

In this document you will find answers to some of the most frequently asked questions about the Universal Service Fund (USF), the Universal Service Administrative Company (USAC), and the four USF programs: High Cost, Low Income, Rural Health Care, and Schools and Libraries. We hope these materials help you understand how the USF, USAC, and the four USF programs work to help keep Americans connected.

If you have any further questions, USAC's External Relations team will be happy to answer them. You can reach them by calling 202-776-0200. Please ask to speak with someone in External Relations. You can also send us an e-mail and we will do our best to get back to you within 24 hours. If you are a reporter, please send your questions to mediarequests@usac.org. General inquiries should be sent to outreach@usac.org. Please be sure to include your name, affiliation, and the best way for us to contact you.

About the Universal Service Fund

Q1: What is universal service?

Universal service is the policy of providing access to a baseline level of telecommunications services for all consumers in the United States. The policy originated with the Communications Act of 1934. The Telecommunications Act of 1996 (1996 Telecom Act) expanded the scope of universal service to include rural health care facilities, schools, and libraries.

The goals of Universal Service, as mandated by the 1996 Telecom Act, are:

- To promote the availability of quality services at just, reasonable prices.
- To increase access to advanced telecommunications services throughout the country.
- To advance the availability of such services to all consumers, including those in low-income, rural, insular, and high-cost areas at comparable rates to urban areas.

Q2: What is the Universal Service Fund?

The Universal Service Fund (USF) is money collected from telecommunications companies and dedicated to fulfilling the goals of universal service. Under the authority of the 1996 Telecom Act, the Federal Communications Commission (FCC) created the USF as well as the Universal Service Administrative Company (USAC), the organization charged with administering the USF. Telecommunications companies make contributions to the USF based on revenues gained from providing international and interstate calling services.

Q3: What purpose does the USF serve?

The purpose of the USF is to enable access to telecommunications services for all U.S. consumers. A principle of universal service holds that such access helps ensure that all U.S. residents can participate fully in the opportunities available to them in American society. In an increasingly networked, technology-intensive world, widespread access to telecommunications services is a key to national prosperity, well-being, and safety.

Q4: Who pays for the USF?

As required by the 1996 Telecom Act, all telecommunications carriers providing international and interstate service make contributions to the Universal Service Fund. Consumers may notice a "Universal Service" line item on their telephone bills. This line represents a charge by a telephone company to recover its mandated contributions to the USF. USAC collects these contributions and then allocates the proceeds to the four USF programs: High Cost, Low Income, Rural Health Care, and Schools and Libraries.

Q5: How does USF funding work?

Paying into the USF (Collections):

All telecommunications carriers that provide international and interstate service make contributions to the USF. The amounts of these contributions are determined by projections of the aggregate demand for USF support, which USAC submits each quarter to the FCC. The FCC reviews these projections and determines the percentage of international and interstate revenues that carriers must pay into the fund.

Paying out of the USF (Disbursements):

USAC allocates money from the USF to fund the High Cost, Low Income, Rural Health Care, and Schools and Libraries programs. Entities eligible for support from these programs submit information to USAC for processing and evaluation, leading to disbursement of USF support to those approved for funding.

About USAC

Q6: What is USAC?

The Universal Service Administrative Company (USAC) is an independent, not-for-profit corporation that was created in 1997 by the FCC to administer the Universal Service Fund (USF).

Q7: What does USAC do?

USAC's mission is to collect and distribute money for the USF and administer the four USF programs in accordance with the FCC's rules. USAC does not set or advocate policy. USAC works to protect the integrity of the fund, promote compliance among program participants, and provide information about the USF to Congress, the FCC, program audiences, and the general public. In all of these tasks, USAC strives to provide efficient, responsible stewardship of the USF, a key national asset in making important telecommunications services available to consumers, health care providers, schools, and libraries throughout the United States.

NOTE: USAC may not make policy, interpret unclear provisions of the statute or rules, interpret the intent of Congress, or advocate policy positions before the FCC or its staff, but may advocate positions on administrative issues for managing the USF.

Read more about USAC at our website, www.usac.org. View USAC Annual Reports from 1999-2009 in the *About USAC* section of the website under *Resource Room*.

About the USF Programs

Q8: Approximately how much USF funding is disbursed for each program?

Below are the four USF programs' unaudited disbursement totals for calendar year 2009. For more detailed information, check out our Fund Facts.

High Cost:	\$4.3 billion
Low Income:	\$1 billion
Rural Health Care:	\$61 million
Schools & Libraries:	\$1.9 billion
2009 Unaudited Support (TOTAL Amount Disbursed):	\$7.3 billion

Q9: What do the four USF programs do?

- **High Cost Program** – ensures consumers in all regions across the nation have access to and pay rates for telecommunications services that are reasonably comparable to those in urban areas
- **Low Income Program** – commonly known as Lifeline and Link Up, provides discounts that make basic, local telephone service affordable and helps more than 10 million low-income consumers nationwide stay connected
- **Rural Health Care Program** – provides reduced rates to rural health care providers for telecommunications and Internet services so they pay no more than their urban counterparts for the same or similar telecommunications services
- **Schools and Libraries Program** – commonly referred to as E-rate, provides affordable telecommunications and Internet access services to connect schools and libraries to the Internet. This support goes to service providers that provide discounts on eligible products and services to eligible schools, school districts, libraries, and consortia of these entities

Q10: Where is the USAC Annual Report?

You can view USAC Annual Reports from 1999-2009 in the *About USAC* section of our website, under *Resource Room*.

Q11: Where can I find more information about the four USF programs?

You can view and download brochures, press releases, and other materials about the four USF programs in the *About USAC* section of our website under *Resource Room*.

Q12: Who do I contact for further information?

USAC's External Relations team is happy to answer any questions you might have about USAC or the USF. You can reach them by calling 202-776-0200. Please ask to speak with someone in External Relations. You can also send us an e-mail and we will do our best to get back to you within 24 hours. If you are a reporter, please send your questions to mediarequests@usac.org. General inquiries should be sent to outreach@usac.org. Please be sure to include your name, affiliation, and the best way for us to contact you.

Q13: What resources are available to search for USAC commitments, payments, and other statistics?

USAC has developed various online search tools to help you find the information you need when you need it. The chart below highlights a selection of these tools. More tools can be found at www.usac.org.

PROGRAM	TOOL	TOOL DESCRIPTION
High Cost	High Cost Disbursement Search Tool	Searches High Cost disbursements to eligible telecommunications carriers (ETCs)
	High Cost Filing Requirements and Deadlines Tool	Provides information on filing requirements, forms, and deadlines
	High Cost Model CLLI Search Tool	Helps ETCs accurately report line counts
	Interstate Access Support Maps	Provides links to the IAS maps that have been submitted on a state-by-state and carrier-by-carrier basis
Low Income	Low Income Disbursement Tool	Searches and shows disbursements to ETCs and shows calculations for particular disbursements
	Low Income Online Posting Tool	Allows ETCs to post company specific information about the availability of the Lifeline and Link Up programs on www.lifelinesupport.org
Rural Health Care	Rural Health Care Search Tools	Website that features all of the tools for the Rural Health Care program
	Automated Commitments Search Tool	Allows searches for commitment data by funding year, state, applicant name, services requested, Funding Commitment Letter (FCL) date, address, city, and committed amount
	Login as a Health Care Provider (HCP)	Enables electronic filing of forms and viewing past history of funding requests
	Posted Services Search Tool	Searches Health Care Providers' (HCPs') requests for services from their Form 465s using the HCP Name or Number, city, county, or state
	Packet Status Report	Checks the status of Form 466 and/or 466-A packets



Helping Keep Americans Connected

FAQ's about the USF, USAC, and USF Programs

Schools and Libraries	Schools and Libraries Search Tool Page	Website that features all of the tools for the Schools and Libraries program
	Automated Search of Commitments Tool	Allows searches for funding commitment data by funding year, applicant name, city, state, zip and/or wave number
	Form Deadlines Tool	Explains and helps you calculate deadlines for forms and actions
	Eligible Services List	List that indicates whether specific products or services may be able to receive discounts