Relevant information for the 2008 USF A/Q True Up

	Contribution Factor	Circularity Factor
1st quarter 2007	.097	.089535
2nd quarter 2007	.117	.110319
3rd quarter 2007	.113	.100910
4th quarter 2007	.110	.100300

For the 2008 USF A/Q True Up, the following inputs will be used:

A.	Avg. of 2 highest FCC Contribution Factors	.1150
B.	Avg. of 2 lowest FCC Contribution Factors	.1035
C.	Avg. of 2 FCC Circularity Factors associated with 2 high FCC Contribution Factors	.105615
D.	Avg. of 2 FCC Circularity Factors associated with 2 low FCC Contribution Factors	.094918
E.	Avg. of all FCC Contribution Factors	.10925
F.	Avg. of all FCC Circularity Factors	.100266
G.	1st quarter 2007 projected collected interstate and international revenue	Lines 120b & 120c on November 2006 form 499Q
H.	2nd quarter 2007 projected collected interstate and international revenue	Lines 120b &120c on February 2007 form 499Q
I.	3rd quarter 2007 projected collected interstate and international revenue	Lines 120b & 120c on May 2007 form 499Q
J.	4th quarter 2007 projected collected interstate and international revenue	Lines 120b & 120c on August 2007 form 499Q
K.	Year 2007 collected interstate and international revenue	Lines 423d & 423e on the 2008 form 499A.

1. The first step in the True Up is to determine whether or not the company is de minimis for purposes of the A/Q True Up using the following formula:
   (499A * .10925) – (499A * .10925 *.100266)
   a. If result is < $10,000, then the contributor is de minimis, and January- December 2007 support mechanism charges are reversed.
   b. If result is > or = $10,000, then the contributor is NOT de minimis; continue to step 2.
2. The next 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 step 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).

2008 A/Q True Up Calculation Explanation

    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).

3. Using the inputs noted above, the A/Q True Up formula for calculating necessary Support Mechanism Credits or Adjustments is:

    a. (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 or Adjustment