

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

SEP 19 8 10 AM '00

In the Matter of	)	
	)	
Request for Review of a Decision of the	)	
Universal Service Administrative Company	)	
by	)	
	)	
State of Washington Department	)	SLD-147099
of Information Services	)	
	)	
Federal-State Joint Board on	)	CC Docket No. 96-45
Universal Service	)	
	)	
Changes to the Board of Directors of the	)	CC Docket No. 97-21 ✓
National Exchange Carriers Association, Inc.	)	

**ORDER**

**Adopted: September 13, 2000**

**Released: September 14, 2000**

By the Common Carrier Bureau:

1. The Common Carrier Bureau has under consideration a Request for Review filed by the State of Washington Department of Information Services (Washington DIS).<sup>1</sup> Washington DIS seeks review of a decision of the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC or Administrator), which denied Washington DIS's request for support under the schools and libraries universal service support mechanism.<sup>2</sup> For the reasons discussed below, the Bureau grants Washington DIS's Request for Review.

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 by

<sup>1</sup> Request for Review by the State of Washington Department of Information Services of a Decision of the Universal Service Administrator, CC Dockets 96-45 and 97-21, Request for Review, filed June 13, 2000 (Request for Review).

<sup>2</sup> Letter from Schools and Libraries Division, Universal Service Administrative Company, to Erika Lim, Washington State Department of Information Services, dated October 26, 1999 (Funding Commitment Decision Letter); Letter from Schools and Libraries Division, Universal Service Administrative Company, to Erika Lim, Washington State Department of Information Services, dated May 12, 2000 (Administrator's Decision on Appeal).

filing an FCC Form 471 with SLD.<sup>3</sup> Upon receipt and successful data entry of an FCC Form 471, SLD issues a Receipt Acknowledgement Letter (RAL), which summarizes the applicant's funding requests.<sup>4</sup> The applicant may make certain types of corrections to its requests during the two-week period after SLD issues the RAL.<sup>5</sup>

3. Washington DIS administers Washington's "K-20 Network", which provides telecommunications services to "virtually all" state educational institutions, including eligible schools as well as ineligible entities, such as colleges.<sup>6</sup> On behalf of eligible schools, Washington DIS filed an FCC Form 471 requesting support for telecommunications services in Year 2 of the schools and libraries universal service support mechanism.<sup>7</sup> On August 11, 1999, SLD issued to Washington DIS an RAL, indicating that Washington DIS's FCC Form 471 requested support for \$9,584,375 in total annual pre-discounted costs.<sup>8</sup> On August 18, 1999, Washington DIS notified SLD that, due to a miscalculation that included the cost of services provided to ineligible entities, Washington DIS's FCC Form 471 overstated its total annual pre-discounted cost by approximately \$4.5 million.<sup>9</sup> On October 26, 1999, SLD issued a Funding Commitment Decision Letter to Washington DIS, denying each of its funding requests because "[a] significant portion of this [funding request] is a request for ineligible entities . . ."<sup>10</sup> The Funding Commitment Decision Letter did not reflect the corrections requested in Washington DIS's August 18, 1999 letter to SLD. After SLD denied Washington DIS's initial appeal,

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<sup>3</sup> 47 C.F.R. §§ 54.502, 45.503; *see also* Schools and Libraries Universal Service, Services Ordered and Certification Form, OMB 3060-0806 (FCC Form 471).

<sup>4</sup> *See* Letter from Schools and Libraries Division, Universal Service Administrative Company, to Erika Lim, Washington State Department of Information Services, dated August 11, 1999 (Receipt Acknowledgement Letter).

<sup>5</sup> Receipt Acknowledgement Letter at 3. USAC's administrative practice, which is set forth on both its website and the Receipt Acknowledgement Letter, is to permit the applicant to correct data entry errors; change contact information; reduce the amount of requests included in an application; change the service provider identity number, if the original service provider has merged with or been acquired by the new service provider; or "unbundle" a funding request that incorrectly included services provided by multiple service providers, or included services from more than one eligible service category, if materials supporting the original FCC Form 471 confirm the distinctions. *See* [www.sl.universalservice.org](http://www.sl.universalservice.org). Changes that increase the amount of support requested, or that request services not initially requested, are not permitted.

<sup>6</sup> Request for Review at 4.

<sup>7</sup> FCC Form 471 from Washington State Department of Information Services, to Schools and Libraries Division, Universal Service Administrative Company, filed April 6, 1999.

<sup>8</sup> Receipt Acknowledgement Letter at 2.

<sup>9</sup> Letter from Erika Lim, State of Washington Department of Information Services, to Romney Biddulph, National Exchange Carrier Association, dated August 18, 1999. USAC contracts with the National Exchange Carrier Association (NECA) to perform certain administrative functions related to the schools and libraries support mechanism.

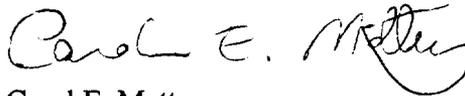
<sup>10</sup> Funding Commitment Decision Letter at 5.

Washington DIS filed the instant Request for Review to the Commission on June 13, 2000.<sup>11</sup>

4. The Bureau concludes that SLD erroneously denied Washington DIS's request for support. In the August 11, 1999 RAL, SLD advised Washington DIS that it had two weeks from the date of the RAL to make any necessary corrections to its FCC Form 471. On August 18, 1999, Washington DIS requested corrections to properly reflect the costs of services to be received by eligible entities.<sup>12</sup> SLD did not make the requested corrections and, as a result, denied Washington DIS's request for support because a significant portion of the requests included support for ineligible entities. Because SLD's denial of Washington DIS's funding requests resulted from SLD's failure to make the requested corrections to Washington DIS's FCC Form 471, the Bureau grants Washington DIS's Request for Review and remands its application to SLD for further processing.

5. 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 appeal filed by the State of Washington Department of Information Services on June 13, 2000, IS GRANTED and that its application IS REMANDED to SLD for further consideration in light of this decision.

FEDERAL COMMUNICATIONS COMMISSION



Carol E. Matthey  
Deputy Chief, Common Carrier Bureau

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<sup>11</sup> Administrator's Decision on Appeal; Request for Review.

<sup>12</sup> Letter from Erika Lim, State of Washington Department of Information Services, to Romney Biddulph, NECA, dated August 18, 1999.