



PUBLIC NOTICE

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WIRELINE COMPETITION BUREAU ESTABLISHES THE EFFECTIVE DATE FOR ELECTRONIC DISBURSEMENT OF UNIVERSAL SERVICE SUPPORT PAYMENTS

CC Docket No. 02-6

On September 28, 2009, the Wireline Competition Bureau (Bureau) announced that, pursuant to the Debt Collection Improvement Act of 1996 (DCIA), all federal universal service fund support payments must be made by electronic funds transfer (EFT).¹ The Bureau indicated that recipients of universal service fund support payments must provide their financial institution information and other relevant information on the FCC Form 498 (Service Provider Identification Number and Contact Information Form), which was being revised to conform to the requirements of the DCIA.² On November 2, 2009, the revised FCC Form 498 was approved by the Office of Management and Budget.³

To facilitate the processing of EFT by the Universal Service Administrative Company (USAC), we establish the effective date of August 31, 2010 for the electronic disbursement requirement. After August 31, 2010, if a recipient of universal service support payments fails to provide the required financial institution information on its FCC Form 498 to enable payment by EFT, USAC will not make universal service support payments to that entity until the entity provides the required information.

The Bureau is also releasing an order today addressing issues related to the invoicing process used by USAC in its administration of the E-rate program.⁴ Among other things, the Bureau, on its own motion,⁵ clarifies that an EFT mechanism to distribute universal service support payments invoiced by service providers does not conflict with the Commission's directive that service providers must remit the E-rate discount amount to the applicant "prior to tendering or making use of the payment from

¹ See *Wireline Competition Bureau Announces Mandatory Electronic Disbursement of Universal Service Support Payments*, CC Docket No. 02-6, Public Notice, 24 FCC Rcd 12124 (Wireline Comp. Bur. 2009) (*USF Electronic Disbursement Public Notice*); 31 U.S.C. §3332(f)(1).

² See *USF Electronic Disbursement Public Notice*.

³ See FCC Form 498, Service Provider Identification Number and Contact Information Form, OMB 3060-0824 (November 2009).

⁴ *Requests for Review of Decisions of the Universal Service Administrator by Alton Community Unit School District 11, et al., Schools and Libraries Universal Service Support Mechanism*, File Nos. SLD-518052, et al., CC Docket No. 02-6, Order, DA No. 10-999 (rel. June 2, 2010) (*Alton Community Order*).

⁵ 47 C.F.R. §§ 0.91, 0.291, 1.46.

Administrator.⁶ The Bureau finds that the EFT system will not undermine the fundamental purpose of the restriction on the FCC Form 472 (Billed Entity Applicant Reimbursement Form), which is to ensure that the service provider does not divert universal service support payments from the applicant.⁷

For further information, please contact Regina Brown, Telecommunications Access Policy Division, Wireline Competition Bureau at (202) 418-7400 or TTY (202) 418-0484.

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⁶ See *Alton Community Order* at paras. 10-12; Universal Service for Schools and Libraries, FCC Form 472, Billed Entity Applicant Reimbursement Form, OMB 3060- 0856, at 4 (April 2007); *Schools and Libraries Universal Service Support Mechanism*, CC Docket No. 02-6, Second Report and Order, Further Notice of Proposed Rulemaking, 18 FCC Rcd 9202, 9216 at para. 42 (2003).

⁷ *Alton Community Order* at para. 12.