



PUBLIC NOTICE

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WIRELINE COMPETITION BUREAU ANNOUNCES MANDATORY ELECTRONIC DISBURSEMENT OF UNIVERSAL SERVICE SUPPORT PAYMENTS

Pursuant to the Debt Collection Improvement Act of 1996 (DCIA), all federal universal service support payments must be made by electronic funds transfer.¹ These payments include payments from the high-cost, low-income, schools and libraries, and rural health care universal service support mechanisms. Recipients of universal service support payments shall provide their financial institution information and other relevant information on the FCC Form 498, Service Provider Identification Number and Contact Information Form, which is currently being revised to conform to the requirements of the DCIA.² The revised FCC Form 498 will become effective this fall.³

After the revised information collections in the FCC Form 498 have been approved by the Office of Management and Budget, the Wireline Competition Bureau will issue a further public notice announcing the effective date for the electronic payment requirement. After the effective date, if a recipient of universal service payments fails to provide financial institution information sufficient to enable payment through electronic funds transfer, the Universal Service Administrative Company (USAC) will not make universal service payments to that entity.

This requirement has the added benefit of helping to facilitate achievement of the Commission's goal of ensuring that the universal service fund is free of potential waste, fraud, and abuse. Eliminating the mailing of paper checks will minimize the possibility that payments are lost in transit or delivered to the wrong addresses, and reduce the chance that payments are misappropriated. Additionally, the

¹ See 31 C.F.R. § 3332(f)(1).

² See *Notice of Public Information Collection(s) Being Reviewed by the Federal Communications Commission, Comments Requested*, 74 Fed. Reg. 27544 (2009) (proposing to revise the FCC Form 498 to require financial institution remittance information for electronic disbursements in accordance with the DCIA). See, e.g., FCC Form 498, May 2006 version, USAC website, <http://www.universalservice.org/res/documents/fund-administration/pdf/form-498-fy2006.pdf> (last visited Sept. 28, 2009). See also 31 U.S.C. § 3332(g) (stating that each recipient of federal payments shall designate one or more financial institutions or other authorized agents to which such payments shall be made, and provide information necessary for the recipient to receive electronic funds transfer payments).

³ The Commission requested that the public file comments on the proposed revisions to the FCC Form 498 with the Office of Management and Budget (OMB) by September 25, 2009. *Federal Communications Commission, Public Information Collections, Notice*, 74 Fed. Reg. 43126-01 (2009). After this date, OMB will issue its decision on whether to approve the revised FCC Form 498.

requirement of electronic funds transfer for all universal service support payments will make the operation of the universal service fund more efficient and reduce costs.

For further information, please contact Anita Cheng, Wireline Competition Bureau at (202) 418-7400 or TTY (202) 418-0484.

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