**Section 757.200 Service Requirement**

a) Each LEC shall participate in the local exchange service portions of the Universal Telephone Service Assistance Program (UTSAP) as required and authorized by Section 13-301.1 of the Public Utilities Act and as ordered by the Commission. All voluntary contributions received by an LEC under Section 757.205 shall be forwarded to the UTSAP Administrator, consistent with the provisions of Section 757.210(d). The UTSAP Administrator shall invest these funds in:

1) Securities backed by the United States government or its agencies;

2) Investment grade bonds with remaining terms to maturity of three years or less;

3) Mutual funds that invest no less than 80% of their assets in bonds backed by the United States government or its agencies;

4) Investment grade bonds, with weighted-average remaining terms to maturity of three years or less; or

5) Federal Deposit Insurance Corporation (FDIC)-insured certificates of deposit, FDIC-insured money market accounts, and other cash equivalent FDIC-insured investments.

b) On July 1 of each year, UTAC shall file with the Commission a petition requesting the Commission to determine the amount of supplemental assistance, if any, UTAC shall provide each eligible new subscriber or eligible subscriber under the programs set forth in subsection (c). The petition shall contain recommendations of the UTSAP Administrator as provided in Section 757.215(c). The Commission may enter an order without a hearing; however, a hearing shall be held if requested by a party or by Staff within 30 days after the date the petition is filed, and a hearing may also be held on the Commission's or the Administrative Law Judge's own motion. The Commission shall determine, subject to the availability of funds, the amount of supplemental assistance, if any, the LECs shall provide each eligible new subscriber or eligible subscriber under the programs set forth in subsection (c).

c) UTSAP may provide assistance or, in the case of customers of eligible telecommunications carriers, supplement the assistance as provided by Section 13-301.1 of the Act, including, but not limited to:

1) a local exchange service charge waiver of the local exchange service installation charges for eligible new subscribers of local exchange service;

2) a local exchange service charge waiver of all or a portion of the local exchange service obligation of eligible subscribers or eligible new subscribers, which, in the case of eligible telecommunications carriers, is supplemental to any federal Lifeline assistance;

3) a combination of both subsections (c)(1) and (2) as ordered by the Commission under subsections (b), (d), and (e); or

4) any other program authorized by Section 13-301.1 of the Act.

d) Limitation of Eligibility

1) If the Commission determines that a local exchange service charge waiver of all or a portion of the local exchange service obligation should be provided by the UTSAP, in the form of State Lifeline service support or otherwise, the Commission may, if it deems necessary, limit eligibility to:

A) one or more of the individual Proxy Programs identified in the definition of "Proxy Programs" in Section 757.10; or

B) one or more subprograms within, or components of, an individual Proxy Program.

2) Any proposals to limit eligibility pursuant to this subsection (d) shall be made as part of the petition filed annually under subsection (b).

3) The Commission shall adopt a proposal that limits eligibility for assistance to one or more Proxy Programs or subprograms or components thereof pursuant to this subsection (d) only if it finds that:

A) participation in the Proxy Program, subprogram, or component can be verified;

B) the funds available to the UTSAP from voluntary contributions are sufficient and predictable, so as to permit the UTSAP to provide State Lifeline support to all subscribers or all new subscribers within the Proxy Program, subprogram, or component on an ongoing basis;

C) the proposal will increase accessibility to telecommunications services;

D) the proposal adequately considers the needs of and potential benefits to participants in the Proxy Programs; and

E) the proposal establishes narrowly targeted qualification criteria that are based solely on income or factors directly related to income, consistent with 47 CFR 54.409, as amended through the FCC's Third Report and Order, Further Report and Order and Order on Reconsideration, FCC 16-38, WC Docket Nos. 11-42, 09-197 and 10-90 (released April 27, 2016). This incorporation does not include any later amendments or editions.

e) The Commission, on its own motion, or based upon a petition filed by the UTSAP Administrator, may order the LECs to temporarily suspend payment of or temporarily reduce the amount of the supplemental assistance provided under the programs set forth in Section 757.200(c), if the total program costs, in combination with the costs of any other programs administered by UTAC subject to this Part, exceed, or will exceed, the funds available from contributions specified in Section 757.205. If the Commission suspends or reduces the amount of payments under this Section, the Commission shall determine, subject to the availability of funds, the amount of supplemental assistance, if any, the LECs shall provide each eligible new subscriber or eligible subscriber under the programs set forth in subsection (c).

(Source: Amended at 42 Ill. Reg. 16417, effective August 15, 2018)