

February 5, 2019

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street SW
Washington, D.C. 20554

**Central Valley School District No. 356
Request for Review and Petition for Waiver**

Applicant:	Central Valley School District No. 356
Billed Entity Number:	145441
Funding Year:	2016
FCC Form 471:	161013923
Funding Request Numbers:	1699031501 and 1699068924

Central Valley School District respectfully requests a waiver of the portion of section 54.514 of the Commission's rules that requires an applicant to timely submit a request for an invoice filing deadline extension and a remedy for filing service substitutions.

I. Background

Central Valley School District is located in Spokane, Washington and serves approximately 14,500 students. The district is involved in a multi-year construction plan that involves remodeling existing buildings and building new schools. In anticipation of the equipment needs that would be required for several of the construction projects, the above referenced Form 471 application was filed in 2016 for internal connections equipment to support the projects. Due to delays, a Form 500 was filed to request the FRN's Service Delivery Dates be extended to 9/30/2018, with an invoice deadline of 1/28/2019. This extension was granted by USAC.

On August 3, 2018, two Form 472's were filed in order to claim the funds from USAC based on invoices provided by the district. Shortly after filing the forms, and upon further comparison of the invoices to the original contract, it was discovered that a service substitution would need to be filed based on part number and quantity changes for switches that were sought by the applicant and approved by USAC. The service

substitutions would not lead to waste, fraud, and abuse as the equipment provided the same functionality as was originally funded, and is in compliance with the rule regarding service substitutions.¹ The consultant proactively cancelled the Form 472's in order to submit corrected forms once the service substitutions were approved. On August 14, 2018, a service substitution was attempted in EPC. The EPC system would not allow the service substitution to be made, and declared that "There are currently no funding requests available to associate. Please cancel and try again at a later date." (Exhibit A)

On August 14, 2018, immediately following the failed attempt to create the service substitution, USAC's Customer Service Bureau (CSB) was called and a case was opened, #245-444, to research the issue. On August 24, 2018 a call was made again to CSB to inquire about a resolution. No action had been taken at that time, and the case was escalated to customer service management. On October 8, 2018, CSB reached out via EPC to request the funding request numbers. A response was sent back on October 16, 2018 via EPC with the associated FRNs. This was the last contact from USAC regarding this case to date. (Exhibit B) Upon each subsequent attempt to file the service substitution, the same message appears in EPC that no funding requests are available to associate, and please try again at a later date.

While awaiting resolution from USAC regarding the service substitution issue in EPC, the application was put in the "Pending Action" file, and the consultant inadvertently missed filing an Invoice Deadline Extension Request by the deadline of January 28, 2019. The IDER's were filed on February 1, 2019 in EPC and were denied since the original invoice deadline date had passed a few days prior. (Exhibit C)

II. Discussion

Despite the applicant's request for assistance, USAC failed to provide guidance on how to correctly file and process service substitutions for FRN's that are no longer available in EPC. In Chairman Pai's letter to USAC dated April 18, 2017 (Exhibit D), he asked USAC to commit to "identify alternative options to assist applicants even in the event of IT failures." The fact that the FRN's are no longer available in EPC for a service substitution even though the FRN deadlines were extended through an approved Form 500 is an IT failure. The letter goes on to say that "SOLIX should make sure applicants receive timely assistance, even if this requires SOLIX to use manual processes.

¹ CFR 54.504(d).

In short, USAC must be solution- and customer-service oriented no matter the IT situation.”

As the Commission determined in Order DA 17-256, on its own motion, the Commission waived the portion of section 54.514(b) of the rules that requires an applicant to timely submit a request for an invoice filing deadline extension for those limited applicants who were awaiting USAC assistance.² That is the very case here. A waiver of the Commission’s rules is appropriate if (i) special circumstances warrant a deviation from the general rule, and (ii) such deviation will serve the public interest.³ Order DA 17-256 goes on to state that it is contrary to the public interest if applicants who made an effort to comply with the requirements prior to the deadline, but were impacted by a delay from USAC, subsequently lost funds.⁴ The Order additionally grants an FCC waiver of section 54.514(a) of its rules for applicants that were unable to file in a timely manner because of various factors, including USAC’s inability to approve the requested action in a timely manner.⁵

In the present case, the applicant, through a consultant, acted in good faith in trying to complete the necessary service substitution 6 months prior to the invoice deadline, which should have been ample time to complete such action. USAC has failed to resolve the pending case even after this significant amount of time passed.⁶ Waiting on a resolution from USAC led directly to the missed invoicing deadlines, as the consultant’s focus was on complying with service substitution rules. This was an extraordinary circumstance. The consultant filed the Invoice Deadline Extension Request on February 1, which was within a few days of the January 28 deadline.⁷ (See Exhibit C)

² Order DA 17-256, *In the Matter of Request for Review and/or Waiver by Ada Public Library*, paragraph 4, CC Docket No. 02-6 (March 16, 2017).

³ *Northeast Cellular Telephone Co. v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990).

⁴ Order DA 17-256, paragraph 6.

⁵ *Id.* at paragraph 7.

⁶ Order DA 17-1217, *Requests for Review and/or Requests for Waiver of Decisions of the Universal Service Administrator by Animas School District 6 et al.; Schools and Libraries Universal Service Support Mechanism*, CC Docket No. 02-6, Order, 26 FCC Rcd 16903, 16905, para. 4 (WCB 2011) (granting petitioners waivers of our filing deadline for appeals because their late-filed appeal would never have been necessary absent an error on the part of USAC).


⁷ See *ABC Unified School District Order*, CC Docket No. 02-6, 26 FCC Rcd 11019 (2011) (Commission may waive its rules regarding the filing deadline for petitioners that submitted requests within a few days of the deadline); See also Order DA 19-30,

Under the precedent set forth in DA 17-256, the applicant believes that good cause is shown for the Commission to waive its rules.⁸ Doing so is appropriate where, as here, strict compliance is inconsistent with the public interest, especially where the applicant timely sought, but did not receive, assistance from USAC.⁹

III. Relief Sought

The applicant requests that the Commission waive its Invoice Deadline rule 54.514(a) and the Extension rule 54.514(b) by extending the invoice deadline for both FRNs. The applicant also requests that the Commission order USAC to provide an alternative form of submission for service substitutions for these FRNs that are not available in EPC, and waive the procedural service substitution deadline for both FRNs.

Respectfully Submitted,



Kristina Garrett
E-Rate & Educational Services, LLC

Streamlined Resolution of Requests Related to Actions by the Universal Service Administrative Company, Centro Mater Child Care Services, Inc., et al (January 31, 2019).

⁸ 47 C.F.R. 1.3.

⁹ *Northeast Cellular*, 897 F.2d at 1166.

Select FRNs

Use the filters below to search and select FRNs to associate.

General Information

Select FRNs

Detailed Info

Additional Questions

Preview

Submitting Organization Details

CENTRAL VALLEY SCH DIST 356

19307 E CATALDO AVE

SPOKANE VALLEY, WA 99016

509-228-5400

rcurnow@cvsd.org

BEN: 145441

FCC Registration Number: 0012690855

There are currently no funding requests available to associate. Please cancel and try again at a later date.

Filters

Application Number

Category of Service

Enter entire FCC Form 471 Application Number

--Select Filter by Application Category of Service--

FRN

Enter entire Funding Request Number

ADD ALL (0) FRNS

CLEAR SEARCH FILTERS

SEARCH

FRN	Application Number	FRN Nickname	Category of Service
No FRNs Match Search Criteria			
ADD (0) FRNS			

Selected FRNs

FRN	Application Number	FRN Nickname	Category of Service
No FRNs Currently Associated			
You must associate at least one Funding Request			
REMOVE OVERLAPS			

Filter FRN Line Items

FRN Line Item Number

Type of Product

Enter entire Line Item number

Enter entire Product Type name

CLEAR SEARCH FILTERS

SEARCH

Filtered Line Items

FRN Number	FRN Line Item Number	Type of Product	Monthly Quantity	One-Time Quantity
No items available				
REMOVE OVERLAPS				

Selected Line Items

FRN Number	FRN Line Item Number	Type of Product	Monthly Quantity	One-Time Quantity
No items available				

REMOVE ALL LINE ITEMS

CANCEL BACK

WALGREENS
WALGREENS PHARMACY

Records / Customer Service Cases

#245444 - CVSD 2016 C2 Service Sub

UPDATE CASE

Summary

News

Related Actions

Case Details

Topic	System Problem Report - Other	Form Type	FCC Form 471
Status	Pending Customer	Form Number	161013923
Priority	High	Created By	USAC
Inquiry Type	Phone	Created On	8/14/2018 12:59 PM EDT
		Organization	CENTRAL VALLEY SCH DIST 356

Case Description

Description Unable to associate any FRNs with a service substitution.

Case Artifacts

Documents			Attachments	
Name	Uploaded By	Upload Date	Attachment	Attachment Type
Create Service Substitution - CVSD 2016 C2 2nd	Kristina Garrett	8/14/18 1:08 PM		No items available

Case Thread

User	Note	Date
Kristina Garrett	Sorry for the delay in responding, I have been out of town for medical reasons. The 2 FRN's that need substitutions are 1699031501 and 1699068924. Thank you for your assistance in getting this resolved and please let me know if you need any further information.	10/16/2018 2:18 PM EDT
USAC	Kristina, Your case has been escalated to Customer Service Management at USAC. Can you provide the FRNs that should have service substitutions?	10/8/2018 2:41 PM EDT
USAC	Thank you for contacting USAC Client Service Bureau regarding your service substitution. We have escalated your case to USAC customer service management for a response. If you have additional questions please contact us at (888)-203-8100.	8/24/2018 3:49 PM EDT
Kristina Garrett	Thank you, Derrick H Universal Service Administrative Company (USAC) Client Service Bureau (888) 203-8100 2016 application - trying to create service substitution, but EPC message says there are no FRNs available to associate...See attachment	8/14/2018 1:08 PM EDT

Case Contact

Case Contact Kristina Garrett

Exhibit C (1)

Summary Customer Service Modifications Additional Information Discount Rate Contracts FCC Forms FRN Appeals News

SAVE DRAFT

Request an extension: Invoice Deadline Date

For your records, a News Post and corresponding email will be sent to you with the details of this submitted IDD extension request #5640.

Approved for an IDD extension

The funding request number(s) listed below have been approved for an extension to the Invoice Deadline Date.

Funding Request Number	FRN Nickname	Service Delivery Deadline	Original Invoice Deadline Date	Extended Invoice Deadline Date	BEN	SPIN
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Denied for an IDD extension

The funding request number(s) listed below have been denied for an extension to the Invoice Deadline Date. Please review the reason below for more information.

Funding Request Number	FRN Nickname	Reason for Denial	Service Delivery Deadline	Invoice Deadline Date	BEN	SPIN
1699068924	Switches and Components	This FRN has already passed its original IDD	9/30/2018	1/28/2019	145441	143031837

Ineligible for an IDD extension

The funding request number(s) listed below are not eligible for an Invoice Delivery Deadline extension. Please review the reason below for more information.

Funding Request Number	FRN Nickname	Reason for Ineligibility	Service Delivery Deadline	Invoice Deadline Date	BEN	SPIN
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No items available

CLOSE

Funding Year	Funding Request Number	FRN Nickname	Decision	Decision Reason
2016	1699068924	Switches and Components	Denied	This FRN has already passed its original IDD

FCC Form 471 Number
161013923

Original Invoice Deadline Date
01/28/2019

Extended Invoice Deadline Date
N/A

BEN
145441


Applicant
CENTRAL VALLEY SCH DIST 356

SPIN
143031837

Service Provider
WARRANTY PLUS SERVICE CENTER INC

#145441 - CENTRAL VALLEY SCH DIST 356

Summary Customer Service Modifications Additional Information Discount Rate Contracts FCC Forms FRN Appeals News

 SAVE DRAFT

Request an extension: Invoice Deadline Date

For your records, a News Post and corresponding email will be sent to you with the details of this submitted IDD extension request #5641.

Approved for an IDD extension

The funding request number(s) listed below have been approved for an extension to the Invoice Deadline Date.

Funding Request Number	FRN Nickname	Service Delivery Deadline	Original Invoice Deadline Date	Extended Invoice Deadline Date	BEN	SPIN
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Denied for an IDD extension

The funding request number(s) listed below have been denied for an extension to the Invoice Deadline Date. Please review the reason below for more information.

Funding Request Number	FRN Nickname	Reason for Denial	Service Delivery Deadline	Invoice Deadline Date	BEN	SPIN
1699031501	Switching	This FRN has already passed its original IDD	9/30/2018	1/28/2019	145441	143031837

Ineligible for an IDD extension

The funding request number(s) listed below are not eligible for an Invoice Delivery Deadline extension. Please review the reason below for more information.

Funding Request Number	FRN Nickname	Reason for Ineligibility	Service Delivery Deadline	Invoice Deadline Date	BEN	SPIN
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No items available

CLOSE

Exhibit C (2)

Exhibit C (2)

Funding Year	Funding Request Number	FRN Nickname	Decision	Decision Reason
2016	1699031501	Switching	Denied	This FRN has already passed its original IDD

FCC Form 471 Number
161013923

Original Invoice Deadline Date
01/28/2019

Extended Invoice Deadline Date
N/A

BEN
145441

Applicant
CENTRAL VALLEY SCH DIST 356

SPIN
143031837

Service Provider
WARRANTY PLUS SERVICE CENTER INC



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

April 18, 2017

Chris Henderson
Universal Service Administrative Company
700 12th Street NW, Suite 900
Washington, DC 20005

Re: *USAC's Performance as Schools and Libraries Program Administrator*

Dear Mr. Henderson,

I am writing about recent issues with the Universal Service Administrative Company's (USAC) administration of the schools and libraries universal service support program (E-Rate). E-Rate is a key component of the Universal Service Fund and helps millions of students in America benefit from digital learning. That is why, four years ago, I said that "E-Rate is a program worth fighting for."

Unfortunately, it has come to my attention that there are serious flaws in USAC's administration of the E-Rate program—flaws that relate to the process by which schools and libraries apply for E-Rate funding and that are in fact preventing many schools and libraries from getting that funding. Despite assurances from prior FCC leadership that these problems were being addressed, they appear to have persisted, to the detriment of students, library patrons, and taxpayers across the country.

The specific problem involves USAC's development and roll-out of the online E-Rate Productivity Center (EPC). The prior administration issued USAC a directive in 2014 to make the E-Rate process fast, simple, and efficient. It approved USAC's establishment of the EPC system as part of that directive. The EPC was designed to be an Internet portal that every school or library seeking E-Rate funding had to use for purposes of their applications. It was supposed to cost \$19 million to establish. USAC began negotiations for its implementation in 2014.

Things have not gone according to plan. The EPC was originally scheduled to be fully operational for applicants by the opening of the funding year 2016 filing window. Yet today it is still not adequately functional; critical E-Rate processes are still operated out of the legacy IT system instead of EPC. For example, the entire invoice system remains in the legacy IT system and will remain there until late summer.

EPC implementation issues have created major headaches for applicants requesting E-Rate funding. For instance, despite the Commission's direction to USAC to process funding commitments or denials for all workable funding requests by September 1 of the funding year, many applicants are still waiting for funding commitment decision letters for funding year 2016. Issuance of commitment adjustments, revised funding commitment decision letters, and appeals resolutions have been similarly delayed. USAC has failed to fulfill specific commitments made to applicants even as it rolled out EPC system upgrades. USAC has frequently failed to devise solutions for applicants, instead requiring extensive FCC involvement, including from my office, to resolve problems. These and many other problems suggest that my predecessor's assurance that issues with EPC were nearing resolution—in a June 3, 2016 letter to Senator Ron Johnson—was not accurate.

Finally, in terms of cost, the original estimate of \$19 million for implementation is proving to be far understated. I understand that over \$30 million has already been spent, and that estimates for the final total cost may be over double that amount—\$60 million or greater.

Compounding these system failures is the lack of full transparency with the Commission. On many occasions, USAC has not fully apprised the Commission about program issues that directly and

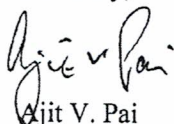
materially affect applicants, such as system outages during critical application periods. For example, on October 28, 2016, a critical invoice filing deadline, the FCC's Wireline Competition Bureau learned from E-Rate stakeholders that they could not receive an invoice deadline extension because of a design flaw in USAC's Invoice Deadline Extension Tool and that USAC's designated alternative, the "Submit a Question" tool, also didn't work. Because USAC did not notify the Commission of this issue, it fell to the Bureau to devise an impromptu solution and extend the invoice-extension deadline for E-Rate participants. Although USAC has focused a considerable amount of time and money on developing its stakeholder outreach functions, this effort has not significantly improved the experience of applicants who have been forced to deal with a multitude of filing issues, nor has it enhanced USAC's transparency with the Commission.

The current state of affairs is unacceptable. I seek your unqualified commitment that USAC will administer the E-Rate program in a manner that fully complies with Commission direction; works for applicants and participants; and promptly appraises the FCC of all relevant information concerning implementation. Specifically, I seek your commitment to implement the following directives:

- *USAC must focus on administration of E-Rate.*—USAC must ensure that it is taking all necessary measures to swiftly resolve issues that continue to plague the system. These efforts should focus first on supporting and completing the basic EPC functionality needed to ensure that applicants can apply for and receive their funds, and perform other necessary tasks, in a timely fashion. Only after these basic system issues have been resolved should USAC focus on activities ancillary to proper administration.
- *USAC must be fully transparent with and accountable to the Commission.*—It is unacceptable for Commission staff to first learn of problems from applicants rather than USAC itself. USAC must give the Commission timely and accurate information. That means USAC must be fully transparent with the Commission so that we may work together to achieve the goals of the E-Rate program.
- *USAC must identify alternative options to assist applicants even in the event of IT failures.*—USAC must work to proactively identify and implement alternative options to assist applicants when EPC fails, consistent with the program's rules. This may mean that USAC manually issues commitments, commitment adjustments, revised funding commitment decision letters, and appeals resolutions outside of the EPC system. Notably, USAC currently has a contract with SOLIX valued at \$38 million to process applicant funding applications and other application requests. SOLIX should make sure applicants receive timely assistance, even if this requires SOLIX to use manual processes. In short, USAC must be solution- and customer-service oriented no matter the IT situation.

The E-Rate program is critical to the goals of universal service—it connects students and library patrons everywhere with digital opportunity. But the program's mission can be achieved only with proper administration. The problems I've identified have persisted and have plagued schools and libraries for too long; we must solve them, and soon. Please respond to this letter with USAC's plan to address these issues by May 18, 2017. If you have any questions, please feel free to contact Nicholas Degani in my office at (202) 418-2277.

Sincerely,



Ajit V. Pai
Chairman
Federal Communications Commission