

CHAPTER 39
UNIVERSAL SERVICE

Chapter rescission date pursuant to Iowa Code section 17A.7: 4/9/30

199—39.1(476) Authority and purpose. These rules relate to the commission’s designation of common carriers as eligible to receive support from the federal universal service fund and are prescribed by the commission pursuant to Iowa Code sections 17A.4, 476.2, 476.15, and 476.102 and 47 U.S.C. §214(e) and 254, effective April 9, 2025. These rules are intended to preserve and advance universal service by implementing the commission’s authority to designate eligible telecommunications carriers (ETCs). These rules establish procedures for applying for designation as an ETC, as well as modifying and relinquishing such designation; adopt service standards for ETCs; and establish state record, certification, and reporting requirements consistent with federal requirements.

[ARC 8999C, IAB 3/5/25, effective 4/9/25]

199—39.2(476) Definitions. For the purposes of the commission’s implementation of federal universal service fund requirements, the following definitions apply:

“*Broadband service*” means the broadband Internet access service (defined in 47 CFR §54.400(l)) designated by the Federal Communications Commission (FCC) in 47 CFR §54.101 as eligible for support by the federal universal service support mechanisms.

“*Code of Federal Regulations*” or “*CFR*” means the Code of Federal Regulations, which contains the general administrative rules adopted by federal departments and agencies, in effect as of April 9, 2025, unless a separate effective date is identified in a specific rule.

“*Competitive eligible telecommunications carrier*” means a carrier that meets the definition of an “eligible telecommunications carrier” below and does not meet the definition of an “incumbent local exchange carrier” in 47 CFR §51.5.

“*Common carrier*” means the same as is defined in 47 CFR §9.3.

“*Eligible telecommunications carrier,*” “*eligible carrier,*” or “*ETC*” means a carrier designated by the commission as eligible to receive universal service support pursuant to 47 U.S.C. §214(e).

“*Facilities*” means any physical components of the telecommunications network that are used in the transmission or routing of the services designated for universal service fund support, as expressed in 47 CFR §54.201(e).

“*High-cost support*” means the same as defined in 47 CFR Subchapter B, Part 54, to include those support mechanisms provided pursuant to subpart D (universal service support for high-cost areas), subpart J (rural digital opportunity fund support), subpart K (interstate common line support), subpart L (mobility fund support), subpart M (high-cost loop support), and subpart O (Uniendo a Puerto Rico Fund) or alternate substitute, or replacement federal Universal Service Fund programs for the distribution of funding to telecommunications carriers to deliver service in rural or other high-cost areas.

“*Lifeline program*” means the federal universal service program providing support for low-income consumers that is defined in 47 CFR §54.401.

“*Services designated for support*” means voice telephone service and broadband service.

“*Tribal Link Up*” means an assistance program for eligible residents of tribal lands seeking telecommunications service from a telecommunications carrier that is defined in 47 CFR §54.413(a).

“*Voice telephone service*” means the service (defined in 47 CFR §54.400(m)) designated by the FCC in 47 CFR §54.101 as eligible for support by the federal universal service support mechanisms.

[ARC 8999C, IAB 3/5/25, effective 4/9/25]

199—39.3(476) Applying for designation as an eligible telecommunications carrier.

39.3(1) A common carrier must be designated as an ETC to qualify for support from the federal universal service fund. The commission reviews applications for designation as an ETC for compliance with 47 U.S.C. §214(e)(1) and grants ETC designations to qualified applicants for a service area designated by the commission. If an applicant requests an expedited ruling from the commission on an application to

be designated as an ETC or on an amendment to an existing ETC designation, the applicant shall specify why an expedited process is necessary and why an expedited review would not be contrary to the public interest.

39.3(2) An application for an ETC designation must contain the following:

a. Where an applicant offers more than one type of communications service, a clear statement of which entity is requesting the designation.

b. A clear statement of the purposes for which the designation is sought, and a statement of financial and technical qualification to provide the supported service. An applicant shall specify whether designation is sought for purposes of receiving support from the high-cost fund or mobility fund; for Lifeline purposes only; or other specified purpose recognized by the FCC.

c. A certification that the applicant offers or intends to offer all services designated for support, as identified in 47 CFR §54.101, throughout the applicant's approved service area.

d. An explanation of how the carrier will provide voice telephone service and broadband service.

e. A certification that the applicant offers or intends to offer the supported services either using its own facilities or a combination of its own facilities and resale of another carrier's services. "Own facilities" includes unbundled network elements, in whole or in part. The facilities providing the services supported by the universal service fund need not be physically located in the area served. Wireless resellers shall provide the name of the facilities-based wireless carrier(s) whose services they are reselling and demonstrate they have an agreement with the carrier(s) in Iowa that will cover the applicant's proposed designated service area. The commission will not designate as an eligible telecommunications carrier a carrier that offers the services supported by federal universal service support mechanisms exclusively through the resale of another carrier's services unless the carrier obtains FCC approval of a compliance plan and commits to certain 911 conditions.

f. A description of how the applicant advertises the availability of supported services and the charges therefore using media of general distribution.

g. A detailed description, including a map or maps, of the geographic service area for which the applicant requests an ETC designation from the commission. An applicant seeking designation in connection with a support mechanism through which support is allocated to specific census blocks or locations shall file a list of the census blocks or locations in or at which the applicant will serve as an ETC, in addition to the map included with the description required by this paragraph. Wireless telecommunications carriers, defined as commercial mobile radio service providers in 47 CFR Parts 20 and 24, shall file coverage area maps and maps that depict signal strength. Requests to withhold from public inspection maps depicting signal strength will be deemed granted as provided in 199—Chapter 1.

h. Where the application is from a carrier seeking a designation as an ETC for an area served by a rural telephone company as defined in 47 CFR §51.5, a demonstration that the requested designation is in the public interest.

i. An affirmative statement that the applicant will use the support only for the provision, maintenance, and upgrading of facilities to deploy, improve, and support services to consumers in the applicant's designated service area. Applicants seeking designation only for purposes of receiving support from the Lifeline program need not include an affirmative statement or other information concerning network improvements planned for the designated service area.

j. An affirmative statement explaining how the applicant will remain functional in emergency situations. The statement shall include examples illustrating that the applicant has a reasonable amount of back-up power to ensure functionality without an external power source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations.

k. A certification that the applicant will comply with the service requirements applicable to the support that it seeks to receive.

l. A certification that the applicant will contribute to the dual party relay service as provided in Iowa Code section 477C.7(1).

m. For applications from carriers seeking designation as an ETC for any part of tribal lands, a copy of the applicant's application to the affected tribal government and tribal regulatory authority at the time the applicant files the application with the commission.

n. A certification that the applicant will satisfy applicable consumer protection and service quality standards. Wireless ETC applicants shall commit to complying with the consumer protection standards established by the Cellular Telecommunications and Internet Association's Consumer Code for Wireless Service (2020), including a certification to abide by the following specified standards:

(1) Provide ready access to customer service. Customers will be provided a toll-free telephone number to access a carrier's customer service during normal business hours. Customer service contact information will be provided to customers online and on billing statements. Each wireless carrier will provide information about how customers can contact the carrier in writing, by toll-free telephone number, via the Internet, or otherwise with any inquiries or complaints, and this information will be included, at a minimum, on all billing statements, in written responses to customer inquiries, and on carriers' websites. Each carrier will also make such contact information available, upon request, to any customer calling the carrier's customer service departments.

(2) Promptly respond to consumer inquiries and complaints received from government agencies. Inquiries for information or complaints to a wireless ETC shall be resolved promptly and courteously. If a wireless ETC cannot resolve a dispute with the applicant or customer, the wireless ETC shall inform the applicant or customer of the right to file a complaint with the commission. The wireless ETC shall provide the following commission address and toll-free telephone number: Iowa Utilities Commission, Customer Service, 1375 E. Court Avenue, Des Moines, Iowa 50319-0069; 877.565.4450. When the commission receives a complaint, the commission shall follow the procedures set out in 199—Chapter 6. In any complaint proceeding pursuant to this subparagraph, if the wireless ETC asserts that the complainant is located in an area where the wireless ETC is not designated as an ETC, the wireless ETC must submit evidence in support of its assertion.

39.3(3) Amendments, assignments and transfers of control. Except as otherwise provided in this subrule, a carrier's ETC designation may be amended or assigned, or control of such designation may be transferred by the transfer of control of the carrier, whether voluntarily or involuntarily, directly or indirectly, only upon application to and prior approval by the commission.

a. Assignment. For purposes of this subrule, an assignment of a designation is a transaction in which a commission-issued ETC designation is assigned from one carrier to another carrier. Following an assignment, the designation is held by a carrier other than the carrier to which it was originally granted.

b. Transfers of control. For purposes of this subrule, a transfer of control is a transaction in which a commission-issued designation remains held by the same carrier, but there is a change in the individuals or entities that control the carrier. A change from less than 50 percent ownership to 50 percent or more ownership shall always be considered a transfer of control. A change from 50 percent or more ownership to less than 50 percent ownership shall always be considered a transfer of control. In all other situations, whether the interest being transferred is controlling must be determined on a case-by-case basis. The factors relevant to a determination of control in addition to equity ownership include but are not limited to the following:

(1) Power to constitute or appoint more than 50 percent of the board of directors or partnership management committee;

(2) Authority to appoint, promote, demote, and fire senior executives who control the day-to-day activities of the carrier;

(3) Ability to play an integral role in major management decisions of the carrier;

(4) Authority to pay financial obligations, including expenses arising out of operations;

(5) Ability to receive moneys and profits from the carrier's operations; and

(6) Unfettered use of all of the carrier's facilities and equipment.

c. Pro forma assignments and transfers of control. Assignments or transfers of control that do not result in a change in the actual controlling party are considered nonsubstantial or pro forma. If a transaction is one of the types listed below, the transaction is presumptively pro forma and prior commission approval need not be sought:

(1) Assignment from an individual or individuals to an entity owned and controlled by such individuals without any substantial change in their relative interests;

(2) Assignment from an entity to its individual equity holders without effecting any substantial change in the disposition of their interests;

(3) Assignment or transfer by which certain equity holders retire and the interest transferred is not a controlling one;

(4) Entity reorganization that involves no substantial change in the beneficial ownership of the carrier (including reincorporation or reorganization in a different jurisdiction or change in form of the business entity);

(5) Assignment or transfer from a carrier to a wholly owned direct or indirect subsidiary thereof or vice versa, or where there is an assignment from a carrier to an entity owned or controlled by the same equity holders without substantial change in their interests; or

(6) Assignment of less than a controlling interest in a carrier.

d. Applications for substantial transactions. In the case of an assignment or transfer of control of commission-designated ETC that is not pro forma, the parties to such a transaction must file a joint application with the commission prior to consummation of the proposed assignment or transfer of control. The application shall include the following information:

(1) A brief narrative of the means by which the proposed transfer or assignment will take place. This narrative should include a statement concerning how the transaction will be classified for the purposes of any filings required to be made by the parties with the Universal Service Administrative Company (USAC).

(2) Identification of each applicant, including the legal name and state or other governmental authority under the laws of which each entity applicant is incorporated or organized.

(3) The name, title, mailing address, telephone number, and email contact information for each applicant.

(4) The name, title, mailing address, telephone number, and email contact information for an application contact point, such as an executive officer, legal counsel, or regulatory consultant, to whom correspondence concerning the application should be addressed.

(5) A statement identifying the date on which the applicants are asking for the transfer of the ETC designation to be effective. Where the timing of a transaction is dependent on facts objectively ascertainable outside of the filing (i.e., regulatory, lender, or other third-party approval), the parties should include a statement concerning the manner in which such facts will operate on the effective date or other terms of the transaction.

(6) A certification as to whether the assignee/transferee is a commission-designated ETC. If the assignee/transferee is not a commission-designated ETC, the assignee/transferee shall separately file with the commission an application for designation as an ETC as provided in subrule 39.3(2). If the assignee/transferee is a commission-designated ETC, the joint application shall include a certification from the assignee/transferee that (a) the assignee/transferee is a commission-designated ETC in good standing and (b) the assignee/transferee will comply with the state and federal requirements for eligibility as an ETC, including the use of support to provide designated services within the assigned or transferred service area.

(7) Whether as part of the transaction, the assignor/transferor is requesting to relinquish its ETC status in whole or in part. If the assignor/transferor is requesting to relinquish its ETC status, the joint application shall be deemed to be the assignor/transferor's request for relinquishment of ETC designation under rule 199—39.8(476); provided that such relinquishment shall be conditioned on consummation of the transaction described in the application. If the assignor/transferor is for any reason seeking the unconditional relinquishment of its ETC status, such request should be filed separately under rule 199—39.8(476).

e. Commission approval. Where an assignment or transfer of control involves a transferee/assignee that is already a commission-designated ETC, such application shall be granted by the commission 30 days after the date the complete application seeking approval of the assignment or transfer of control is accepted for filing, unless the commission, for good cause, docket the application for further investigation. Where an assignment or transfer of control involves a transferee/assignee that is not already a commission-designated ETC, such application shall be granted by the commission at the same time as the commission

grants the assignee/transferee's application for ETC designation in accordance with the timelines and procedures set forth in subrule 39.3(2).

f. Notification of pro forma transactions. In the case of a pro forma assignment or transfer of control, the designated ETC is not required to seek prior commission approval. Instead, a pro forma assignee or a carrier that is subject to a pro forma transfer of control must file a notification with the commission no later than 30 days after the assignment or transfer is completed. The notification must contain the following:

(1) The information requested in subparagraphs 39.3(3)“d”(1) through 39.3(3)“d”(4) for the transferee/assignee.

(2) A certification that the transfer of control or assignment was pro forma and that, together with all previous pro forma transactions, the transfer of control or assignment does not result in a change in the actual control of the carrier.

(3) A certification from the assignee/transferee that the assignee/transferee will comply with the state and federal requirements for eligibility as an ETC, including the use of support to provide designated services within the assigned or transferred service area.

g. Involuntary assignments or transfers of control. In the case of an involuntary assignment or transfer of control to a bankruptcy trustee appointed under involuntary bankruptcy; to an independent receiver appointed by a court of competent jurisdiction in a foreclosure action; or in the case of death or legal disability, to a person or entity legally qualified to succeed the deceased or disabled person under the laws of the place having jurisdiction over the estate involved, the applicant must make the appropriate filing no later than 30 days after the event causing the involuntary assignment or transfer of control.

h. Notification of consummation. An assignee or transferee must notify the commission no later than 30 days after either consummation of the proposed assignment or transfer of control or a decision not to consummate the proposed assignment or transfer of control. The notification shall identify the docket number(s) under which the authorization of the assignment or transfer of control was granted.

i. Amendments other than transactions. Where a carrier that has been designated by the commission as an ETC intends to serve as an ETC in a new service area for the purpose of receiving federal high-cost support, the carrier shall file a request to amend its designation with a notice of expansion at least 30 days in advance of the expansion and shall certify that the carrier intends to amend its designation to serve as an ETC in the expanded service area.

[ARC 8999C, IAB 3/5/25, effective 4/9/25]

199—39.4(476) Lifeline-only applicants. Where an applicant is seeking designation only for purposes of receiving support from the Lifeline program, the following requirements apply in addition to those specified in rule 199—39.3(476):

39.4(1) Approved compliance plan required. The applicant shall submit a copy of a compliance plan submitted to the FCC and a copy of the FCC's notice of approval. An applicant offering service utilizing its own facilities or a combination of its own facilities and the resale of another carrier's facilities need not provide a compliance plan.

39.4(2) Terms and conditions of voice telephone service offered to Lifeline subscribers. The applicant shall submit information describing the terms and conditions of any voice telephone service plans offered to Lifeline subscribers, including details on the number of minutes provided as part of the plan, additional charges, if any, for toll calls, and rates for such plan. To the extent the applicant offers to Lifeline subscribers plans that are generally available to the public, the applicant may provide summary information regarding such plans, such as a link to a public website outlining the terms and conditions of such plans.

39.4(3) Terms and conditions of broadband internet access service offered to Lifeline subscribers. The applicant shall submit information describing the terms and conditions of any broadband internet access service plans offered to Lifeline subscribers, including details on the speeds offered; data usage allotments; additional charges for particular uses, if any; and rates for each such plan. To the extent the applicant offers to Lifeline subscribers plans that are generally available to the public, the applicant may provide summary information regarding those plans, such as a link to a public website outlining the terms and conditions of the plans.

39.4(4) Demonstration of financial and technical capability to provide supported services. The applicant shall demonstrate that it is financially and technically capable of providing the supported Lifeline

service in compliance with 47 CFR Subchapter B, Part 54, Subpart E, as required by 47 CFR §54.201(h). Relevant considerations include but are not limited to how long the carrier has been in business, whether the applicant intends to rely exclusively on universal service fund disbursements to operate, whether the applicant receives or will receive revenue from other sources, whether the applicant has been subject to enforcement action or ETC revocation proceedings in any state, and whether the applicant has defaulted on previous universal service fund commitments.

[ARC 8999C, IAB 3/5/25, effective 4/9/25]

199—39.5(476) Service area.

39.5(1) Unless otherwise ordered by the commission, the approved service area for universal service fund support calculations will be the same as the service area currently approved for local service by the commission. Those carriers not currently approved to provide local service are required to provide documentation showing their service area.

39.5(2) In the case of a service area served by a rural telephone company, “service area” means such company’s “study area” unless and until the FCC and the states, after taking into account recommendations of a federal-state joint board instituted under 47 U.S.C. §410(c), effective April 9, 2025, establish a different definition of service area for such company.

39.5(3) In the case of a wireless telecommunications carrier, “service area” means that area where the wireless company has been licensed by the FCC to provide service.

[ARC 8999C, IAB 3/5/25, effective 4/9/25]

199—39.6(476) Universal service support for low-income consumers (Lifeline program and Tribal Link Up program).

39.6(1) *Carrier obligation to offer Lifeline.* Pursuant to 47 CFR §54.405, all ETCs must make Lifeline service available, as defined in 47 CFR §54.401, to qualifying low-income consumers, defined as consumers who meet the qualifications for Lifeline as specified in 47 CFR §54.409. ETCs must comply with the minimum service standards specified in 47 CFR §54.408.

39.6(2) *Customer notification.* ETCs shall include a description of their Lifeline offerings or discounts in their residential service agreements. ETCs shall provide the commission with information about their residential service agreements upon request. ETCs shall publicize the availability of Lifeline service in a manner reasonably designed to reach those likely to qualify for service as required by 47 CFR §54.405(b).

39.6(3) *Consumer qualification for Lifeline.* To qualify for Lifeline, a consumer must meet the qualifications for Lifeline as specified in 47 CFR §54.409. A consumer may only receive one Lifeline service per household.

39.6(4) *Determination of subscriber eligibility.* ETCs shall ensure that their Lifeline subscribers are eligible to receive Lifeline services in accordance with 47 CFR §54.410. ETCs shall:

a. Implement policies and procedures for ensuring that their Lifeline subscribers are eligible to receive Lifeline services;

b. Confirm a subscriber’s income-based or program-based eligibility according to 47 CFR §54.410(b) or (c);

c. Provide prospective subscribers Lifeline certification forms that comply with 47 CFR §54.410(d); and

d. Recertify all subscribers’ Lifeline eligibility in accordance with 47 CFR §54.410(f) and (g).

39.6(5) *Annual certifications by ETCs.* ETCs shall make and submit to the USAC annual certifications relating to the Lifeline program as required by 47 CFR §54.416. Upon request of the commission, ETCs shall file their annual Lifeline certifications with the commission and, if applicable, with the relevant tribal governments.

39.6(6) *Tribal Link Up.* A telecommunications carrier receiving high-cost support on tribal lands that is offering the Tribal Link Up assistance program to eligible residents of tribal lands, as defined in 47 CFR §54.400(e), must provide (1) a 100 percent reduction of the customary connection charge for commencing service at a subscriber’s residence, and (2) a deferred schedule of interest-free payments for the connection charge, pursuant to 47 CFR §54.413. Prior to enrolling an eligible resident of tribal lands in the Tribal Link

Up program, an ETC must obtain from the resident a certification form that complies with 47 CFR §54.410.

39.6(7) Audits. ETCs shall file with the commission finalized reports of audits involving the audited ETC's operations in Iowa conducted pursuant to 47 CFR §54.420 requiring low-income program audits. The audit reports will not be considered or deemed confidential. The audit reports shall be filed with the commission within 30 days of issuance of the final audit report.

[ARC 8999C, IAB 3/5/25, effective 4/9/25]

199—39.7(476) Annual reporting requirements.

39.7(1) Annual certifications from carriers seeking to continue to receive high-cost support. Any carrier seeking to continue to receive federal high-cost support shall file with the commission no later than July 1 of each year an affidavit titled "Certification of [Company Name]." The company name shall be the name used on the carrier's initial application for ETC designation and its current name, if its name has changed.

a. Contents of affidavit:

(1) The affidavit shall include the study area code (SAC) number associated with the company, as well as the carrier's Company Number (CoNo) as granted by the Iowa utilities commission.

(2) The affidavit shall be sworn and notarized and shall be executed by an authorized corporate officer.

(3) The affidavit shall certify that the carrier has used all federal high-cost support provided in the preceding calendar year and will use all federal high-cost support provided to the carrier in the coming calendar year received pursuant to 47 CFR Subchapter B, Part 54, Subparts D, J, K, L, M, and O as defined in 47 CFR §54.5, only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.

(4) The affidavit shall certify to the following: as an eligible telecommunications carrier, the carrier agrees to provide timely responses to commission requests for information related to the status of local markets for supported services, including local markets for supported voice and broadband services.

b. Any certification filed by a carrier shall be subject to complaint or investigation by the commission.

c. An ETC's certification shall be the basis of the commission's certification to the FCC and USAC pursuant to 47 CFR §54.314 that the ETC has used and will use the support for the purposes intended.

39.7(2) Filing instructions. The affidavit certifying compliance shall be filed using the commission's electronic filing system in accordance with 199—Chapter 14, unless the commission directs otherwise by order issued in advance of the filing deadline. The filing shall be titled "Annual Eligible Telecommunications Carrier Reporting Requirements," with a reference to the year for which the report is filed. The document title for the affidavit certifying compliance shall be "Carrier Certification."

[ARC 8999C, IAB 3/5/25, effective 4/9/25]

199—39.8(476) Relinquishment of ETC designation. The commission may permit an ETC to relinquish its designation as such a carrier in any area served by more than one ETC. An ETC that seeks to relinquish its designation for an area served by more than one ETC shall give 30 days' advance notice to the commission of such relinquishment. A carrier that is granted ETC status in connection with a federal universal support program but that ultimately does not receive the support shall, within 30 days after the FCC issues a public notice regarding the award of support, file a notice of relinquishment of the carrier's designation for any service areas where the carrier is not awarded funds and does not plan to offer service.

[ARC 8999C, IAB 3/5/25, effective 4/9/25]

These rules are intended to implement Iowa Code sections 476.2, 476.95B, and 476.102 and 47 U.S.C. §214(e) and 254.

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