Relevant information for the 2004 USF A/Q True Up

	Contribution Factor	Circularity Factor
2nd quarter 2003	.091	.091489
3rd quarter 2003	.095	.093798
4th quarter 2003	.092	.088135

For the 2004 USF A/Q True Up, the following inputs will be used:

A.	Avg. of 2 highest FCC Contribution Factors	.0935
B.	Avg. of 2 lowest FCC Contribution Factors	.0915
C.	Avg. of all 3 FCC Contribution Factors	.092666
D.	Avg. of 2 FCC Circularity Factors associated with 2 high FCC Contribution Factors	.090966
E.	Avg. of 2 FCC Circularity Factors associated with 2 low FCC Contribution Factors	.089812
F.	Avg. of all FCC Contribution Factors	.09114
G.	1st quarter 2003 projected collected interstate and international revenue	Lines 120b & 120c on February 2003 form 499Q
H.	2nd quarter 2003 projected collected interstate and international revenue	Lines 122b &122c on February 2003 form 499Q
I.	3rd quarter 2003 projected collected interstate and international revenue	Lines 120b & 120c on May 2003 form 499Q
J.	4th quarter 2003 projected collected interstate and international revenue	Lines 120b & 120c on August 2003 form 499Q
K.	Year 2003 collected interstate and international revenue	Lines 423d & 423e on the 2004 form 499A.

1. The first step in the True Up is determining which FCC contribution factor, and associated FCC Circularity factor to use in the True Up Calculation. After determining which factor is applicable, it will be used to replace the "Average FCC Contribution Factor" in steps 2&3.
    a. Average of 2 highest FCC Contribution Factors and the associated average FCC Circularity Factor should be used if (499A - Q1) > (Q2 + Q3 + Q4).
    b. Average of 2 lowest FCC Contribution Factors and the associated average FCC Circularity Factor should be used if (499A - Q1) < (Q2 + Q3 + Q4).
    c. Average of all 4 FCC Contribution Factors and the associated average FCC Circularity Factor should be used if (499A - Q1) = (Q2 + Q3 + Q4).
2. The next step is to determine whether or not the company is de minimis for purposes of the A/Q True Up using the following formula: ((499A - Q1) * (Average Contribution Factor) - ((499A-Q1) *

Average Contribution Factor * Average Circularity Factor)) + (Q1 Support Mechanism Activity) + (1/3 2003 A/Q True Up Activity)

   a. If result is < $10,000, then the contributor is de minimis, and January- December 2003 support mechanism charges are reversed.
   b. If result is > or = $10,000, then the contributor is NOT de minimis; continue to step 3.

3. Using the inputs noted above, the A/Q True Up formula for calculating necessary Support Mechanism Credits or Adjustments is: (499A - Q1) - (Q2 + Q3 + Q4) = True Up Base

   (True Up Base * Average FCC Contribution Factor) - (True Up Base * Average FCC Contribution Factor * Average FCC Circularity Factor) = Quarterly Credit or Adjustment

   Quarterly Credit or Adjustment / 3 = Monthly Credit orAdjustment