

FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of

Request for Review of Decision of
Universal Service Administrator and
Petition for Waiver by

Arkansas Department of Information Systems

Schools and Libraries Universal Service
Support Mechanism

CC Docket No. 02-6

File Nos. 161060938, 161061000

To: Federal Communications Commission

ARKANSAS DEPARTMENT OF INFORMATION SYSTEMS
REQUEST FOR REVIEW AND PETITION FOR WAIVER

The Arkansas Department of Information Systems (“ADIS”),¹ pursuant to Section 54.719(b) of the Federal Communications Commission’s (“FCC”) rules,² hereby requests review of the action taken by the Universal Service Administrative Company (“USAC”) with respect to the Funding Request Numbers (“FRNs”) in the above-captioned applications.³

As discussed in more detail below, ADIS applied for and USAC committed funding for E-rate eligible services. ADIS timely invoiced USAC for the requested services prior to the established deadline. While the invoices were pending with USAC, however, the last date to invoice was changed to more than a year earlier than the original deadline, and nearly eight months before ADIS submitted the invoices. Consequently, USAC denied reimbursement for the affected funding requests.

¹ Billed Entity Number 157107.

² See 47 C.F.R. § 54.719(b) (permitting parties aggrieved by an action taken by the Administrator, after seeking review from the Administrator, to seek review from the Commission).

³ The affected FRNs are (1) FRN 1699143033 (FCC Form 471 Application Number 161060938) and (2) FRN 1699142950 (FCC Form 471 Application Number 161061000).

ADIS filed an appeal with the Administrator, seeking additional time to resubmit the invoices. It explained that the invoices were filed prior to the original deadline and that the issue appeared to be the result of a data error in USAC's system. USAC nevertheless denied the appeal.

ADIS respectfully requests that the Commission expeditiously (1) reverse USAC's decision on appeal, (2) direct USAC to extend the invoice deadline for the funding requests at issue, allowing ADIS to resubmit the timely filed FCC Forms 472, and (3) to the extent necessary, waive Section 54.514(a)⁴ and any other of the Commission's rules as are necessary to grant the relief requested. Given the facts and special circumstances of this case, together with ADIS' demonstrated compliance with program rules and deadlines, there are ample grounds to grant the requested waiver.

I. BACKGROUND

On July 21, 2016, ADIS filed and certified two funding year 2016 FCC Forms 471, requesting E-rate discounts for Category One services.⁵ Each application included a funding request for internet access. Together, the eligible pre-discount amount for the funding requests totaled \$215,916.00. On August 8, 2017, USAC issued Funding Commitment Decision Letters, approving the applications and funding requests as submitted.

USAC set the last date to invoice for the requested services to January 28, 2019, and USAC's FRN Status Tool indicated that the deadline was January 28, 2019. On June 8, 2018, nearly eight months before the USAC-established deadline, ADIS submitted two FCC Forms 472 ("BEAR" forms), requesting reimbursement for the two internet funding requests.⁶

⁴ 47 C.F.R. §54.514(a) (requiring applicants seeking to receive discounts for eligible services to submit invoices to the Administrator within 120 days after the last day to receive service or 120 days after the date of the FCC Form 486 Notification Letter).

⁵ FCC Form 471 Application Numbers 161060938 and 161061000.

⁶ FCC Form 472 Invoice Numbers 2818725 and 2818722. Certified copies of the forms are attached at Exhibit A.

On June 11, 2018, ADIS received notification that USAC was conducting an invoice review. USAC requested additional information and documentation, and ADIS provided the requested service certifications, calculation sheets, and service provider invoices.

On June 26, 2018, after ADIS filed the BEAR forms but while the invoices were pending with USAC, the last date to invoice displayed in USAC's FRN Status Tool was changed from January 28, 2019 to October 30, 2017. There was no explanation provided or additional correspondence received. And though the invoices were subject to an ongoing review, USAC mentioned neither the last date to invoice nor the fact that the deadline had passed.

Without further communication with USAC or its reviewer, on July 9, 2018, ADIS received Form 472 (BEAR) Notification Letters informing it that USAC had denied reimbursement for ADIS's internet funding requests. The accompanying explanation in the decision letter stated, "Multiple Issues – see reviewer's email."⁷

Because ADIS was able to determine that the deadline had changed on June 26, 2018, after the invoices were submitted, it was apparent that issue was due to a data or system error in USAC's FRN Status Tool. ADIS filed an appeal with the Administrator on August 28, 2018. It explained that the invoices were filed prior to the original deadline and requested an extension in order to resubmit the invoices.

On October 2, 2018, USAC denied the appeal. The following explanation was provided in the decision letter:

Invoices must be postmarked no later than 120 days after the last date to receive service, or 120 days after the date of the Form 486 Notification Letter, whichever is later. You did not demonstrate otherwise in your appeal. Therefore, your appeal is denied.⁸

To date, USAC has not provided ADIS an explanation as to why the invoice deadline was changed.

⁷ FCC Form 472 (BEAR) Notification Letters, attached as Exhibit B.

⁸ Revised Funding Commitment Decision Letter, attached as Exhibit C.

II. ARGUMENT

A. The Last Date to Invoice Was Retroactively Changed Due to a USAC Error

The original last date to invoice displayed in USAC's FRN Status Tool was January 28, 2019. ADIS filed the invoices at issue on June 8, 2018, well before the deadline. While the invoices were pending with USAC, the last date to invoice was changed to October 30, 2017. ADIS, therefore, could not possibly have submitted the invoices prior to the "new" deadline.

ADIS has thus far been unable to determine *why* the invoice deadline was retroactively changed, and USAC has not offered an explanation. It is clear, however, that USAC's own FRN Status Tool initially indicated that the last date to invoice was January 28, 2019. Because the last date to invoice was changed on June 26, 2018, *after* ADIS had submitted the invoices and while pending with USAC, the change appears to be the result of USAC system error. When the change occurred, USAC was also conducting a review of the invoices; yet USAC never mentioned that the deadline had passed.

It is important to note that ADIS did not request a one-time invoice extension because there was no apparent reason to request additional time. The invoices were properly filed with USAC prior to the original last date to invoice. Although Commission rules permit applicants to request a one-time, 120-day extension, without reason to believe an extension would be necessary, ADIS did not request one. It too is important to note that the Form 486 Notification Letter was received on October 26, 2017. Because the invoices at issue were filed on June 6, 2018, the invoices would have been filed timely and within the allowable 120-day extension period, had the data been correct and ADIS aware that an extension was necessary.

B. USAC Should Not Penalize Applicants Based on Incorrect Data in USAC's Own System

USAC should not penalize applicants who rely on data in USAC's system. ADIS assumed, to its detriment, that the data and information displayed on USAC's website was correct. USAC's FRN Status Tool indicated that the last date to invoice was January 28, 2019, making ADIS's invoices timely filed. The data was subsequently changed to reflect a different date, more than 8 months before the invoices

were even filed. If the data on which applicants rely is incorrect and subject to change, where are applicants to look to obtain this critical information?

The Commission has made clear that it is incumbent on applicants to comply with program rules, requirements, and deadlines. According to the Commission, “even where a party receives erroneous advice from USAC, the government is not estopped from enforcing its rules in a manner that is inconsistent with the advice . . . particularly when relief is contrary to a rule.”⁹ In this case, however, ADIS did not merely rely on the advice of USAC or its employee. Instead, it relied on data posted in USAC’s official FRN Status Tool specifying the date by which invoices must be submitted. It is fundamentally unfair to deny reimbursement of committed funds in this case, particularly when USAC’s decision is based on an error with USAC’s data or its system.

C. If Deemed Necessary, a Waiver of the Commission’s Rules is Appropriate

ADIS maintains that it complied with all program rules and properly submitted the invoices at issue prior to the established deadline. Yet, if the Commission deems it necessary to grant the requested relief, a waiver of Section 54.514(a) and such other Commission rules as are necessary is appropriate.

The Commission, in its *Modernization Order*, determined that it is generally not in the public interest to waive its invoicing rules, and directed the Wireline Competition Bureau to grant such waivers only in extraordinary circumstances.¹⁰ While the standard is appropriately difficult to meet, the facts and circumstances in this case warrant the requested waiver. ADIS adhered to all program rules and deadlines and yet was denied reimbursement because the last date to invoice was changed to more than a year before the original deadline, retroactively and without explanation.

⁹ *Review of the Decision of the Universal Service Administrator by Davis School District, Schools and Libraries Universal Service Support Mechanism et al.*, CC Docket No. 02-6, Order, 17 FCC Rcd 6491, 6493, para. 8 (Wireline Comp. Bur. 2006).

¹⁰ *Modernizing the E-rate Program for Schools and Libraries*, WC Docket No. 13-184, Report and Order and Further Notice of Proposed Rulemaking, 29 FCC Rcd 8870 (2014).

USAC's error in this case will have severe ramifications if the requested relief is not granted. If USAC's decision stands, the result will be a loss of \$172,732.00 in already committed, much needed funding. Such a result would be inexplicable. To avoid the harsh result that would accompany USAC's error and its subsequent decision, and in the interest of fairness and program consistency, the Commission should therefore grant the requested waiver.

III. RELIEF SOUGHT

For the foregoing reasons, ADIS requests that the Commission (1) reverse USAC's decision on appeal, (2) direct USAC to extend the invoice deadline for the funding requests at issue, and (3) to the extent necessary, waive Sections 54.514(a)¹¹ and any other of the Commission's rules as are necessary to grant the relief requested.

Respectfully submitted *on behalf of*
Arkansas Department of Information Systems



Don McDaniel
Division Director – Enterprise Network Services

Arkansas Department of Information Systems
1 Capitol Mall
P.O. Box 3155
Little Rock, AR 72203
don.mcdaniel@arkansas.gov

November 30, 2018

¹¹ 47 C.F.R. §54.514(a) (requiring applicants seeking to receive discounts for eligible services to submit invoices to the Administrator within 120 days after the last day to receive service or 120 days after the date of the FCC Form 486 Notification Letter).

Exhibit A

Universal Service for Schools and Libraries

Please read instructions before completing.

(To be completed by schools, libraries, or consortia.)

BILLED ENTITY APPLICANT REIMBURSEMENT FORM

For reimbursement of discounts on approved services already paid for by the Billed Entity Applicant.
Only one Service Provider Identification Number (SPIN) per form.
Must be completed and signed by the Billed Entity Applicant.

Persons willfully making false statements on this form can be punished by fine or forfeiture, under the Communications Act, 47 U.S.C. Secs. 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. Sec. 1001.

FCC NOTICE FOR INDIVIDUALS REQUIRED BY THE PRIVACY ACT AND THE PAPERWORK REDUCTION ACT

Part 54 of the Commission's Rules authorizes the FCC to collect the information on this form. Failure to provide all requested information will delay the processing of the application or result in the application being returned without action. Information requested by this form will be available for public inspection. Your response is required to obtain the requested authorization.

The public reporting for this collection of information is estimated to range from 1 to 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the required data, and completing and reviewing the collection of information. If you have any comments on this burden estimate, or how we can improve the collection and reduce the burden it causes you, please write to the Federal Communications Commission, AMD-PERM, Paperwork Reduction Act Project (3060-0856), Washington, DC 20554. We will also accept your comments regarding the Paperwork Reduction Act aspects of this collection via the Internet if you send them to PRA@fcc.gov. PLEASE DO NOT SEND YOUR RESPONSE TO THIS FORM TO THIS ADDRESS.

Remember - You are not required to respond to a collection of information sponsored by the Federal government, and the government may not conduct or sponsor this collection, unless it displays a currently valid OMB control number or if we fail to provide you with this notice. This collection has been assigned an OMB control number of 3060-0856.

THE FOREGOING NOTICE IS REQUIRED BY THE PRIVACY ACT OF 1974, PUBLIC LAW 93-579, DECEMBER 31, 1974, 5 U.S.C. 552a(e)(3) AND THE PAPERWORK REDUCTION ACT OF 1995, PUBLIC LAW 104-13, OCTOBER 1, 1995, 44 U.S.C. SECTION 3507.

Applicant Form Identifier (Create an identifier for your own reference) AK16-47253-Cleveland-3033	FCC Form 472 Invoice # (To be inserted by administrator) 2818725
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BLOCK 1: HEADER INFORMATION	
1. Billed Entity Name	DIS STATE OF ARKANSAS
2. Billed Entity Number	157107
3. Service Provider Identification Number (SPIN)	143002260
Applicant FCC Form 498 ID	443005719
4. Contact Name	Don McDaniel
5. Contact Telephone Number	501- 6825027 ext
6. Total Reimbursement Amount (total from Block 2, Column 14)	\$27,076.72

Billed Entity Applicant Reimbursement Form

For reimbursement of discounts on approved services already paid for by the Billed Entity Applicant.

Billed Entity Name DIS STATE OF ARKANSAS Billed Entity Number 157107Contact Name Don McDaniel Contact Telephone Number 501-6825027Applicant Form Identifier AK16-47253-Cleveland-3033**BLOCK 2: LINE ITEM INFORMATION PER FUNDING REQUEST NUMBER**

	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	FCC Form 471 Application Number (from Funding Commitment Decision Letter)	Funding Request Number (FRN) (from Funding Commitment Decision Letter)	Bill Frequency	Customer Billed Date (mm/yyyy)	Shipping Date to Customer or Last Day of Work Performed (mm/dd/yyyy)	Total (Undiscounted) Amount for Service	Discount Rate	Amount Billed to USAC (Column 12 multiplied by Column 13)
			DO NOT WRITE IN THIS COLUMN.	For each FRN, complete either Column (10) or Column (11), but not both Columns				
1	161060938	1699143033	ANNUALLY	1/1/2017		\$33,845.90	80.00	\$27,076.72
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
TOTAL REIMBURSEMENT AMOUNT TO BE ENTERED INTO ITEM (6)								\$27,076.72

BILLED ENTITY APPLICANT Reimbursement Form

Billed Entity Name DIS STATE OF ARKANSAS

Billed Entity Number 157107

Contact Name Don McDaniel

Applicant Form Identifier AK16-47253-Cleveland-3033

Block 3: Billed Entity Certification

I declare under penalty of perjury that the foregoing is true and correct and that I am authorized to submit this Billed Entity Applicant Reimbursement Form on behalf of the eligible schools, libraries, or consortia of those entities represented on this Form, and I certify to the best of my knowledge, information and belief, as follows:

- A. The discount amounts listed in this Billed Entity Applicant Reimbursement Form represent charges for eligible services and/or equipment delivered to and used by eligible schools, libraries, or consortia of those entities for educational purposes, on or after the service start date reported on the associated FCC Form 486.
- B. The discount amounts listed in this Billed Entity Applicant Reimbursement Form were already billed by the Service Provider and paid for by the Billed Entity Applicant on behalf of eligible schools, libraries, and consortia of those entities.
- C. The discount amounts listed in this Billed Entity Applicant Reimbursement Form are for eligible services and/or equipment approved by the Fund Administrator pursuant to a Funding Commitment Decision Letter (FCDL).
- D. I acknowledge that I may be audited pursuant to this application and will retain for at least 10 years (or whatever retention period is required by the rules in effect at the time of this certification), after the latter of the last day of the applicable funding year or the service delivery deadline for the funding request any and all records that I rely upon to complete this form.
- E. I certify that, in addition to the foregoing, this Billed Entity Applicant is in compliance with the rules and orders governing the schools and libraries universal service support program, and I acknowledge that failure to be in compliance and remain in compliance with those rules and orders may result in the denial of discount funding and/or cancellation of funding commitments. I acknowledge that failure to comply with the rules and orders governing the schools and libraries universal service support program could result in civil or criminal prosecution by law enforcement authorities.

15. Signature of authorized person Signed electronically by DON MCDANIEL

16. Date 6/8/2018

17. Printed name of authorized person DON MCDANIEL

18. Title or position of authorized person Div. Dir. Enterprise Network Services

19. Telephone number of authorized person 501- 6825027

20. Address of authorized person Box 3155, Little Rock AR 72201

Universal Service for Schools and Libraries

Please read instructions before completing.

(To be completed by schools, libraries, or consortia.)

BILLED ENTITY APPLICANT REIMBURSEMENT FORM

For reimbursement of discounts on approved services already paid for by the Billed Entity Applicant.
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Applicant Form Identifier (Create an identifier for your own reference) AK16-47250-CentryInk-2950	FCC Form 472 Invoice # (To be inserted by administrator) 2818722
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BLOCK 1: HEADER INFORMATION	
1. Billed Entity Name	DIS STATE OF ARKANSAS
2. Billed Entity Number	157107
3. Service Provider Identification Number (SPIN)	143001157
Applicant FCC Form 498 ID	443005719
4. Contact Name	Don McDaniel
5. Contact Telephone Number	501- 6825027 ext
6. Total Reimbursement Amount (total from Block 2, Column 14)	\$131,498.66

Billed Entity Applicant Reimbursement Form

For reimbursement of discounts on approved services already paid for by the Billed Entity Applicant.

Billed Entity Name DIS STATE OF ARKANSAS Billed Entity Number 157107

Contact Name Don McDaniel Contact Telephone Number 501-6825027

Applicant Form Identifier AK16-47250-Centrylnk-2950

BLOCK 2: LINE ITEM INFORMATION PER FUNDING REQUEST NUMBER

	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	FCC Form 471 Application Number (from Funding Commitment Decision Letter)	Funding Request Number (FRN) (from Funding Commitment Decision Letter)	Bill Frequency	Customer Billed Date (mm/yyyy)	Shipping Date to Customer or Last Day of Work Performed (mm/dd/yyyy)	Total (Undiscounted) Amount for Service	Discount Rate	Amount Billed to USAC (Column 12 multiplied by Column 13)
			DO NOT WRITE IN THIS COLUMN.	For each FRN, complete either Column (10) or Column (11), but not both Columns				
1	161061000	1699142950	ANNUALLY	2/1/2017		\$164,373.33	80.00	\$131,498.66
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
TOTAL REIMBURSEMENT AMOUNT TO BE ENTERED INTO ITEM (6)								\$131,498.66

BILLED ENTITY APPLICANT Reimbursement Form

Billed Entity Name DIS STATE OF ARKANSAS

Billed Entity Number 157107

Contact Name Don McDaniel

Applicant Form Identifier AK16-47250-Centrylnk-2950

Block 3: Billed Entity Certification

I declare under penalty of perjury that the foregoing is true and correct and that I am authorized to submit this Billed Entity Applicant Reimbursement Form on behalf of the eligible schools, libraries, or consortia of those entities represented on this Form, and I certify to the best of my knowledge, information and belief, as follows:

- A. The discount amounts listed in this Billed Entity Applicant Reimbursement Form represent charges for eligible services and/or equipment delivered to and used by eligible schools, libraries, or consortia of those entities for educational purposes, on or after the service start date reported on the associated FCC Form 486.
- B. The discount amounts listed in this Billed Entity Applicant Reimbursement Form were already billed by the Service Provider and paid for by the Billed Entity Applicant on behalf of eligible schools, libraries, and consortia of those entities.
- C. The discount amounts listed in this Billed Entity Applicant Reimbursement Form are for eligible services and/or equipment approved by the Fund Administrator pursuant to a Funding Commitment Decision Letter (FCDL).
- D. I acknowledge that I may be audited pursuant to this application and will retain for at least 10 years (or whatever retention period is required by the rules in effect at the time of this certification), after the latter of the last day of the applicable funding year or the service delivery deadline for the funding request any and all records that I rely upon to complete this form.
- E. I certify that, in addition to the foregoing, this Billed Entity Applicant is in compliance with the rules and orders governing the schools and libraries universal service support program, and I acknowledge that failure to be in compliance and remain in compliance with those rules and orders may result in the denial of discount funding and/or cancellation of funding commitments. I acknowledge that failure to comply with the rules and orders governing the schools and libraries universal service support program could result in civil or criminal prosecution by law enforcement authorities.

15. Signature of authorized person Signed electronically by DON MCDANIEL

16. Date 6/8/2018

17. Printed name of authorized person DON MCDANIEL

18. Title or position of authorized person Div. Dir. Enterprise Network Services

19. Telephone number of authorized person 501- 6825027

20. Address of authorized person Box 3155, Little Rock AR 72201

Exhibit B

Form 472 (BEAR) Notification Letter

July 9, 2018

Walter Mitchell
Cleveland County Telephone Company, Inc.
PO BOX 549
816 ONEIDA ST
SENECA, MO 64865

Re: Invoice Number - as assigned by USAC: 2818725
Service Provider Identification Number: 143002260
Reimbursement Form Number: AK16-47253-Cleveland-3033
Billed Entity Number: 157107

McDaniel Don
DIS STATE OF ARKANSAS
1 CAPITOL MALL
P.O. BOX 3155
LITTLE ROCK, AR 72203

Preferred Mode of Contact: E-mail at don.mcdaniel@arkansas.gov
Total Amount of Reimbursement Approved for Payment: \$0.00

This letter is your notification that the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC) has processed an FCC Form 472, "Billed Entity Applicant Reimbursement (BEAR)" Form from the above named applicant listing you as the service provider. USAC has committed to reimburse the discounted portion of the cost of eligible services provided to eligible entities pursuant to one or more FCC Forms 471, "Description of Services Ordered and Certification Form".

In certain instances, a line may not have been paid. Review the BEAR Letter Applicant Reimbursement Report (Report) following this letter for the reason(s) this may have occurred. For more information about lines that have not been paid, see the explanation of Invoice Error Codes in Step 9 on our website. Work with the applicant (your customer) to correct any errors. Once corrected, your customer may submit a new BEAR using the BEAR Online tool from the Apply Online area or Required Forms section of our website to request reimbursement for any unpaid lines.

If a new BEAR cannot be submitted before the invoice deadline passes, you or your customer may submit a request for a deadline extension. (See "Invoice Deadlines and Extension Requests" posted in the SLD section of our website for more information.)

TO APPEAL THIS DECISION:

If you wish to appeal a decision in this letter to USAC, your appeal must be received by USAC or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and email address for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Include the following to identify the USAC decision letter (e.g., FCDL) and the decision you are appealing:
 - Appellant name,
 - Applicant name and service provider name, if different from appellant,
 - Applicant BEN and Service Provider Identification Number (SPIN), - FCC Form 471 Application Number and the Funding Request Number (FRN) or Numbers as assigned by USAC,
 - "Funding Commitment Decision Letter for Funding Year 2015," AND
 - The exact text or the decision that you are appealing.
3. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep a copy of your entire appeal, including any correspondence and documentation.
4. If you are the applicant, please provide a copy of your appeal to the service provider(s) affected by USAC's decision. If you are the service provider, please provide a copy of your appeal to the applicant(s) affected by USAC's decision.
5. Provide an authorized signature on your letter of appeal.

We strongly recommend that you use one of the electronic filing options. To submit your appeal to USAC by email, email your appeal to appeals@sl.universalservice.org or submit your appeal electronically by using the "Submit a Question" feature on the USAC website. USAC will automatically reply to incoming emails to confirm receipt.

To submit your appeal to USAC by fax, fax your appeal to (973) 599-6542. To submit your appeal to USAC on paper, send your appeal to:

Letter of Appeal
Schools and Libraries Division - Correspondence Unit
30 Lanidex Plaza West
PO Box 685
Parsippany, NJ 07054-0685

For more information on submitting an appeal to USAC, please see "Appeals" in the Schools and Libraries section of the USAC website.

The maximum remaining amount available for each Funding Request Number (FRN) listed on the Report will be the original commitment less the amount approved herein for reimbursement and less any earlier disbursements to your customer.

PLEASE NOTE: The type of invoice form (BEAR or SPI) for the funding year is established by the receipt and approval of the first invoice submitted for the FRN for the funding year. For example, if we successfully process a BEAR for an FRN, we will not approve a SPI for that same FRN at a later time.

Please see the Guide to Letter Reports posted on our website for an explanation of the items listed in the attached Report.

COMPLETE PROGRAM INFORMATION is posted on our website. You may also contact our Client

Service Bureau using the "Submit a Question" link on our website, toll-free by fax at 1-888-276-8736 or toll-free by phone at 1-888-203-8100.

Schools and Libraries Division
Universal Service Administrative Company

CC: DIS STATE OF ARKANSAS

BEAR NOTIFICATION LETTER APPLICANT REIMBURSEMENT REPORT

Form 471 Application Number: 161060938

Funding Request Number: 1699143033

Funding Year 2016: 07/01/2016 - 06/30/2017

Contract Number: SP-16-0205

Funding Commitment Decision: \$58032.00

Reimbursement Amount for this FRN: \$0.00

Reimbursement Request Decision Explanation:

Multiple Issues - see reviewer's email;



Schools and Libraries Division Correspondence Unit
30 Lanidex Plaza West
PO Box 685 Parsippany, NJ 07054-0685

TIME SENSITIVE MATERIAL

McDaniel Don
DIS STATE OF ARKANSAS
1 CAPITOL MALL
P.O. BOX 3155
LITTLE ROCK, AR 72203



Form 472 (BEAR) Notification Letter

July 9, 2018

Katie Bostick
CenturyLink Qwest Communications Company, LLC
100 CenturyLink Drive
Monroe, LA 71203

Re: Invoice Number - as assigned by USAC: 2818722
Service Provider Identification Number: 143001157
Reimbursement Form Number: AK16-47250-Centrylnk-2950
Billed Entity Number: 157107

McDaniel Don
DIS STATE OF ARKANSAS
1 CAPITOL MALL
P.O. BOX 3155
LITTLE ROCK, AR 72203

Preferred Mode of Contact: E-mail at don.mcdaniel@arkansas.gov
Total Amount of Reimbursement Approved for Payment: \$0.00

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In certain instances, a line may not have been paid. Review the BEAR Letter Applicant Reimbursement Report (Report) following this letter for the reason(s) this may have occurred. For more information about lines that have not been paid, see the explanation of Invoice Error Codes in Step 9 on our website. Work with the applicant (your customer) to correct any errors. Once corrected, your customer may submit a new BEAR using the BEAR Online tool from the Apply Online area or Required Forms section of our website to request reimbursement for any unpaid lines.

If a new BEAR cannot be submitted before the invoice deadline passes, you or your customer may submit a request for a deadline extension. (See "Invoice Deadlines and Extension Requests" posted in the SLD section of our website for more information.)

TO APPEAL THIS DECISION:

If you wish to appeal a decision in this letter to USAC, your appeal must be received

by USAC or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and email address for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Include the following to identify the USAC decision letter (e.g., FCDL) and the decision you are appealing:
 - Appellant name,
 - Applicant name and service provider name, if different from appellant,
 - Applicant BEN and Service Provider Identification Number (SPIN), - FCC Form 471 Application Number and the Funding Request Number (FRN) or Numbers as assigned by USAC,
 - "Funding Commitment Decision Letter for Funding Year 2015," AND
 - The exact text or the decision that you are appealing.
3. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep a copy of your entire appeal, including any correspondence and documentation.
4. If you are the applicant, please provide a copy of your appeal to the service provider(s) affected by USAC's decision. If you are the service provider, please provide a copy of your appeal to the applicant(s) affected by USAC's decision.
5. Provide an authorized signature on your letter of appeal.

We strongly recommend that you use one of the electronic filing options. To submit your appeal to USAC by email, email your appeal to appeals@sl.universalservice.org or submit your appeal electronically by using the "Submit a Question" feature on the USAC website. USAC will automatically reply to incoming emails to confirm receipt.

To submit your appeal to USAC by fax, fax your appeal to (973) 599-6542. To submit your appeal to USAC on paper, send your appeal to:

Letter of Appeal
Schools and Libraries Division - Correspondence Unit
30 Lanidex Plaza West
PO Box 685
Parsippany, NJ 07054-0685

For more information on submitting an appeal to USAC, please see "Appeals" in the Schools and Libraries section of the USAC website.

The maximum remaining amount available for each Funding Request Number (FRN) listed on the Report will be the original commitment less the amount approved herein for reimbursement and less any earlier disbursements to your customer.

PLEASE NOTE: The type of invoice form (BEAR or SPI) for the funding year is established by the receipt and approval of the first invoice submitted for the FRN for the funding year. For example, if we successfully process a BEAR for an FRN, we will not approve a SPI for that same FRN at a later time.

Please see the Guide to Letter Reports posted on our website for an explanation of the

items listed in the attached Report.

COMPLETE PROGRAM INFORMATION is posted on our website. You may also contact our Client

Service Bureau using the "Submit a Question" link on our website, toll-free by fax at 1-888-276-8736 or toll-free by phone at 1-888-203-8100.

Schools and Libraries Division
Universal Service Administrative Company

CC: DIS STATE OF ARKANSAS

BEAR NOTIFICATION LETTER APPLICANT REIMBURSEMENT REPORT

Form 471 Application Number: 161061000

Funding Request Number: 1699142950

Funding Year 2016: 07/01/2016 - 06/30/2017

Contract Number: SP-16-0205

Funding Commitment Decision: \$114700.80

Reimbursement Amount for this FRN: \$0.00

Reimbursement Request Decision Explanation:

Multiple Issues - see reviewer's email;



Schools and Libraries Division Correspondence Unit
30 Lanidex Plaza West
PO Box 685 Parsippany, NJ 07054-0685

TIME SENSITIVE MATERIAL
McDaniel Don
DIS STATE OF ARKANSAS
1 CAPITOL MALL
P.O. BOX 3155
LITTLE ROCK, AR 72203

Exhibit C

Revised Funding Commitment Decision Letter

Funding Year 2016

Contact Information:

Don McDaniel
DIS STATE OF ARKANSAS
1 CAPITOL MALL
P.O. BOX 3155
LITTLE ROCK, AR 72203
don.mcdaniel@arkansas.gov

BEN: 157107**Post Commitment Wave:** 62

Totals

Original Commitment Amount	\$58,032.00
Revised Commitment Amount	\$58,032.00

What is in this letter?

Thank you for submitting your post-commitment request for Funding Year 2016 Schools and Libraries Program (E-rate) funding. Attached to this letter, you will find the revised funding statuses and/or post commitment changes to the original Funding Commitment Decision Letter (FCDL) you received. Below are the changes that were made:

- Appeals

The Universal Service Administrative Company (USAC) is providing this information to both the applicant(s) and the service provider(s) so that all parties are aware of the post-commitment changes related to their funding requests and can work together to complete the funding process for these requests.

Next Steps

1. **File the FCC Form 486**, Service Confirmation and Children's Internet Protection Act (CIPA) Certification Form, for any FRNs included in this RFCDL, if you have not already done so. Please review the CIPA requirements and file the form(s).



BEN Name: DIS STATE OF ARKANSAS

BEN: 157107

Post Commitment Wave: 62

- o **If USAC approved funding on an FRN in your original FCDL**, the deadline to submit the FCC Form 486 is 120 days from the date of the original FCDL or from the service start date (whichever is later).
 - o **If a new FRN was created for this RFCDL or funding was not approved on an FRN in your original FCDL but is approved in this RFCDL**, the deadline to submit the FCC Form 486 is 120 days from the date of this RFCDL or from the service start date (whichever is later).
2. **Invoice USAC**, if you or your service provider have not already done so. Work with your service provider(s) to determine if your bills will be discounted or if you will request reimbursement from USAC after paying your bills in full.
- **If you (the applicant) are invoicing USAC:** You must pay your service provider(s) the full cost for the services you receive and file the [FCC Form 472](#), the Billed Entity Applicant Reimbursement (BEAR) Form, to invoice USAC for reimbursement of the discounted amount.
 - **If your service provider(s) is invoicing USAC:** The service provider(s) must provide services, bill the applicant for the non-discounted share, and file the [FCC Form 474](#), the Service Provider Invoice (SPI) form, to invoice USAC for reimbursement for the discounted portion of costs. Every funding year, service providers must file an [FCC Form 473](#), the Service Provider Annual Certification Form, to be able to submit invoices and to receive disbursements.
 - **To receive an invoice deadline extension, the applicant or service provider** must request an extension on or before the last date to invoice. **If you anticipate, for any reason, that invoices cannot be filed on time**, USAC will grant a one-time, 120-day invoice deadline extension if timely requested.

How to Appeal or Request a Waiver of a Decision

You can appeal or request a waiver of a decision in this letter **within 60 calendar days** of the date of this letter. Failure to meet this deadline will result in an automatic dismissal of your appeal or waiver request.

Note: The Federal Communications Commission (FCC) will not accept appeals of USAC decisions that have not first been appealed to USAC. However, if you are seeking a waiver of E-rate program rules, you must submit your request to the FCC and not to USAC. USAC is not able to waive the E-rate program rules.

- **To submit your appeal to USAC**, visit the Appeals section in the [E-rate Productivity Center \(EPC\)](#) and provide the required information. USAC will reply to your appeal submissions to confirm receipt. Visit USAC's [website](#) for additional information on submitting an appeal to USAC, including step-by-step instructions.
- **To request a waiver of the FCC's rules or appeal USAC's appeal decision**, please submit it to the FCC in proceeding number CC Docket No. 02-6 using the [Electronic Comment Filing System](#) (ECFS). Include your contact information, a statement that your filing is a waiver request,



BEN Name: DIS STATE OF ARKANSAS

BEN: 157107

Post Commitment Wave: 62

identifying information, the FCC rule(s) for which you are seeking a waiver, a full description of the relevant facts that you believe support your waiver request and any related relief, and any supporting documentation.

For appeals to USAC or to the FCC, be sure to keep a copy of your entire appeal, including any correspondence and documentation, and provide a copy to the affected service provider(s).

Obligation to Pay Non-Discount Portion

Applicants are required to pay the non-discount portion of the cost of the eligible products and/or services to their service providers. Service providers are required to bill applicants for the non-discount portion of costs for the eligible products and/or services. The FCC stated that requiring applicants to pay the non-discounted share of costs ensures efficiency and accountability in the program. If using the BEAR invoicing method, the applicant must pay the service provider in full (the non-discount plus discount portion) **before** seeking reimbursement from USAC. If using the SPI invoicing method, the service provider must first bill the applicant **before** invoicing USAC.

Notice on Rules and Funds Availability

The applicants' receipt of funding commitments is contingent on their compliance with all statutory, regulatory, and procedural requirements of the Schools and Libraries Program and the FCC's rules. Applicants who have received funding commitments continue to be subject to audits and other reviews that USAC and/or the FCC may undertake periodically to assure that funds that have been committed are being used in accordance with such requirements. USAC may be required to reduce or cancel funding commitments that were not issued in accordance with such requirements, whether due to action or inaction, including but not limited to that by USAC, the applicant, or the service provider. USAC, and other appropriate authorities (including but not limited to the FCC), may pursue enforcement actions and other means of recourse to collect improperly disbursed funds.



BEN Name: DIS STATE OF ARKANSAS

BEN: 157107

Post Commitment Wave: 62

Revised Funding Commitment Decision Overview

Funding Year 2016

Funding Request Number (FRN)	Service Provider Name	Request Type	Revised Committed	Review Status
1699143033	Cleveland County Telephone Company, Inc.	Appeals	\$58,032.00	Denied



BEN Name: DIS STATE OF ARKANSAS

BEN: 157107

Post Commitment Wave: 62

Post Commitment Request Number: 121136	Post Commitment Request Type: Appeals	Post Commitment Decision: Denied
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FRN: 1699143033	Service Type: Data Transmission and/or Internet Access	Original Status: Funded	Revised Status: Funded
FCC Form 471: 161060938			

Dollars Committed			
Monthly Cost		One-Time Cost	
Months of Service	12		
Total Eligible Recurring Charges	\$72,540.00	Total Eligible One Time Charges	\$0.00
Total Pre-Discount Charges		\$72,540.00	
Discount Rate		80.00%	
Revised Committed Amount		\$58,032.00	

Dates	
Service Start Date	7/15/2016
Contract Expiration Date	6/30/2021
Contract Award Date	7/15/2016
Service Delivery Deadline	6/30/2017
Expiration Date (All Extensions)	

Service Provider and Contract Information	
Service Provider	Cleveland County Telephone Company, Inc.
SPIN (498ID)	143002260
Contract Number	SP-16-0205
Account Number	
Establishing FCC Form 470	160032706

Consultant Information	
Consultant Name	
Consultant's Employer	
CRN	

Revised Funding Commitment Decision Comments:
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Post Commitment Rationale:

Invoices must be postmarked no later than 120 days after the last date to receive service, or 120 days after the date of the Form 486 Notification Letter, whichever is later. You did not demonstrate otherwise in your appeal. Therefore, your appeal is denied.

Revised Funding Commitment Decision Letter

Funding Year 2016

Contact Information:

Don McDaniel
DIS STATE OF ARKANSAS
1 CAPITOL MALL
P.O. BOX 3155
LITTLE ROCK, AR 72203
don.mcdaniel@arkansas.gov

BEN: 157107**Post Commitment Wave:** 62

Totals

Original Commitment Amount	\$114,700.80
Revised Commitment Amount	\$114,700.80

What is in this letter?

Thank you for submitting your post-commitment request for Funding Year 2016 Schools and Libraries Program (E-rate) funding. Attached to this letter, you will find the revised funding statuses and/or post commitment changes to the original Funding Commitment Decision Letter (FCDL) you received. Below are the changes that were made:

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BEN Name: DIS STATE OF ARKANSAS

BEN: 157107

Post Commitment Wave: 62

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BEN Name: DIS STATE OF ARKANSAS

BEN: 157107

Post Commitment Wave: 62

identifying information, the FCC rule(s) for which you are seeking a waiver, a full description of the relevant facts that you believe support your waiver request and any related relief, and any supporting documentation.

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BEN Name: DIS STATE OF ARKANSAS

BEN: 157107

Post Commitment Wave: 62

Revised Funding Commitment Decision Overview

Funding Year 2016

Funding Request Number (FRN)	Service Provider Name	Request Type	Revised Committed	Review Status
1699142950	CenturyLink Qwest Communications Company, LLC	Appeals	\$114,700.80	Denied



BEN Name: DIS STATE OF ARKANSAS

BEN: 157107

Post Commitment Wave: 62

Post Commitment Request Number: 121134	Post Commitment Request Type: Appeals	Post Commitment Decision: Denied
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FRN: 1699142950	Service Type: Data Transmission and/or Internet Access	Original Status: Funded	Revised Status: Funded
FCC Form 471: 161061000			

Dollars Committed			
Monthly Cost		One-Time Cost	
Months of Service	12		
Total Eligible Recurring Charges	\$143,376.00	Total Eligible One Time Charges	\$0.00
Total Pre-Discount Charges		\$143,376.00	
Discount Rate		80.00%	
Revised Committed Amount		\$114,700.80	

Dates	
Service Start Date	7/15/2016
Contract Expiration Date	6/30/2021
Contract Award Date	7/15/2016
Service Delivery Deadline	6/30/2017
Expiration Date (All Extensions)	

Service Provider and Contract Information	
Service Provider	CenturyLink Qwest Communications Company, LLC
SPIN (498ID)	143001157
Contract Number	SP-16-0205
Account Number	
Establishing FCC Form 470	160032706

Consultant Information	
Consultant Name	
Consultant's Employer	
CRN	

Revised Funding Commitment Decision Comments:
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Post Commitment Rationale:

Invoices must be postmarked no later than 120 days after the last date to receive service, or 120 days after the date of the Form 486 Notification Letter, whichever is later. You did not demonstrate otherwise in your appeal. Therefore, your appeal is denied.