

**SOUTH DAKOTA PUBLIC UTILITIES COMMISSION
LIFELINE/LINK UP ADVERTISING/OUTREACH
ANNUAL REPORT
JUNE 1, 2009**

Company: Stockholm-Strandburg Telephone Co/ d/b/a ITC

Address: PO Box 920, 312 4th St W.
Clear Lake, SD 57226

Telephone number: 605-874-2181

Company contact: Jim Canaan

Study Area Code: 391679

Lifeline/Link Up Advertising/Outreach Activities:

- X Advertise in media of general distribution.* (See attached advertisement(s).)

- X Letter to existing and new customers regarding the availability of Lifeline/Link Up.* (See attached letter.)

- X Company's Lifeline/Link Up information in directory.

- Company's Lifeline/Link Up information available on Company website.
(www.companywebsiteaddress.com)

- X Company's information posted on USAC website.

- Other (describe): _____

*Required

Interstate Telecommunications
Cooperative, Inc.
312 4th Street West
P.O. Box 920
Clear Lake, South Dakota 57226

INTERSTATE TELECOMMUNICATIONS COOPERATIVE, INC.



Phone: 605.874.2181
1.800.417.8667
Fax: 605.874.2014
E-Mail: service@itc-web.com
www.itc-web.com

Act Now to Keep Your Telephone Service Discounts

April 28, 2009

Dear Lifeline:

You are currently enrolled in the Federal Lifeline Program (Lifeline) which provide financial assistance to low-income customers. To continue receiving discounts on your telephone service Federal law requires that you verify your eligibility.

To keep your Lifeline discount

1. Complete and sign the enclosed verification form
2. Attach a copy or copies of documents under either:
Part 1) showing you participate in or receive benefits from a qualifying program(s)
Or
Part 2) proving your household income is at or below 135% of the Federal Poverty Guidelines
3. Send [by mail or fax] the completed verification form and copies of your documents to:
ITC
Service Center
PO Box 920
Clear Lake, SD 57226
Fax 1.800.779.0514

If you do not return a completed form with public assistance or income documents, you will no longer receive discounts. You may only re-enroll in Lifeline within the next year with ITC if you provide proof of eligibility.

Your privacy is important to us. Per federal law, we are required to properly dispose of public assistance and financial documents after they have been reviewed.

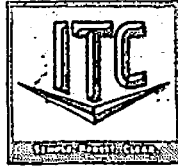
If you have any questions, please contact Julie at 1.800.395.4656

Thank you for taking the time to complete the verification process.

Sincerely,

ITC

Interstate Telecommunications
Cooperative, Inc.
312 4th Street West
P.O. Box 920
Clear Lake, South Dakota 57226



Phone: 605.874.2181
1.800.417.8667
Fax: 605.874.2014
E-Mail: info@itc-web.com
www.itc-web.com

Lifeline, Link Up, and Toll Limitation Service support provide discounts to eligible low-income consumers to help them establish and maintain telephone service. **Note:** Telecommunications carriers cannot charge a Lifeline customer federal USF fees on the local service portion of their telephone bill.

What type of discount is available?

Lifeline assistance lowers the cost of basic, monthly local telephone service. Eligible consumers can receive up to \$8.25 per month in discounts.

Eligible residents of Indian reservations or tribal lands can receive up to an additional \$25 in Lifeline support, but must pay at least \$1 for basic monthly service.

Link Up reduces the cost of initiating new telephone service. Eligible consumers can receive a 50% discount off of the one-time costs associated with initiating telephone service, up to a maximum of \$30. Eligible consumers also qualify for a deferred payment schedule for remaining costs of up to \$200. Eligible low-income consumers living on tribal lands are eligible for an additional discount of up to \$70 to cover 100% of the charges between \$60 and \$130.

Toll Limitation Service (TLS) support allows eligible consumers who wish to avoid incurring large long distance fees to choose toll blocking or toll control at no cost.

How do I know whether I am eligible?

Eligibility for Lifeline, Link Up, and TLS support *varies by state*. Individuals who reside in states that have their own discount programs qualify for federal Lifeline, Link Up, and TLS support if they meet the eligibility criteria established by their state. In states that do not provide state support, an individual is eligible if he or she participates in one of the following programs:

- Low-Income Home Energy Assistance Program (LIHEAP)
- Federal Public Housing Assistance or Section 8
- Medicaid
- Food Stamps
- Supplemental Security Income (SSI)
- Temporary Assistance for Needy Families (TANF)
- National School Lunch Program's free lunch program

In addition, a consumer may be eligible if his or her household income is at or below 135% of the federal poverty guideline. (See attached table.)

Residents of Indian reservations or tribal lands qualify if they participate in any or the programs listed above, have a household income that is at or below 135% of the federal poverty guidelines, or participate in one of these programs:

- Bureau of Indian Affairs (BIA) general assistance
- Head Start (income eligible)
- Tribal TANF

How do I apply to receive Lifeline, Link Up, and TLS support discounts?

To apply for Lifeline, Link Up, and TLS discounts please contact ITC at any of our office locations or call 800.417.8767.



FCC RULES FOR RECORDING TWO-WAY TELEPHONE CONVERSATIONS

The FCC requires one of the following options to be used when a person wishes to record a telephone conversation:

- 1) Permission must be obtained from all parties involved before a conversation can be recorded.
- 2) "Beeper" warning devices must be sounded at regular intervals during the recording of a conversation.
- 3) Individuals involved in the conversation being recorded must notify all parties that a conversation is being recorded either at the beginning of, or during, the conversation.

Federal Communications Commission
445 12th St SW
Washington, DC 20554
202-418-0190
www.fcc.gov

customers, or calls for...unlawful purpose. Upon violation of any of these conditions the telephone company can, by written notice, discontinue service forthwith. These tariff regulations are filed with this Commission pursuant to Section 203 of the Communications Act, 47 U.S.C. 203, and are binding on the telephone company and customer alike. Users of the telephone service are also subject to the enforcement proceedings provided for in Sections 401 and 411 of the Communications Act. In addition to the loss of telephone service for violation of the tariffs, Section 223 of the Communications Act makes it a crime to use the telephone in the District of Columbia or in interstate or foreign communications to make "repeated telephone calls, during which conversation ensues, solely to harass any person at the called number" or to knowingly permit "others to use his/her telephone" for such purpose. Penalties for violation of Section 223 are a fine up to \$500.00 or six months' imprisonment, or both, 47 U.S.C. 223.

The Commission is concerned that some users of telephone service may be unaware of their obligations to refrain from using the service for abusive or harassing calls. It is also concerned that other users may be willfully and repeatedly violating the provision of the tariffs and the applicable statutes, and that the telephone companies are not adequately enforcing their tariffs. Accordingly, the Commission is issuing this Public Notice in order that the public may be informed of the requirements of law in this area and so that users may be alerted to their legal obligations in the use of the telephone and the penalties for failure to abide thereby.

MINNESOTA "NO CALL LIST"

Minnesota consumers who do not want to be contacted by telemarketers may register their phone numbers on a No

Call List. To sign up for the free service, call the Minnesota Department of Commerce at 1-800-921-4110 or go to their Internet web site at <http://www.commerce.state.mn.us>. Consumers who sign up for this Minnesota list do not need to re-register for the National Do Not Call Registry as the information will be shared with the National Registry.



LIFELINE AND LINK-UP

LIFELINE AND LINK-UP PROGRAMS HELP ELIGIBLE PEOPLE PAY PART OF THEIR TELEPHONE COSTS

LINKUP

- Will save you 50% of the initial charges to hook up primary telephone service, or \$30, whichever is less.

LIFELINE

- Can save you at least \$8.25 on your monthly phone bill for primary local telephone service.
- Applies only to primary local telephone service in the home where you live.

WHO IS ELIGIBLE?

Anyone qualified under one of the following Public Assistance Programs.

- Medicaid (e.g. Title XIX/Medical, State currently participating Supplemental Assistance)
- Food Stamps
- Supplemental Security Income (SSI)
- Federal Public Housing Assistance (Section 8)

- Low-Income Home Energy Assistance
- Temporary Assistance for Needy Families (TANF) program
- National School Lunch (NSL) free lunch program
- My household income is at or below 135% of the Federal Poverty Guidelines

HOW TO OBTAIN THE TELEPHONE SERVICE

- When you qualify for one of the above programs through your county Social Services Office, you will need to contact ITC for an application.

WHAT IF MY BENEFITS STOP?

- If you no longer qualify for any Public Assistance Program, you no longer qualify for Link-Up or Lifeline, you agree to notify ITC that you are no longer eligible for the programs.

NOTE:

People who live on tribal lands may be eligible for separate Tribal Link-Up and Lifeline Programs. Contact ITC for additional information.



South Dakota Lifeline and Link-Up Assistance Application

(Please Print or Type)

Last name: _____ First: _____ Middle Initial _____

Billing Address: _____ City: _____ State: _____ Zip: _____

Residential Address: _____ City: _____ State: _____ Zip: _____

Social Security Number: _____ Telephone Number: _____ (if existing service)

Telephone number where you can be reached or receive messages _____

I am applying for: _____ Lifeline (monthly telephone service discount)
_____ Link-Up (telephone connection charge discount)
_____ Toll Limitation Service (free toll blocking or toll control)

I am in the following program(s): Check all that apply
_____ Medicaid (e.g. Title XIX/Medical, State currently participating Supplemental Assistance)
_____ Food Stamps
_____ Supplemental Security Income (SSI)
_____ Federal Public Housing Assistance (Section 8)
_____ Low-Income Home Energy Assistance
_____ Temporary Assistance for Needy Families (TANF) program
_____ National School Lunch (NSL) free lunch program
_____ OR My household income is at or below 135% of the Federal Poverty Guidelines

2009 Health and Human Services Poverty Guidelines

Number in Residence	135% Guideline (Annual)	135% Guideline (Monthly)	Number in Residence	135% Guideline (Annual)	135% Guideline (Monthly)
1	\$14,621	\$1,218	5	\$34,817	\$2,901
2	\$19,670	\$1,639	6	\$39,866	\$3,322
3	\$24,719	\$2,060	7	\$44,915	\$3,743
4	\$29,768	\$2,481	8	\$49,964	\$4,164

For each additional person after 8, add \$5,049 to the annual guideline or \$421 to the monthly guideline.

Source: Federal Register, Vol. 74 No 14, January 23, 2009 pp 4199-4201 (Applicable to 48 contiguous states only)

I agree to notify the telephone company when I no longer qualify for this program based on the above criteria.

I CERTIFY UNDER PENALTY OF PERJURY THAT THE ABOVE INFORMATION IS TRUE. I have read the information on this application and understand that I must meet at least one of the above qualifications to receive Lifeline, Link-Up or Toll Limitation Service assistance on my primary residential telephone line.

Signature

Date

*"Return filled out form to ITC Telecom"
P.O. Box 920 Clear Lake, SD 57226-0920*

Interstate Telecommunications
Cooperative, Inc.
312 4th Street West
P.O. Box 920
Clear Lake, South Dakota 57226

INTERSTATE TELECOMMUNICATIONS COOPERATIVE, INC.



Phone: 605.874.2181
1.800.417.8667
Fax: 605.874.2014
E-Mail: info@itc-web.com
www.itc-web.com

SELF-CERTIFICATION FOR LIFELINE/LINK UP APPLICANTS QUALIFYING UNDER INCOME –BASED CRITERION

I, _____, certify under penalty of perjury that I qualify for Lifeline/Link Up assistance based on my household income that is at below 135 percent of the Federal Poverty Guidelines. I further certify under penalty of perjury that there are _____ members in my household and that the supporting income documentation presented to my telecommunications provider accurately represents the annual income of all members of my household.

Signature: _____

Date: _____

Telephone # _____ Member # _____

2009 Estimated Income Requirements for a Household At or Below 135% of the Federal Poverty Guidelines

Size of Family Unit	48 Contiguous States & DC
1	\$14,621
2	\$19,670
3	\$24,719
4	\$29,768
5	\$34,817
6	\$39,866
7	\$44,915
8	\$49,964
For each additional person, add	\$ 5,049



DTV Transition Delay - What it Means for You

What Is The DTV Delay Act?

Congress recently passed the DTV Delay Act, which extends the deadline for full-power broadcast TV stations to complete the DTV transition from February 17, 2009, to June 12, 2009. The new law allows more time for consumers to be prepared for the DTV transition.

What Does This Mean For Me?

If you are an ITC television subscriber, the switch from analog to the digital broadcast in June of 2009 will not affect you. You will not need to get rid of your existing analog TV. ITC is already converting the digital signals of many of the networks to work on your TV. Bottom line - your analog sets will continue to work as before if you are connected to a subscription type service, such as ITC.



ITC will be closed on July 3rd.
Have a safe and happy 4th!

Remit Top Portion of Bill with Payment

✉ When sending payment to ITC, customers should return the TOP portion of the bill that says, "PLEASE TEAR ALONG PERFORATION AND REMIT WITH PAYMENT."

Important Dates

Bills are mailed on the last working day of the month, and payment is due on the 19th of the next month, unless otherwise indicated on the "Due Date" portion of your statement. Prompt payment is required. NO PAYMENT ARRANGEMENTS WILL BE GRANTED.

May 29	-----Bills mailed from Stockholm-Strandburg Telephone Company d/b/a ITC
June 19	----- Payment due
June 19	-----Final notices mailed
July 9	----- Disconnect day for 623,676,756



Current occupant or:

PRESORTED
STANDARD
U.S. POSTAGE PAID
CLEAR LAKE, SD
PERMIT NO. 39

401 South Main Street
Millbank, SD 57252



Link-up and Lifeline Program

Assistance for telephone service is available to low income customers. There are two federal programs that are provided by ITC. The "Lifeline" and "Link-up" programs were established to address concerns about affordability of telephone service and to provide assistance for low income citizens.

The Link-up program allows eligible subscribers to receive a reduced connection charge for their basic home telephone service. This program reduction is 50% of the activation charges with the maximum benefit of \$30.00. Link-up does not cover the cost of wiring inside your home.

The Lifeline program is a government program that provides discounts on your monthly local telephone bill to low income members who qualify. This program allows for a monthly credit on the basic service portion of the participant's phone bill. Lifeline can only be used for the main telephone line in a household. The name of the phone bill must match the name of the participant who is eligible for this program. You are eligible for Lifeline if you participate in any of the following programs: Medicaid, Food stamps, Supplemental Security Income (SSI), Federal Public Housing Assistance and Low-Income Home Energy Assistance.

These are federal government programs with each state having its own guidelines to qualify. Check with your local telephone company for specific details to qualify. There is also additional Lifeline and Link-up assistance to qualifying individuals living on Tribal Lands. If you are interested in finding out more about the Lifeline and Link-up programs please contact ITC at 1-800-417-8667.