

High Cost Program

Glossary of Terms

The Term	Our Definition
498 Company Officer	The officer of a service provider company who is authorized to certify that data set forth in the FCC Form 498 is true, accurate, and complete. The 498 Company Officer has access to certify forms through the E-File system and occupies a position specified in the corporate by-laws (or partnership agreement), and would typically be president, vice president of operations, vice president of finance, comptroller, treasurer, or a comparable position. If the reporting entity is a sole proprietorship, the owner must sign the certification.
498 ID (formerly Service Provider Identification Number (SPIN))	A unique number that USAC assigns to each universal service support recipient once they have submitted the FCC Form 498 to USAC. Every recipient is required to have a 498 ID in order to participate in any universal service programs and to receive payments from USAC.
499 Company Officer	A person who occupies a position specified in the corporate by-laws (or partnership agreement), and would typically be president, vice president for operations, vice president for finance, comptroller, treasurer, or a comparable position. If the reporting entity is a sole proprietorship, the owner must sign the certification. This person must review and certify the information reported on the FCC Forms 499-A/Q. The latest 499 Company Officer on file has access to certify forms through the E-File system.
Access Recovery Charge (ARC)	Allows incumbent local exchange carriers to recover part of the revenues lost through FCC required reductions to access rates.
Acquired Exchange Support (AEX or AES)	a carrier acquiring exchanges from an unaffiliated carrier shall receive the same per-line levels of high-cost universal service support for which the acquired exchanges were eligible prior to their transfer.
Alaska Plan	The Alaska Plan provides Alaskan carriers with the option to obtain a fixed level of funding in exchange for committing to deployment obligations that are tailored to each Alaska carrier's circumstances.
Alternative Connect America Cost Model (A-CAM)	Alternative Connect America Cost Model (A-CAM) is a wireline component of the Connect America Fund. It provides Rate-of-Return carriers a voluntary path to elect to receive model-based support in exchange for deploying broadband-capable networks to a pre-determined number of eligible locations.
appeal	An appeal is a request to reconsider a USAC decision. Appeals can be made to either USAC or the FCC. Appeals must be filed within 60 days of the original USAC decision. Requests for waivers of rules must be filed directly with the FCC.

audit	A review of documentation and resources that verify the state of compliance with program rules.
Authorized Users	See “delegated users”
Automated Clearing House (ACH)	An electronic clearing house and settlement system for exchanging electronic transactions among banking institutions.
Average Schedule Carrier	NECA members that receive pool revenues, or settlements, for interstate telecommunications services based on a series of statistical formulas, approved by the FCC, that approximate the amounts received by a similar cost company.
Beneficiary and Contributor Audit	Run by USAC, and carried out by auditors trained in universal service and program audit requirements, these audits of beneficiaries and contributors serve to identify noncompliance with program rules and amounts of recoverable funds.
Board of Directors	USAC Board of Directors
Chief Financial Officer (CFO)	Corporate officer responsible for financial operations.
Code of Federal Regulations (CFR)	The general and permanent rules published in the Federal Register by federal government agencies. Telecommunications rules are located in Title 47 CFR.
Commission	The short name for the Federal Communications Commission (FCC). See “FCC.”
common carrier	An organization recognized by a regulatory authority (such as a state public utility commission) to provide telecommunications services to all requesting parties, or an organization that holds itself out to provide such services generally to the public for a fee.
Common Language Location Identifier (CLLI)	Pronounced “silly;” a universal identifier to specify the type and location of a piece of telecommunications equipment. CLLI codes are issued and maintained in Telcordia’s LERG. The first eight digits are used to assign carrier eligibility.
competitive eligible telecommunications carrier (CETC)	A telecommunications carrier designated by a state’s utility commission to receive universal service support. A CETC must offer services that are supported by the federal universal service programs utilizing its own facilities or a combination of its own facilities and resale of another carrier’s services. In certain circumstances, the FCC has jurisdiction to designate carriers as CETCs.
competitive local exchange carrier (CLEC)	New entrants for local telephone service and on a selective basis for long distance, cellular, Internet access, and cable television.
Connect America Fund (CAF)	Implemented as part of the Transformation Order, the fund’s objective is to increase the availability of broadband in rural areas

Connect America Fund Broadband Loop Support (CAF BLS)	Updated Interstate Common Line Support (ICLS) as part of the Transformation Order. Helps to offset interstate access charges for rate-of-return companies. CAF BLS provides support for rate-of-return carriers to the extent that SLC caps do not permit them to recover their common line revenue requirements. The funding year runs from July 1-June 30, annually.
Connect America Fund Inter-carrier Compensation (CAFICC)	Allows incumbent local exchange carriers (ILECs) to charge residential customers an Access Recovery Charge (ARC) on a limited basis. It also allows ILECs to recover charges from certain multiline business customers. If eligible, ILECs may receive additional recovery funds, provided they meet certain broadband service obligations. Carriers submit annual Tariff Review Plans (TRP) to determine support.
Connect America Cost Model (CACM)	See Connect America Fund Phase II (CAFII)
Connect America Fund Phase II (CAFII)	Implemented as part of the Transformation Order, provides ongoing support to deploy and maintain fixed-location broadband and voice services in high-cost areas at rates comparable to those offered in urban areas. Phase II funds will be determined by the Connect America Cost Model (CAM), a forward-looking broadband cost projection tool. State-level support will be offered to carriers for constructing fixed-location voice and broadband capable networks. Support will not be given in areas where unsubsidized competitors are providing broadband that meets the FCC's definition. Support began being disbursed in January 2017
contributor	A company that, based on the revenue reported on the FCC Forms 499-A/Q, is required to pay contributions directly to the universal service fund.
CORES ID	A 10-digit number that the FCC assigns to a business or individual that registers with the FCC. It is associated with an entity's Taxpayer Identification Number (TIN) and is required before filing FCC Forms 499-A/Q.
Cost Company	Carrier that has its USF support computed on the basis of the company's accounting cost data.
Data Collection Agent (DCA)	USAC is the FCC's agent responsible for the administration, processing, filing and distribution of carrier revenue data for the Telecommunications Relay Services Fund — the cost recovery mechanisms for numbering administration and local number portability, and the universal service programs.
Debt Collection Improvement Act (DCIA)	A law that requires federal agencies to transfer delinquent debts or claims to the Secretary of Treasury (Treasury) for further collection action. Unpaid obligations to the universal service fund are subject to the DCIA. In the event that a balance becomes over 120 days past due, (or 90 days past due for service providers), USAC will transfer the debt to the Treasury for further collection and enforcement actions.
delegated users	The employee(s) of a service provider company authorized to enter and modify company information on FCC Forms 498 and 499 through the E-File application. Also known as "authorized users," these individuals are established by the Company Officer or General Contact.

Detailed Audit Finding Worksheet (DAF)	A worksheet that contains background information and notes the basis of an exception during an audit.
e-certification (E-Cert)	Process that allows applicants to certify and submit forms online, eliminating the need for a paper form with an original signature.
E-File	USAC's online forms submission tool, available at https://forms.universalservice.org .
eligible services	Products and services that are eligible for universal service support.
eligible telecommunications carrier (ETC)	A designation given to telecommunications service providers by their state public utility commissions or the FCC, enabling them to participate in universal service programs.
FCC Form 481	The Carrier Annual Reporting Data Collection Form is an FCC Form that all eligible telecommunications carriers in the High Cost and Lifeline programs file. For carriers in the High Cost Program, the form collects a progress report on the carrier's detailed information on any outages, the number of requests for service, branding information of the holding company and its affiliates, documentation demonstrating the carrier is engaged with Tribal governments, certification of voice services pricing, results of network performance tests, certifications on frozen high-cost support, certifications on broadband services, and an annual report on the company's financial condition and operations. Carriers who receive certain types of support are also required to file location data on Form 481. For carriers in the Lifeline Program, the form collects branding information of the holding company and its affiliates and terms and conditions on service plans offered to subscribers.
FCC Form 498	The Service Provider And Billed Entity Identification and Contact Information Form is an FCC form that service providers must fill out in order to participate in any of the universal service programs. The form is used to collect contact, remittance, and payment information for service providers that receive universal service support.
FCC Form 498 Company Officer	See "498 Company Officer."
FCC Form 498 delegated users	See "delegated users."
FCC Form 498 General Contact	See "General Contact."
FCC Form 507	The Connect America Fund Broadband Loop Support (CAF BLS) Mechanism Line Count Report Form is an FCC form that incumbent eligible telecommunications carriers submit to provide line count information.
FCC Form 508	The CAF BLS Projected Annual Common Line Revenue Requirement Form is an FCC form that incumbent eligible telecommunications carriers submit to provide revenue information necessary for USAC to calculate their amounts of support.

FCC Form 509	The CAF BLS Annual Common Line Actual Cost Data Collection Form is an FCC form that incumbent eligible telecommunications carriers submit to provide cost information necessary for USAC to calculate their amounts of support.
FCC Form 525	Collects line count information from Standing Rock Telecommunications
FCC Form 690	The Mobility Fund Phase I Annual Report Form is an FCC form that all recipients of Mobility Fund Phase I support are required to submit. This form collects the carrier's contact information, a coverage and performance report, Tribal lands data, a project update, and an urban rate comparability certification.
FCC Registration Number	See "CORES ID."
Federal Communications Commission (FCC)	The U.S. government agency that regulates interstate and international communications and oversees the universal service fund. In 1997, the FCC designated USAC to be the independent not-for-profit corporation to administer the universal service fund in accordance with its rules.
Federal Financial Management Improvement Act 1996 (FFMIA)	This act defines the financial operations requirements for government entities and this act would apply to the universal service fund as a result of the FCC Government Accounting Order.
Federal Generally Accepted Accounting Principles (Federal GAAP)	The standards for government agencies that will apply to the fund effective with the Government Accounting Order.
Freedom of Information Act (FOIA)	The federal statute requiring access to information. Through the FCC, USAC is often called upon to respond to Freedom of Information Act requests.
Frozen High Cost Support (FHCS)	With the advent of the Connect American Fund, existing High Cost Program support was frozen at December 2011 levels and additional changes were made to existing programs to transition universal service from focusing on voice networks to supporting and expanding broadband availability. FHCS was part of Phase I, and will be eliminated as Phase II support funds come online.
General Accounting Office (GAO)	An agency that reports to Congress, who asks the GAO to study the programs and expenditures of the federal government. It studies how the federal government spends taxpayer dollars, evaluates federal programs, audits expenditures and issues legal opinions.

General Contact	The employee of a service provider company who filled out the FCC Form 498. This individual is listed on Line 8. The latest General Contact on file has access to submit and modify data in the E-file system, and to create delegated or authorized users.
Generally Accepted Accounting Principles (GAPP)	Uniform minimum standards of and guidelines to financial accounting and reporting. The Financial Accounting Standards Board and the Governmental Accounting Standards Board are authorized to establish these principles.
Generally Accepted Auditing Standards (GAAS)	Standards promulgated by the Auditing Standards Board (ASB) of the American Institute of Certified Public Accountants (AICPA) These standards are recognized by state boards of accountancy and the SEC. GAAS consists primarily of 10 standards and accompanying statements on auditing standards or "SAS."
Generally Accepted Government Auditing Standards (GAGAS)	The standards that apply to all government audits and will apply to audits of the fund and fund recipients effective with the Government Accounting Order.
Geographic Information System (GIS)	a system designed to capture, store, manipulate, analyze, manage, and present spatial or geographic data.
Geolocation	the process used to collect latitude and longitude (lat/long) coordinates that represent a specific location
High Cost Loop (HCL)	Provides support for the "last mile" of connection for rural companies in service areas where the cost to provide this services exceeds 115 percent of the national average cost per line.
High Cost Program (HC)	One of the four universal service programs administered by USAC. This program supports rural areas in order to keep telecommunications rates comparable to those in lower-cost urban areas.
HUBB	High Cost Universal Broadband portal. Data management portal where location data will be filed for recipients of A-CAM, CAFII, CAF BLS and RBE.
Improper Payments Elimination and Recovery	A law passed in 2010 to amend IPIA and enhance the federal government's practices to measure and recover improper
Improper Payments Information Act (IPIA)	A 2002 law that requires USAC to provide the FCC with accurate, timely information about improper payments to program beneficiaries. To comply, USAC created its Payment Quality Assurance (PQA) Program, which assesses specific payments made to beneficiaries in all four programs to determine if these payments were made in accordance with FCC rules. Using results of these assessments, USAC calculates estimates of improper payment rates and provides this information to the FCC.
Incremental Support (IS)	A Connect America Fund Phase I fund. Set up as a one-time payment to spur the deployment of broadband in unserved areas. Ultimately, there were two Rounds (separate payments) of Incremental Support

incumbent local exchange carrier (ILEC)	The dominant local telephone company within a geographic area, as determined by the FCC at the time of the implementation of the High Cost program.
Internet service provider (ISP)	A company that provides Internet access service (also referred to as a service provider).
Local Exchange Routing Guide (LERG)	Telcordia's monthly report of planned network changes.
Letter of Credit (LOC)	A bank guarantee to safeguard against carrier non-compliance. Carriers receiving Rural Broadband Experiments (RBE), Mobility Fund and CAF Auction support are required to maintain LOCs
Location	The latitude and longitude of coordinate where broadband service is available. A single set of geo-coordinates, denoting a single place of physical deployment of broadband, such as a home or a business.
Memorandum Opinion and Order (MO&O)	Order issued by the Commission to deny a petition for rulemaking, modify a decision, grant or deny a petition for reconsideration, or grant or deny an application for review of a decision. A second or third Memorandum Opinion and Order (2 nd MO&O/3 rd MO&O) may be issued.
Mobility Fund	The Mobility Fund is the wireless component of the Connect America Fund. It provides support for the expansion of mobile broadband networks in areas that might otherwise not be served. The Mobility Fund consists of two phases. Phase I provides immediate one-time support to accelerate the deployment of mobile broadband and voice service to unserved areas. Phase II provides ongoing support to deploy and maintain mobile broadband and voice service in high-cost areas.
Mobility Fund II (MFII) Challenge Process	Designed to ensure the success of the FCC's Mobility Fund Phase II (MF-II) Auction by providing stakeholders with an opportunity to submit evidence that an area should be deemed eligible for support.
Mobility Fund Phase II (MFII) Auction	Makes up to \$4.53 billion in support available over 10 years to primarily rural areas that lack unsubsidized 4G Long Term Evolution (LTE) service.
National average cost per loop (NACPL)	Determined monthly by NECA and used to calculate HCL, SNA, and SVS support.

National Exchange Carrier Association (NECA)	Parent company of USAC. Formed by the FCC as a not-for-profit corporation, NECA plays an important role in administering the FCC's access charge plan, which helps ensure telephone service remains available and affordable in all parts of the country.
National Telecommunications and Information Administration (NTIA)	Part of the Department of Commerce, NTIA is responsible for telecommunications policy and provides telecommunications grants to various entities.
Notice of Apparent Liability (NAL)	An order issued by the FCC that provides a penalty will be imposed on a carrier for violating an FCC rule or procedure.
Notice of Inquiry (NOI)	Adopted by the Commissioners primarily for fact-gathering; which is a way to seek comments from the public or industry on a specific issue.
Notice of Proposed Rulemaking (NPRM)	An announcement issued by the FCC to detail proposed changes to FCC rules and policies and seek public comment on the changes.
Obligation	Number of locations a beneficiary is required to deploy broadband over the course of the given High Cost fund. Note that milestones exist prior to the final obligation being reached, and the percentage and timing of the milestone will vary by fund
Office of Inspector General (OIG)	A division of the FCC that provides independent and objective audits and investigations relating to agency programs and operations.
Office of Management and Budget (OMB)	Part of the Executive Office of the President, OMB reviews and approves FCC forms that are used by universal service contributors and universal service program participants, contributors and rvice providers.
Payment Quality Assurance (PQA) Program	USAC's own program, created to comply with IPIA, which assesses specific payments made to beneficiaries in all four programs to determine if these payments were made in accordance with FCC rules. Using results of these assessments, USAC calculates estimates of improper payment rates and provides this information to the FCC.
Portal	See "HUBB"
Preparer	The employee of company that filed an FCC Form 499-A/Q. This individual is listed on the FCC Form 499-Q Line 108 and FCC Form 499-A Line 203. The latest preparer on file has access to submit and modify data in the E-File system.
Price Cap	Traditionally larger carriers like Verizon and Windstream.

Polygon	A closed figure representing an area on a map. For the HUBB, polygons are used to represent Census Blocks, Study Areas, Counties, States, and other areas.
Public Notice (PN)	A notice issued by the FCC to notify the public of an action taken, a change made, or an upcoming event.
Rate-of-Return	Traditionally small rural carriers.
Red Light Rule	A requirement that the FCC withholds action on an application, payment, and/or other requests for benefits when the universal service program participant is delinquent in non-tax debts owed to the FCC or other federal governmental agencies. This rule extends to applications for support and disbursements from the universal service fund, and requires that USAC suspend support to any company that shares a Tax Identification Number with a company that has a delinquent debt.
Red Light status	An entity is considered in Red Light status when the Red Light Rule goes into effect (the entity is delinquent). See “Red Light Rule.” USAC will not make any disbursements until the delinquency has been satisfied or payment arrangements are made.
Rural Broadband Experiments (RBE)	Fund designed to advance the deployment of next generation networks to areas unserved by an unsubsidized competitor as quickly and efficiently as possible and to understand how the Phase II competitive bidding process should be best fashioned. Proposals were submitted by carriers and the FCC chose recipients based on those proposals.
Safety Net Additive (SNA)	Support available above the HCL cap intended to mitigate the effects of the cap for rural carriers that make a substantial investment in their telecommunications plant. To qualify, a carrier must notify USAC that it has experienced at least a 14 percent increase in its TPIS per-line investment.
Safety Valve Support (SVS)	Support available above the HCL cap for rural carriers that acquire high cost exchanges and make substantial post-transaction investments to enhance network infrastructure. SVS is 50 percent of the difference between the index year HCL support amount and the HCL support amount in subsequent years. To qualify for support, a carrier must notify USAC once relevant regulatory approvals are obtained and the transaction is closed.
service provider	A company that participates in one of four universal service programs and provides telecommunications or Internet services, equipment, hardware, or software. Types of companies include but are not limited to: competitive access/competitive local exchange carriers (cellular, personal communications, or specialized mobile radio providers), incumbent local exchange carriers, interexchange carriers, Internet service providers, interconnected VoIP, local resellers (coaxial cable, non-traditional, operator, paging, messaging, payphone, prepaid card, private and satellite service providers), shared-tenant service providers or building local exchange carriers, SMR (dispatch), toll resellers, or wireless data providers.
Service Provider Identification Number (SPIN)	See 498 ID

Shapefile	Shapefile is a geospatial data format for geographical information (GIS) software. The data format can display points, lines, and polygons that represent census blocks, rivers, lakes, roads, points of interest, etc. Used to validate location data filed in the HUBB
Study Area	The area to which a carrier provides service.
Study Area Code (SAC)	A unique number that USAC assigns to ETCs that uniquely identifies that company based on its service area. Companies must have at least one SAC per state in which they operate, but can have more than one SAC within a state if they have more than one service area.
Study area average cost per loop (SACPL)	Determined monthly by NECA and used to calculate HCL, SNA, and SVS support.
Subscriber Line Charge (SLC)	The amount charged by carriers to customers to provide service.
Tariff Review Plan (TRP)	Submission made by recipients of CAFICC support annually in June. Data determines the amount of support the carrier is eligible to receive.
telecommunications	The transmission, between or among points specified by the user, of information of the user's choosing, without change in the form or content of the information as sent and received.



telecommunications carrier	Common carrier, as defined by the FCC, is an entity that provides telecommunications service including interexchange carriers, wireless carriers, and competitive local exchange carriers (also referred to as service provider).
Telecommunications Plant In Service (TPIS)	Cost of the property, plant, and equipment in the carrier's operation.
Transformation Order	Order to reform and modernize the High Cost Program and the intercarrier compensation system. The Order implemented the Connect America Fund.
unbundled network element (UNE)	Pieces of the telecommunications network that can be purchased by competitors at prices set through negotiation or by the state commission. The FCC established the basic elements that are available and the state commissions can add additional elements.
universal service	Under the authority of the 1996 Telecom Act, the FCC created universal service as well as the Universal Service Administrative Company (USAC), the organization charged with administering universal service. Companies make contributions based on revenues from providing international and interstate telecommunications services.
Universal Service Administrative Company (USAC)	An independent, not-for-profit corporation created by the FCC in 1997 to administer the four universal service programs which help provide communities across the country with access to affordable telecommunications services.
universal service fund (USF)	Money collected from telecommunications companies and dedicated to fulfilling the goals of universal service. Under the authority of the 1996 Telecom Act, the FCC created the USF as well as the Universal Service Administrative Company (USAC), the organization charged with administering universal service. Companies make contributions to universal service based on revenues from providing international and interstate telecommunications services.



Upload template	Files formatted by USAC allowing carriers to bulk upload data in online filing applications
Validation	The process of evaluating a location to determine whether the census block within which the location is contained is considered eligible to receive a given type of funding. Note that what passes validation will vary based on the type of High Cost funding the participant is receiving (CAF 2, ACAM, Alaska Plan, etc.).
Verification	Process by which locations are checked to verify that that: 1) There is actual service or service can be provided in a reasonable amount of time at the specified locations, 2) Broadband speed meets a minimum standard (varies by fund), and 3) locations were deployed consistent with the date reported in the HUBB portal to USAC.
Voice over Internet Protocol (VoIP)	A technology that allows users to make phone calls using the same line as an Internet connection.
Whistleblower Alert/ "Code 9 Call"	This hotline allows members of the public to report suspected violations of program rules to USAC. These reports can be made anonymously and toll free by calling (888) 203-8100.