



Relevant information for the 2003 USF A/Q True Up

	Contribution Factor
3rd quarter 2002	.072805
4th quarter 2002	.072805
1st quarter 2003	.072805

For the 2003 USF A/Q True Up, the following inputs will be used:

A.	Avg. of 2 highest FCC Contribution Factors	.072805
B.	Avg. of 2 lowest FCC Contribution Factors	.072805
C.	Avg. of all 4 FCC Contribution Factors	.072805
D.	1st quarter 2002 projected collected interstate and international revenue	Lines 116b & 116c on May 2002 form 499Q
E.	2nd quarter 2002 projected collected interstate and international revenue	Lines 116b & 116c on August 2002 form 499Q
F.	3rd quarter 2002 projected collected interstate and international revenue	Lines 116b & 116c on November 2002 form 499Q
G.	4th quarter 2002 projected collected interstate and international revenue	Lines 116b & 116c on February 2003 form 499Q
H.	Year 2002 collected interstate and international revenue	Lines 420d & 420e on the 2003 form 499A.
I.	Estimated FCC Factor (for 4 th quarter de minimis calculation only)	7.5%

1. The first step is to determine whether or not the company is de minimis for purposes of the A/Q True Up. If the following calculation results in less than \$10,000, the carrier is de minimis: $(1/2 \text{ 499A Revenue}) \times (\text{Average FCC Contribution Factor}^*) + (\text{Q1 \& Q2 2002 Support Mechanism Activity}) + (1/2 \text{ 2002 A/Q True Up Credits/Adjustments})$

Should the above calculation result in less than \$10,000, the contributor will have their January – December 2002 Support Mechanism charges reversed. If the contributor is found to be not de minimis for purposes of the A/Q True Up, Step 2 is performed.

2. Using the inputs noted above, The A/Q True Up formula for calculating necessary Support Mechanism Credits or Adjustments will be as follows:

$\{(499A \text{ Revenue} - 4Q \text{ Revenue}) - (1Q \text{ Revenue} + 2Q \text{ Revenue} + 3Q \text{ Revenue})\} \times (\text{FCC Contribution Factor}^*) = \text{Quarterly Adjustment/Credit}$

$(\text{Quarterly Adj/Credit}) / 3 = \text{Monthly Adjustment/Credit}$