

Oct 15 9 19 AM '99 Federal Communications Commission

DA 99-2140

DISPATCHED BY  
 Before the  
 Federal Communications Commission  
 Washington, D.C. 20554

In the Matter of	)	
	)	
Request for Review	)	
of the Decision of	)	
the Universal Service Administrator by	)	
	)	
Tulsa Public Schools	)	File No. SLD- 49002
Tulsa, Oklahoma	)	
	)	
Federal-State Joint Board on Universal Service	)	CC Docket No. 96-45 ✓
	)	
Changes to the Board of Directors	)	CC Docket No. 97-21
of the National Exchange Carrier	)	
Association, Inc.	)	

**ORDER**

**Adopted:** October 8, 1999

**Released:** October 8, 1999

By the Deputy Chief, Common Carrier Bureau:

1. The Common Carrier Bureau (Bureau) has under consideration a Letter of Appeal filed by the Tulsa Public Schools (Tulsa) on May 14, 1999, seeking review of a decision issued by the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC or Administrator). Tulsa seeks review of the SLD's denial of its application for discounts for telecommunications services under the schools and libraries universal service support mechanism.<sup>1</sup> For the reasons set forth below, we deny the Letter of Appeal and affirm the SLD's denial of Tulsa's application for discounts for telecommunications services.

2. Under the schools and libraries universal service support mechanism, eligible schools, libraries, and consortia that include eligible schools and libraries, may apply for discounts for eligible telecommunications services, Internet access, and internal connections.<sup>2</sup> By letter dated December 2, 1998, the SLD denied Tulsa's request for discounts, finding that a significant portion of the request included a request for voicemail, which is an ineligible service based on program rules. Tulsa appealed the SLD's decision by letter dated December 17, 1998. On April 19, 1999, the SLD affirmed its initial funding decision and denied Tulsa's

<sup>1</sup> Section 54.719(c) of the Commission's rules provides that any person aggrieved by an action taken by a division of the Administrator may seek review from the Commission. 47 C.F.R. § 54.719(c).

<sup>2</sup> 47 C.F.R. §§ 54.502, 54.503.

appeal.<sup>3</sup> In the Administrator's Decision on Appeal, the SLD explained that only 20 percent of the requested funding was eligible pursuant to program procedures.

3. In Tulsa's request for review of the SLD's decision that is now before us, Tulsa states that the SLD's conclusion that only 20 percent of the requested funding is eligible is inaccurate. Rather, Tulsa maintains that 64 percent of the requested funds should be deemed eligible. In support of this assertion, Tulsa submits that \$720,000 of the requested amount represents funds for the purchase and installation of eligible private branch exchanges (PBXs).

4. We have reviewed Tulsa's appeal and conclude that the SLD properly denied Tulsa's application for discounts. As correctly determined by the Administrator, only 20 percent of the requested amount is eligible for universal service support. In its Letter of Appeal, Tulsa characterizes the amount in dispute as reflecting costs for PBXs. While PBXs may be eligible for support as internal connections, our review of documentation provided by the vendor reveals that a portion of the amount in dispute represents costs attributed to ineligible products, such as sophisticated speakerphones and modems.<sup>4</sup> The remaining portion represents costs attributed to products that support ineligible functions such as voice messaging, message management, and fax messaging. Therefore, this equipment is also not eligible for support.<sup>5</sup>

5. Although Tulsa indicated in its Letter of Appeal that similar equipment was approved for discounts for other school districts in Oklahoma, this statement was not supported by additional facts or evidence. Furthermore, each applicant bears the independent responsibility of providing acceptable support that complies with the rules and guidelines governing this program, regardless of what may have been provided by other schools or libraries. Therefore, we do not believe that this contention warrants further consideration.

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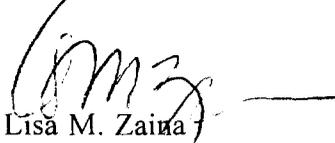
<sup>3</sup> Letter from the Schools and Libraries Division, Universal Service Administrative Company to Terry Laster, Tulsa Public Schools, dated April 19, 1999 (Administrator's Decision on Appeal).

<sup>4</sup> See Federal-State Joint Board on Universal Service, Report and Order, 12 FCC Rcd 8776, 9021 at para. 460 (1997) (Universal Service Order), as corrected by Errata, CC Docket No. 96-45 (rel. June 4, 1997), affirmed in part, reversed in part, remanded in part in *Texas Office of Pub. Util. Counsel v. FCC*, 183 F.3d 393 (5th Cir. July 30, 1999). See also *Services Eligible for Discounts*, Public Notice, CC Docket 96-45 (rel. June 11, 1998).

<sup>5</sup> *Id.* at 9021-9022, paras. 460-462.

6. ACCORDINGLY, IT IS ORDERED, pursuant to authority delegated under sections 0.91, 0.291, and 54.722(a) of the Commission's rules, 47 C.F.R. §§ 0.91, 0.291, and 54.722 (a), that the Letter of Appeal filed by Tulsa Public Schools on May 14, 1999 IS DENIED.

FEDERAL COMMUNICATIONS COMMISSION



Lisa M. Zaina  
Deputy Chief, Common Carrier Bureau