DOCKET FILE COPY ORIGINAL

RECEIVED & INSPECTED
APR - 3 2002
FCC - MAILROOM

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

In the Matter of	)	
	)	
Request for Review of a Decision of the Universal Service Administrative Company By	)	
	)	
Zeeland Public School District No. 4 Zeeland, North Dakota	)	File No. SLD-231601
	)	
Federal-State Joint Board on Universal Service	)	CC Docket No. 96-45
	)	
Changes to the Board of Directors of the National Exchange Carriers Association, Inc.	)	CC Docket No. 97-21

ORDER

Adopted: March 22, 2002 **Released: March 27, 2002**

By the Accounting Policy Division, Common Carrier Bureau:

1. The Accounting Policy Division has under consideration a Request for Review filed by Zeeland Public School District No. 4 (Zeeland), Zeeland, North Dakota.[1] Zeeland requests review of a decision by the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (Administrator) relating to an application for discounts under the schools and libraries universal service support mechanism.[2] For the reasons set forth below, we deny Zeeland'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 complied with the Commission's competitive bidding requirements and entered into agreements

[1] Letter from Corbley Ogren, Zeeland Public School District No. 4, to Federal Communications Commission, filed October 9, 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).

for eligible services, it must file an FCC Form 471 application to notify the Administrator of the services that have been ordered, the carriers with whom the applicant has entered into an agreement, and an estimate of funds needed to cover the discounts to be given for eligible services.[5] The applicant generally provides such information in Block 5 of the FCC Form 471.[6]

3. In Funding Year 4, after receiving and successfully data entering the applicant's FCC Form 471, SLD issues a Receipt Acknowledgement Letter (RAL), which summarizes the applicant's funding requests. Each of the funding requests listed in Block 5 of the applicants FCC Form 471 that meet SLD's minimum processing standards and can be successfully entered into the database are listed.[7] The RAL indicates the assigned Funding Request Number (FRN) for each funding request, the Service Provider Information Number (SPIN), service provider name, the category of the service requested, the pre-discount cost of the requested service, and the discount percentage. In Funding Year 4, the RAL further provided that if the applicant, after reviewing the information provided in the RAL, discovered that it submitted data in error or that SLD entered the data erroneously, the applicant could request correction within two weeks of the date of the letter.[8]

4. On December 19, 2000, Zeeland filed its FCC Form 471 with SLD.[9] Block 5 of Zeeland's FCC Form 471 included two funding requests: $6,421.46 for telecommunications services and $2,655.87 for Internet access.[10] Subsequently, in accord with its procedures, SLD issued a RAL to Zeeland acknowledging the funding requests.[11] The RAL indicated that Zeeland had included two funding requests in its FCC Form 471: FRN 552496 for $7,134.96 at.

---

[5] 47 C.F.R. § 54.504(c).

[6] Schools and Libraries Universal Service, Services Ordered and Certification Form, OMB 3060-0806 (October 2000) (FCC Form 471).

[7] Letter from Schools and Libraries Division, Universal Service Administrative Company, to Corbley Ogren, Zeeland Public School District, dated March 7, 2001 (Receipt Acknowledgement Letter). Every funding year, SLD establishes and notifies applicants of a "minimum processing standard" to facilitate the efficient review of the thousands of applications for funding. *See, e.g.*, SLD website, Form 471 Minimum Processing Standards and Filing Requirements for FY 4, <www.sl.universalservice.org/Reference/471_App_Guid_Docs/471mps.asp>. When an applicant submits an FCC Form 471 that omits an item subject to the minimum processing standard, SLD automatically rejects the application and returns it to the applicant.

[8] *See* Receipt Acknowledgement Letter. USAC's administrative practice, which is set forth on the Receipt Acknowledgement Letter, is to permit the applicant to 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 combined or "bundled" into one FRN two or more services from different service providers or different eligible services. USAC does not permit applicants to make changes that increase the amount of support requested for a Block 5 funding request, or that seek additional services not initially requested.

[9] FCC Form 471, Zeeland Public School District No. 4, filed December 19, 2000 (Zeeland Form 471).

[10] *Id.*

[11] Receipt Acknowledgement Letter.

a discount percentage of 90 percent, or $6,421.46 in telecommunications services and FRN 552512 for $2,962.08 at a discount percentage of 90 percent, or $2,655.87 in Internet access.[12]

5. On July 23, 2001, SLD issued a Funding Commitment Decision Letter (FCDL) for Zeeland's Funding Year 4 application for discounts.[13] In the FCDL, SLD approved funding for both FRN 552496 and FRN 552512. On July 30, 2001, Zeeland appealed to SLD, informing SLD that Zeeland had mistakenly switched the funding amounts for these FRNs on its application.[14] Zeeland requested that SLD adjust the approved funding amounts for each of the FRNs.[15] SLD approved Zeeland's request to reduce the amount of funding for FRN 552496, but denied Zeeland's request to increase the amount of funding for FRN 552512.[16]

6. In the instant Request for Review, Zeeland requests that the post-discount funding amount for FRN 552512 be increased from $2,665.87 to $6,421.46.[17] We have reviewed the application Zeeland filed, as well as all of SLD's records relating to this application, and we conclude that SLD properly declined Zeeland's request to modify FRN 552512.

7. The record indicates that SLD relied upon the information submitted by Zeeland in Block 5 of its FCC Form 471.[18] Applicants are afforded an opportunity to make limited corrections to their applications through the RAL process. Zeeland requested that SLD modify its FCC Form 471 to increase funding for FRN 552512. SLD will not permit changes to an application that increase the amount of support requested, or that seek services not initially requested.[19] This administrative practice enables SLD to apply our funding priority rules properly in situations where demand exceeds the annual funding cap.[20] Thus, we do not believe the application should be modified to increase the amount awarded for FRN 552512. In

---

[12] *Id.* We note that these figures are based on the post-discount amount of each of the funding requests. As we indicate above, the RAL specifically lists the pre-discount amount along with the discount percentage. *See supra* para. 3.

[13] *See* Letter from Schools and Libraries Division, Universal Service Administrative Company, to Corbley Ogren, Zeeland Public School District, dated July 23, 2001 (Funding Commitment Decision Letter).

[14] Letter from Corbley Ogren, Zeeland Public School District No. 4, to Schools and Libraries Division, Universal Service Administrative Company, filed July 30, 2001.

[15] *Id.*

[16] Letter from Schools and Libraries Division, Universal Service Administrative Company, to Corbley Ogren, Zeeland Public School District No. 4, dated October 1, 2001.

[17] Request for Review.

[18] *See* Zeeland FCC Form 471.

[19] Receipt Acknowledgement Letter at 3.

[20] In *Federal-State Joint Board on Universal Service, Access Charge Reform, Price Cap Performance Review for Local Exchange Carriers, Transport Rate Structure and Pricing, End User Common Line Charge*, CC Docket No. 96-45, Fifth Order on Reconsideration and Fourth Report and Order in CC Docket No. 96-45, Report and Order in CC Docket Nos. 96-45, 96-262, 94-1, 91-213, 95-72, 13 FCC Rcd 5318 (1997), the Commission established new rules to govern how discounts will be allocated when available funding is less than total demand and a filing window is in effect. *Id.* at 14938, para. 36. These rules provide that requests for telecommunications and Internet access services for all discount categories shall receive first priority for available funds (Priority One Services). Any funding remaining is allocated to the requests for support for internal connections (Priority Two Services) beginning with the most economically disadvantaged schools and libraries, as determined by their discount rate.

addition, we also note that Zeeland made its request over four months after the RAL was issued, well beyond the two-week RAL correction deadline. Accordingly, we find that SLD appropriately denied Zeeland's request to make certain revisions to its application.

8. 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 Zeeland Public School District No. 4, Zeeland, North Dakota on October 9, 2001 IS DENIED.

FEDERAL COMMUNICATIONS COMMISSION

Mark G. Seifert

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