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Technology Group

May 18, 2004

Federal Communications Commission
Office of the Secretary
445 12th Street SW
Washington, DC 20554

To Whom It May Concern:

RE: CC Docket No. 02-6
Request for Review
Mifflinburg Area School District
BEN: 125858
Form/App #: 361108
FRN: 977539
Form Identifier: Y6-MIFF-TELEPHONE

As per instructions detailed on correspondence received from the Schools and Libraries dated April 12, 2004, concerning Mifflinburg School District, enclosed please find a letter of appeal. The SLD denied the original application and appeal because the application contained 30% or more charges that were unsubstantiated or ineligible. We respectfully disagree.

In Funding years 1 through 5 the SLD provided applicants the opportunity to modify their funding request amounts based upon eligible services during the Program Integrity Review. In many cases the eligibility list contained items that were conditional, making it difficult for districts to determine eligibility of portions of their bill. Also districts are asked to submit an estimate of the services they will use six months prior to receiving them, making it extremely difficult for usage-based services. In funding year 6, the SLD began to implement a 30% policy where applicants were denied funding if more than 30% of their application charges were deemed ineligible. This reflected a major change from previous years where applicants were allowed to modify their funding request. This change was not announced prior to the Year 6 application period and was not officially codified by the FCC until recently.

The appealed application is for basic local telephone service for Mifflinburg School District; an eligible Priority 1 service. The requested amount and attachment included an invoice that reflected one-time installation charges that were deemed ineligible by Program Integrity staff person, Al Arauz, who contacted us requesting additional information. After several fax requests, we were advised by Mr. Arauz to submit a fax authorizing the SLD to modify the discount to a lesser amount.

On June 9, 2003, we were surprised to receive a funding commitment letter notifying us that the application had been denied because more than 30% of the charges were unsubstantiated, especially after the communications with the PIA staff.

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An appeal was filed with the Schools and Libraries and was subsequently denied. Although the SLD acknowledged that they did ask for this additional information, they could not accept this information and had to use the original application information submitted.

Our appeal to the FCC is based upon the following conditions:

- The requested service is for local telephone service for the entire district--a Priority 1 service eligible under E-Rate.
- The SLD implemented the 30% unsubstantiated policy after the Year 6 application had already begun.
- The 30% unsubstantiated policy was not uniformly enforced by the SLD and not officially codified by the FCC until December 23, 2003.
- The district cooperated with the SLD Program Reviewer and faxed several documents and the authorization to modify the discount request as instructed.

We have been and continue to remain supportive of the E-Rate program and understand the need for a 30% policy for processing applications efficiently. The FCC has taken steps this year to codify this policy and instruct the SLD to release the Eligible Services list each year before the application window, which we feel will help to improve the program. We also applaud the FCC and SLD for creating an on-line Eligible Services database where schools can select the appropriate services from service providers.

Many small rural school districts such as Mifflinburg rely on E-Rate discounts to provide opportunities to its students that would not be affordable without discounts. If there is any additional information needed, we will be happy to provide additional documentation or answer any other questions you may have.

Thank you for your cooperation and assistance in this matter.

Sincerely,

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