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ILLINOIS COMMERCE COMMISSION
CHIEF CLERK'S OFFICE

TESTIMONY OF ALLEN W. CHERRY

ON BEHALF OF UNIVERSAL TELEPHONE ASSISTANCE CORPORATION

DOCKET NO. 16-0340

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Q1. Please state your name and address.

A1. My name is Allen W. Cherry. My address is 520 South State Street, #1414, Chicago, Illinois 60605.

Q2. Please summarize your educational background and professional experience/duties.

A2. I am a 1977 graduate of the Northwestern University School of Law. Since then, I have practiced as an attorney in numerous public interest and public service assignments. I have represented low-income individuals and low-income community organizations before the Commission for more than 35 years. Those proceedings include energy and telecommunications issues. I represented low-income community organizations in the proceedings that created telephone lifeline programs in Illinois. I have worked with the board of the Universal Telephone Assistance Corporation since its inception, been a board member since 1995 and have served as President since 1998.

Q3. In what capacity are you testifying today?

A3. I am testifying on behalf of the Universal Telephone Assistance Corporation ("UTAC"), a not-for-profit corporation, of which all Illinois local exchange telecommunications carriers are members. The principal purpose of UTAC is to carry out the provisions of the Universal Telephone Service Assistance Program ("UTSAP"), as required by Section 13-301.1 of the Public Utilities Act and 83 Ill. Adm. Code 757, Subpart c.

Q4. What is the purpose of this proceeding?

23 **A4.** UTAC has filed the present petition pursuant to 83 Ill. Adm. Code § 757.200(b), to: (i)
24 request that the Commission determine the amount of supplemental assistance provided
25 under the UTSAP for the next year; (ii) report to the Commission on UTAC activities
26 over the past year; and (iii) comment on related telecommunications topics of interest
27 facing the industry and low income population. UTAC recommends that the
28 Commission continue the one-time installation fee benefit of \$35 of the Illinois local
29 exchange carrier's customary installation charge. That will provide each new eligible
30 subscriber with a benefit that UTAC can afford.

31 **Q5. Please provide a summary of your testimony.**

32 **A5.** I will provide a brief background on the UTSAP and the installation fee benefits it offers
33 for Illinois low-income landline telephone subscribers. I will explain recent
34 developments over the past year. I will discuss why the state link-up supplement should
35 continue and the benefit amount will lead to the connection of people who otherwise
36 could not afford connection. Finally, I will explain why UTAC believes that the
37 Commission should continue the UTSAP supplemental installation fee waiver of \$35
38 towards the carrier's customary connection charge.

39

40 **I. Background of the UTSAP and its Benefits.**

41 **Q6. Please provide a brief overview of the UTSAP program.**

42 **A6.** UTAC was formed in 1993 to administer the UTSAP, and its organizational documents
43 were approved by the Commission in Docket No. 93-0067. The UTSAP is funded by
44 voluntary charitable contributions from telephone subscribers in Illinois who choose to
45 support universal telephone service through a donation added to their monthly telephone

46 bills or a one-time donation. Section 757.200(c) of the Commission’s rules provides that
47 UTSAP funds may be used to provide a waiver of the initial telephone service installation
48 charges for eligible new subscribers and/or to provide a waiver of all or a portion of the
49 monthly local exchange service obligation of eligible subscribers or eligible new
50 subscribers. The Commission’s rules refer to the UTSAP assistance as “supplemental
51 assistance” because it is supplemental to the federal low-income telephone assistance
52 program known as Lifeline and formerly included Linkup. UTSAP assistance is
53 available to qualified low-income telephone subscribers as defined by the Commission’s
54 rules.

55 **Q7. How is the level of UTSAP assistance for low-income telephone subscribers**
56 **established?**

57 **A7.** On or before July 1 of each year, UTAC files a petition with the Commission pursuant to
58 83 Ill. Adm. Code § 757.200(b), recommending the form and amount of supplemental
59 assistance to eligible low-income telephone subscribers from the UTSAP fund. The
60 Commission then establishes by order the supplemental assistance benefit for the
61 subsequent 12 months.

62 **Q8. What changes have occurred in the past year with respect to the federal Lifeline**
63 **program?**

64 **A8.** On April 27, 2016, the Federal Communications Commission (“FCC”) issued its *Lifeline*
65 *and Linkup Reform and Modernization Order Third Report and Order*¹ (WC Dkt. 11-42)
66 (“Lifeline Modernization Order”). In that Order, the FCC took several dramatic steps to
67 reform the substance and structure of the Lifeline program. The Commission announced

¹ The federal Link-Up program was discontinued following the FCC’s *Lifeline and Linkup Reform and Modernization Order* issued February 6, 2012.

68 the ground breaking step of designating Broadband Internet Access Service (“BIAS”) as
69 a telecommunication service, which is to be supported by the universal service program.
70 The new Lifeline Broadband Program is designed to emphasize the delivery of broadband
71 – not just voice – to low income households. Eligibility for Lifeline BIAS support under
72 the new rules will be for participants in SNAP, Medicaid, Supplemental Social Security
73 (SSI), federal public housing assistance, Veterans’ Pension Benefit program, and income
74 qualification of less than or equal to 135% of the federal poverty guidelines. The FCC’s
75 order eliminated Lifeline participants in LIHEAP, National School Lunch Program, and
76 Temporary Assistance for Needy Families but included participants in Veterans’ Pension
77 Benefit program instead.

78 Four years ago in the Lifeline Reform Order, the Commission announced a National
79 Lifeline Accountability Database (“NLAD”) for USAC to implement to help carriers
80 identify and resolve duplicate claims for Lifeline participants and to prevent fraud, waste
81 and abuse. In the Modernization Order, the Commission announced a “National
82 Verifier” that will be administered by the Universal Service Administrative Company
83 (“USAC”) to act as the sole source of determining whether low income subscribers
84 qualify for Lifeline service. Once the National Verifier is implemented, this will relieve
85 carriers of the burden of verifying subscriber eligibility for the Lifeline support. The new
86 National Verifier will be phased in over a period of years in different regions of the
87 country.

88 One other major change is the FCC’s decision to take upon itself the job of designating
89 Lifeline ETC’s for broadband only or broadband and voice.² It is expected that a new

² National Regulatory Utility Commissioners Association has filed a petition for review with the U.S. Court of Appeals for the District of Columbia Circuit (16-1170) challenging that part of the Lifeline Modernization Order.

90 applicant can file a single application for ETC designation with the FCC, provide a
91 minimum amount of detail, and designate where it intends to offer service. In most cases,
92 the application will be deemed granted after 60 days and the FCC expects that this
93 process will allow many new competing carriers to rapidly obtain ETC designation.
94 States can continue to certify voice only ETC's, they just cannot designate broadband or
95 broadband bundled ETC's. (Footnote 689.)

96 Newly certified Lifeline Broadband Providers will be authorized to offer broadband only
97 or to offer broadband and voice on a bundled basis. The BIAS benefit will be available
98 December 1, 2016, and the support level will remain at the \$9.25 per month. The
99 Commission retained the one subscriber to a household rule and the Commission
100 prescribed BIAS service levels for the next few years.

101 **Q9. Please summarize the financial assistance that is currently offered to qualified**
102 **Illinois telephone subscribers?**

103 **A9.** Pursuant to the Commission's Order in Docket No. 15-0406, the UTSAP currently
104 provides for connection assistance to \$35 of a LECs customary connection charge.

105 **Q10. Do the Illinois supplemental assistance benefits and the federal Lifeline assistance**
106 **benefits go directly to the low-income telephone customer?**

107 **A10.** No. The telecommunications carrier waives the applicable charges to the customer, and
108 is reimbursed by UTAC from the UTSAP fund and by the Universal Service Assistance
109 Corporation ("USAC") from federal funds for Lifeline.

110 **Q11. What are the current eligibility requirements for the UTSAP program?**

111 **A11.** Customers are presently eligible for UTSAP assistance if they participate in any one of
112 the following programs: Medicaid, SNAP, Supplemental Security Income, Federal

113 Public Housing, Low Income Home Energy Assistance (“LIHEAP”), Temporary
114 Assistance to Needy Families program (“TANF”), the National School Lunch’s free
115 lunch program and the federal Lifeline uses an income test (135% of poverty).

116 **Q12. Could you please provide a history of UTSAP benefits?**

117 **A12.** Yes. The history of UTSAP benefits is summarized in Schedule 1.0 to my testimony.
118 Since its inception, the UTSAP has consistently offered a one-time waiver of a portion of
119 the connection fee to eligible new telephone subscribers in Illinois. In 2010, there was a
120 large increase in the number of waivers and UTAC filed an emergency petition to lower
121 the benefit amount. On January 20, 2011, the Commission decreased the supplemental
122 connection fee waiver to up to \$5.00 but not to exceed 50% of the total installation
123 charge and that is the current level of support. On August 21, 2012, in Docket No. 12-
124 0408, the Commission ordered that UTAC provide a one-time installation fee benefit of
125 up to \$15.00, not to exceed 50% of the total installation charge for each eligible
126 subscriber or eligible new subscriber under UTSAP and on September 30, 2013, the
127 Commission ordered UTAC to provide a one-time installation benefit of up to \$20.00,
128 not to exceed 50% of the total installation charge for each eligible subscriber or eligible
129 new subscriber under UTAC. On September 3, 2014, in Docket #14-0446, the
130 Commission ordered UTAC to raise the one time installation benefit from \$20 not to
131 exceed 50% of the carrier’s total installation charge to \$35 of the carrier’s customary
132 connection charge. On August 12, 2015, in Docket #15-0406, the Commission ordered
133 UTAC to continue the one time installation charge of \$35. UTSAP’s fund balance now
134 exceeds \$1,000,000 and UTAC proposes to continue the benefit of \$35 towards the
135 carrier’s installation charge.

136

137 **II. Recent Participation in the Low-Income Telephone Assistance Programs.**

138 **Q13. How many customers presently participate in the Lifeline and UTSAP connection**
139 **assistance programs?**

140 **A13.** As of December 31, 2015, approximately 428,539 customers were participants in the
141 federal Lifeline assistance program and of this total 417,447 or 97% were wireless
142 Lifeline customers and approximately 11,092 or 3% were Lifeline landline customers. As
143 of December 31, 2014, approximately 441,373 customers were participants in the federal
144 Lifeline assistance program and of this total 422,642 or 95% were wireless Lifeline
145 customers and approximately 18,731 or 5% were Lifeline landline customers. As of
146 December 31, 2013, approximately 615,377 customers were participants in the federal
147 Lifeline assistance program. Of this total, 589,250 or 95% were wireless Lifeline
148 customers and approximately 26,127 or 5% were landline Lifeline customers. The chart
149 on Schedule 2.0 shows the number of Lifeline participants since 1999. During calendar
150 year 2015, UTSAP provided telephone installation waivers for 506 Illinois customers.
151 This compares to 992 installation waivers in 2014, and 1,087 installation waivers in 2013.
152 The chart on Schedule 3.0 to my testimony shows the number of UTSAP supplemental
153 installation waivers since 2000.

154 **Q14. Your Answer to the previous question indicates that UTSAP installation waivers**
155 **decreased from approximately 992 in 2014 to 506 in 2015. What accounts for this**
156 **decrease in UTSAP installation waivers?**

157 **A14.** In my opinion, the decline is related to the growth of wireless phones. Until 2009,
158 virtually all Illinois Lifeline participants had landline telephone service. In 2009,

159 TracFone began wireless Lifeline service in Illinois. Since that time, the number of
160 wireless providers and the number of Lifeline customers has increased while the number
161 of landline customers has continued to decrease. In addition, more customers are using
162 voice over the internet or VOIP for their voice communications instead of traditional
163 landline service.

164 **Q15. What efforts has UTAC made to publicize the Lifeline and UTSAP programs to**
165 **potential participants and contributors?**

166 **A15.** In the publicity area for the first quarter of 2015, UTAC mailed a memo and an
167 English/Spanish flyer about Lifeline to all agencies in Illinois that administer the Low
168 Income Home Energy Assistance Project, which is a UTAC proxy program.

169 The Township Officials of Illinois had asked UTAC to followup on our 2014 outreach
170 with their members who assist residents in their communities to determine which
171 assistance programs they may qualify for. In the second quarter of 2015, UTAC staff
172 provided information to the appropriate committee members and drafted a memo to be
173 distributed with the English/Spanish flyer to the members of the Township Officials in
174 Illinois.

175 Third quarter outreach corresponded with National Lifeline Awareness Week. For
176 Lifeline Awareness Week, UTAC board members wrote letters to the editor of
177 newspapers around the state. Letters were published in almost all major media markets
178 in Illinois. The Governor's office also issued a proclamation.

179 In the fourth quarter, bill inserts about the low-income universal service programs were
180 mailed to existing phone customers by all local phone companies.

181 In the first quarter of 2016, UTAC ran Facebook ads targeting eligible individuals and

182 family on social media. The ads linked to further information about the UTAC programs,
183 including all federally required information. The Facebook ads are an ongoing project
184 with UTAC gathering information on the most cost effective way to get out UTAC's
185 message. The ads significantly increased traffic to the UTAC website, which includes all
186 information potentially eligible residents need to learn about the program and how to
187 enroll.

188 For the second quarter of 2016, UTAC worked with the Illinois Library Association to
189 provide a short e-newsletter entry and flyer that member libraries could send to their e-
190 mail lists. Information about a new program for eligible AT&T customers to receive
191 low-cost broadband was also included.

192 **Q16. What changes does UTAC expect to make in response to the FCC's Lifeline Reform**
193 **Third Report and Order?**

194 **A16.** 220 ILCS 5/13-301.1 authorizes the Commission to adopt rules for eligible consumers to
195 receive Lifeline service. "Lifeline service" means a retail local service offering as
196 described by 47 C.F.R. Sec. 54.401(a), as amended. The FCC amended the definition of
197 "Lifeline" as, "a non-transferable retail service offering: . . . that provides qualifying low-
198 income consumers with voice telephony service or broadband Internet access service as
199 defined in §54.400." By virtue of the FCC's change in the definition of Lifeline, the
200 UTSAP program definition of Lifeline has also changed to include broadband Internet
201 access service.

202 Our present rules define eligibility for a "proxy" program as those assistance programs
203 identified in 47 C.F.R. Sec. 54.409 as of February 6, 2013. The definition of proxy
204 program is frozen and does not include any later amendments or additions. The programs

205 listed in 47 C.F.R. Sec. 54.409 included Medicaid, Supplemental Nutrition Assistance
206 Program (SNAP), Supplemental Security Income (SSI), federal public housing assistance
207 (Section 8), Low Income Home Energy Assistance program (LIHEAP), national school
208 lunch program, temporary assistance for needy families, and household income at or
209 below 135% of the federal poverty guidelines but the FCC has changed eligibility for
210 Lifeline by eliminating LIHEAP,³ the national school lunch program, temporary
211 assistance to needy families and adding the Veterans' Pension Benefit Program. We
212 expect to work with the Commission staff to review the UTAC rules and make proposed
213 changes in light of the FCC's Order.

214 **Q17. What has been the financial performance of the UTSAP fund since June, 2015 when**
215 **testimony was presented in UTAC's last annual filing pursuant to Part 757.200(b)?**

216 **A17.** Monthly contributions have continued to decline. As of May 31, 2016, monthly
217 contributions were averaging approximately \$9,950, as compared to \$12,020 as of May
218 31, 2015.

219 **Q18. How many individuals contribute to the UTSAP program?**

220 **A18.** The number of contributors, like the amount of contributions, has declined in recent
221 years. As of May 31, 2016, the number of contributors per month was approximately
222 7,788 as compared to 9,077 as of May 31, 2015. Schedule 4.0 shows UTAC's number of
223 contributors, average monthly contributions, average total monthly income (contributions
224 plus interest income), and fund balance over time.

225 **Q19. Since the number of telephone installation waivers has decreased, what does UTAC**
226 **propose to do with the fund money?**

³ A LIHEAP eligible person can still apply through December 1, 2016, and would not be removed until the next certification period.

227 **A.19.** First of all, UTAC proposes to continue the supplemental connection fee waiver of up to
228 \$35. Secondly, 83 Ill.Adm.Code Part 757.215(c)(4) provides that UTAC shall
229 recommend to the Commission the establishment of any new UTSAP programs. UTAC
230 is considering various options since the balance of the fund is over \$1,000,000, the
231 number of landline participants is small, and the fund balance continues to increase each
232 year as landline subscribers decline. The fund balance is too small and would be quickly
233 exhausted if UTAC proposed a monthly state Lifeline subsidy because of the high
234 number of qualified federal Lifeline subscribers who use wireless. The Board is
235 investigating the potential of a partial subsidy for broadband connection charges. The
236 FCC indicated that states would be free to allow state Lifeline discounts to apply to
237 broadband and states will be able to establish their own rules for qualifying broadband
238 service providers (Lifeline Modernization Order, par. 287-288). UTAC will review the
239 FCC's Lifeline Modernization Order and make recommendations to the Commission on
240 the future of UTSAP.

241 **Q20. How does UTAC track participation levels in the Lifeline and UTSAP programs?**

242 **A20.** Since the inception of UTAC and the UTSAP, telecommunications carriers have been
243 required to report data to the Commission at least quarterly, pursuant to 83 Ill. Adm.
244 Code 757.210 and 757, Exhibit A. Through 2004, the Commission tabulated and
245 published this data. Through 2003, the data generally appeared to be accurate and
246 internally consistent. However, in preparing its 2005 annual petition to the Commission,
247 pursuant to 83 Ill. Adm. Code 757.200(b), UTAC discovered that the 2004 statistical
248 report prepared by the Commission Staff was incomplete and incorrect. UTAC discussed
249 its concerns regarding the quality of the data compilations with Staff. In June, 2005,

250 Staff informed UTAC that it would discontinue summarizing the data on Lifeline, Link-
251 up and UTSAP, because it did not have the resources to provide accurate tabulations.
252 Consequently, since that time, UTAC has contracted with its pooled fund administrator to
253 summarize the participation data reported by member carriers. Until 2010, UTAC did
254 not receive data on participation in Lifeline and Link-Up from wireless ETCs. With the
255 assistance of Staff, UTAC now receives this information and shares it with the
256 Commission.

257

258 **III. UTAC's Recommendation for Supplemental Assistance for the Next Year.**

259 **Q21. What is UTAC's recommendation in this proceeding regarding the form and**
260 **amount of supplemental assistance from the UTSAP fund?**

261 **A21.** UTAC recommends that the Commission extend the present benefit level. Specifically,
262 UTAC recommends that the supplemental connection fee assistance provided by the
263 carriers under the UTSAP be \$35 towards the carrier's customary charge. UTAC's
264 research indicates that most carriers have connection charges in that range. If the
265 Commission approves UTAC's recommendations, new tariff filings will not be
266 necessary. UTAC recommends that the Commission's order authorize eligible ETCs to
267 pass through to their qualified low income customers the full amount of Lifeline support
268 and to the extent that support exceeds the Federal End User Common Line charge, to
269 apply any additional federal support to the customers intrastate rate. In addition, UTAC
270 requests that the Commission's order find that Illinois has a statutorily-mandated
271 telephone assistance program, the UTSAP, which provides state support to the federal
272 Lifeline program.

273 **Q22. Why does UTAC recommend that the Commission continue the supplemental**
274 **connection fee waiver of up to \$35 towards the carrier’s customary installation**
275 **charge?**

276 **A22.** UTAC can provide meaningful assistance to current landline subscribers by the benefit
277 amount of \$35 and that will lead to the connection of low income consumers who
278 otherwise could not afford connection while UTAC assesses the changes made by the
279 FCC Order.

280 **Q23. Why does UTAC request that the Commission’s order find that Illinois has a**
281 **statutorily-mandated telephone assistance program, the UTSAP, which provides**
282 **state support to the federal Lifeline program?**

283 **A23.** Under the FCC’s rules, any state that has a state telephone assistance program and
284 provides state support for the Lifeline program is permitted to establish eligibility criteria
285 that differ from the FCC’s “default” eligibility criteria. Illinois meets these criteria
286 because of its UTSAP program has established its own eligibility criteria by rule. An
287 express finding on this issue by the Commission in this proceeding will provide further
288 confirmation to the FCC and its Universal Service Administration Company that Illinois
289 is not a federal default state.

290 **Q24. Why does UTAC request that the Commission’s order authorize ETCs to continue**
291 **to pass through to their qualified low-income customers the full amount of federal**
292 **Lifeline support?**

293 **A24.** Under 47 C.F.R. §54.403(a)(1), the federal Lifeline support of \$9.25 per month is
294 available if the ETC certifies to the Universal Service Administration Company that it
295 will pass through the full amount of the support to its qualifying, low-income consumers

296 and that it has received any non-federal regulatory approvals necessary to implement the
297 required rate reduction. Under 47 C.F.R. §54.403(a)(2), ETCs that charge federal End
298 User Common Line charges or its equivalent must apply Lifeline support to waive the
299 federal End User Common Line charge for Lifeline subscribers. Such carriers must then
300 apply any additional federal support amount to the qualifying low income customers
301 intrastate rate if the carrier has received the non-federal regulatory approvals necessary to
302 implement the required rate reduction. The Commission’s authorization to pass through
303 the additional Lifeline amount provides ETCs with the “non-federal regulatory
304 approvals” necessary to implement the pass-through and to provide the required
305 certification to USAC.

306 **Q25. Does this conclude your direct testimony?**

307 **A25.** Yes, it does.

**UNIVERSAL TELEPHONE ASSISTANCE CORPORATION
CHRONOLOGY OF ILLINOIS COMMERCE COMMISSION
SUPPLEMENTAL ASSISTANCE ORDERS
PURSUANT TO 83 Ill.Adm.Code 757.200**

Docket Number	Date of Order	UTSAP Benefits
93-0332	Nov. 23, 1993	Supplemental installation waiver of up to \$6.
94-0178	July 7, 1994	Supplemental installation waiver of up to \$10.
95-0004	May 3, 1995	Supplemental installation waiver of up to \$10.
95-0546	Feb. 7, 1996	Supplemental installation waiver of up to \$10.
96-0372	April 23, 1997	Supplemental installation waiver of up to \$10.
97-0556	June 17, 1998	Supplemental installation waiver of up to \$10.
98-0503	Sept. 25, 1998	Supplemental installation waiver of up to \$10.
98-0884	April 21, 1999	Monthly supplemental assistance of \$1.50 (plus 50% federal matching), plus 50% supplemental installation waiver, effective 10/21/99.
99-0360	Aug. 11, 1999	Monthly supplemental assistance of \$1.50, plus 50% supplemental installation waiver, capped at \$30.
00-0481	Sept. 22, 2000	Monthly supplemental assistance of \$1.50, plus 50% supplemental installation waiver, capped at \$30.
01-0478	July 25, 2001	Monthly supplemental assistance of \$1.50, plus 50% supplemental installation waiver, capped at \$30.
02-0451	Aug. 8, 2002	Monthly supplemental assistance of \$1.20, plus \$10 supplemental installation waiver, not to exceed 50%.
03-0418	Sept. 9, 2003	Eliminated monthly supplemental assistance; continuation of \$10 supplemental installation waiver, not to exceed 50%, effective 1/1/2004.
04-0447	Feb. 8, 2005	Supplemental installation waiver of up to \$10, not to exceed 50%.

05-0418	Aug. 17, 2005	Supplemental installation waiver of up to \$10, not to exceed 50%.
06-0473	Oct. 25, 2006	Supplemental installation waiver of up to \$10, not to exceed 50%.
07-0399	Aug. 15, 2007	Supplemental installation waiver of up to \$12, not to exceed 50%.
08-0417	July 30, 2008	Supplemental installation waiver of up to \$12, not to exceed 50%.
09-0298	July 29, 2009	Supplemental installation waiver of up to \$12, not to exceed 50%.
10-0417	Aug. 18, 2010	Supplemental installation waiver of up to \$12, not to exceed 50%.
10-0634	January 20, 2011	Supplemental installation waiver of up to \$5, not to exceed 50%.
11-0507	Aug. 2, 2011	Supplemental installation waiver of up to \$5, not to exceed 50%
12-0408	Aug. 21, 2012	Supplemental installation waiver of up to \$15, not to exceed 50%
13-0374	Sept. 10, 2013	Supplemental installation waiver of up to \$20, not to exceed 50%
14-0446	Sept. 4, 2014	Supplemental installation waiver of up to \$35
15-0406	Aug. 12, 2015	Supplemental installation waiver of up to \$35

**UNIVERSAL TELEPHONE ASSISTANCE CORPORATION
ILLINOIS PARTICIPATION IN FEDERAL LIFELINE PROGRAM BY YEAR**

Year	Number of Lifeline Customers		Total	Percentage Change from Prior Year
	Landline	Wireless		
1999	53,200		53,200	
2000	57,350		57,350	8%
2001	81,100		81,100	41%
2002	90,700		90,700	12%
2003	97,200		97,200	7%
2004	102,800		102,800	6%
2005	106,960		106,960	4%
2006	106,875		106,875	0%
2007	109,617		109,617	3%
2008	104,973		104,973	-4%
2009	97,542	132,784* Data estimated From USAC	230,326* Data estimated From USAC	119%
2010	83,925	184,282	268,207	16%
2011	69,384	341,301	410,685	53%
2012	31,677	443,422	475,099	14%
2013	26,127	589,250	615,377	23%
2014	18,731	422,642	441,373	-28%
2015	11,092	417,447	428,539	-3%

**UNIVERSAL TELEPHONE ASSISTANCE CORPORATION
ILLINOIS UNIVERSAL SERVICE ASSISTANCE PROGRAM
SUPPLEMENTAL INSTALLATION WAIVERS BY YEAR**

Year	Supplemental Installation Waivers	Percentage Change from Prior Year	Cost of Installation Waivers to UTSAP
2000	13,240		
2001	30,300	129%	\$706,000
2002	40,700	34%	\$927,000
2003	46,700	15%	\$467,000
2004	45,540	-2%	\$455,400
2005	49,400	8%	\$494,000
2006	43,786	-11%	\$437,148
2007	53,340	22%	\$564,382
2008	45,463	-15%	\$541,866
2009	40,374	-11%	\$480,315
2010	56,189	39%	\$672,573
2011	9,622	-83%	\$57,899
2012	4,956	-49%	\$34,315
2013	1,807	-64%	\$29,200
2014	992	-45%	\$21,415
2015	506	-49%	\$17,710

**ILLINOIS UNIVERSAL TELEPHONE SERVICE ASSISTANCE PROGRAM
CONTRIBUTIONS, INCOME AND FUND BALANCE
OVER TIME**

Year	Number of Individual Contributors (as of April 30)	Average Monthly Contributions (as of May 31)	Average Monthly Income (Contributions Plus Interest) (as of May 31)	Fund Balance (as of May 31)
2001	85,900		\$105,000	\$3,680,000
2002	79,300	\$75,800	\$85,200	\$2,300,000
2003	80,900	\$73,971	\$76,816	\$1,000,000
2004	77,000	\$73,000	\$73,600	\$450,000
2005	73,500	\$67,700	\$68,500	\$686,300
2006	67,165	\$62,000	\$64,200	\$959,000
2007	55,280	\$55,000	\$58,500	\$1,098,000
2008	50,040	\$49,000	\$53,000	\$1,055,532
2009	41,800	\$43,665	\$46,430	\$1,029,000
2010	33,900	\$36,650	\$38,650	\$1,019,000
2011	27,240	\$30,150	\$31,355	\$644,656
2012	20,968	\$23,790	\$24,800	\$799,500
2013	17,101	\$19,600	\$19,800	\$912,000
2014	13,900	\$15,320	\$15,490	\$1,014,780
2015	9,077	\$12,020	\$12,235	\$1,090,580
2016	7,788	\$9,695	\$9,950	\$1,126,000

VERIFICATION

State of Illinois)
) SS
County of Cook)

I, Allen W. Cherry, being first duly sworn, on oath state as follows:

1. My address is 520 South State Street, #1414, Chicago, Illinois 60605.
2. I have worked with the Board of Directors of the Universal Telephone Assistance Corporation ("UTAC") since its inception, have been a director since 1995, and have served as President of the Board of Directors of UTAC since 1998.
3. That I am competent to testify if called to testify as a witness herein I would testify to the foregoing facts contained in my testimony plus attached Schedules 1.0, 2.0, 3.0, and 4.0, and that the same are true and correct based upon personal knowledge.
4. That document, with its attached Schedules, was prepared under my direction and supervision, and comprises my direct testimony.
5. The facts and matters set forth in my direct testimony and the attached Schedules are true and correct to the best of my knowledge and belief.
6. If called as a witness and asked the questions that appear in my direct testimony, my responses would be the same as stated therein.

Allen W. Cherry
Allen W. Cherry

Sworn to and subscribed before me this 29th day of June, 2016.

Henry J. Smith
Notary Public