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

In the Matter of	)	
Comprehensive Review of Universal Service Fund Management, Administration, and Oversight	)	CC Docket No. 05-195
Federal-State Joint Board on Universal Service	)	CC Docket No. 96-45
Schools and Libraries Universal Service Support Mechanism	)	CC Docket No. 02-6

COMMENTS OF

MIAMI-DADE COUNTY PUBLIC SCHOOLS

REGARDING THE NOTICE OF PROPOSED RULEMAKING

AND

FURTHER NOTICE OF PROPOSED RULEMAKING

THE SCHOOLS AND LIBRARIES

UNIVERSAL SERVICE SUPPORT MECHANISM

Summary and Introduction

Miami-Dade County Public Schools (M-DCPS) submits these reply comments in response to the Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking (NPRM), released on June 14, 2005.[1] In this Notice, the Federal Communications Commission (FCC) seeks comment on ways to improve the management, administration, and oversight of the Universal Service Fund (USF). As well, the Commission has asked for input on how to simplify the process for applying for USF support, speeding the disbursement process, simplifying the billing and collection process, addressing issues relating to the Universal Service Administrative Company ("USAC" or the "Administrator"), and exploring performance measures suitable for assessing and managing the USF programs. The FCC has also requested general comments on ways to further deter waste, fraud, and abuse through audits of USF beneficiaries or other measures, and on various methods for recovering improperly disbursed funds.

M-DCPS welcomes the opportunity to file these comments to address issues relating to the Schools and Libraries, E-rate program. This federal program has been pivotal in the deployment of the latest technological tools available in the field of telecommunications and especially access to the Internet. Most would agree that advances in technology, particularly as we continually find ways to enhance education through the use of these tools, directly supports our ability to deliver quality education for every student we educate. High-tech skills and ready access to information is critical for success in a digital economy where competition is keen. Commissioner Michael J. Copps describes E-rate as one of the nation's great success stories. He says, "Thanks to this program, schools and libraries across the country, including those in rural areas and in our inner cities, have access to telecommunications services and to the Internet. The critical importance of this program means that it needs regular review and care."[2]

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[1] See Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking released on June 14, 2005, FCC
05-124.

[2] See page 54, Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking (NPRM), CC Docket

M-DCPS respectfully advises the FCC to ensure that one of its goals of improving the Schools and Libraries, E-rate program, be to **strengthen the program structure through a reform of its funding guidelines**. This should include a formulaic distribution of funds equitably by state, based on acceptable poverty measures for each state. As well, various reforms should be considered intended to **streamline the application process** and related FCC forms, **reducing the excessive delays** encountered in the funding and appeal processes, **developing meaningful goals and measures to assess the impact of E-rate** funding, providing reasonable **auditing guidelines**, and generally calling attention to the elimination of waste, fraud, and abuse while **emphasizing fair practices when allegations of impropriety are introduced**. Proposed changes in these areas of the program will serve to enhance and strengthen the program structure and alleviate many of the problems of management, oversight, enforcement, and accountability described in the GAO Report.[3]

The NPRM solicits comments on Management, Administration, and Oversight of the Universal Service Fund (USF). The comments made by M-DCPS identify several principles for the FCC to consider in evaluating comments to manage and administer the E-rate program more efficiently and effectively, while deterring waste, fraud, and abuse. M-DCPS offers the following core principles for consideration for USF reform, specific to the E-rate program:

- ***Equitable Distribution of Funds*** at the state level, based on poverty measures within each state, while maintaining USAC administrative controls.
- ***Streamlined Process***

No. 02-6, released June 14, 2005, Statement of Commissioner Michael J. Copps, RE: Federal-State Joint Board on Universal Service, Rural Health Care Support Mechanism, Lifeline and Link-Up, Changes to the Board of Directors of the National Exchange Carrier Association, Inc., Comprehensive Review of Universal Service Fund Management, Administration, and Oversight, CC Docket Nos. 96-45, 02-6, 02-60, 03-109 and 97-21, Notice of Proposed Rulemaking.

[3] See "Highlights" of GAO Report to the Chairman, Committee on Energy and Commerce, House of Representatives, Telecommunications, Greater Involvement Needed by FCC in the Management and Oversight of the E-Rate Program, GAO-05-151, Released February 2005.

- ***FCC Forms Modifications***, to include greater technological enhancements as well as the elimination of duplicative information requests.
- ***Address Funding Delays***, by establishing firm funding cycles, separately for priority 1 and priority 2 services.
- ***Technology Plan Approval***, while recognizing their inclusion through other federal technology plan requirements.
- ***Ensure Expeditious Resolution of Appeals***, by introducing time-sensitive response deadlines by USAC and the FCC.

▪ *Assessment*

- ***Program Compliance Through Specific Program Measures and Goals***, based on results-oriented and students achievements.
- ***Audit Enhancement and Scheduling Changes***, using established auditing entities.
- ***Emphasizing Neutral Administration of the USF,*** by establishing/enforcing guidelines and fair practices to ensure that any suspension of funds, based solely on allegations by a service provider, does not occur.

Equitable Distribution of Funds

NPRM, ¶33 - M-DCPS notes that the NPRM seeks comments on whether the FCC should change the rules to use a formula to distribute funds directly to schools and libraries according to their size and allow funds to be used in a more flexible way (NPRM, ¶33)[4]. FCC Chairman Martin notes that, "By using a formulaic approach to distribute support directly to schools, libraries, and rural healthcare providers, the Commission may be able to address the concerns raised by beneficiaries about the growing complexity of the application process while still ensuring that the program's funds are used appropriately."[5] M-DCPS is cognizant of the needs to ensure funds are used according to program rules. As such, ***M-DCPS believes that a formulaic approach with a funding cap, at the state level, and modified to include an equitable state distribution of funds,*** would further the goals of the program. ***This proposal assumes that the current mechanism of using the National School Lunch Program, or other acceptable measure of poverty, or a combination thereof, will be retained to determine participation based on levels for funding. This proposal by M-DCPS assumes that the USAC administration would continue to administer the funds and remain in control of this program***. (NPRM, ¶33)[6]. M-DCPS believes that, by funding at the state level, the process and thereby the funds would be more equitably distributed.

Currently, based on the existing allocation process, some applicants can obtain funding that is disproportional to an area's poverty level, relative to that of other states, thus adversely affecting the available funds to other schools elsewhere in the country. More specifically, the current mechanism allows for some states to impact the levels of funding nationally based on their aggressive and all-embracing filing process. In contrast, the proposed state-level funding caps would set state-level funding bands,

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[4] See Program Management ¶33, Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking released on June 14, 2005, FCC 05-124.

[5] See page 55, Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking (NPRM) CC Docket No. 02-6, released June 14, 2005, Statement of Chairman Kevin J. Martin, Re: Comprehensive Review of Universal Service Fund Management, Administration, and Oversight, WC Docket No. 05-195.

[6] See Program Management ¶33, Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking

thus limiting – or outright eliminating – the impact that one state would have on the rest of the country.

The FCC seeks comment on whether the formulaic approach would further the goals of the program; would it create substantial additional challenges; and would it disadvantage any stakeholders (**NPRM, ¶33**).[7] The Telecommunications Act of 1996 lists access to advanced telecommunications service for schools, health care, and libraries as a principle of Universal Service, authorizing the states to determine if the discount to provide services to schools and libraries for educational purposes is appropriate and necessary to ensure affordable access to and use of services.[8] A formulaic approach, at the state level only, would indeed further the goals of the program to provide services, such as digital inclusion to all.

In support of this notion, the Florida Public Service Commission (FPSC) submitted comments in response to the Notice of Proposed Rulemaking (FCC02-8) released on January 25, 2002. In this response, they stated "… we believe augmenting the FCC's current rules for support distribution can achieve a more equitable distribution of funds to each state, if an initial state cap was established based on poverty."[9] They further affirmed, "A cap could be established based on a ratio of a state's population in poverty relative to the national population in poverty as estimated by the United States Census Bureau. This ratio would establish a cap for a state by multiplying it times the overall funding cap of $2.25 billion. The ratio could be updated each year to capture changes in economically disadvantaged areas. Funds would be awarded for all priority 1 services and then priority 2 services, as long as funds were available under the capped amount of the state." [10]

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released on June 14, 2005, FCC 05-124.

[7] See Program Management ¶33, Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking
released on June 14, 2005, FCC 05-124.

[8] See 47 U.S.C. § 254(h) (1) (b), Telecommunications Act of 1996, Pub. LA. No. 104-104, 110 Stat. 56 (1996).

[9] See Reply Comments of the Florida Public Service Commission Regarding the Review of Rules Governing the
Schools and Libraries Universal Service Support Mechanism, CC Docket No. 02-6, date April 23, 2002.

[10] See Reply Comments of the Florida Public Service Commission Regarding the Review of Rules Governing the

Streamlined Process

NPRM, ¶37. The FCC seeks comment on the application process for obtaining support from the schools and libraries mechanism (NPRM, ¶37).[11] The original intent of the E-rate program was clearly outlined by then Secretary of Education, Richard W. Riley in his letter to the Federal Communications Commission dated November 19, 1996 and titled "Testimony of the Secretary of Education".[12] Many issues, still unresolved, were addressed in this document. For instance, when discussing the issue of bringing access to the Internet in every classroom, Mr. Riley noted that, "…there is a huge gap between need and availability […] nevertheless, reaching every school and library by the year 2000 is an achievable goal."

Great strides have been made to meet this challenge. Ironically, there are still areas in the country, originally indicated in the program's intent, where the neediest applicants reside, that find the current program outline so burdensome that they choose to pass up its benefits. For many applicants, the application process is so complex that they do not apply or are dropping out of the program altogether. In fact, this concern is not lost in the discussion outlined by the FCC in its Notice of Proposed Rulemaking, (NPRM, ¶37),[13] where it is noted that, "…the complexity of the application process leads some small schools and libraries to choose not to participate in the E-rate program."[14] Many note the level of complexity and the lack of matching personnel to assign to this arduous task as the reasons not to get involved. The sheer number of hours required to keep up with the forms, deadlines, rules, documentation

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Schools and Libraries Universal Service Support Mechanism, CC Docket No. 02-6, date April 23, 2002.

[11] See Application Process ¶37, Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking released on June 14, 2005, FCC 05-124.

[12] See Testimony of the Secretary of Education. Published on November 19, 1996 in response to CC Docket No. 96-45 before the Federal Communications Commission.

[13] See Application Process ¶37, Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking released on June 14, 2005, FCC 05-124.

[14] See Application Process ¶37, Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking released on June 14, 2005, FCC 05-124.

requirements, and requests for verification of application documents– just to mention a few indicators, is enough to deter participation.

Complexity of rules, policies, forms, and procedures lead to confusion and frustration with the process and the program. The current application process may have been originally designed with a different intent. However, the outcome has been riddled with roadblocks, constant program rule changes, and a perceived notion that its framework tends to show a skewed interest in safeguarding the vendors, instead of genuinely making it easy for the applicants to achieve the intended success in technological advancements. Thus, alternate reform proposals, such as those that follow in this document, should be considered to streamline this process (NPRM, ¶37).[15]

FCC Forms Modifications

NPRM, ¶37. M-DCPS asserts that application for priority 1 telecommunications services can be easily streamlined to expedite the funding commitments associated with these services. The FCC states that, "It appears, based on the information we have at this time that relatively few instances of waste, fraud, and abuse occur in requests for priority 1 services" (NPRM, ¶37).[16] Thus, ***M-DCPS believes that priority 1 services should receive immediate consideration for a streamlined process***. This can be achieved specifically, by:

a) ***Making the FCC Form 470 an optional form***. **NPRM, ¶40.** The FCC seeks comments on modifying current rules requiring competitive bids (NPRM, ¶40).[17] M-DCPS agrees with the Joint Board's conclusion that Congress intended schools and libraries to take advantage of the growing competitive marketplace for telecommunications and information services.[18] The intent of competitive bidding

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[15] See Application Process ¶37, Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking
released on June 14, 2005, FCC 05-124.

[16] See Application Process ¶37, Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking
released on June 14, 2005, FCC 05-124.

[17] See Competitive Bidding ¶40, Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking
released on June 14, 2005, FCC 05-124.

[18] See ¶ 575 in the Report & Order In the Matter of Federal-State Joint Board on Universal Service, FCC 97-157, CC Docket No. 96-45.

was to increase the number of providers in the bidding process. As the Joint Board recognized, many schools and libraries are already required by their local government or governing body to prepare detailed descriptions of any purchase they make above a specified dollar amount, and they may be able to use those descriptions for this purpose as well.[19] ***M-DPCS proposes that applicants follow local and state competitive bidding and procurement rules*** which will also help avoid inconsistencies between FCC rules and USAC procedures and state and municipal procurement rules.

The option to use the FCC Form 470 would allow for those few entities, whose interests would be served through competitive bidding in this arena, to apply accordingly. As is known, most locations throughout the country have an established common carrier and consequently do not need to use the FCC Form 470 – certainly not for priority 1 services – as a resource to attract new competitive business. In our case at M-DCPS for instance, no business opportunities and/or requests have ever been processed, through the life of the E-rate program, as a result of a single FCC Form 470 application filed. In fact, our experience applies to both priority 1 and priority 2 requests.

b) **Expeditious approval of "repeat requests."** M-DCPS suggests that the applicant be provided with the opportunity, on the "revised" FCC Form 471 (see Attachments), to indicate that this is a *"repeat request"* approved in the previous year. This would be reasonable, particularly if no anticipated changes are expected for the duration of the previously approved and certified contract in place. This information could be in treated as a check off box. Additionally, there should also be a space allocated to add or delete eligible sites, based on growth changes to the school district (see attached "Proposed Changes to the FCC Forms" in this document).

This process assumes that,

i. No changes have been made to the school district's approved Technology Plan that would impact the priority 1 requests.

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[19] See ¶ 575 in the Report & Order In the Matter of Federal-State Joint Board on Universal Service, FCC 97-157,
CC Docket No. 96-45.

ii. No changes have been made to the type of services requested.

iii. The contract was properly bid and approved and quoted previously in an approved application reviewed and funded by USAC.

Having met the guidelines in place, to include internal procurement practices, the applicant should be permitted to request refunds without having to be subjected to the same rigorous reviews as in previous funding years. In fact, in the case of M-DCPS, our internal procurement practices – as outlined in our website at http://procurement.dadeschools.net, are more stringent that even the current SLD requirements.

Such adjustments to the FCC Form 471, as well as others noted later in this document, would greatly alleviate the burden to applicants throughout this process. These adjustments would also serve to encourage small districts to participate, at least in the priority 1 refund process, even if they have limited personnel resources to allocate to the E-rate program.

Further, the safeguards against waste, fraud, and abuse should continue. As such, it must be noted that a funding request for Telecommunications and/or Internet services (priority 1 services) only secures a commitment of funds. The actual potential for waste, fraud, and abuse would come at the time of the refund request process through the use of the FCC Form 472. It is at this time that actual invoiced expenditures must be identified in order to extract the committed funds resulting from the initial FCC Form 471 request.

In fact, the certification pages of the current FCC Form 472 do not allow for the inclusion of the amount being requested for refund. In terms of waste, fraud, and abuse, such omission could lead someone to change the amounts being requested for refund after the approver signed the certification page. ***M-DCPS strongly encourages that the amount being requested for refund be included in the two certification pages to avoid any appearance of impropriety.***

c) **Incorporating all proposed changes to the various FCC Forms noted in our response to Paragraph 41 of the NPRM** (see "Proposed Changes" to the FCC Forms – NPRM, ¶41 in this document).

These changes would greatly streamline the filing process and serve to greatly alleviate the burden to applicants throughout this process.

NPRM, ¶37. Further, the NPRM seeks comments on the "…use of technology to improve the application process…" (NPRM, ¶37) [20] It is our estimation that technology can be greatly manipulated to benefit the program and its expediency. For instance,

1. **The entire Block 1 of the FCC Form 471 could be auto-filled** ***once the Billed Entity Number is entered***. Currently, this is found in Block 1, Item 3. Thus, the Billed Entity Number **(BEN) should be moved to Block 1, Item 2** (see "Proposed Changes" to the FCC Forms – NPRM, ¶41 in this document).
2. **The RAL** (Receipt Acknowledgement Letter) **should be eliminated for all applications entered electronically.** Currently, when the applicant certifies the FCC Form 471, a notice of PIN use is sent electronically to notify the user that a specific application number was certified. Unless this was a fraudulent entry, such electronic notification can serve as the document that confirms the data entry of that specific application. *This would also serve to reduce administrative costs by USAC, as well as the applicant's time and effort in maintaining such files and database entries.*

NPRM, ¶37. Finally, in this paragraph (NPRM, ¶37) the Commission seeks comment "on ways to streamline the application process (to include Form 486)." [21] ***M-DCPS believes that FCC Form 486 should be eliminated***, as it serves no valuable purpose and is, instead, a burden to the applicant and the process in general. Furthermore, ***M-DCPS strongly suggests that the certification it seeks to acquire from the applicant ("…that the technology plans on which purchases were based were***

[20] See Application Process ¶37, Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking
released on June 14, 2005, FCC 05-124.

[21] See Application Process ¶37, Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking
released on June 14, 2005, FCC 05-124.

approved before receiving service,")[22] be made to reside in the proposed amendments of FCC Form 472.

NPRM, ¶41. Specifically, the FCC seeks comments on the Forms 470, 471, 472, 473, 474, 486, 498 and 500, and address whether more or less information should be required on these forms, if any of these forms could be consolidated or eliminated, and if any other forms would be helpful (NPRM, ¶41).[23] ***M-DCPS strongly feels that, in order to support the proposed changes aimed at expediting the current application process, all the FCC E-rate forms must be reviewed and/or revised***. In some cases, they should even be eliminated or provided for optional use by the applicants. Specifically, ***M-DCPS suggests the following changes*** *to each of these FCC Forms*, [24]

FCC Form 470. Allow for its optional use by applicants, based on need, as previously discussed in this document. This optional use would most significantly impact the requests for priority 1 services, as discussed.

FCC Form 471. Streamline the current form (see attached updated version) and provide for priority 1 short-cuts as noted in this document. Additionally, as noted previously, other proposed changes to this form include the more efficient use of technology to populate fields automatically related to the Entity Number / FCC Registration Code.

FCC Form 472. Amend to use exclusively for ALL refund requests, regardless of applicant or vendor origin as discussed in this document (see attached updated version). Add certification from deleted FCC Form 486, that "… the technology plans on which purchases were based were approved before receiving services."

FCC Form 473. No comments to file for this form.

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[22] See Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking released on June 14, 2005,
FCC 05-124, Footnote #88.

[23] See Forms ¶41, Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking released on June
14, 2005, FCC 05-124.

[24] Please review the proposed forms included in the "Attachment Section" of this response.

FCC Form 474. Eliminate and require vendors to use the amended FCC Form 472 as noted in this document.

FCC Form 486. Eliminate this form altogether and transfer the required certification it seeks to acquire from the applicant ("…that the technology plans on which purchases were based were approved before receiving service.")[25] to the amended FCC Form 472, as indicated above.

FCC Form 498. No comments to file for this form.

FCC Form 500. Amend to use this form for all ADJUSTEMENTS / MODIFICATIONS TO APROVED FUNDING COMMITMENTS. This would include the following:

1. Contract changes and contract date extensions
2. FRN funding adjustments
3. SPIN changes
4. Service Substitution requests
5. Cancellation of unused funds

Addressing Funding Delays

NPRM, ¶37. The NPRM also seeks comments on "…establish[ing] deadlines or target dates for processing applications" (NPRM, ¶37).[26] While it is clearly understood that certain mitigating circumstances may prevent a certain number of applications from being processed expeditiously, these should be the exception in the future, and not the rule.

School districts, as any business that manages funds, must adhere to budget cycles; generally, these coincide with the E-rate program year cycles that is, July 1st through June 30th. Conversely, all school districts, as a business operation, should know the funds it can expect at the beginning of its business cycle. Therefore, it should be a fair expectation that all districts would know by the start of its cycle the status of its applications, particularly as it relates to priority 1, telecommunications services.

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[25] See Application Process ¶38, Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking released on June 14, 2005, FCC 05-124, Footnote #88.

[26] See Application Process ¶37, Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking released on June 14, 2005, FCC 05-124.

Based on the proposed state funding caps, applications for each state would be "batched" and the USAC / SLD Program Integrity Assurance team, currently involved in the processing of these applications, would be assigned to quickly determine the priority 1 funding, and expeditiously release those Funding Commitment Decision Letters (FCDL) by no later than the start of the new funding year, that is, by June 30th. The teams would then start reviewing all priority 2 applications with a target FCDL release date of no later than September 30th of the funding year. This should help expedite the notification of funding to the individual school districts.

NPRM, ¶38. The FCC seeks comment on the matter of delays in general (NPRM, ¶38).[27] The Commission recognizes that, "the timing of various parts of the USAC and Commission processes is critical to schools and libraries, many of which operate according to strict state or municipal budget and procurement schedules."

M-DCPS shares this concern. In fact, our school district has never received funding commitments earlier than eight months into the program year in question. This historical data dates back to the program's initial year in 1998. The impact is just short of having colossal implications. For instance, such delays directly affect future budget plans. Priority 1 refunds, for services already paid by the school district, accrue interest dollars never seen by the districts. Deployment of proposed projects, as noted in the technology plans, are delayed or not implemented. Delays in projected development of new technologies can cause these technological innovations to render some of the requests useless by the time of their eventual approval. Furthermore, the impact is also felt at the SLD when faced with duplicate funding requests from one year to the next as school districts, unaware of funding commitments, re-apply for the same services and/or equipment as in previous years. These are just a few of the areas impacted by programmatic delays.

Further, the FCC seeks comments on whether USAC and the Commission have adequate staff resources to combat delay and the possible imposition of new

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[27] See Application Process ¶38, Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking
released on June 14, 2005, FCC 05-124.

deadlines (**NPRM, ¶38**).[28] M-DCPS proposes that program modifications, as outlined in this response, would serve to address this issue directly. Current staffing levels at USAC could be reduced or re-assigned to handle the processing of appeals in a more timely fashion, a task currently understaffed or overwhelming.

Such controls would then allow the FCC to address those appeals that do reach their level, and which are of a policy matter, in a more expeditious manner. In fact, the Commission actually acknowledges that, "current deadlines for resolution of appeals are rarely met." [29] M-DCPS agrees with this perception. It is known, for instance, that many appeals have lingered at the SLD and the FCC levels without a resolution for longer than two years.

NPRM, ¶42. The FCC also seeks comment on how the application and disbursement process can be better synchronized with the planning and budget cycles of the schools and libraries benefiting from this program (NPRM, ¶42).[30] ***M-DCPS proposes that the application and disbursement process be synchronized with schools and libraries budgets cycles***. Operationally, for instance, public school applicants would apply for funds during a window 120 days prior to July 1, to coincide more closely with the budget preparation cycle. This is the time when districts are preparing budgets and planning procurement. Districts would know what discounts they would be getting and could plan their budgets accordingly. Funds would be distributed in waves starting on July 1 of the funding year, as suggested previously. M-DCPS submits that this process would ensure an efficient, effective and competitively neutral method of disbursement (**NPRM, ¶60**).[31]

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[28] See Application Process ¶38, Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking
released on June 14, 2005, FCC 05-124.

[29] See Application Process ¶38, Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking
released on June 14, 2005, FCC 05-124.

[30] See Timing of Application Cycle ¶42, Notice of Proposed Rulemaking and Further Notice of Proposed
Rulemaking released on June 14, 2005, FCC 05-124.

[31] See USF Disbursements ¶60, Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking
released on June 14, 2005, FCC 05-124.

Priority 1 requests would all be funded in the first cycle. Priority 2 requests would be funded after all Priority 1 requests were satisfied, as is currently the case, except that now the funding levels would be based on each individual state's funding cap, and they would still be processed according to USAC operations currently in place.

Clearly, implementing the suggested changes noted in this response would provide immediate relief in the following areas of concern:

- The application process is streamlined thus leading to shortened processing time periods.
- The review and analysis phase would be greatly diminished, particularly in terms of the Priority 1 telecommunications requests.
- Funding commitments would be available much sooner than based on current practices, as the amount of funds to be allocated to each state would be known in advance and the funds would be made available to the districts much sooner. This would lead to an expedited funding process and a timelier issuance of Funding Commitment Decision Letters.

Technology Plan Approval

NPRM, ¶40. The FCC seeks comments on how the E-rate technology planning process be reviewed in accordance with other federal technology planning requirements (NPRM, ¶40).[32] The Universal Service Order[33] indicates that the FCC is aware that many states have already undertaken state technology initiatives, and that it is their expectation that more will do so and will therefore be able to certify the technology plans of schools and libraries in their states. Therefore, the suggestion noted is in line with this thinking-process.

In accordance with these state-level technology initiatives, the Order states that where plans have been approved for other purposes, those plans will be accepted

[32] See Competitive Bidding ¶40, Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking
released on June 14, 2005, FCC 05-124.
[33] See ¶ 574 in the Report & Order In the Matter of Federal-State Joint Board on Universal Service, FCC 97-157,
CC Docket No. 96-45.

without the need for further independent approval.[34] ***M-DCPS believes that accepting technology plans prepared for other purposes promotes the intent of Congress and avoids duplicative efforts of applicants participating in Federal programs.***

Ensure Expeditious Resolution of Appeals

The GAO recognizes that the appeals process and decisions are one of the weaknesses in the FCC oversight mechanisms.[35] USAC's ability to provide concrete directions on policy issues to applicants is greatly impaired as appeals remain unresolved at the FCC level. This unquestionably results in great hardship for the applicant community.

M-DCPS firmly believes that such delays in decisions would be significantly decreased, thus alleviating complications, as proposals outlined in this document are implemented. The FCC recognizes that, "Sometimes delays can complicate the application process for schools and libraries, leading to ministerial errors on subsequent applications, complicating auditing, and undermining our ability to combat waste, fraud, and abuse." (NPRM, ¶29).[36]

NPRM, ¶29. Program innovations, as outlined previously in this response, would in fact allow for placing a limit on the time required by either USAC or the FCC

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[34] See ¶ 574 in the Report & Order In the Matter of Federal-State Joint Board on Universal Service, FCC 97-157, CC Docket No. 96-45, "Furthermore, plans that have been approved for other purposes, e.g., for participation in federal or state programs such as "Goals 2000" and the Technology Literacy Challenge, will be accepted without need for further independent approval."

[35] See page 5 of the GAO Report to the Chairman, Committee on Energy and Commerce, House of Representatives, Telecommunications, Greater Involvement Needed by FCC in the Management and Oversight of the E-Rate Program, GAO-05-151, Released February 2005, "FCC's three key oversight mechanisms for the E-rate program—rulemaking procedures, beneficiary audits, and reviews of USAC decisions (appeals decisions)—are not fully effective in managing the program."

[36] See Delays on Appeals ¶29, Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking released on June 14, 2005, FCC 05-124.

to address appeals. The FCC seeks comments on particular deadlines that need to be modified, "…setting deadlines for progressing from the completion of an application to the funding commitment decision letter ("FCDL"), or for completion of appeals" (NPRM, ¶29).[37]

M-DCPS respectfully suggests that the time allotted to either USAC or the FCC to address appeals be kept to a maximum of 60 calendar days. If additional time is required, it would then be a requisite, as is the case today with the applicants, to notify the plaintiff of the need for an extension. After one additional 60-day extension, if either USAC or the FCC fails to reach a decision, the case would be won by the applicant by default. This is currently the approach under which the applicants have been required to navigate through Program Integrity Assurance rules that require only a seven-day turn around timeframe – not even 60 days – and then a decision is reached "based on current available data…" which translates into a denial of funds for that particular application.

M-DCPS strongly believes that such a proposal has merit since it would improve the application and disbursement process and serve to reduce the lengthy review process. Clearly, the program's original intent was never to allow for appeals, either to USAC or the FCC, to linger indefinitely without a resolution. In fact, as pointed out in the GAO Report, a backlog of appeals exists which adds uncertainty to the program. The impact of such construct only serves to create a chaotic ambiance to the applicant who is left to wonder how to navigate through the situation without a clear resolution. Thus, M-DCPS feels that implementing the aforementioned proposal would significantly reduce the number of pending appeals by USAC and the FCC.

Assessment

Program Compliance Based on Measurable Goals

NPRM, ¶26. The FCC requests comments on suitable outcome, output, and efficiency measures for the E-rate program and whether alternative or supplemental

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[37] See Modification of Deadlines ¶29, Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking
released on June 14, 2005, FCC 05-124.

goals may be more appropriate than connectivity (NPRM, ¶26).[38] The FCC also seeks comment on how we can take the evolving level of services into account in adopting performance measures and on ways to measure the extent to which broadband services have been deployed to classrooms, through the E-rate program (NPRM, ¶26).[39] ***M-DCPS submits that establishing broad programmatic goals for applicants, the FCC would set the tone and provide the environment for districts to work towards achievable and pre-established targets.***

NPRM, ¶27. The FCC seeks comment on whether performance measures used by the U.S. Department of Education are instructive for E-rate purposes (NPRM, ¶27).[40] The U.S. Department of Education uses performance measures to evaluate the implementation of the Enhancing Education Through Technology (EETT) program.[41] ***M-DCPS submits that, indeed, EETT performance measures would be instructive for E-rate purposes***. Currently, states measure technology goals and initiatives as part of EETT, and have ready access to data associated with connectivity.

The goal of the original E-rate legislation was to provide discounts to eligible schools and libraries for educational purposes and ensure connectivity for the nation's students. However, the E-rate program has not asked applicants for this information. E-rate applicant forms do not permit the collection of this data. The forms ask for information that measures the number of wires and boxes on site. This data, in essence, has no real relevance in connecting students to the Internet, nor addresses the effectiveness of such an accomplishment. It's not about the boxes and wires, it's about what is going on with technology in schools that help to eliminate barriers to digital inclusion for all schools.

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[38] See Performance Measures E-rate and goals ¶26, Notice of Proposed Rulemaking and Further Notice of Proposed
Rulemaking released on June 14, 2005, FCC 05-12, Universal service is an "evolving level of telecommunications services" that includes advanced services.

[39] See Performance Measures E-rate ¶26, Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking released on June 14, 2005, FCC 05-124.

[40] See Performance Measures ¶27, Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking
released on June 14, 2005, FCC 05-124.

[41] No Child Left Behind Act of 2001, (P.L. 107-110), 115 STAT. 1425, Title II, Part D.

NPRM, ¶28. The FCC seeks comment on meaningful ways to distinguish the impact of E-rate funds from other governmental and non-governmental programs that support services or facilities similar to the E-rate program (NPRM, 28).[42] M-DCPS does not believe there is a way to isolate one component in a child's education and say it made the difference. One can only hope to combine all components and make a difference. As the FCC noted in the NPRM (¶28)[43], measuring connectivity is not evidence that the E-rate program is a success, albeit without connectivity one can't have success. ***M-DCPS believes that connectivity should lead to measurable components related to equitable access of educational resources***. That's the success that should be measured. The President's goal of Universal Broadband can only support this more. Through Universal Broadband students in our schools and libraries would have expanded learning opportunities that do not exist with dial up capacity. A collaborative partnership with states and the FCC would bolster attainment of E-rate program goals and the vision of the original Universal Service Order.[44]

Audit Changes

NPRM, ¶75. The FCC seeks comment on whether the current structure of E-rate audits is appropriate to the program (NPRM, ¶75).[45] The Commission discusses possible program modifications regarding audits. Certainly, audits must be viewed, both by the program enforcers and the school district community, as well as the participating service providers, as a tool to continually assess and improve the outcome. Audits can, and should, also be used to ensure that those who participate in the program understand program guidelines, rules and regulations, and avoid unintentional misuse of funds, leading to an avoidable perception of waste, fraud, and

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[42] See Performance Measures Impact of E-rate ¶28, Notice of Proposed Rulemaking and Further Notice of Proposed
Rulemaking released on June 14, 2005, FCC 05-12.
[43] See Performance Measures Impact of E-rate ¶28, Notice of Proposed Rulemaking and Further Notice of Proposed
Rulemaking released on June 14, 2005, FCC 05-12.
[44] 47 U.S.C. § 254, Telecommunications Act of 1996, Pub. LA. No. 104-104, 110 Stat. 56 (1996).
[45] See Audits ¶75, Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking released on June 14, 2005, FCC 05-124.

abuse. As such, there should be a clear delineation between clear fraudulent intent and data entry errors or omissions.

M-DCPS recommends that audit guidelines set by the FCC for this program follow current state guidelines, based on a state allocation of funds as indicated earlier. To set different audit guidelines would only lead to redundancy of efforts. Currently, state practices already accommodate this requirement. Certainly, OPPAGA concentrates on Performance Audits, State Auditors generally perform Financial Audits, and Internal Audits are regularly performed at the school district level. These audits provide an independent and objective evaluation of the fiscal activities in the districts and are presented to external oversee committees. Their findings become public record.

These audits maintain an internal control environment that is conducive to safeguarding and preserving not only the school systems' assets and resources, but also serve to improve the general effectiveness of their operations, thus assuring compliance with current applicable laws, rules, and procedures. Furthermore, these audits are conducted by auditors and district personnel who are members of the National Association of Local Government Auditors, a reliable watchdog. Thus, ***M-DCPS firmly believes that, while audits are a necessary component of this program, their frequency and source should be seriously analyzed.***

NPRM, ¶71 & ¶72. The FCC seeks comment on the benefits and drawbacks of Beneficiary Audits and the costs and burdens associated with pursuing this need through independent audit requirements (NPRM, ¶71 & ¶72).[46] As regular audits are conducted by state and district agencies, as noted above, the costs associated with pursuing this task is lessened or eliminated altogether. As well, ***M-DCPS proposes that audits be required of program participants on the same basis as current program requirements for priority 2 requests, that is, every 2 in 5 years***. *It is suggested that USAC can independently request the two-audit threshold as it deems necessary,*

[46] See E-Rate Beneficiary Audits ¶71 and 72, Notice of Proposed Rulemaking and Further Notice of Proposed
Rulemaking released on June 14, 2005, FCC 05-124.

through random selection, sporadically, or methodologically. The school district would be required to comply, but using its own internal and state resources to meet this request.

M-DCPS further believes that this proposal would save the program a significant amount of administrative costs, currently associated with the deployment of external auditors hired to analyze a complex program. Add to this the many constant changes in rules and regulations and it becomes obvious that outside firms, hired to perform these audits, seldom display a mastery of program understanding and knowledge.

Emphasizing Neutral Administration of the USF

NPRM, ¶11. The FCC seeks comments on whether USAC is administrating the USF in an efficient, effective, and competitively neutral manner (NPRM, ¶11).[47] M-DCPS feels that this has not been the case, both in terms of technical and operational neutrality. Decisions on technical eligibility is often established and then reversed, only to be established again. This was glaringly evident in the case of Alarm Lines. A myriad of other technical examples could be presented, such as limiting the applicant's ability to do business with non-common carriers, the eligibility of some antennas versus the inability to purchase key components - such as terminal equipment that allow us to view the Internet services once accessed, among others, a list too lengthy to mention.

On the issue of program neutrality, M-DCPS also points out that the lack of neutrality was evident from the onset of the program. For example, the requirements placed on the applicant when requesting a refund, using the FCC Form 472, are more stringent than the requirements placed on the service provider when requesting the same type of refunds, but using FCC Form 474. Evidence of dual certification, for instance, is absent in the current FCC Form 474.

As well, the fact that refund checks resulting from the BEAR forms are sent to the vendor, further gives the appearance of a "trust" placed on the service provider not afforded to the applicant. Furthermore, the service provider, who had already

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[47] See USF Administrative Structure ¶11, Notice of Proposed Rulemaking and Further Notice of Proposed
Rulemaking released on June 14, 2005, FCC 05-124.

collected from the applicant the same amount of monies being refunded, is now allowed an additional 20 days to turn around a check to the applicant. Such relaxed guidelines only serve to allow the service providers to collect at least another month's worth of interest dollars in funds that should have been directly transferred to the applicant requesting these refunds in the first place. This practice, when viewed from the perspective that interest monies can be substantial in refunds worth millions, is preposterous. Thus, ***M-DCPS firmly believes and suggests that this practice be changed to allow for funds requested through a FCC Form 472 to flow directly from the SLD to the applicant or requester, as changed through these suggestions.***

Additionally, M-DCPS firmly believes that the updated FCC Form 472, to include vendor use, must contain additional safeguards to prevent waste, fraud, and abuse. ***M-DCPS proposes the following additional changes:***

1. Certification by the service provider acknowledging that all requested services/equipment, for which funds are being sought from USAC, have been delivered and are operational at the time of funding withdrawal requests.
2. An itemized invoice, to be included at the initial certification stage, be provided to the applicant to include a breakdown of the specific services/equipment delivered to the school/school district. This breakdown should include a price listing of associated costs bore by the SLD and the applicant separately. As well, a third line, if applicable, should include all non-E-rate eligible components purchased separately by the applicant. This type of invoicing, to be analyzed up front by the applicant, would allow the applicant to identify and acknowledge that the billed services/equipment(s) were actually received. This added safeguard would prevent the service provider from inadvertently billing the entire SLD approved amount when only portion of that amount was actually spent in the final delivery of the services/equipment.

NPRM, ¶95. Further, M-DCPS enthusiastically applauds the Commission for taking all the steps necessary to prevent waste, fraud, and abuse in the future. As well,

M-DCPS welcomes the opportunity to discuss the issue of neutrality as part of the funding process and the program guidelines in general. Specifically, ***M-DCPS proposes that the Commission reviews its current policy of funding suspensions based merely on allegations imparted on an applicant by a vendor***. A myriad of reasons may be present that could lead a service provider to anoint culpability on an applicant or question its intent.

Therefore, **M-DCPS further suggests that** ***the Commission should consider amending its E-rate program forms to include a statement of the procedures that would be followed in the event that allegations are made by one party against a third party whenever there is a question of over-funding and the issuance of a Commitment Adjustment Letter***. As noted by the Commission, "It is important that these proposed rules have sufficient specificity for beneficiaries and contributors to understand their obligations." (NPRM, ¶95).[48]

Although the Commission's rules do set forth due process safeguards, experience at M-DCPS has shown that these guidelines have been ignored by the SLD in the past. These proposed changes, therefore, would ensure adequate procedural due process and protect a school district from being penalized unfairly.

Conclusion

Dissemination of knowledge has always been closely tied to the delivery form used. In turn, discoveries in science have directly affected this process. The printing press gave us the opportunity to teach from books by providing every student with the source of learning. We have come to understand this source as part of the traditional classroom. In this environment, the teacher held the knowledge and was responsible for imparting it to the students. Today there is a great disconnect in what learners need and what traditional classrooms provide. Students today learn differently. For today's millennial generation, it's unacceptable not to have equitable access to modern technology and learning opportunities. We are at the threshold of the electronic

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[48] See USF "Other Actions to Reduce Waste, Fraud, and Abuse" ¶95, Notice of Proposed Rulemaking and Further
Notice of Proposed Rulemaking released on June 14, 2005, FCC 05-124.

classroom, where every student will have a laptop computer, much as students before this generation had books in a backpack, except they are now capable of accessing any information instantly and without boundaries.

When Congress passed the No Child Left Behind Act in 2001, it set a goal that no child would be left behind. The Universal Service, E-rate program has a goal as well that all students would have equitable access to advanced telecommunications services, so as not to be left behind. E-rate has made a difference in the classroom in providing discounts to schools and libraries to meet their connectivity needs. However, as innovation and advancements in technology become the standard, the need to provide access to these advanced telecommunications services for all schools and libraries is vital. The replacement of obsolete equipment, with the support of the E-Rate program, has never been more crucial.

M-DCPS believes that by implementing a formulaic approach with a state funding cap, based on poverty, an equitable distribution of funds can also be achieved. M-DCPS also believes that by streamlining the application process, the E-rate program will lead to the realization of the original program goals, thus improving the disbursement process and eliminating unnecessary delays, and diminishing burdensome appeals. M-DCPS further believes that implementing changes to the auditing guidelines currently in place, the program's oversight will be enhanced by providing a more cost-effective evaluation of program rules and guidelines of the original law. Finally, M-DCPS believes that these reform and program updates will enhance and strengthen the program structure and bring tighter controls on waste, fraud, and abuse in a more neutral program environment. As well, many of the problems of management, oversight, enforcement, and accountability, which have beleaguered this laudable program, will be greatly curtailed and controlled.

A D D E N D U M

"Proposed Changes" to the FCC Forms – NPRM, ¶41

Major Proposed Changes Include:

FCC Form 470: Make "OPTIONAL"

FCC Form 471:

a. Change Billed Entity Number and establish automatic population of information throughout Block 1.
b. Provide Check-off BOX to indicate expedited processing for existing Priority 1 services

FCC Form 472: Use it EXCLUSIVELY for ALL refund requests

FCC Form 473: No comments to file

FCC Form 474: Eliminate and merge with FCC Form 472

FCC Form 486: Eliminate and move certification to FCC Form 472

FCC Form 498: No comments to file

FCC Form 500: Evolve this form for ALL "Adjustments / Modifications

FCC Form 470

(OPTIONAL)

Do not write in this area.

Approval by OMB
3060-0806

Schools and Libraries Universal Service
Description of Services Requested and Certification Form 470

Estimated Average Burden Hours per Response: 4 hours

This form is designed to help you describe the eligible telecommunications-related services you seek so that this data can be posted on the Fund Administrator Web Site and interested service providers can identify you as a potential customer and compete to serve you.

Please read instructions before beginning this application. (You can also file online at www.sl.universalservice.org)

Applicant's Form Identifier (Create your own code to identify THIS form 470)	Form 470 Application #: (To be assigned by administrator)

Block 1: Applicant Address and Identifications

1 Name of Applicant

2 Funding Year 3 Entity Number

July 1, Through June 30,

4a Street Address, P.O. Box, or Route Number

City

State Zip Code

b Telephone Number Ext c Fax Number

5 Type of Application

Individual School	(individual public or non-public school)
School District	(LEA; public or non-public [e.g. diocesan] local district representing multiple schools)
Library	(including library system, library outlet/branch or library consortium as defined under LSTA)
Consortium	(intermediate service agencies, states, state networks, special consortia of schools and/or libraries)

FCC Form 471

Approval by OMB

3060-0806

Do not write in this area.

Schools and Libraries Universal Service
Description of Services Ordered and Certification Form 471

Estimated Average Burden Hours per Response: 4 Hours

This form asks schools and libraries to list the eligible telecommunications-related services they have ordered and estimate the annual charges for them so that the Fund Administrator can set aside sufficient support to reimburse providers for services.

Please read instructions before beginning this application. (You can also file online at www.sl.universalservice.org)

The instructions include information on the deadlines for filing this application.

Applicant's Form Identifier (Create your own code to identify THIS Form 471)	Form 471 (To be assigned by administrator)

Block 1: Billed Entity Information (The "Billed Entity" is the entity paying the bills for the services listed on this form.)

1 Name of Billed Entity

2 Billed Entity Number

B. E. N. THEN AUTOMATICALLY POPULATES THE REST OF BLOCK 1

3 Funding Year: July 1, through June 30,

4a Street Address / P. O. Box or Route Number

City

State | Zip Code

b Telephone Number | Extension | Fax Number

5a Type of Application

Individual School (individual public or non-public school)

School District (LEA; public or non-public [e.g. diocesan] local district representing multiple schools)

Library (including library system, library outlet/branch or library consortium as defined under LSTA)

Consortium Check here if any members of this consortium are ineligible or non-governmental entities.

6a Contact Person's Name

☐ First, if the Contact Person's Street Address is the same as in **Item 4**, check this box. If not, please complete the entries for the Street Address below.

b Street Address, P.O. Box, or Route Number

City

State | Zip Code

Check the box next to your preferred mode of contact and provide your contact information. One box MUST be checked and an entry provided

c ☐	Telephone Number	Extension	d ☐ Fax Number
e ☐	Email Address		
f	Holiday/vacation/summer contact information	AUTOMATICALLY FILLED WITH OPTION TO BE CHANGED	

FCC Form 471

Approval by OMB

Entity Number _____ Applicant's Form Identifier _____

Contact Person _____ Phone Number _____

Block 2: Impact of Services Ordered on Schools

IF THIS APPLICATION INCLUDES SCHOOLS…	BEFORE ORDER	AFTER ORDER
7a – Number of Students to Be Served		
7b – Number of Eligible Students With Free and Reduced Lunch		
7c – SLD Percentage Discounts	Here the SLD should create a formula based on actual figures .	

7d – Urban ☐ Rural ☐

7e – Alternative Discount Mechanism ☐

Block 3: Impact of Services Ordered on Libraries

DELETE THIS SECTION

FCC Form 471

Approval by OMB

Block 4: Discount Calculation Worksheet

Insert from Applicant's Database – The rest of the current information is not required

FCC Form 471

Approval by OMB

No changes to any of the items, except to ADD:

15 e. CHECK THIS BOX IF THIS FUNDING REQUEST IS FOR TELECOMMUNICATIONS SERVICES (Priority 1) PREVIOUSLY APPROVED ON A FUNDING REQUEST FROM LAST YEAR AND BEARS NO CHANGES TO THAT APPLICATION.
APPLICATION # _____

CERTIFICATION: By submitting this application, the undersigned certifies to the truthfulness of this information.

Add note to Item 21: ONLY FOR PRIORITY 2 REQUESTS

FCC Form 471

Approval by OMB

BLOCK 6: CERTIFICATIONS AND SIGNATURE

NO CHANGES TO THIS SECTION (INCLUDES PAGES 5 OF 7; 6 OF 7; AND 7 OF 7.

FCC Form 472

No changes suggested to Page 1.

No changes suggested to Page 2.

FCC Form 472

Suggested changes to Page 3 below.

REIMBURSEMENT FORM 472

471 Billed Entity Applicant Name _____

471 Billed Entity Applicant Number _____

Contact Person Name _____

Contact Telephone Number _____

Reimbursement Form number _____

Reimbursement Amount Requested (Same as Block 1 #8) _____

Block 3: Billed Entity Applicant or Service Provider SEEKING

I certify that I am authorized to submit this Billed Entity Applicant Reimbursement Form on behalf of the eligible schools, libraries or consortia of those entities represented on this Form, **(IF THE APPLICANT BOX HAS BEEN CHECKED) OR as the authorized Service Provider (IF THE SERVICE PROVIDER BOX HAS BEEN CHECKED)** and certify to the best of my knowledge, information and belief as follows:

A. The discount amounts listed in Column (15) of this billed Entity Applicant Reimbursement represent charges for eligible services delivered to and used by eligible schools, libraries, or consortia of those entities for educational purposes, on or after the actual service start date.

B. The discount amounts listed in Column (15) of this Billed Entity Applicant Reimbursement Form were already billed by the service provider and paid by the Billed Entity Applicant on behalf of eligible schools, libraries, and consortia of those entities. **OR The applicant is seeking reimbursement directly from the SLD as the applicant chose to be billed only for the portion of services they are responsible**

16. Signature of authorized person (original ink signature required)	17. Date (required)
18. Printed name of authorized person (required)	
19. Title or position of authorized person (required)	
20. Telephone number of authorized person (required)	
21. Address of authorized person (required)	

FCC Form 472

Suggested changes to Page 4 below.

REIMBURSEMENT FORM 472

471 Billed Entity Applicant Name _____

471 Billed Entity Applicant Number _____

Contact Person Name _____

Contact Telephone Number _____

Reimbursement Form number _____

Reimbursement Amount Requested (Same as Block 1 #8) _____

Block 4: CERTIFICATION by Billed Entity Applicant or Service

I certify that I am authorized to submit this Billed Entity Applicant Reimbursement Form on behalf of the eligible schools, libraries or consortia of those entities represented on this Form, **(IF THE APPLICANT BOX HAS BEEN CHECKED) OR as the authorized Service Provider (IF THE SERVICE PROVIDER BOX HAS BEEN CHECKED)** and certify to the best of my knowledge, information and belief as follows:

A. The service provider must remit the discount amount authorized by the fund administrator to the Billed Entity Applicant who prepared and submitted this Billed Entity Applicant Reimbursement Form as soon as possible after the fund administrator's notification to the service provider of the amount of the approved discounts on this Billed Entity Applicant Reimbursement Form, but in no even later than **20 calendar days** after receipt of the reimbursement payment from the fund administrator, subject to the restriction set forth in B. below.

B. The service provider must remit payment of the approved discount amount to the Billed Entity Applicant prior to tendering or making use of the payment issued by the Universal Service Administrative Company to the service provider of the approved discounts for the Billed Entity Applicant Reimbursement form.

16. Signature of authorized person (original ink signature	17. Date (required)

18. Printed name of authorized person (required)

19. Title or position of authorized person (required)

20. Telephone number of authorized person (required)

21. Address of authorized person (required)

FCC Form 473 - No comments to file

FCC Form 474 -

Eliminate this form altogether. All refund requests should be processed using the updated FCC Form 472.

FCC Form 486 -

Eliminate this form altogether. Move certification to the FCC Form 472 that, "all requested services/equipment, for which funds are being sought from USAC, have been delivered and are operational at the time of funding withdrawal requests."

FCC Form 498 - No comments to file

FCC Form 500

Approval by OMB
3060-0853

Universal Service for Schools and Libraries

ADJUSTMENTS / MODIFICATIONS TO APPROVED FUNDING COMMITMENT FORM

Estimated Average Burden Hours Per Response: 1.5 hours

Please read instructions before completing. (To be completed by Schools and Libraries or Consortia.)

Form 500 Number (unique identifying number assigned by applicant)

Block 1: Applicant Information

3. Name of Billed Entity Applicant (required)	2. Billed Entity Number (required) B.E.N. THEN AUTOMATICALLY POPULATES THE REST OF BLOCK 1 AND BLOCK 3	1. Funding Year (required)

4. Complete Mailing Address of Billed Entity Applicant (required)

Street Address, P. O. Box or Route Number | City | State | Zip Code

10-Digit Phone Number | Fax Telephone Number | E-Mail Address

5. Contact Person Information

Contact Person Name (required)

Mailing Address (required if different from Item 4)

Street Address, P. O. Box or Route Number | City | State | Zip Code

10-Digit Phone Number | Fax Telephone Number | E-Mail Address

NO CHANGES TO WORDING OF WARNINGS…

Billed Entity Applicant's 500 Number (to be assigned by Fund Administrator) _____

FCC Form 500 – Approval Date

FCC Form 500

Billed Entity Number _____ Contact Telephone Number _____

Block 2: Services Adjustment: Fill in one Block 2 for EACH Funding Request (FRN) affected. If you are submitting more than one Block 2, please number your pages 2A, 2B, 2C, etc. and write the number in the space provided here: Page 2A **(DELETE)**

6. Provide the following information about each service cited in your Form 471 Block 5, Discount Funding Request, [FRN] for which you want to take one of the following actions:

Remember: The FRNs listed on this form must be for the same Funding Year as listed in Item 3, Block 1.

New Start Date: If you wish to change the Funding Year Service Start Date you listed on a previously filed Form 486 in this funding year. This action will NOT result in more funding.

Contract Expiration Date: If you wish to change the ending date for services. This action will not result in more funding but you could combine it with a reduction in funding.

Cancel: If you wish to cancel a Funding Request Number. Please note: This action is irrevocable and the FRN can NOT be reinstated later. This action would allow money to be put back into the Universal Service fund for possible commitment to other applicants.

Reduce: If you wish to reduce the amount of your funding commitment for a particular FRN. This action is irrevocable and the FRN can NOT be increased later. This action would allow money to be put back into the Universal Service fund for possible commitment to other applicants.

SPIN CHANGE REQUEST: If used for change of vendor, provide TO and FROM information.

SERVICE SUBSTITUTION REQUEST: If used for Service Substitution, provide TO and FROM information and reason for change.

The information required can be found in your Funding Commitment Decision Letter (FCDL) pertaining to the Funding Request (FRN) being affected.

IDENTIFICATION OF THE FRN TO BE ADJUSTED

(A) Form 471 Application Number (required):

(B) Funding Request Number(s) (required): _____, _____, _____, _____

(X) All FRN(s) on Application: (IF ALL FRN's ON APPLICATION WILL BE MODIFIED BY FORM 500)

(C) Billing Account Number (required, if contained in your FCDL):

(D) Service Provider Name (required):

(E) Service Provider SPIN (required):

ADJUSTMENT TO FRN LISTED ABOVE

	Original Date/SPIN/FRN	New Date/SPIN/FRN
[ ] Service Start Date		
[ ] Contract Expiration Date		
[ ] Cancel FRN		
[ ] Reduce FRN		
[ ] SPIN Change		
[ ] Service Substitution		

[ ] Cancel Unused Funds		
DESCRIPTION OF REQUESTED CHANGES(ADD LETTER IF REQUIRED)		

FCC Form 500

Do Not Write In This Area

Billed Entity Name _____ **Contact Name** _____

Billed Entity Number _____ **Contact Telephone Number** _____

Block 3: Certification

7. I certify that I am authorized to submit this Form on behalf of the above-named billed entity applicant, that I have examined this request, and that, to the best of my knowledge, information, and belief, all statements of fact contained herein are true.
8. I understand that the discount level used for shared services is conditional, for future years, upon ensuring that the most disadvantaged schools and libraries that are treated as sharing in the services receive an appropriate share of benefits from those services.
9. I recognize that I may be audited pursuant to this application and will retain for five years any and all records that I rely upon to fill in this form.

10. Signature (original ink signature required)	11. Date (required)
12. Printed name of authorized person (required)	
13. Title or position of authorized person (required)	
14. Telephone number of authorized person (required)	
15. E-Mail address of authorized person (required, if available)	
16. Address of authorized person (required)	

(THE ABOVE CERTIFICATION INFORMATION SHOULD BE FILLED AUTOMATICALLY)

A paper copy of this form, with an original signature in Block 3, Item 10 should be mailed to:

SLD-Form 500
P. O. Box 7026
Lawrence, Kansas 66044-7026

If sent by express delivery services or U.S. Postal Service, Return Receipt Requested, the form should be mailed to:

SLD-Form 500
c/o Ms. Smith
3833 Greenway Drive

Lawrence, Kansas 66046
888-203-8100