



## Connect America Fund (CAF) Phase II Auction Letters of Credit (LOC) Checklist

In addition to reviewing the Illustrative Form of Letter of Credit at ([FCC 16-64](#), Appendix B) consider this checklist, as well as the USAC Sample Letter of Credit when drafting your CAF II Auction letter of credit. Note: this is not an exhaustive list and you may be asked to make additional corrections. If you would like USAC to conduct a courtesy review of your letter of credit prior to official submission, please send a draft to: [OGC-LOC@usac.org](mailto:OGC-LOC@usac.org).

### **Letter of Credit:**

- Submit an original, hard-copy version of the letter of credit (not a copy) on bank letterhead to USAC's office.
- Submit a virtual copy to [hcinfo@usac.org](mailto:hcinfo@usac.org) and [OGC-LOC@usac.org](mailto:OGC-LOC@usac.org) (in response to the COVID 19 pandemic, to ensure that your letter is timely filed).
- Include the letter of credit number at the top of the letter of credit.
- Ensure that the letter of credit number is consistent throughout the document and the annexes.
- Include the Issuing Bank's name and address.
- Include the Long-Form Applicant's name and address.
- Include USAC's mailing address:  
Universal Service Administrative Company (USAC)  
Connect America Fund (CAF) Phase II Auction  
700 12th St., NW #900  
Washington, DC 20005
- Verify that Universal Service Administrative Company is spelled correctly and spelled out before using abbreviation (USAC), *i.e.*, Universal Service Administrative Company (USAC).
- Include the Study Area Code (SAC).
- Include the issuance date of the letter of credit.
- Include the expiration date of the letter of credit.
- Verify that the letter of credit amount is in United States Dollars (USD) and equal to *at least your first year* of authorized support. See the relevant Ready to Authorize Public Notice.
- Verify that the letter of credit amount provided in words matches with the amount in numbers.
- Refer to letter of credit as an "Irrevocable Standby Letter of Credit".



- Cite to the correct Report and Order:  
The Report and Order, Adopted on May 25, 2016 issued by the Federal Communications Commission ("FCC") in the matter of Connect America Fund, WC Docket No. 10-90.
- Verify that FCC is appropriately abbreviated, *i.e.*, Federal Communications Commission (FCC).
- If your letter of credit includes Evergreen language, verify that you have included a notice of non-renewal and language that the notice of nonrenewal will be delivered by a "a nationally recognized overnight delivery service at least sixty (60) days but not more than ninety (90) days prior" to the expiry of the letter of credit. See USAC Evergreen Sample.
- Include the FCC's address:  
Federal Communications Commission  
45 L Street NE  
Washington, DC 20554
- Include the bank's address in the appropriate location within the body of the letter. See USAC Sample letter of credit.
- Ensure that the letter of credit refers to drawing on funds by submission of a "completed certificate *substantially* in the form of Annex B attached hereto."
- Include a presentation clause "the bank will honor presentation within one (1) business or banking day."
- Select *either* "check" or "wire" transfers in the body of the letter of credit.
- Include the following language:  
"This Letter of Credit shall be subject to, governed by, and construed in accordance with, the International Standby Practices 1998, International Chamber of Commerce Publication No. 590 (the "ISP"), which is incorporated into the text of this Letter of Credit by this reference, and, to the extent not inconsistent therewith, the laws of the State of New York, including the Uniform Commercial Code as in effect in the State of New York."
- Verify that the State of New York is the *only* jurisdiction used in the letter of credit.
- Verify that the letter of credit is signed by at least one authorized individual of the bank, noting name and title.
- Remove all brackets from the body of the letter of credit.
- In your letter, do not include the instructional notes from the FCC's model letter.
- Include Annexes A, B, and C.

**Annex A:**

- Include at the top, “Annex A” and “Form of Draft”
- Verify that the letter of credit number is correct (same as in body of letter) and is not in brackets.
- Include the option for payment, check or wire, as selected is in the body of the letter of credit.
- Include transfer by the Federal Reserve of New York.
- Include the relevant fund: Phase II Auction.

**Annex B:**

- Include at the top, “Annex B” and “Draw Certificate”
- Verify that the letter of credit number is correct (same as in body of letter) and is not in brackets.
- Cite to the correct Report and Order:  
The Report and Order, Adopted on May 25, 2016 issued by the Federal Communications Commission ("FCC") in the matter of Connect America Fund, WC Docket No. 10-90.
- Reference the relevant FCC Bureau: Wireline Competition Bureau.

**Annex C:**

- Include at the top, “Annex C” and “Certificate of Termination of Letter of Credit”
- Verify that the letter of credit number is correct (same as in body of letter) and is not in brackets. Verify that the correct Report and Order citation is correct:  
The Report and Order, Adopted on May 25, 2016 issued by the Federal Communications Commission ("FCC") in the matter of Connect America Fund, WC Docket No. 10-90
- Include two signature blocks for USAC.
- Include a countersignature block for the FCC.