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Before the  
Federal Communications Commission  
Washington, DC 20554

In the Matter of )  
)  
Request for Review of the )  
Decision of the )  
Universal Service Administrator by )  
)  
Santa Ana Unified School District )  
Santa Ana, California )  
)  
Federal-State Joint Board on )  
Universal Service )  
)  
Changes to the Board of Directors of the )  
National Exchange Carrier Association, Inc. )

File No. SLD-184925

CC Docket No. 96-45 ✓

CC Docket No. 97-21

**ORDER**

**Adopted: June 26, 2001**

**Released: June 27, 2001**

By the Accounting Policy Division, Common Carrier Bureau:

1. The Accounting Policy Division (Division) has under consideration a Request for Review submitted by Santa Ana Unified School District (Santa Ana), Santa Ana, California.<sup>1</sup> Santa Ana seeks review of a decision issued by the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (Administrator), denying its Funding Year 3 request for discounts under the schools and libraries program.<sup>2</sup> For the reasons set forth below, we deny the Request for Review and affirm SLD's decision.

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>3</sup> The Commission's rules require that the applicant make a bona fide request for services by filing with the Administrator an FCC Form 470, which is posted to the Administrator's website for all

<sup>1</sup> Letter from Karen Aepli, Santa Ana Unified School District, to Federal Communications Commission, filed March 13, 2001 (Request for Review).

<sup>2</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>3</sup> 47 C.F.R. §§ 54.502, 54.503.

potential competing service providers to review and bid upon.<sup>4</sup> After the FCC Form 470 is posted, the applicant must wait at least 28 days before entering an agreement for services and submitting an FCC Form 471, which requests support for eligible services.<sup>5</sup> SLD reviews the FCC Forms 471 that it receives and issues funding commitment decisions in accordance with the Commission's rules.<sup>6</sup>

3. On May 26, 2000, SLD sent a Funding Commitment Decision Letter to Santa Ana, denying funding for Funding Request Number (FRN) 385554, which sought Funding Year 3 discounted internal connections.<sup>7</sup> SLD stated that funding was denied because 30% or more of the FRN consisted of "IPTV trunk cards and IPTV trunk software, which are ineligible based on program rules."<sup>8</sup>

4. By letter dated June 9, 2000, Santa Ana appealed the decision to SLD.<sup>9</sup> It stated that it was submitting a revised request that eliminated the ineligible material.<sup>10</sup> On March 2, 2001, SLD denied the appeal, stating that "SLD cannot accept revised support documentation [from applicants] on appeal, which asks that the ineligible services . . . be removed from the funding

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<sup>4</sup> Schools and Libraries Universal Service, Description of Services Requested and Certification Form, OMB 3060-0806 (FCC Form 470); 47 C.F.R. § 54.504(b); *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, 12 FCC Rcd 8776, 9078, para. 575 (1997) (*Universal Service Order*), as corrected by *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Errata, FCC 97-157 (rel. June 4, 1997), *affirmed in part, Texas Office of Public Utility Counsel v. FCC*, 183 F.3d 393 (5th Cir. 1999) (affirming *Universal Service First Report and Order* in part and reversing and remanding on unrelated grounds), *cert. denied, Celpage, Inc. v. FCC*, 120 S. Ct. 2212 (May 30, 2000), *cert. denied, AT&T Corp. v. Cincinnati Bell Tel. Co.*, 120 S. Ct. 2237 (June 5, 2000), *cert. dismissed, GTE Service Corp. v. FCC*, 121 S.Ct. 423 (Nov. 2, 2000); see also SLD Website, <<http://www.sl.universalservice.org>>.

<sup>5</sup> 47 C.F.R. § 54.504(b), (c); Schools and Libraries Universal Service, Services Ordered and Certification Form, OMB 3060-0806 (FCC Form 471).

<sup>6</sup> *Request for Review by Metropolitan School District of Pike Township, Federal-State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc.*, File No. SLD-120821, CC Dockets No. 96-45 and 97-21, Order, 15 FCC Rcd 13891, para. 2 (rel. 2000).

<sup>7</sup> Letter from Schools and Libraries Division, Universal Service Administrative Company, to Santa Ana Unified School District, dated May 26, 2000 (Funding Commitment Decision Letter); FCC Form 471, Santa Ana Unified School District, filed January 26, 2000 (Year 3 Form 471).

<sup>8</sup> Funding Commitment Decision Letter at 6.

<sup>9</sup> Letter from Karen Aeppli, Santa Ana Unified School District, to Schools and Libraries Division, Universal Service Administrative Company, dated June 9, 2000 (SLD Appeal). The date on which the SLD Appeal was actually filed is not apparent from the record.

<sup>10</sup> *Id.* at 1.

request and only the eligible services . . . be funded.”<sup>11</sup> Santa Ana then filed the instant Request for Review, again asking that the revised request be accepted.<sup>12</sup>

5. We decline to grant Santa Ana’s request to be allowed to amend its original application to eliminate ineligible services from its funding request.<sup>13</sup> SLD has established a policy that applicants are not permitted to amend completed FCC Forms 471 to remove ineligible service requests after the closure of the filing window.<sup>14</sup> This policy imposes on applicants the responsibility of preparing their applications carefully. If applicants were permitted to correct their applications after SLD has denied them, it would eliminate any incentive for them to avoid including ineligible expenses in their funding requests. This would significantly increase the administrative burden SLD would face while carrying out its obligation to guard against the occurrence of errors and fraud. In light of the thousands of applications that SLD must review and process each year, we find that it is administratively necessary to require an applicant to be responsible for providing complete and accurate information in its FCC Form. Furthermore, if applicants were permitted to amend their requests after the filing window closed, it could jeopardize SLD’s ability to accurately apply the rules of priority in years where requests for funding exceed the annual funding cap.

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 Request for Review filed by Santa Ana Unified School District, Santa Ana, California on March 13, 2001 is DENIED.

FEDERAL COMMUNICATIONS COMMISSION



Mark G. Seifert  
Deputy Chief, Accounting Policy Division  
Common Carrier Bureau

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<sup>11</sup> Letter from Schools and Libraries Division, Universal Services Administrative Company, to Karen Aepli, Santa Anna Unified School District, dated March 2, 2001 (Administrator’s Decision on Appeal), at 1.

<sup>12</sup> Request for Review at 1.

<sup>13</sup> *Id.*

<sup>14</sup> The Commission’s rules require that applicants file a completed Form 471 by the filing window deadline to be considered pursuant to the funding priorities for “in-window” applicants. 47 C.F.R. §§ 54.504(c), 54.507(c).