

FEDERAL COMMUNICATIONS COMMISSION
Washington, D. C. 20554

September 29, 2008

OFFICE OF
MANAGING DIRECTOR

Mr. Brian Talbott
Chairman of the Board of Directors
Universal Service Administrative Company
2000 L St. NW, Suite 200
Washington, DC 20036

Dear Mr. Talbott:

On July 9, 2008 we directed the Universal Service Administrative Company ("USAC") to establish an Executive Compensation Committee to oversee the administration of USAC's compensation program for executives and corporate officers, including the award of performance-based bonuses.¹ We stated that USAC should submit a proposed Executive Compensation Plan within 90 days. You responded to our letter on September 25, 2008 stating that USAC had taken steps toward complying with our request, but additional time would be necessary.² Based on your statement that USAC is working diligently on a comprehensive plan, we are providing a limited extension of this deadline from October 9 to October 31, 2008. USAC may, of course, submit its plan prior to this deadline.

If you have any questions, please do not hesitate to call me at (202) 418-2260.

Sincerely,



Anthony J. Dale
Managing Director

cc: USAC Board of Directors
Kent Nilsson, Inspector General
Dana Shaffer, Chief Wireline Competition Bureau
Mark Stone, Deputy Managing Director
Mindy Ginsburg, Deputy Managing Director
Mark Stephens, Chief Financial Officer

¹ Letter from Anthony J. Dale, Managing Director, FCC, to Brian Talbott, Chairman of the Board of Directors, USAC (July 9, 2008).

² Letter from Brian Talbott, Chair, USAC Board of Directors, to Anthony J. Dale, Managing Director, FCC (Sept. 25, 2008).