Universal Service Administrative Co.

Rural Digital Opportunity Fund (RDOF) Auction
Letters of Credit (LOC) Checklist

In addition to reviewing the Illustrative Form of Letter of Credit at (FCC 20-5, Appendix C) consider this checklist, as well as the USAC Sample Letter of Credit when drafting your RDOF 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.

Letter of Credit:

- ☐ Submit an original, hard-copy version of the letter of credit (not a copy) on bank letterhead to USAC's office.
- ☐ Summit a virtual copy to hcinfo@usac.org and 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)
  Rural Digital Opportunity Fund (RDOF) 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.

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- ☐ Cite to the correct Report and Order:
  The Order, adopted on January 30, 2020, issued by the Federal Communications Commission ("FCC") in the matter of Rural Digital Opportunity Fund, WC Docket No. 19-126; Connect America Fund, WC Docket 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 certifications from your bank's officer that the bank meets the criteria to be considered well capitalized by at least one of the FDIC, Federal Reserve, or the OCC.
- ☐ Include Annexes A, B, and C.

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Washington, DC 20005
202.776.0200
universalservice.org

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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: Rural Digital Opportunity Fund Repayment.

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 order, adopted on January 30, 2020, issued by the Federal Communications Commission ("FCC"), In the Matter of Rural Digital Opportunity Fund, WC Docket No. 19-126, Connect America Fund, WC Docket 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 order, adopted on January 30, 2020, issued by the Federal Communications Commission ("FCC"), In the Matter of Rural Digital Opportunity Fund, WC Docket No. 19-126, Connect America Fund, WC Docket 10-90.
- ☐ Include two signature blocks for USAC.
- ☐ Include a countersignature block for the FCC.