

**FEDERAL COMMUNICATIONS COMMISSION**  
**Washington DC 20554**

**OFFICE OF  
MANAGING DIRECTOR**

July 15, 2008

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

RE: OMB Exhibits 53 and 300

Dear Mr. Barash:

With this letter, we direct the Universal Service Administrative Company (“USAC”) to take steps to strengthen its Information Technology (“IT”) planning and oversight and to improve the efficiency and effectiveness of its operations as the Universal Service Fund (“USF”) Administrator.

The Memorandum of Understanding between the Commission and USAC requires USAC to prepare the Capital Asset Plan and Business Case Summary (Exhibit 300), and provide data for inclusion in the Commission’s Information Technology Investment Portfolio (Exhibit 53), as specified in OMB Circular A-11.<sup>1</sup> This year, USAC should prepare an Exhibit 300 for each of the following IT investments:

- \* USF Financial System
- \* Rural Health Care / Schools & Libraries IT Support
- \* High Cost / Low Income IT Support

USAC should provide the Commission with a complete draft of each Exhibit 300 no later than July 21, 2008, and a final version incorporating all Commission input by September 1, 2008. In addition, USAC should provide the Commission with a complete draft of the data required for inclusion in the Commission’s Exhibit 53 no later than July 28, 2008, and final data incorporating all Commission input by August 11, 2008.

David Reed will be the Commission’s point of contact for the Exhibits. Please let him know whom USAC has assigned to prepare each of its Exhibits 300, and to assemble the data required for Exhibit 53.

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<sup>1</sup> See Memorandum of Understanding section IV.E.2; Office of Management and Budget Circular A-11 at §§ 53, 300.

Sincerely,

  
 Anthony J. Dale  
Managing Director

cc: USAC Board of Directors  
Mark Stone, Deputy Managing Director  
Mindy Ginsburg, Deputy Managing Director  
Mark Stephens, Chief Financial Officer  
Kent R. Nilsson, Inspector General  
Dana R. Shaffer, Chief, Wireline Competition Bureau  
Andrew Martin, Chief Information Officer