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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	)	
	)	
Southwest Independent School District San Antonio, Texas	)	File No. SLD-264591
	)	
Federal-State Joint Board on Universal Service	)	CC Docket No. 96-45
	)	
Changes to the Board of Directors of the National Exchange Carrier Association, Inc.	)	CC Docket No. 97-21

ORDER

Adopted: February 28, 2002 **Released: March 6, 2002**

By the Accounting Policy Division, Common Carrier Bureau:

1. The Accounting Policy Division has under consideration a Request for Review filed by Southwest Independent School District (Southwest), San Antonio, Texas.[1] Southwest seeks review of the decision by the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (Administrator), rejecting Southwest's Funding Year 4 application for failure to meet minimum processing standards.[2] For the reasons set forth below, we deny Southwest'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.[3] In order to receive discounts on eligible services, the Commission's rules require that the applicant submit to the Administrator a completed FCC Form 470, in which the applicant sets forth its technological needs and the services for which it seeks discounts.[4] Once the applicant has

[1] Letter from James E. McNamara, Southwest Independent School District, to Federal Communications Commission, filed July 25, 2001 (Request for Review).

[2] *See* Request for Review. 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).

[3] 47 C.F.R. §§ 54.502, 54.503.

[4] 47 C.F.R. §§ 54.504 (b)(1), (b)(3).

complied with the Commission's competitive bidding requirements and entered into agreements for eligible services, the applicant must submit a completed FCC Form 471 application to the Administrator.[5] The Commission's rules allow the Administrator to implement an initial filing period ("filing window") for the FCC Form 471 applications that treats all schools and libraries filing within that period as if their applications were simultaneously received.[6] Applications that are received outside of this filing window are subject to separate funding priorities under the Commission's rules.[7] It is to all applicants' advantage, therefore, to ensure that the Administrator receives their applications prior to the close of the filing window.

3. Consistent with the Commission's rule requiring applicants to submit a "completed FCC Form 471 to the Administrator," SLD utilizes what it calls "minimum processing standards" to facilitate the efficient review of the thousands of applications requesting funding.[8] These minimum processing standards are designed to require an applicant to provide at least the minimum data necessary for SLD to initiate review of the application under statutory requirements and Commission rules. When an applicant submits an FCC Form 471 that does not meet the minimum processing standards, SLD automatically returns the application to the applicant without considering the application for discounts under the program.[9]

4. Southwest applied for Funding Year 4 discounts on January 18, 2001.[10] By letter dated March 29, 2001, SLD rejected the application for failure to meet SLD's minimum processing standards.[11] Specifically, SLD found that, instead of using the appropriate OMB-approved Funding Year 4 FCC Form 471 application, Southwest applied for Funding Year 4 support using an incorrect FCC Form 471 application.[12] SLD stated that because of this problem, the application could not be processed.[13]

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[5] 47 C.F.R. § 54.504(c).

[6] 47 C.F.R. § 54.507(c).

[7] 47 C.F.R. § 54.507(g).

[8] 47 C.F.R. § 54.504(c); *see* SLD web site, Form 471 Minimum Processing Standards and Filing Requirements for FY 4, <http://www.sl.universalservice.org/reference/471mps.asp> (Minimum Processing Standards).

[9] Minimum Processing Standards.

[10] FCC Form 471, Southwest Independent School District, filed January 18, 2001 (Southwest Form 471).

[11] Letter from Schools and Libraries Division, Universal Service Administrative Company, to James E. McNamara, Southwest Independent School District, dated March 29, 2001 (Rejection Letter).

[12] Rejection Letter, at 1. Southwest used the FCC Form 471 for Funding Year 3 FCC Form 471 instead of the FCC Form 471 for Funding Year 4. *Compare* Schools and Libraries Universal Service, Services Ordered and Certification Form, OMB 3060-0806 (October 2000) (Funding Year 4 Form 471) *with* Schools and Libraries Universal Service, Services Ordered and Certification Form, OMB 3060-0806 (September 1999) (Funding Year 3 Form 471).

[13] Rejection Letter, at 1.

5. On April 10, 2001, Southwest appealed to SLD, arguing that SLD should not have returned the application.[14] Southwest asserted that, although it had used the wrong form, the problem was "non-substantive" and could be easily remedied.[15] It further asserted that the difference between the Funding Year 3 and Funding Year 4 forms would not have imposed an "undue burden" on SLD personnel reviewing Southwest's application.[16] SLD denied the appeal on the grounds that it had correctly determined that Southwest had used the wrong form, and that the application was properly returned in accordance with program rules.[17] Southwest then filed the pending Request for Review.

6. In its Request for Review, Southwest again objects to the rejection of its application without an opportunity to make corrections.[18] It again emphasizes that there is "nothing to suggest that the earlier form would present SLD personnel with an undue burden in a review of the application."[19] In addition, it asserts that it should receive relief because it is one of those schools "toward which the support of the E-rate program is most directed."[20]

7. On review, we find that Southwest's application was correctly rejected for failure to satisfy minimum processing standards. These standards require, among other things, that the applicant use the correct OMB-approved FCC Form 471 for the year in which the applicant is applying.[21] Here, Southwest concededly used a Funding Year 3 FCC Form 471 for Funding Year 4.[22]

8. We are not persuaded that the differences in the two forms are too insignificant to justify requiring the correct OMB-approved form as part of the minimum processing standards. The Year 4 FCC Form 471 required information not requested in the Year 3 FCC Form 471 and used different language in some of the certifications.[23] SLD received a number of applications that used the wrong form for Funding Year 4, and it would significantly increase SLD's

[14] Letter from James E. McNamara, Southwest Independent School District, to Schools and Libraries Division, Universal Service Administrative Company, filed April 10, 2001 (Appeal to SLD), at 1.

[15] *Id.* at 1.

[16] *Id.*

[17] Letter from Schools and Libraries Division, Universal Service Administrative Company, to James E. McNamara, Southwest Independent School District, dated June 26, 2001 (Administrator's Decision on Appeal), at 2.

[18] Request for Review, at 1.

[19] *Id.*

[20] *Id.*

[21] *See* Minimum Processing Standards.

[22] *See* Southwest Form 471.

[23] For example, Blocks 4 and 5 required information in Funding Year 4 that was not required in Funding Year 3. *Compare* Year 4 Form 471, Block 4, Worksheets A & B, 10b; Year 4 Form 471, Block 5, Item 19b *with* Funding Year 4 FCC Form 471, Block 6, Items 24, 25, 26, and 32 (changed Funding Year 4 certifications).

administrative burden if SLD were required to accept an incorrect form and then return to the applicant to collect missing information required in the Year 4 FCC Form 471 and obtain certifications using the correct language. Therefore, applicants properly have the burden of ensuring that complete and accurate information is provided on the correct OMB-approved forms.[24]

9. 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 Southwest Independent School District, San Antonio, Texas, on July 25, 2001 IS DENIED.

FEDERAL COMMUNICATIONS COMMISSION

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

[24] *See, e.g., Request for Review by Trico Community Unit School District #176, Federal-State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc.*, File No. NEC.471.01-28-00.5800009, CC Dockets No. 96-45 and 97-21, Order, DA 01-2537, para. 9 (Com. Car. Bur. rel. November 1, 2001); *Request for Review by Fair Lawn Board of Education, Federal-State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc.*, File Nos. NEC.471.11-19-99.01100003 and NEC.471.12-10-99.02300008, CC Dockets No. 96-45 and 97-21, Order, 16 FCC Rcd 12901 (Com. Car. Bur. 2001).