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July 10, 2007

The Honorable John D. Dingell
Chairman, Committee on Energy and Commerce
House of Representatives

Subject: Initiation of Government Accountability Office Review of Universal Service Fund

Dear Mr. Chairman:

Concerning your letter of April 12, 2007, to the Comptroller General requesting a GAO study of waste, fraud and abuse in the Universal Service Fund (USF), we met with your staff on May 23, 2007, to gain a further understanding of your needs. Please see enclosure I for the list of requesters with whom we will be coordinating this assignment.

Due to the complexity of the issue, we need to proceed with a separate design phase. The purpose of this letter is to set forth the study objectives and provide you with a completion date for the design phase. The overall objectives of our work will be to review the USF High Cost program to determine:

- What locations and services are funded by the program?
- What are the program's goals and objectives, and how is its performance measured?
- What are the roles of the Federal Communications Commission (FCC), Universal Service Administrative Company (USAC), and other organizations in administering the program?
- What mechanisms exist, if any, to prevent waste, fraud, and abuse in the program?

The design phase will be completed by December 3, 2007. We will remain in contact with your staff, and at the end of the design phase, we will provide you with a projected completion date for the total study. Should you have any questions, please contact me on (202) 512-6670, goldsteinm@gao.gov or, Mike Clements, Assistant Director, on (202) 512-7763, clements@gao.gov.

Sincerely yours,



Mark Goldstein
Director, Physical Infrastructure Issues

Enclosure

cc: Johanna Shelton

LIST OF REQUESTERS

Joe Barton, Ranking Minority Member
Committee on Energy and Commerce
House of Representatives
(Staff Members: Neil Fried, Peter Spencer)

Bart Stupak, Chairman
Subcommittee on Oversight and Investigations
Committee on Energy and Commerce
House of Representatives
(Staff Members: David Nelson, Steven Rangel)

Ed Whitfield, Ranking Minority Member
Subcommittee on Oversight and Investigations
Committee on Energy and Commerce
House of Representatives
(Staff Member: Alan Slobodin)