

May 18 11 00 AM '00
 Before the
 Federal Communications Commission
 Washington, D.C. 20554

DISPATCHED

In the Matter of)	
)	
Request for Review)	
of the Decision of the)	
Universal Service Administrator by)	
)	
Arizona Call-A-Teen Center)	SLD-113535
Phoenix, Arizona)	
)	
Federal-State Joint Board on Universal)	CC Docket No. 96-45 ✓
Service)	
)	
Changes to the Board of Directors of the)	CC Docket No. 97-21
National Exchange Carrier Association, Inc.)	

ORDER**Adopted: May 12, 2000****Released: May 15, 2000**

By the Common Carrier Bureau:

1. The Common Carrier Bureau (Bureau) has under consideration a Letter of Appeal filed by Arizona Call-A-Teen Center (Call-A-Teen), of Phoenix, Arizona, on February 14, 2000.¹ Call-A-Teen seeks review of a funding commitment decision by the Schools and Libraries Division (SLD) of the Universal Service Administrative Company pursuant to a funding request for dedicated services.² For the reasons set forth below, we deny Call-A-Teen's appeal.

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.³ Schools and libraries must apply for support each funding year.⁴ Initially, the schools and

¹ Letter from Ralph Weinberg, Arizona Call-A-Teen Center, to the Federal Communications Commission, filed February 14, 2000 (Letter of Appeal).

² See Letter from the Schools and Libraries Division, Universal Service Administrative Company, to Ralph Weinberg, Arizona Call-A-Teen Center, issued January 31, 2000; Letter from Schools and Libraries Division to Ralph Weinberg, Arizona Call-A-Teen Center, issued July 8, 1999 (Funding Commitment Decision Letter).

³ 47 C.F.R. §§ 54.402, 54.503.

⁴ 47 C.F.R. § 54.507(d).

libraries support mechanism operated on a calendar-year basis, but, in the *Fifth Reconsideration Order*, the Commission concluded that a fiscal-year program, running from July 1 to June 30, would better suit schools and libraries.⁵ To ensure a smooth transition from a calendar-year to a fiscal-year, Year 1 ran for eighteen months, from January 1, 1998, to June 30, 1999.⁶ Year 2 began July 1, 1999, and will end June 30, 2000.

3. In order to receive discounts on eligible services, the Commission's rules require that an applicant submit to the Administrator a completed FCC Form 470, in which the applicant sets forth the school's technological needs and the services for which it seeks discounts.⁷ Once the school has complied with the Commission's competitive bidding requirements and signed a contract for the eligible services, it must file an FCC Form 471 application to notify the Administrator of the services that have been ordered, the carrier with whom the school has signed the contract, and an estimate of funds needed to cover the discounts to be given for eligible services.⁸ This information is generally provided in Block 5 of FCC Form 471. Among other information, Block 5 requires the applicant to indicate the date the contract was awarded, the expiration date of the contract, the service start date, the estimated monthly pre-discount cost, the estimated total annual prediscount cost, and the percentage discount for which the school is qualified pursuant to the discount matrix.

4. At issue here is the amount of support awarded to Call-A-Teen for the Year 2 funding year, which began July 1, 1999, and will end on June 30, 2000. In its Form 471, Call-A-Teen indicated that it would receive services for an eight-month period, beginning April 1999 and ending December 1999, pursuant to a contract signed on February 1, 1999. The cost of the services included a one-time charge of \$750 and monthly charges of \$850. Because the Year 2 funding year started on July 1, 1999, and Call-A-Teen's contract for services expired on December 1, 1999, Call-A-Teen indicated on its Form 471 that its total prediscount cost would be \$5850. On April 23, 1999, SLD issued to Call-A-Teen a Receipt Acknowledgement Letter and noted that the services for which Call-A-Teen requested support had an annual prediscouted cost of \$10,950.⁹ SLD issued a Funding Commitment Decision Letter on July 8, 1999, awarding support to Call-A-Teen in the amount of \$5850, based only on services received for a six-month period from July to December of 1999.

⁵ *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Fifth Order on Reconsideration and Fourth Report and Order, 13 FCC Rcd 14915, 14920-23, paras. 6-14 (1998) (*Fifth Reconsideration Order*).

⁶ *Fifth Reconsideration Order*, 13 FCC Rcd at 14920, para. 8.

⁷ 47 C.F.R. § 54.504(b)(1), (b)(3). In submitting its FCC Form 470, an applicant is required to provide only general information about the services for which it seeks discounts, e.g., number of phones that require service, number of dial-up connections necessary, as well as an assessment of the applicant's existing technology that may be necessary for the effective use of eligible services.

⁸ 47 C.F.R. § 54.504(c).

⁹ See Attachment to Letter of Appeal.

5. Call-A-Teen now requests that the Commission direct SLD to award it support for the services it has received, and will receive, from January 1 to June 30, 2000, *i.e.*, the remainder of the Year 2 funding period.¹⁰ Call-A-Teen admits that it requested support in Year 2 only for a six-month period beginning July 1.¹¹ Call-A-Teen states, however, that it mistakenly believed that Year 2, and the Year 2 application that it filed, corresponded to the 1999 calendar year, and not for the period of July 1, 1999, to June 30, 2000. Call-A-Teen also argues that SLD's acknowledgement, in the Receipt Acknowledgement Letter, that the services for which support was requested had an estimated annual prediscouted cost of \$10,950 indicates that it should have been granted support based on that amount.

6. We find no basis upon which to grant Call-A-Teen's request. The Commission changed the funding year for the schools and libraries mechanism from a calendar-year to a fiscal-year more than eight months before Call-A-Teen entered into a contract with its service provider. After release of the *Fifth Reconsideration Order*, SLD posted to its website information regarding the impact of the order on applicants requesting support.¹² Moreover, the Year 2 Form 471 submitted via the Internet to SLD by Call-A-Teen clearly indicated in Block 1 a funding year of July 1, 1999, to June 30, 2000.¹³ In light of the thousands of applications that SLD reviews and processes each funding year, it is administratively necessary to place on the applicant the responsibility of understanding all relevant program rules and procedures. Call-A-Teen's misunderstanding of program rules provides no basis for deviating from the Commission's policy of placing on the applicant the responsibility for understanding program rules and procedures.¹⁴ Similarly, the estimated prediscout amount reported in the Receipt Acknowledgement Letter does not represent a funding commitment. The amount reported in the Receipt Acknowledgement Letter is based only on a review of the one-time and monthly costs associated with the support requested, assuming twelve months of service, and does not include other factors, such as the length of the contract for which support is requested. Because SLD correctly determined the funding commitment based on the materials submitted by Call-A-Teen, Call-A-Teen's request for review is denied.¹⁵

¹⁰ Letter of Appeal.

¹¹ Letter of Appeal.

¹² *Fifth Reconsideration Order*, 13 FCC Rcd at 14920-23, paras. 6-14.

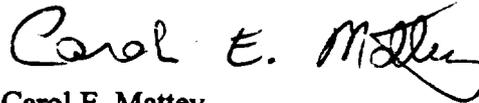
¹³ FCC Form 471, Arizona Call-A-Teen Center, filed February 10, 1999 (Call-A-Teen Form 471). We note that, because Call-A-Teen filed its Form 471 online, the date block was filled automatically. Nonetheless, Call-A-Teen remains responsible for this material and certified to its accuracy. *Id.*

¹⁴ See, e.g., *Request for Review of the Decision of the Universal Service Administrative Company by Scranton School District*, CC Docket No. 96-45, Order, DA 00-20, para. 8 (rel. January 7, 2000).

¹⁵ We note that it is not clear from the record that Call-A-Teen has a contract to cover services January 1 to June 30, 2000. Given the absence of any reference to such a contract in Call-A-Teen's Form 471, SLD correctly determined the commitment amount based on the information provided by Call-A-Teen in its application.

7. 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 February 14, 2000, by Arizona Call-A-Teen Center, Phoenix, Arizona, IS DENIED.

FEDERAL COMMUNICATIONS COMMISSION



Carol E. Matthey
Deputy Chief, Common Carrier Bureau