

# **USAC and the Universal Service Fund**

## **Overview**

**September 2009**

The Universal Service Fund (USF) is one fund with four programs

USAC is a not-for-profit corporation selected as the permanent administrator of the federal USF

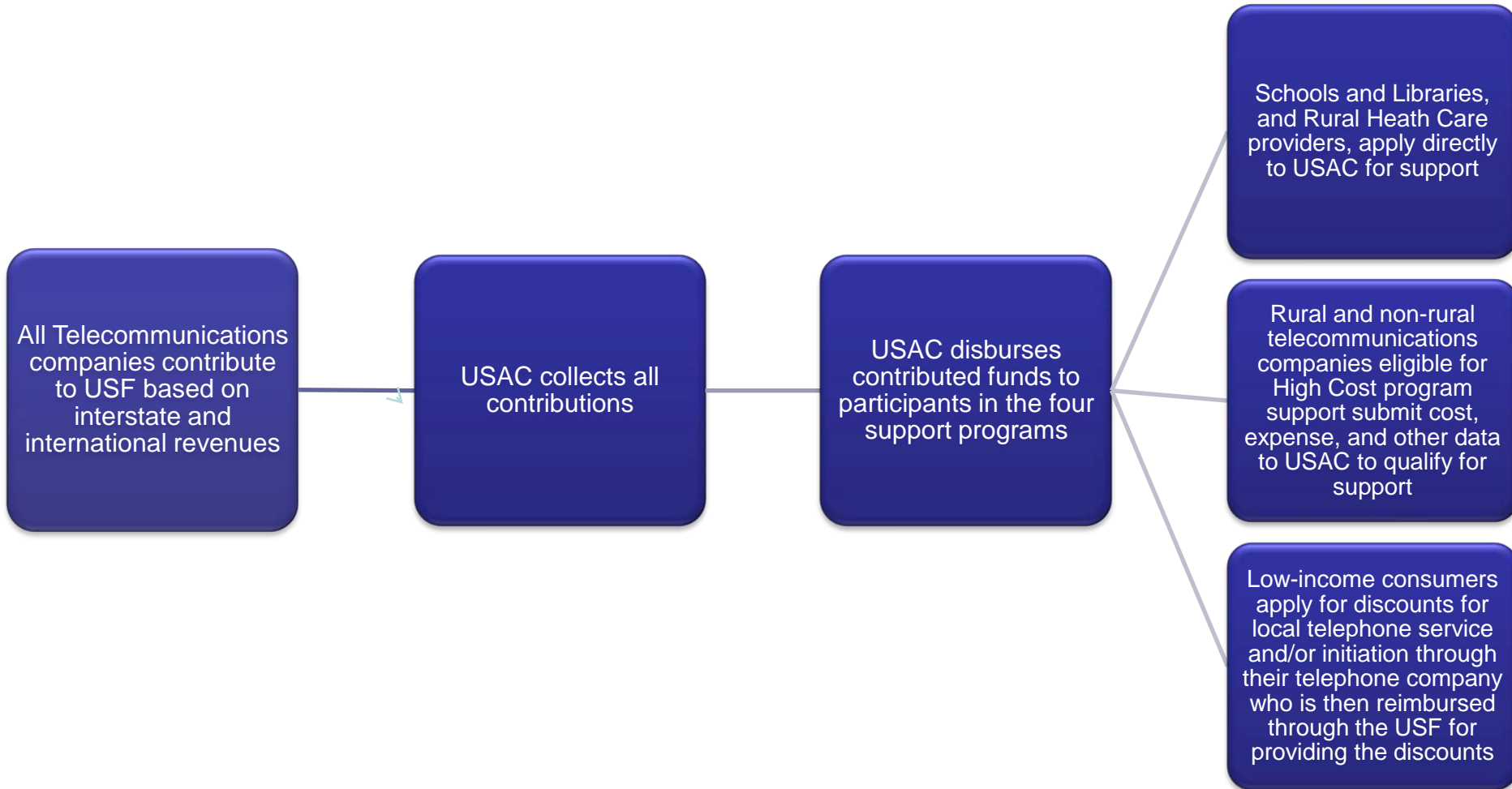
In 2008, USAC disbursed approximately \$7.1 billion in universal service support

USAC administers support programs for:

- High cost companies serving remote and rural areas
- Low-income consumers
- Rural health care providers
- Schools and Libraries

Through USAC, the USF provides communities across the country with affordable telecommunications services

# How does the USF Work?



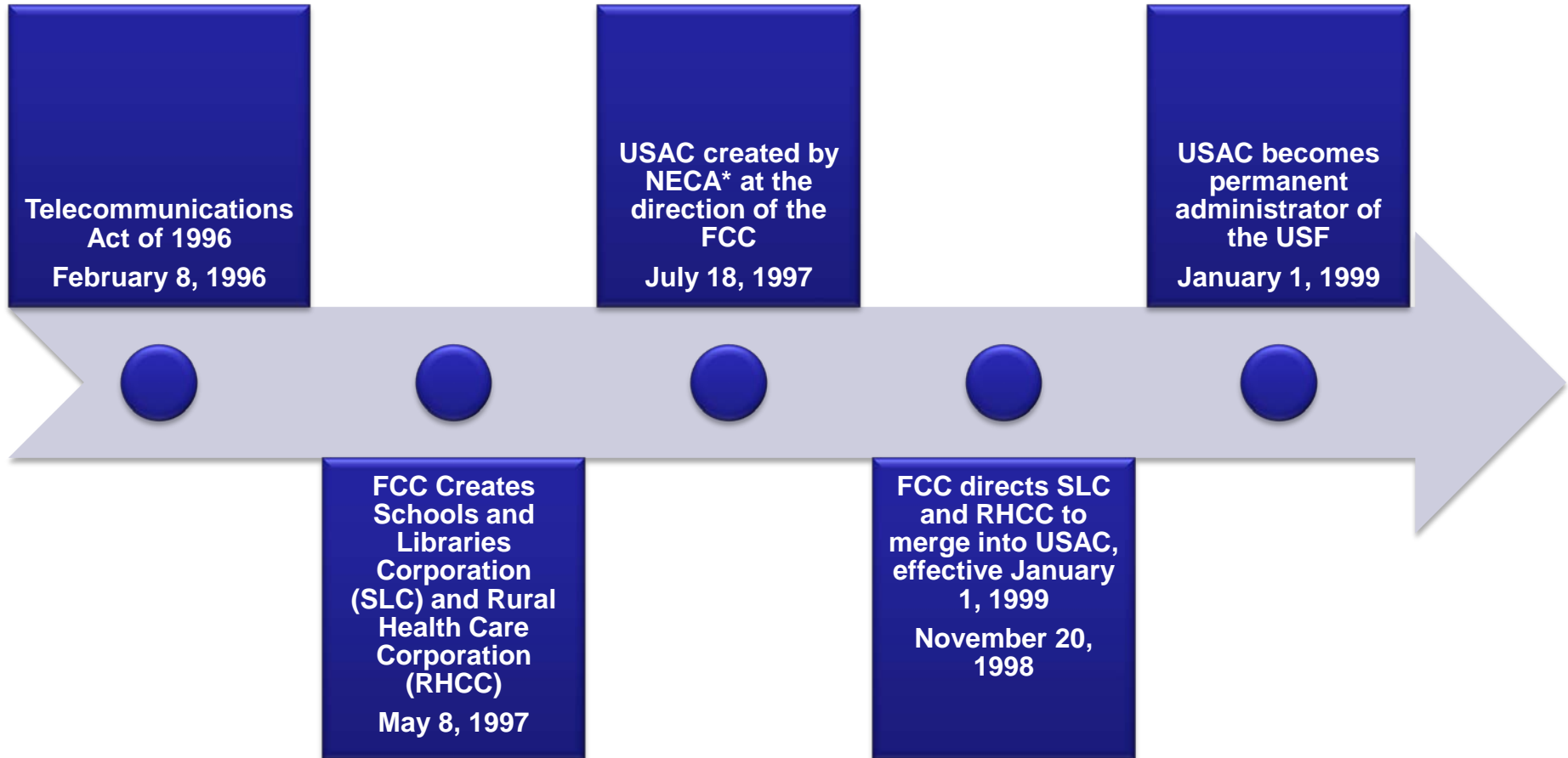
## USAC's functions and responsibilities include:

- Administering each of the USF programs
- Billing contributors, collecting contributions, and disbursing universal service support
- Reporting quarterly to the FCC on disbursement of USF support

## USAC may not:

- Make policy
- Interpret unclear provisions of the statute or rules
- Interpret the intent of Congress
- Advocate policy positions before the FCC or its staff, but may advocate positions on administrative issues relating to the programs

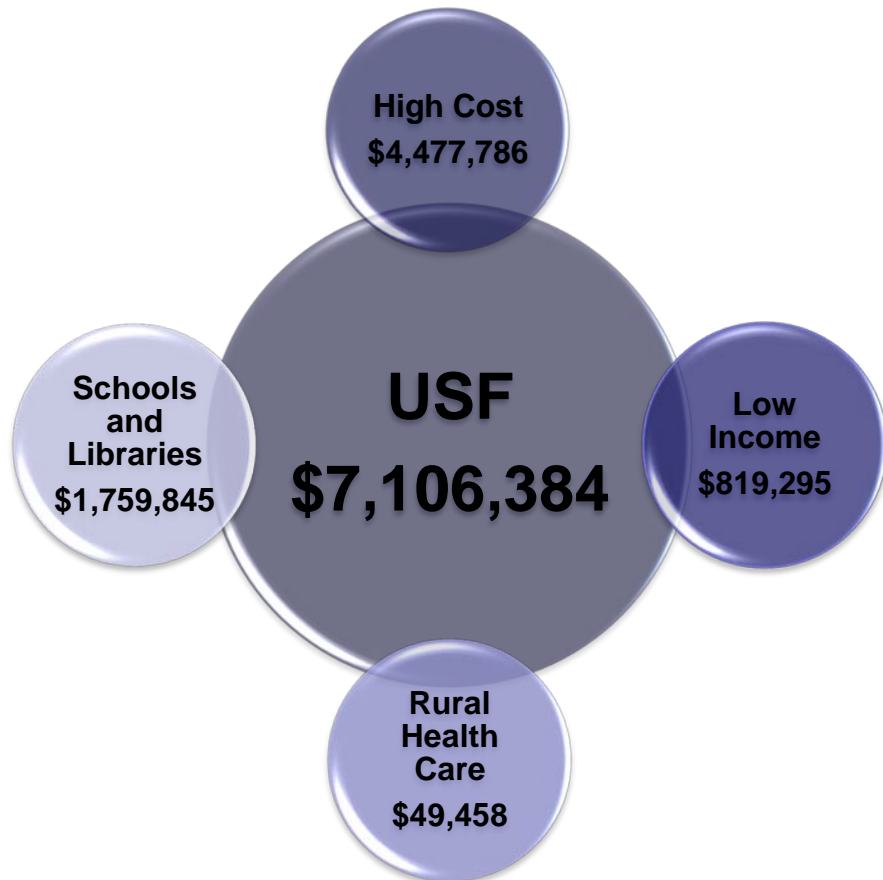
## USAC Timeline



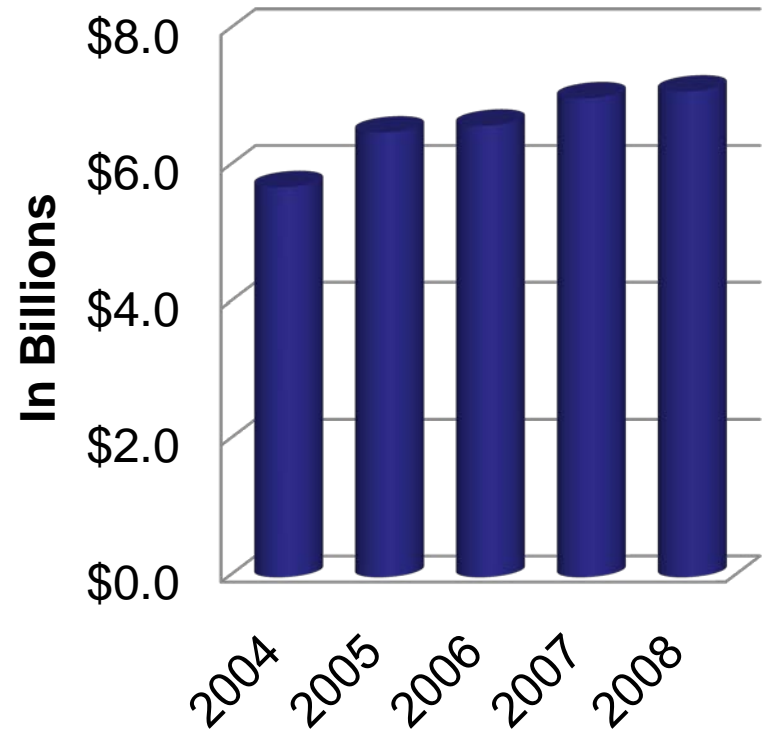
\* USAC is a wholly-owned subsidiary of the National Exchange Carrier Association (NECA). However, pursuant to FCC regulations, NECA has no management or operational control over USAC.

# USF – One Fund, Four Programs


Approved Disbursements by Program as of December 31, 2008  
 (unaudited • in thousands)



Overall USF Disbursements  
 (unaudited)



Visit us on the Web at [www.usac.org](http://www.usac.org)


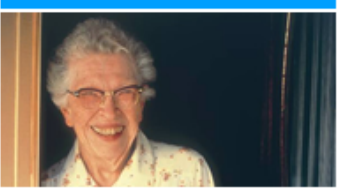



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**USAC**  
Universal Service Administrative Company

USAC administers the Universal Service Fund providing communities across America with affordable telecommunications services.

*Helping Keep Americans Connected* ▶ **About USAC**

**Fund Administration** ▶ The fund is maintained through contributions made by telecommunications providers across the country and is disbursed based on four primary support programs.

High Cost	Rural Health Care	Low Income	Schools and Libraries
High Cost support ensures that consumers in all regions of the Nation have access to and pay rates for telecom services that are reasonably comparable to those in urban areas.	Rural Health Care support provides reduced rates to rural health care providers for telecom and Internet services so they pay no more than their urban counterparts for the same or similar services.	Low Income support, commonly known as Lifeline and Link Up, provides discounts that make basic, local telephone service affordable for more than 7 million Americans.	Schools & Libraries support goes to service providers that provide discounts on eligible services to eligible schools, school districts, libraries, and consortia of these entities.