

FEDERAL COMMUNICATIONS COMMISSION  
Washington, D. C. 20554

February 29, 2008

OFFICE OF  
MANAGING DIRECTOR

Mr. Scott Barash  
Acting Chief Executive Officer  
Universal Service Administrative Company  
2000 L St. NW, Suite 200  
Washington, DC 20036

Dear Mr. Barash:

This letter addresses measures to improve the quality of service that the Universal Service Administrative Company ("USAC") provides to stakeholders of all the Universal Service Fund ("USF") programs. In addition, this letter addresses steps that USAC should take to improve the efficiency and effectiveness of its management operations.

To ensure that USAC acts promptly to address complaints raised by program stakeholders, USAC should start collecting, monitoring, and reporting "customer complaint information" on a monthly basis. USAC should implement a system for collecting and analyzing complaints raised by program stakeholders, including complaints about the speed of application processing or delays in responding to customer inquiries. We expect that USAC will regularly review customer complaint information, identify trends, and develop proposals for resolving complaints raised by USF program beneficiaries (*i.e.*, recipients or potential recipients of USF funding) and contributors to the programs that are administered by USAC. USAC should report on its performance in this area on all four programs and for contributors on a monthly basis to the Commission staff and members of the USAC Board of Directors starting in April 2008 for the customer complaints received during the preceding month (*i.e.*, March 2008). Starting in 2009, USAC should report on its performance in the annual report it submits to the Commission.

We also require USAC to take several additional steps to improve the quality of its service and the efficiency and effectiveness of its management operations. First, USAC should develop customer service standards (*e.g.*, respond to customer inquiries within 24 hours) that would apply to all USAC employees and officers. USAC should submit a draft proposal to the Commission staff for such customer service standards within 30 days from the date of this letter. Second, USAC should provide notice to program stakeholders on its Internet site on how to file complaints with USAC (*e.g.*, telephone contact information, email address). Third, USAC should review and evaluate all the commercially available software that is used to manage, monitor, and track customer inquiries and complaints. To the extent USAC will require additional tools to improve the quality of its service and management operations, USAC should initiate the appropriate procurement processes within 60 days from the date of this letter. Finally, in preparation for the annual review of the Memorandum of Understanding between USAC and the Commission, USAC should develop draft proposals of additional data, as well as performance goals, that it would regularly collect, monitor, and report to the Commission in order to measure the quality of USAC's performance.

Thank you for your prompt attention to this matter. If you have any questions, please do not hesitate to contact the Commission staff to discuss further.

Sincerely,

*Mark Stone*

*for* Anthony J. Dale  
Managing Director

CC: Members of the USAC Board of Directors  
Dana Shaffer, Chief, Wireline Competition Bureau  
Kent Nilsson, Inspector General