

## **Request for USAC Window Waiver**

**Proceeding:** 02-6 (In the Matter of Schools and Libraries Universal Service Support Mechanism)

**Filer (School or District):** Immaculate Conception School - Arch NY Parish

**USAC Billed Entity Number of Filer:** 9873

**Form 471 Application Number:** 191041599

**Date of Filing Form 471:** Friday, March 29, 2019

**Description:** Numerous circumstances such as major flaws with USAC's EPC Portal system and other issues prevented filers across the country from filing efficiently and timely, including:

- Excessive slowness of the EPC system, which USAC acknowledged in the email(s) attached hereto;
- USAC failed to announce the inflation adjustments for Category 2 budgets until very late in the filing cycle - in fact even after the 471 filing window opened, preventing filers from making critical application decisions affected by their budgets;

Please also note Chairman Pai's April 18, 2017, letter to Chris Henderson of USAC, describing issues and "serious flaws" with the EPC system at least as far back as a year ago. The Chairman specifically instructed USAC to "identify alternative options to assist applicants even in the event of IT failures." In our case, ongoing IT failures throughout the 2017 and 2018 funding years, and other numerous problems evident in the USAC system and structure have prevented our filing of the proper Form 471 prior to the closing of the filing window.

We filed the Form 471 identified in the heading above, on the date identified above. Due to the above problems and many others, we ask that the FCC grant a waiver of the filing window so that the school can obtain funding pursuant to this Application.

A copy of an email from USAC dated March 26, 2019 is attached. A copy of Chairman Pai's April 18, 2017, letter is also attached.



FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

OFFICE OF  
THE CHAIRMAN

April 18, 2017

Chris Henderson  
Universal Service Administrative Company  
700 12<sup>th</sup> 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

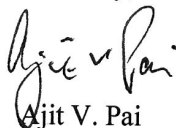
materially affect applicants, such as system outages during critical application periods. For example, on October 28, 2016, a critical invoice filing deadline, the FCC's Wireline Competition Bureau learned from E-Rate stakeholders that they could not receive an invoice deadline extension because of a 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 apprises 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

**From:** Steve Wolf (eRate) [swolf@erateprogram.com](mailto:swolf@erateprogram.com)   
**Subject:** Fwd: Catriona; A respectful request - please  
**Date:** March 29, 2019 at 1:07 PM  
**To:**  
**Bcc:** Steve Wolf [swolf@erateprogram.com](mailto:swolf@erateprogram.com)

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**From:** Catriona Ayer <[Catriona.Ayer@usac.org](mailto:Catriona.Ayer@usac.org)>  
**Sent:** Tuesday, March 26, 2019 10:14 AM  
**To:** Richard Senturia <[rsenturia@erateprogram.com](mailto:rsenturia@erateprogram.com)>  
**Cc:** Bo Hudson <[Bo.Hudson@usac.org](mailto:Bo.Hudson@usac.org)>  
**Subject:** RE: Catriona; A respectful request - please

Good morning, Richard,

We saw the decrease in responsiveness and have just taken some additional measures to help the issue. It may take a little for some in-flight processes to complete but you should see continued improvement.

I appreciate you keeping me in the loop.

Best,  
Catriona

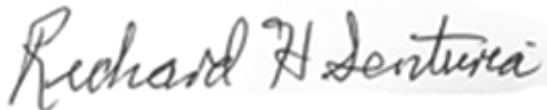
**Catriona Ayer**

(202) 263-1626 (ph) | (703) 973-7681 (cell)  
[catriona.ayer@usac.org](mailto:catriona.ayer@usac.org) | [www.usac.org](http://www.usac.org)

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**From:** Richard Senturia [<mailto:rsenturia@erateprogram.com>]  
**Sent:** Tuesday, March 26, 2019 11:07 AM  
**To:** Catriona Ayer <[Catriona.Ayer@usac.org](mailto:Catriona.Ayer@usac.org)>  
**Cc:** Bo Hudson <[Bo.Hudson@usac.org](mailto:Bo.Hudson@usac.org)>  
**Subject:** RE: Catriona; A respectful request - please

Just a note to tell you we are experiencing even slower responses today – we just spent over 45 minutes filing a form 471 with FOUR line items.



**Richard H. Senturia**  
CEO | eRate Program, LLC

**OFFICE:** (314) 282-3676  
**DIRECT:** (314) 282-3665  
**FAX:** (314) 395-5882

MOBILE: (314) 397-5230



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**From:** Catriona Ayer <[Catriona.Ayer@usac.org](mailto:Catriona.Ayer@usac.org)>  
**Sent:** Friday, March 22, 2019 2:27 PM  
**To:** Richard Senturia <[rsenturia@erateprogram.com](mailto:rsenturia@erateprogram.com)>  
**Cc:** Bo Hudson <[Bo.Hudson@usac.org](mailto:Bo.Hudson@usac.org)>  
**Subject:** RE: Catriona; A respectful request - please

Richard,

Thank you for reaching out. Can you tell us if you are currently experiencing the slowness or if this was from earlier today? We implemented a change late this morning that should have helped with system performance.

Many thanks,  
Catriona

**Catriona Ayer**

(202) 263-1626 (ph) | (703) 973-7681 (cell)  
[catriona.ayer@usac.org](mailto:catriona.ayer@usac.org) | [www.usac.org](http://www.usac.org)

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**From:** Richard Senturia [<mailto:rsenturia@erateprogram.com>]  
**Sent:** Friday, March 22, 2019 3:19 PM  
**To:** Catriona Ayer <[Catriona.Ayer@usac.org](mailto:Catriona.Ayer@usac.org)>  
**Subject:** Catriona; A respectful request - please  
**Importance:** High

Catriona;

We want to alert you to a very serious problem with the EPC portal system.

Everyone knows that 40%-50% of the total number of forms 471 are filed in the last few weeks, and we all try to have our clients "file early". We have most of our 600+ clients' forms filed, but have run into a brick wall filing for "the late people".

In previous years, we "understood" that the system would slow down a bit during the last 2 weeks, and especially the last week.

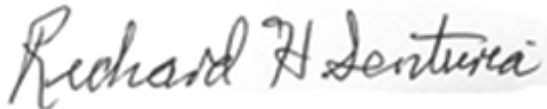
However, we have NEVER seen the incredibly slow response times that we are experiencing this week, and today is worse than ever. Perhaps the overload could be due to having so many "Other" things having to be filed through EPC?

Dick Porzel, who has filed thousands of forms 470 and 471 for over 10 years (and for whom I purchased a much stronger machine this year), just told me it took him 17 minutes to file ONE simple Category 1 FRN. He has been working over an HOUR to file that one form with 6 simple FRNs. Another form took 45 minutes for the system to "take" FOUR c2 LINE ITEMS.

We have the same problems – to a somewhat lesser extent – with the other 3 filers in our office.

We respectfully request the window be held open at least another week to compensate for the extreme slowness of the current system. Barring that, USAC should issue on Monday a notice of understanding that system delays will keep many filers from completing their 471 within the window and also issue a blanket waiver for any forms 471 filed by April 5<sup>th</sup>, or so.

Regards,



**Richard H. Senturia**

CEO | eRate Program, LLC

**OFFICE:** (314) 282-3676

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