 525. In addition, each time it files line count data for a covered location it must file a letter with USAC certifying that the lines qualify for the exception.”

In order to accommodate the first requirement to file lines separately, USAC requires each CETC seeking the tribal lands exception to file for a new, separate SAC (study area code) ONLY if it does not entirely serve tribal lands. To request a new SAC, please call (877) 877-4925 or email hcfilings@hcli.universalservice.org.

Once a separate SAC for tribal lands has been obtained, the CETC may re-file its line count data, with the exception of IAS, for both its non-tribal and tribal study areas back to the 1Q08 filing (lines as of September 30, 2007). CETCs may re-file IAS lines back to 3Q08 (lines as of June 30, 2008).

CETCs with Alaska SACs will not need a new SAC as the entire state is considered an Alaska Native region. Similarly, CETCs serving only tribal lands do not need a new SAC. However, the second requirement still applies and a certification letter must be filed quarterly going forward. CETCs re-filing prior line counts may submit a single certification letter listing the line counts being re-filed.

A sample covered locations certification letter is available on at the USAC High Cost Forms webpage: <http://usac.org/hc/tools/required-forms.aspx>.

CETCs re-filing lines via Form 525 Online (<http://forms.universalservice.org>) must submit a certification letter separately via mail, fax, or email (scanned copy). The new SACs will be available for online filing.

Please note that the new SACs are for High Cost reporting purposes only and should not be used for Low Income reporting. Doing so could significantly affect your Low Income support via unintended true-ups.

High Cost Management

*Tribal lands and Alaska Native regions