

**USAC**  
UNIVERSAL SERVICE  
ADMINISTRATIVE CO.

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Washington, D.C. 20037  
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D. Scott Barash  
Vice President and General counsel  
sbarash@universalservice.org

June 15, 2000

RECEIVED  
JUN 15 2000  
FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas  
Secretary  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington, D.C. 20554

RE: CC Docket No. 96-45/Technical Difficulties Concerning Schools and Libraries  
Universal Service Support Mechanism and Commitment Adjustments

Dear Ms. Roman Salas:

On October 22, 1999, I sent to you a letter setting out information concerning certain erroneous commitments of funds made by the Universal Service Administrative Company ("USAC") in Program Year One of the Schools and Libraries Universal Service Support Mechanism, which ended on June 30, 1999. This letter updates that information, because USAC has determined that certain of the commitments reported to you as erroneous at that time were later determined to be correct commitments.

As of today, USAC has identified funding commitments made to 33 applicants and 12 service providers on Year One funding requests that included charges for services that were in fact ineligible pursuant to Section 254(h) of the Telecommunications Act of 1996. The funding commitments for the cost of these ineligible services totaled approximately \$966,000. USAC has actually paid \$542,561 in error to eight service providers for services to eight applicants. Also as of today, USAC has identified funding commitments made to 62 applicants and 36 service providers on Year One funding requests for telecommunications services that were to be provided by ineligible telecommunications providers as set forth in Section 254(h) of the Telecommunications Act of 1996. These erroneous funding commitments totaled \$796,000, of which \$229,004 has been paid by USAC to 14 service providers for services to 18 applicants

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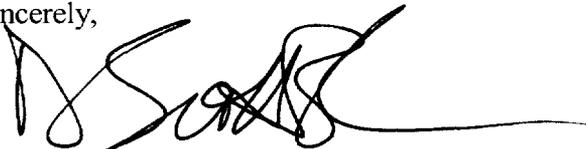
Ms. Magalie Roman Salas

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We hope this information will be helpful to the Commission. We will be happy to provide any additional information concerning this matter at your request.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Scott Barash', with a long horizontal line extending to the right.

D. Scott Barash

Vice President and General Counsel

cc: Irene Flannery  
Sharon Webber  
Jon Bernstein  
Dorothy Attwood  
Jordan Goldstein  
Kyle Dixon  
Rebecca Beynon  
Sarah Whitesell