

**SOUTH DAKOTA PUBLIC UTILITIES COMMISSION
LIFELINE/LINK UP ADVERTISING/OUTREACH
ANNUAL REPORT
JUNE 1, 2010**

Company: Interstate Telecommunications Cooperative Inc.

Address: PO Box 920, 312 4th St W

Clear Lake, SD 57226

Telephone number: 605-874-2181

Company contact: Jim Canaan

Study Area Code: 391654

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

PUBLIC NOTICE

Interstate Telecommunications Cooperative, Inc. (ITC) offers local exchange telecommunications service to all consumers in its service area.

Single Party Residence Service	\$14.00/month
Single Party Business Service	\$14.00/month

This service provides subscribing customers with:

- Voice grade access to the public switched network
- Single party service
- Dual tone multi-frequency signaling
- Flat rated local exchange service free of per minute charges
- Access to 911 emergency services
- Access to operator services
- Access to interexchange (long distance) service
- Access to directory assistance
- Toll blocking/Toll limitation

Low-Income Assistance Programs are available for qualifying customers. These programs provide for connection and monthly service discounts on telephone service. Toll blocking at no charge and reduced deposits are also available. To qualify, a subscriber must participate in one of the following programs: Medicaid, Food Stamps, Temporary Aid to Needy Families (TANF), the National School Lunch (NSL) Free Lunch Program, Supplemental Security Income (SSI), Low Income Housing Energy Assistance, or Federal Public Housing Assistance. Subscribers whose household income is at or below 135 percent of the Federal Poverty Guidelines also qualify for this assistance. Additional Low Income Assistance is available to those qualifying individuals living on Tribal Lands. The Enhanced Low Income Programs available to consumers living on Tribal Lands provide for additional telephone services discounts, and, in addition to the previously cited programs, participation in the Bureau of Indian Affairs (BIA) general assistance program qualifies them for this support.

Questions regarding any of the above services should be directed to ITC at 1-800-417-8667.

April 2010



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) "Beeptone" 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

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 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

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

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

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

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.

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*

January 2009 SDPUC

05/2010

Dear Customer:

You currently participate in Interstate Telecommunications Cooperative's Lifeline assistance program. Federal Communications Commission guidelines require telephone companies like ours to annually verify a sample of Lifeline customers' continued eligibility.

Lifeline assistance is available to participants in one or more of the following programs: Medicaid; Food Stamps; Supplemental Security Income (SSI); Federal Public Housing Assistance; Low Income Housing Energy Assistance; Temporary Aid to Needy Families (TANF); or the National School Lunch (NSL) free lunch program. Individuals whose household income is at or below 135 percent of the Federal Poverty Guidelines are also eligible for Lifeline assistance. If you are still eligible for Lifeline assistance, please complete the enclosed application and provide supporting documentation (such as a copy of your Medicaid card) to us by DATE – June 16th.

Documentation of income eligibility includes a customer's prior year's state or federal tax return, a current income statement from an employer or paycheck stub, a Social Security statement of benefits, or other such official documents. If your documentation does not cover an entire year, please provide three consecutive month's worth of the same type of document.

Please note: income is all income actually received by all members of the household. Income includes salary before deductions for taxes, public assistance benefits, social security payments, pensions, unemployment compensation, veteran's benefits, inheritances, alimony, child support payments, worker's compensation benefits, gifts and lottery winnings. The only exceptions are student financial aid, military housing and cost-of-living allowances and irregular income from occasional small jobs such as baby-sitting or lawn mowing.

If you qualify based on household income, please come to our office with the required documentation. Our offices are located at: 312 4th St. W in Clear Lake; 1022 Main Ave. S in Brookings; 107 2nd Ave. NW in Clark; 14 E. 7th Ave. in Webster and 401 S Main St in Milbank. All other applicants recertifying are welcome to drop the application and documentation off at one of our offices, or you may mail them back to us in the enclosed return envelope.

Please feel free to call me at 1-800-395-4656 with any questions you may have regarding the application or the Lifeline/Link Up programs.

Sincerely,

Julie Kasten
Customer Service Representative

Enclosures

Simple, Honest, Clear

The Evolution of Telecommunications

By Jerry Heiberger,
General Manager



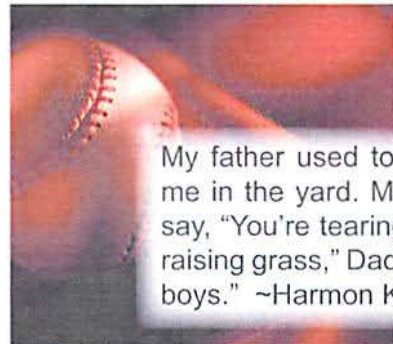
Over the years I have written numerous articles about the constant evolution of the telecommunications industry. The two main segments of our industry that we seem to deal with on a daily basis involve the regulatory and technical aspects of our business. In one of my recent articles, I discussed the mandate that Congress had given to the Federal Communications Commission (FCC) in regards to developing a National Broadband Plan. In March, the FCC provided the plan to Congress. Needless to say, small cooperatives like ITC have concerns about the plan and we must continue to be involved in the process of finalizing the plan to assure that we remain viable in the future.

On the technical side of the house, our staffs of engineers and technicians are constantly researching, designing, testing, implementing, and maintaining new systems. This is to provide you with the most efficient and reliable services available. The "convergence" of the voice, video, and data services that we offer and the "ecosystems" it takes to provide these services has become very complex over the past decade. This "convergence" and the dramatic increases to the amount of broadband speeds, content, and features that our members require seem to change daily.

One aspect to designing a network for the future involves

anticipating the various types of equipment that will be utilized at the customer premise. For instance, let's say you want to take advantage of all that the Internet has to offer and you are planning to upgrade your ITC Dial-Up service to ITC's DSL service. As you analyze the different packages of services ITC offers, you will need to determine if you are going to have a router located in your home or business. The router allows for the connectivity of multiple devices such as computers, printers, laptops, gaming devices, televisions, and handheld PDA's via a wire or wireless connection. As you can see, the router is a key component to providing a high quality, reliable service and experience. ITC technicians have spent numerous hours researching and testing the various routers and have identified those that work the best with our network.

I encourage all of you to rely on the experience and expertise of your cooperative employees when making decisions about your telecommunications equipment and services. Currently, we offer the option to either buy or lease the equipment; the choice is yours. So please take advantage of being a member of your cooperative and either call or stop by one of our five offices. Our personnel are here to serve you, our members.



Happy Father's Day!

My father used to play with my brother and me in the yard. Mother would come out and say, "You're tearing up the grass." "We're not raising grass," Dad would reply. "We're raising boys." ~Harmon Killebrew

Lifeline and Link-up 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.

Director Elections Update

Just a reminder - if you are in Districts Four, Seven, or Eight, there will be openings for ITC Board of Directors. Petitions are due to the ITC office in Clear Lake by June 25. On July 5, the ballots and biographies are mailed out and the ballots are due to ITC on July 27. If you are interested in running for a position, please contact Todd Morris at ITC. Also, businesses need to fill out the voter designations form at least 10 days before voting begins.



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Ringer

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Clear Lake, SD 57226-0920
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* Published monthly for \$.25
* Periodicals postage paid at
Clear Lake, SD
Kathy Weitala, Editor

Postmaster: Send address changes to:
Interstate Telecommunications
Cooperative, Inc.
PO, Box 920
Clear Lake, SD 57226-0920