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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	)	
	)	
Granger School District No. 204 Granger, Washington	)	File No. SLD-254491
	)	
Federal-State Joint Board on Universal Service	)	WC Docket No. 96-45
	)	
Changes to the Board of Directors of the National Exchange Carrier Association, Inc.	)	WC Docket No. 97-21

ORDER

Adopted: May 10, 2002 **Released: May 13, 2002**

By the Telecommunications Access Policy Division, Wireline Competition Bureau:

1. Before the Telecommunications Access Policy Division (Division) is a Request for Review filed by Granger School District No. 204 (Granger), Granger, Washington.[1] Granger seeks review of a decision issued by the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (Administrator), denying Granger's request to increase its reported discount rate for Funding Year 4.[2] 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.[3] The Commission's rules require that the applicant make a bona fide request for services by filing with the Administrator an FCC Form 470,[4] which is posted to the Administrator's website for all

[1] Letter from Timothy Dunn, Granger School District No. 204, to Federal Communications Commission, filed January 17, 2002 (Request for Review).

[2] 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] Schools and Libraries Universal Service, Description of Services Requested and Certification Form, OMB 3060-0806 (October 2000) (FCC Form 470).

potential competing service providers to review.[5] 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.[6] SLD reviews the FCC Forms 471 that it receives and issues funding commitment decisions in accordance with the Commission's rules. 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.[7] Applications that are received outside of this filing window are subject to separate funding priorities under the Commission's rules.[8] Where an FCC Form 471 is not entitled to in-window priority, it will generally be ineligible for funding in years where demand is greater than the available funds, such as Funding Year 4.[9] It is to all applicants' advantage, therefore, to ensure that the Administrator receives their applications prior to the close of the filing window. In Funding Year 4, the window closed on January 18, 2001.[10]

3. Under the Commission's rules, the discount available to a particular school or library is determined by indicators of poverty and high relative cost of service.[11] The level of poverty for schools and school districts is measured by the percentage of their student enrollment that is eligible for a free or reduced-price lunch under the National School Lunch Program (NSLP) or a federally-approved alternative mechanism.[12] A school's high-cost status is derived from rules that classify it as urban or rural.[13] The Commission's rules provide a matrix reflecting

[5] 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 (November 2, 2000).

[6] 47 C.F.R. § 54.504(b), (c); Schools and Libraries Universal Service, Services Ordered and Certification Form, OMB 3060-0806 (October 2000) (FCC Form 471).

[7] 47 C.F.R. § 54.507(c).

[8] 47 C.F.R. § 54.507(g).

[9] In Funding Year 4, the total amount of discounts requested was $5.195 billion. *See* Letter from Kate L. Moore, President, Universal Service Administrative Company, Schools and Libraries Division, to Dorothy Attwood, Chief, Common Carrier Bureau, Federal Communications Commission, dated April 17, 2001. Pursuant to section 54.507 of the Commission's rules, the cap on universal service funds for schools and libraries is $2.25 billion. 47 C.F.R. § 54.507(a).

[10] SLD will process in-window applications that have been postmarked by January 18, 2001. *See* SLD web site, Form 471 Minimum Processing Standards and Filing Requirements for Funding Year 4, <http://www.sl.universalservice.org/reference/471mps.asp> (Funding Year 4 Minimum Processing Standards).

[11] 47 C.F.R. § 54.505(b).

[12] 47 C.F.R. § 54.505(b)(1).

[13] 47 C.F.R. §§ 54.505(b)(3)(i), (ii).

both the school's urban or rural status and the percentage of its students who are eligible for the school lunch program to establish its discount rate, ranging from 20 percent to 90 percent.[14] Applicants report this information on the FCC Form 471.[15]

4. In Funding Year 4, Granger filed an in-window application with one funding request for shared services, and indicated that the school district had an 87% shared discount rate.[16] Subsequently, after the close of the window, Granger filed a request with SLD to have this rate increased.[17] Granger stated that one of its schools had a higher percentage of students eligible under the NSLP than Granger had originally reported on its FCC Form 471.[18] Granger submitted information to support the higher rate and asserted that, because of this school's increased rate, the shared rate should be 90% instead of 87%.[19] Granger requested that SLD make this correction.[20] On November 27, 2001, SLD denied the appeal, declining to consider the new discount rate information, and finding that the information on the original FCC Form 471 supported the 87% rate.[21] On January 17, 2002, Granger filed the pending Request for Review, again seeking the increased rate and attaching evidence to support the increase.[22] On February 8, 2002, SLD issued a Funding Commitment Decision Letter, granting the funding request at the 87% rate discount.[23]

5. After reviewing the record, we affirm. We find no error in SLD's refusal to consider new evidence submitted on appeal to correct the allegedly erroneous discount rate. Were we to allow such new evidence, 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 to SLD in its FCC Form 471. Moreover, the Bureau has held that applicants are not permitted to amend their applications after the close of the filing window

[14] 47 C.F.R. § 54.505(c).

[15] FCC Form 471, Block 4.

[16] FCC Form 471, Granger School District 204, filed January 17, 2001.

[17] Letter from Timothy Dunn, Granger School District No. 204, to Schools and Libraries Division, Universal Service Administrative Company, dated August 28, 2001.

[18] *Id.*

[19] *Id.*

[20] *Id.*

[21] Letter from Schools and Libraries Division, Universal Service Administrative Company, to Timothy Dunn, Granger School District No. 204, dated November 27, 2001, at 1-2.

[22] Request for Review at 1, Attachment.

[23] Letter from Schools and Libraries Division, Universal Service Administrative Company, to Rick Foss, Granger School District 204, dated February 8, 2002.

to correct errors.[24] We see no reason to depart from this precedent here. Accordingly, we find that the new evidence submitted with the Request for Review does not support relief.

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 Granger School District No. 204 is DENIED.

FEDERAL COMMUNICATIONS COMMISSION

Mark G. Seifert

Mark G. Seifert
Deputy Chief, Telecommunications Access Policy Division
Wireline Competition Bureau

[24] *Request for Review by South Barber Unified School District 255, Federal-State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc.*, File No. SLD-158897, CC Dockets No. 96-45 and 97-21, Order, 16 FCC Rcd 18435, para. 8 (Com. Car. Bur. 2001); 47 C.F.R. §§ 54.504(c), 54.507(c).