

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)

Request for Review of Decisions of the)
Universal Service Administrator)

Granville County School District)
North Carolina)

) CC Docket No. 02-6

) FCC Form 471 Application #: 827957

) FRNs 2384431, 2384460, 2384503, 2384559,
) 2384589 & 2384618 (FY 2012)

To: Chief, Wireline Competition Bureau

CONSOLIDATED SUPPLEMENT TO REQUESTS FOR REVIEW

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Dated: January 14, 2012

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SUMMARY

This Consolidated Supplement is made to a Request for Review (“Request”) filed on December 21, 2012 by the Granville County School District (the “District” or “Granville County”). The Request being supplemented herein involves primarily the propriety of the District’s submission to the Schools and Libraries Division of the Universal Services Administrative Company (collectively, “USAC”) of a request to remove certain billed entities (BEN’s) that were to receive certain eligible services supported under the Schools and Libraries Support Mechanism (“E-Rate Program”) administered by the Schools and Libraries Division of the Universal Services Administrative Company (collectively, “USAC”). USAC contends that the request did not meet the standard for a clerical & ministerial error.

The District respectfully submits that the grounds on which USAC justifies their decision cannot be sustained. The District followed the applicable rules in requesting the removal of the entities and has provided supporting documentation to USAC to support its contention.

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To: Chief, Wireline Competition Bureau

CONSOLIDATED SUPPLEMENT TO REQUESTS FOR REVIEW

Granville County School District (the “District” or “Granville County”), acting through counsel and pursuant to and in accordance with Sections 54.719-54.721 of the Federal Communication Commission’s (“FCC” or “Commission”) rules, hereby supplements its previously-filed Request for Review (“Request”).¹ Therein, the District sought review of USAC’s denial of the District’s appeals (“Appeals”) Funding Years (“FY”) 2012.

¹ On December 21, 2012 the District filed a Request with the Commission (See Exhibit 1) seeking review of the denial of the August 28, 2012 District appeal (See Exhibit 2 and 3) filed with the Schools and Libraries Division of the Universal Service Administrative Company (collectively, “USAC”) relating to the captioned FRNs. The District USAC Appeal contested the USAC Funding Commitment Decision Letter (“FCDL” and See Exhibit 4) relating to those FRNs. The Request was timely filed on December 21, 2012. Section 54.720(b) of the Commission’s rules requires the filing of an appeal with the FCC “within sixty (60) days of issuance” of a decision by USAC. The Denial Letter is dated November 16, 2012, and 60 days thereafter would be January 13, 2013. Since the Request was filed on December 21, 2012, which is 35 days from the date of the Denial Letters, it was timely filed.

I. STATEMENT OF THE DISTRICT’S INTEREST IN THE CONSOLIDATED REQUEST

The District had standing to file its appeal because Section 54.719(c) of the Commission’s rules provides that, “[a]ny person aggrieved by an action taken by a division of the Administrator ... may seek review from the Federal Communications Commission.”² In this case, the District is directly aggrieved by USAC’s Denial Letter, which seeks to deny funding for E-Rate Program funds for FY 2012.

II. INTRODUCTION- BASIS FOR DENIAL

This USAC Denial Letter affirms a decision relating to the captioned FRNs and was based on an exchange of information between USAC and the District.

Based on the Denial Letter the principal reason that became the basis for the denial was “You have not provided any information that shows that USAC had erred in its initial determination” that there was insufficient funds available to provide funding to applicants at a discount rate of 89% or less. The District respectfully disagrees with the justification for the Denial and requests that it be rescinded in full. The rationale for this disagreement is presented below.

III. KEY BACKGROUND FACTS

A. The District

The District serves over 8,520 students in grades kindergarten through twelfth grade. Granville County’s student population has doubled in the past 21 years. The District enjoys strong community support through funding for new schools, partnerships with business and faith based organizations, and substantial parental involvement. Student achievement ranks among the

² 47 C.F.R. § 54.719(c).

top 35% of all North Carolina school districts. The District has numerous Nationally Board Certified teachers. Diversity in the District is evidenced by the over 16 languages spoken by students and their families. The District's mission is to "foster a flame for learning within each child that will last a lifetime." In order to meet this mission, the District continually updates its educational services. The District's goal is to "empower[] all students to become successful in a global society."

B. The Underlying Denial Finding

Based on the Denial Letter the principal reason that became the basis for the denial was "According to our records, the FCC Form 471 application was submitted with a shared discount of 88% and is requesting Priority Two services. A RAL letter was received on August 1, 2012 to remove entities with discounts of 80%. On August 13, 2012, USAC issued a Funding Commitment Decision Letter denying the funding request because there is not sufficient funds available to applicants at a discount rate of 89% and below. On appeal you were given the opportunity to provide a copy of the source documentation you used to prepare your FCC Form application, such as contracts or vendor quotes. You have not provided any information that shows that USAC had erred in its initial determination. Consequently, your appeal is denied."

C. SLD Guidance and Procedures Used by the District to Complete Form 471's and Make Corrections As a Result of Ministerial & Clerical Errors

The District each year makes a determination of what Erate fundable services it will need for the next school year and completes a FCC Form 470 listing those services. Bids are received in the succeeding twenty-eight (28) day period and at the conclusion of twenty-eight days each bid is scored according to a decision matrix and the winning bidder is awarded a contract for the

particular service in question. The District also determines the number of NSLP qualified students using either the number of NSLP participants or the result of an alternative income survey conducted according to USAC guidance. Each school and non instructional entity is listed on a District prepared spreadsheet which lists each school's entity number, its enrollment, its number of NSLP qualified students, and the method of calculating the school's discount (either NSLP or alternative survey) (See Exhibit 7).

The FCC Form 471 for Priority 1 is then completed by entering the applicable District information in Blocks 1 and 2. Block 4 contains the discount information and calculation for each entity receiving service. The District completes this Block by transferring the discount information for the entire District from Block 4 of the previous year's Priority 1 471 application onto the current year's Priority 1 application and then updating any information needed as per the aforementioned spreadsheet. This saves the district the time of manually re-entering each entity into the Priority 1 Block 4 section of the application.

The FCC Form 471 for Priority 2 is then completed by entering the applicable District information in Blocks 1 & 2. Block 4 contains the discount information and calculation for each entity receiving service. The Priority 2 application usually contains less entities than the Priority 1 application therefore the District completes this Block by transferring the discount information for the entire District from Block 4 of the current year and just completed Priority 1 471 application onto the Priority 2 application and then deleting entities until it balances with the information from the aforementioned spreadsheet. This saves the district the time of manually re-entering each entity into the Priority 2 Block 4 section of the application. Block 5 contains the information about each winning service provider including the contracted amount for which funding will be requested. This information is obtained from the decision matrixes and the

service provider quotes or contracts. Block 6 is completed by entering the appropriate information about the District and making the appropriate certifications.

In the instance of FCC Form 471 # 827957 for Priority 2 services the District made an error in completing the form. Five entities were entered into Block 4, Worksheet 1406659, which should not have been included. None of these entities was listed on the discount spreadsheet (which was prepared prior to the completion of the FCC Form 471) prepared by the district and which was used to complete the Block 4 worksheet. Quite simply, these entities should have been eliminated when the Block 4 data was transferred from the Priority 1 application and were not due to a clerical error.

The guidance posted to the USAC website (<http://www.universalservice.org/sl/applicants/step02/clerical-errors.aspx>) at the time of the FY 2012 applications relative to ministerial & clerical errors states that:

“Ministerial and clerical (M&C) errors are defined as data entry errors or mistakes applicants made on the FCC Form 470 or FCC Form 471. Such errors include only the kinds of errors that a typist might make when entering data from one list to another, such as mistyping a number, using the wrong name or phone number, failing to enter an item from the source list onto the application, or making an arithmetic error.” (Order FCC 11-60, released April 14, 2011). USAC can process requests to correct M&C errors up until the time that a Funding Commitment Decision Letter (FCDL) is issued.

Allowable Corrections

- Spelling errors
- Simple addition, subtraction, multiplication or division errors
- Transposed letters and/or numbers
- Misplaced decimal points
- Other punctuation marks (hyphens, periods, commas, etc.) included or not included or misplaced
- Failing to enter an item from the source list (e.g., NSLP data, uploaded Block 4 data, FRN, etc.)
- Incorrect citations such as:
 - FCC Form 470 number
 - Discount percent
 - Urban/rural status
 - Contract number
 - Billing Account Number/Multiple Billing Account Numbers
 - FCC Form 471 Block 4 worksheet entries
- Updates or changes to contact person and/or consultant information
- Errors in dollars figures on an FRN
- Adding or removing entities accidentally omitted or included in FCC Form 471 Block 4

- Accidental omission of FRNs from the FCC Form 471
- Changing the amount budgeted for ineligible services (Item 25d, “necessary resources”) in FCC Form 471 Block 6
- Changing the service delivery time period (e.g., month-to-month to contractual, recurring to non-recurring)
- Mis-keying the Service Provider Identification Number (SPIN) or Service Provider Name
- Corrective SPIN changes
- Correcting the annual charges for recurring charges
- Incorrectly identifying ineligible charges and/or services or products

Requests to correct M&C errors should be submitted to USAC as soon as the errors are detected by the applicant. USAC will accept and process requests until an FCDL is issued.”

The District notified USAC on August 1, 2012 of the error in Block 4 of application 827957 and requested that the five entities in question be removed due to a ministerial & clerical error. USAC on that same day confirmed receipt of the notice and request (See Exhibits 5). On August 13, 2012 USAC sent a FCDL to the District denying the funding request (See Exhibit 4). As the District notified USAC of the error before the FCDL was issued, the notice requirement of the guidance was met.

The District then filed a Letter of Appeal on August 28, 2012 with USAC (See Exhibit 3). A USAC Program Compliance reviewer on October 29, 2012 requested clarification of the appeal in an email to the District’s consultant which was answered via email by the consultant back to the reviewer on November 13, 2012 (see Exhibit 6). In the clarification request the reviewer requested the following:

“please provide a copy of the source or supporting documentation used to prepare your FCC Form 471 application, if applicable, that features the correct information. Specifically, sourced documentation indicating the entities that were scheduled to receive service under FRN,.....Examples of source documentation are contracts, vendor quotes, vendor bills, invoices, RFP’s, board minutes, etc.”

The District provided copies of the Block 4 input documents in the form of the aforementioned spreadsheets that the district used to complete Block 4, Worksheet 1406659. These spreadsheets clearly demonstrate that the five entities in question were not intended to be included in Worksheet 14036659. Additionally the District also provided copies of contracts and quotes as requested. The contracts and quotes were not the controlling documents used in the preparation

of Block 4, Worksheet 14306659, but rather the spreadsheets prepared by the District were the documents used to prepare the Worksheet. The contracts do in fact list each entity that is to receive service however it is not a USAC requirement that quotes and contracts detail the entities for which service will be provided.

IV. STANDARD OF REVIEW AND GOVERNING FCC PRECEDENT

USAC's authority to administer the E-Rate Program is limited to implementing and applying the Commission's rules and the Commission's interpretations of those rules as found in agency adjudications.³ USAC is not empowered to make policy, interpret any unclear rule promulgated by the Commission,⁴ or to create the equivalent of new guidelines.⁵ USAC is responsible for "administering the universal support mechanisms in an efficient, effective, and competitively neutral manner."⁶ The Commission's review of the Denial Letters is *de novo*, without being bound by any findings of USAC.⁷

Furthermore the *de novo* review in this case must consider the following relevant FCC precedents:

³ 47 C.F.R. § 54.702(c).

⁴ *Id.*

⁵ *Changes to the Board of Directors of the Nat'l Exchange Carrier Ass'n, Inc., Third Report and Order*, 13 FCC Rcd 25058, 25066-67 (1998).

⁶ 47 C.F.R. § 54.701(a).

⁷ 47 C.F.R. § 54.723.

- Until an E-Rate Program rule is adopted, an applicant cannot be expected to comply with it.⁸

- Compliance with ministerial and clerical error standards must be measured “as they existed at [the] time” of the alleged violation.⁹

- Clarifications or changes to E-Rate Program rules and policies are normally to be applied prospectively by USAC.¹⁰

- USAC should not be denying funding “where the applicant made a good faith effort to comply with the funding guidelines” and should inform the applicants prior to denying funding of “any errors..., along with a specific explanation of how the applicant can remedy such errors.”¹¹

- The Commission noted that it “has vested in USAC the responsibility of administering the application process for the schools and libraries universal service support mechanism;” pursuant to that authority, USAC developed procedures relating to the application and appeals process and in *Bishop Perry*, the Commission applied the 47 C.F.R. § 1.3 waiver rule to allow a limited waiver of USAC procedures.¹²

⁸ See *Requests for Review of the Decisions of the Universal Service Administrator by Aiken County Public Schools, Aiken, SC et al., Schools and Libraries Universal Service Support Mechanism, Order*, 23 FCC Rcd 8735, 8737 ¶6 (2007).

⁹ See *In the Matter of Requests for Review of Decisions of the Universal Service Administrator by Colegio Nuestra Senora del Carmen et al., Schools and Libraries Universal Support Mechanism, Order*, 23 FCC Rcd 15568, 15573 ¶12 (Telecom. Access Pol. Div. 2008).

¹⁰ See *Request for Review of the Decision of the Universal Service Administrator by Ysleta, Independent School District, El Paso, Texas, Schools and Libraries Universal Support Mechanism, Order*, 18 FCC Rcd 26406, 26419-23 ¶¶26-38 (2003); *Request for Review of the Decision of the Universal Service Administrator by Winston Salem/Forsyth County School District, Winston-Salem North Carolina, Schools and Libraries Universal Support Mechanism, Order*, 18 FCC Rcd 26457, 26462 ¶13 (2003).

¹¹ *Requests for review of the Decision of the Universal service Administrator Academia Claret, Puerto Rico, et al.*, 21 FCC Rcd 10703, 10709 ¶14 (Wireline Compet. Bur. 2006).

¹² *Request for Review of Decision by the Universal Service Administrator by Bishop Perry Middle School, Order*, 21 FCC Rcd 5316, 5618 ¶4 (2006)(“*Bishop Perry Order*”).

A review of the Requests in light of these standards and precedent will reveal that the Denial Letter was not supported by FCC law or policies. Most fundamentally, USAC failed to explain why it decided to ignore the District's request to remove the five entities or the explanation of its ministerial and clerical errors and the guidance posted to the USAC website relative to ministerial and clerical errors. This action flies in the face of repeated Commission admonitions that applicants should have the opportunity to correct their mistakes and that USAC must explain its actions.

VI. ARGUMENT

As previously noted, the Denial is based on the assertions that the District did not respond to the reviewers request to provide documentation regarding the District's compliance with the ministerial and clerical error procedures, which conclusions are discussed in detail and refuted by Granville County as follows:

A. **The District's Response to the Denial Finding that the District Did Not Provide Requested Documentation Relative to Ministerial and Clerical Errors**

Denial Letter Assertion – “According to our records, the FCC Form 471 application was submitted with a shared discount of 88% and is requesting Priority Two services. A RAL letter was received on August 1, 2012 to remove entities with discounts of 80%. On August 13, 2012, USAC issued a Funding Commitment Decision Letter denying the funding request because there is not sufficient funds available to applicants at a discount rate of 89% and below. On appeal you were given the opportunity to provide a copy of the source documentation you used to prepare your FCC Form application, such as contracts or vendor quotes. You have not provided any information that shows that USAC had erred in its initial determination. Consequently, your appeal is denied.”

The District's Response – The program compliance reviewer extended the deadline for the requested information and it was provided via email to him on November 13, 2012 (See Exhibit 6). An extension of time was granted by the reviewer to the District upon request. The information included copies of the input documents used to complete Block 4 and 5 of the FCC

Form 471. As stated earlier, The District determines the number of NSLP qualified students using either the number of NSLP participants or the result of an alternative income survey conducted according to USAC guidance. Each school and non instructional entity is listed, prior to preparing and completing the FCC Form 471, on a District prepared spreadsheet (See Exhibit 7) which lists each school's entity number, its enrollment, its number of NSLP qualified students, and the method of calculating the school's discount (either NSLP or alternative survey). These items are the necessary elements that have to be entered into each entity's section of the Block 4.

The FCC Form 471 for Priority 1 is then completed by entering the applicable District information in Blocks 1 & 2. Block 4 contains the discount information and calculation for each entity receiving service. The District completes this Block by transferring the discount information for the entire District from Block 4 of the previous year's Priority 1 471 application onto the current year's Priority 1 application and then updating any information needed as per the aforementioned spreadsheet. This saves the district the time of manually re-entering each entity into the Priority 1 Block 4 section of the application.

The FCC Form 471 for Priority 2 is then completed by entering the applicable District information in Blocks 1 & 2. Block 4 contains the discount information and calculation for each entity receiving service. The District completes this Block by transferring the discount information for the entire District from Block 4 of the current year and just completed Priority 1 471 application onto the Priority 2 application and then deleting entities until it balances with the information from the aforementioned spreadsheet. This saves the district the time of manually re-entering each entity into the Priority 2 Block 4 section of the application. Block 5 contains the information about each winning service provider including the contracted amount for which

funding will be requested. This information is obtained from the decision matrixes and the service provider quotes or contracts. Block 6 is completed by entering the appropriate information about the District and making the appropriate certifications.

In the instance of FCC Form 471 # 827957 Worksheet No:1406659 for Priority 2 services, the District made an error in completing the form. The five entities in question were not deleted from Block 4 of the Priority 2 application when the upload was done from the Priority 1 application. None of these entities was listed on the discount spreadsheet prepared by the district and which was used to complete the Block 4 worksheet (See Exhibit 7). Quite simply, these entities should have been eliminated when the Block 4 data was transferred from the Priority 1 application and were not due to a clerical error.

Clearly this error meets the standard of the “kinds of errors that a typist might make when entering data from one list to another”.

B. The District’s Response to the Denial Finding that the District Requested Additional Funds That Were Not Included in the FCC Form 471

Denial Letter Assertion – “Your appeal requests additional funds that were not included in the FCC Form 471 that you are appealing.”

The District’s Response – The District respectfully submits that this assertion is simply incorrect. The RAL request to increase FRN 2384503 was originally filed on April 11, 2012 and was not a part of the RAL request filed on August 1, 2012.

VII. REQUEST FOR WAIVER

A. The Law

The Commission's rules allow waiver of a Commission rule "for good cause shown."¹³ The Commission has extended this waiver authority to limited waivers of USAC rules. For example, in the *Bishop Perry Order*, the Commission noted that it "has vested in USAC the responsibility of administering the application process for the schools and libraries universal service support mechanism."¹⁴ Pursuant to that authority, USAC developed procedures relating to the application and appeals process.¹⁵ Thus, in *Bishop Perry*, the Commission applied the 47 C.F.R. § 1.3 waiver rule to allow a limited waiver of USAC procedures.¹⁶

The FCC has established the following guidance for determining whether waiver is appropriate:

A rule may be waived where the particular facts make strict compliance inconsistent with the public interest. In addition, the Commission may take into account considerations of hardship, equity, or more effective implementation of overall policy on an individual basis. In sum, waiver is appropriate if special circumstances warrant a deviation from the general rule, and such deviation would better serve the public interest than strict adherence to the general rule.¹⁷

¹³ 47 C.F.R. § 1.3.

¹⁴ *Bishop Perry Order*, ¶4.

¹⁵ The *Bishop Perry Order* dealt with USAC application procedures known as "minimum processing standards." *Id.*

¹⁶ *Id.*

¹⁷ *Requests for Review by Richmond County School District*, 21 FCC Rcd 6570, 6572 ¶5 (2006 (internal references omitted) (citing *Northeast Cellular Tel. Co. v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990) and *WAIT Radio v. FCC*, 418 F.2d 1153, 1157 (D.C. Cir. 1969), *aff'd*, 459 F.2d 1203 (D.C. Cir. 1972)).

B. Limited Request for Waiver of the Commission’s Rules, Including Rules Relating to Ministerial and Clerical Errors

Strict compliance with the Commission’s rules would not be in the public interest. In *Bishop Perry*, the FCC granted 196 appeals of decisions denying funding due to “clerical or ministerial errors in the application.”¹⁸ In that case, the FCC found good cause to waive the minimum processing standards established by USAC, finding that “rigid compliance with the application procedures does not further the purposes of section 254(h) or serve the public interest.”¹⁹ Many of the appeals in *Bishop Perry* involved staff mistakes or mistakes made as a result of staff not being available.²⁰ The Commission granted the waivers for good cause, noting that:

[T]he primary jobs of most of the people filling out these forms include school administrators, technology coordinators and teachers, as opposed to positions dedicated to pursuing federal grants, especially in small school districts. Even when a school official has learned how to correctly navigate the application process, unexpected illnesses or other family emergencies can result in the only official who knows the process being unavailable to complete the application on time. Given that the violation at issue is procedural, not substantive, we find that the complete rejection of each of these applications is not warranted. Notably, at this time, there is no evidence of waste, fraud or abuse, misuse of funds, or a failure to adhere to core program requirements. Furthermore, we find that denial of funding in these cases would inflict undue hardship on the applicants.²¹

¹⁸ *Bishop Perry Order*, ¶1.

¹⁹ *Id.*, ¶11. The Commission departed from prior Commission precedent, noting that the departure was, “warranted and in the public interest.” *Id.*, ¶9. The Commission noted that many of the rules at issue were procedural, and that a waiver is consistent with the purposes of Section 254, which directs the Commission to “enhance ... access to advanced telecommunications and information services for all public and non-profit elementary and secondary school classrooms, health care providers and libraries.” *Id.*

²⁰ *Id.*, ¶13.

²¹ *Id.*, ¶14.

The Commission directed USAC to allow applicants the opportunity to fix ministerial and clerical errors and concluded that such an opportunity would “improve the efficiency and effectiveness of the Fund.”²² The District clearly falls into the same category. A limited waiver of this rule will not adversely affect any other applicant. The Commission may also taken into consideration “hardship, equity, or more effective implementation of overall policy on an individual basis.”²³ In this case, deviation from the Commission’s rules would better serve the public interest than strict application of the appeal filing deadline. Moreover, the overwhelming contemporaneous evidence proves that the District took steps to attempt to properly complete Block 4 of the FCC Form 471 application in question. Thus, any errors in this case should not be considered substantive, and there is no evidence of waste, fraud or abuse, misuse of funds, or a failure to adhere to core program requirements.²⁴

VIII. CONCLUSION AND REQUEST FOR RELIEF

First, the District requests the Commission to make a finding that the District did in fact supply the requested documentation and that USAC then failed to properly apply its ministerial and clerical guidance rules and based on the evidence submitted, there has been no rule violation.

²² *Id.*, ¶23.

²³ *Request for Waiver of the Decision of the Universal Service Administrator by Owensboro Public Schools, Owensboro, Kentucky, Order*, 21 FCC Red 10047, ¶5 (2006).

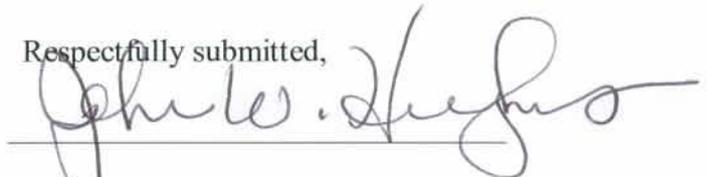
²⁴ Where there is no evidence of any intent to defraud or misuse the funds of the E-Rate program and in such circumstances, when combined with the other factual circumstances, there is not grounds to justify the harsh penalty of a denial of these funds. *See generally Request for Waiver of the Decision of the Universal Services Administrator by Barberton City School,, Barberton, Ohio et al., Schools and Libraries Universal Service Support Mechanism, Order*, 23 FCC Red 15526, 15530 ¶7 (Telecom. Access Pol. Div. 2008). Considerations of equity and hardship also support such a result. *See generally Requests for Review of Decisions of the Universal Service Administrator by Approach Learning and Assessment Centers et al, Schools and Libraries Universal Service Support Mechanism, Order*, 23 FCC Red 15510-15513-14 ¶8 (Telecom. Access Pol. Div. 2008). *See Request for Review of Decision of the Universal Service Administrator by Radford City Schools, Radford, Virginia, Schools and Libraries Universal Support Mechanism, Order*, 23 FCC Red 15451, 15453 ¶4 (Telecom. Access Pol. Div. 2008).

The District respectfully requests that the Commission grant this the Requests and direct USAC to approve the 471 application within 30 days.

Second, in the alternative, if necessary, the Commission should waive ministerial and clerical rule, because there is no evidence of waste, fraud, or abuse, or failure to comply with the core program requirements, and the District complied with the ministerial and clerical guidance requirements. The mistakes at the heart of this appeal are not substantive errors and, thus, a limited waiver would be in the public interest. At all times the District made a good faith effort to comply with the Commission's rules and there is no evidence of waste, fraud or abuse.

In the spirit of the *Bishop Perry Order*, the Commission should grant the Requests. The District has demonstrated good cause for a limited waiver of the Commission's rules: any mistakes that were made with respect to the Block 4 entries were not substantive and inadvertent; there is no evidence of waste, fraud, or abuse, and the District complied with core program requirements; and the public interest would be served by permitting the District to have this application approved.

Respectfully submitted,



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*Contracted Consultant & Contact
for Granville County School
District*

Dated: January 14, 2012

CERTIFICATE OF SERVICE

I, John W. Hughes, certify on this 14th day of January, 2012, a copy of the foregoing Consolidated Supplement to Requests for Review has been served via electronic mail or first class mail, postage pre-paid, to the following:

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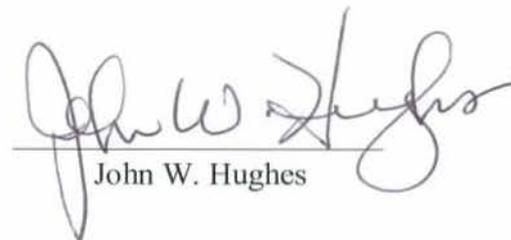
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John W. Hughes

Exhibit 1

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December 21, 2012

VIA ELECTRONIC FILING

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

**Re: Appeal of USAC Decision On Appeal of Administrators Decision on Appeal in CC
Docket No. 02-6**

Applicant Name:	Granville County School District
Billed Entity Number:	126864
Funding Year	2012
Form 471 App. Number:	827957
Funding Request Numbers:	2384431, 2384460, 2384503, 2384559, 2384589, & 2384618

Dear Ms. Dortch:

Granville County School District of Granville County, North Carolina ("Granville County" or "District), acting through counsel and pursuant to Sections 54.719-54.721 of the Commission's rules¹, hereby timely files this Request for Review or Waiver ("Appeal"). The Appeal requests Commission review of the adverse decision of the Administrator of the Universal Service Administrative Company ("USAC") denying the funding request(s) enumerated above for Funding Year 2012.²

More specifically, on November 16, 2012, USAC's Schools and Libraries Division ("SLD") issued a decision denying an appeal filed by Granville County with USAC. In its decision on appeal USAC held that its previously-issued determination to deny funds³ was justified based on findings that the

¹ 47 C.F.R. §§ 54.719-54.721.

² Administrator's Decision on Appeal - Funding Year 2012 - 2013, Granville County School District (November 16, 2012), attached as Exhibit 1.

³Funding Commitment Decision Letter, August 13, 2012 ("FCDL").

Ms. Marlene H. Dortch
December 21, 2012
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District failed to properly provide sufficient evidence that the applicant made a clerical and ministerial error in the preparation of its FCC Form 471. Specifically the decision stated that the documentation provided by District to support the fact that a clerical and ministerial error was made at the time of the preparation of the applicant's FCC Form 471 does not support the requested removal of four entities from Block 4 of the FCC Form 471.

We respectively disagree with this decision. We responded upon the request of USAC reviewers on November 13, 2012 and included the documentation that was used to input the list of entities in Block 4 of FCC Form 471 at the time that Form was prepared, submitted, and certified. The documents offer positive proof that indeed a clerical and ministerial error was made at the time of the preparation of the form. Further we submitted to USAC a RAL correction form on August 1, 2012 notifying USAC of the error and requesting that the error be corrected. Such notification was made prior to the issuance of the FCDL.

Granville County is aggrieved by USAC's October 23, 2012 decision and submits that for various reasons outlined in its original August 28, 2012 appeal to USAC and others that the decision is unjustified and in error. Specifically, the decision regarding the fact of whether a clerical and ministerial error was made in the preparation of the applicant's FCC Form 471 is unwarranted and unjustified under the rules, policies and requirements governing the correction of clerical and ministerial errors.

Granville County will supplement this Appeal with a full discussion of the facts, the District's position and supporting arguments.

Respectfully submitted,

A handwritten signature in black ink that reads "John W. Hughes III". The signature is written in a cursive style with a stylized "H" at the end.

John W. Hughes III
Consultant to Granville County School District
New Hope Foundation
One Valentine Lane
Chapel Hill, NC 2716



Universal Service Administrative Company
Schools & Libraries Division

Administrator's Decision on Appeal – Funding Year 2012-2013

November 16, 2012

John Hughes
New Hope Foundation
1 Valentine Lane
Chapel Hill, NC 27516

Re: Applicant Name: GRANVILLE COUNTY SCHOOL DIST
Billed Entity Number: 126864
Form 471 Application Number: 827957
Funding Request Number(s): 2384431, 2384460, 2384503, 2384559, 2384589,
2384618
Your Correspondence Dated: April 11, 2012

After thorough review and investigation of all relevant facts, the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC) has made its decision in regard to your appeal of USAC's Funding Year 2012 Funding Commitment Decision Letter for the Application Number indicated above. This letter explains the basis of USAC's decision. The date of this letter begins the 60 day time period for appealing this decision to the Federal Communications Commission (FCC). If your Letter of Appeal included more than one Application Number, please note that you will receive a separate letter for each application.

Funding Request Number(s): 2384431, 2384460, 2384503, 2384559, 2384589,
2384618

Decision on Appeal: **Denied**

Explanation:

- According to our records, the FCC Form 471 application was submitted with a shared discount of 88% and is requesting Priority Two services. A RAL letter was received on August 1, 2012 to remove entities with discounts of 80%. On August 13, 2012, USAC issued a Funding Commitment Decision Letter denying the funding request because there is not sufficient funds available to applicants at a discount rate of 89% and below. On appeal you were given the opportunity to provide a copy of the source or supporting documentation you used to prepare your FCC Form 471 application, such as contracts or vendor quotes. You have not provided any information that shows that USAC had erred in its initial determination. Consequently, your appeal is denied.

- The FCC’s Bishop Perry Order directed USAC “to provide all E-rate applicants with an opportunity to correct ministerial and clerical errors on their FCC Form 470 or FCC Form 471, and an additional opportunity to file the required certifications” without posting new FCC Forms 470 and 471. *See* Request for Review of the Decision of the Universal Service Administrator by Bishop Perry Middle School, et al., Schools and Libraries Universal Service Mechanism, File Nos. SLD-487170, et al., CC Docket No. 02-6, *Order*, 21 FCC Rcd 5316-5317, FCC 06-54 para. 23 (May 19, 2006) (Bishop Perry Order). As a result, USAC sends an applicant a Receipt Acknowledgement Letter (RAL) when the FCC Form 471 has been successfully data entered and provides the applicant with an opportunity to make allowable corrections to its FCC Form 471. *See* www.usac.org/sl.
- FCC rules require that where demand for funding exceeds available support, first priority be given to requests for Telecommunications Services and Internet Access. *See* 47 C.F.R. sec. 54.507(g)(1)(i). FCC rules further require that requests for Internal Connections be given second priority and be funded only if funds remain after support has been reserved for Telecommunications and Internet Access through all discount levels in a funding year. *See* 47 C.F.R. sec. 54.507(g)(1)(ii). For schools and libraries that create consortia for the purposes of making funding requests and sharing products and/or services, the discount level is calculated by averaging the applicable discounts of the schools and libraries that are members of the consortia. *See* 47 C.F.R. sec. 54.505(b)(4). Because discount levels for consortia are determined in this manner, the discount levels for shared products and/or services requests are single discount level percentages rather than the broad discount level percentages for individual schools and libraries as determined by the matrix. *See* Federal-State Joint Board on Universal Service, CC Docket Nos. 97-21 and 96-45, Fifth Order on Reconsideration in CC Docket No. 97-21, Eleventh Order on Reconsideration in CC Docket No. 96-45 and Further Notice of Proposed Rulemaking, 14 FCC Rcd 6033, FCC 99-49 (rel. May 28, 1999). Where demand for discounts for Internal Connections exceeds available support, FCC Rules require that funding be allocated to the most economically disadvantaged schools and libraries as determined by the matrix. *See* 47 C.F.R. secs. 54.505(c), 54.507(g)(1)(ii). Consequently, where demand for discounts for Internal Connections exceeds available support, FCC rules require that funding be awarded first to applicants eligible for a 90 percent discount level and then at each descending single discount percentage until funds are depleted. *See* 47 C.F.R. sec. 54.507(g)(1)(iii).
- Your appeal requests additional funds that were not included in the FCC Form 471 that you are appealing. FCC rules require that funding requests must be submitted via an FCC Form 471. *See* 47 C.F.R. sec. 54.504(a). Considerations for funding requests depend on the date the FCC Form 471 is received and the amount of funds available if it is received after the close of the filing window. *See* 47 C.F.R. sec. 54.507(g)(1)(i)-(v). The FCC directed USAC to allow applicants to amend their forms to correct clerical and ministerial errors on their FCC Forms 470, FCC Form 471 applications, or associated documentation until an FCDL is issued. Such errors include only the kinds of errors that a typist

might make when entering data from one list to another, such as mistyping a number, using the wrong name or phone number, failing to enter an item from the source list onto the application, or making an arithmetic error. *See* In the Matter of Schools and Libraries Universal Service Support Mechanism, CC Docket No. 02-6, Order, FCC 11-60 para. 5 (rel. April 14, 2011).

If your appeal has been approved, but funding has been reduced or denied, you may appeal these decisions to either USAC or the FCC. For appeals that have been denied in full, partially approved, dismissed, or canceled, you may file an appeal with the FCC. You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received or postmarked within 60 days of the date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD section of the USAC website or by contacting the Client Service Bureau. We strongly recommend that you use the electronic filing options.

We thank you for your continued support, patience and cooperation during the appeal process.

Schools and Libraries Division
Universal Service Administrative Company

August 28, 2012

Letter of Appeal
Schools and Libraries Division - Correspondence Unit
30 Lanidex Plaza West
PO Box 685
Parsippany, NJ 07054-0685

This letter of appeal is filed on behalf of:

Granville County School District
BEN 126864

by:

John W. Hughes
Contracted Consultant for Alexander County School District
New Hope Foundation
One Valentine Lane
Chapel Hill, NC 27516
jhughes@newhopetech.org
(919)968-4332

and is an appeal of a FCDL for 471 Application 827957 dated August 13, 2012 for:

FRN 2384431
NWN Corporation-Raleigh
SPIN 143017706
\$1,561,008.67 Pre Discount Amount

and:

FRN 2384460
NWN Corporation-Raleigh
SPIN 143017706
\$126,879.48 Pre Discount Amount

and:

FRN 2384503
NWN Corporation-Raleigh
SPIN 143017706
\$159,222.11 Pre Discount Amount

and:

FRN 2384559
SLD Interim
SPIN 143666666
\$35,452.70 Pre Discount Amount

and:

FRN 2384589
Connectview LLC
SPIN 143034023
\$43,861.74 Pre Discount Amount

and:

FRN 2384618
Connectview LLC
SPIN 143034023
\$61,985.28

On August 1, 2012 we filed a RAL for this application (attached) and received a receipt confirmation email (attached) from the SLD on August 1, 2012. USAC guidance on the submission of RAL's found on the SLD website at <http://www.universalservice.org/si/applicants/step02/clerkal-errors.aspx> states that an example of a correctable mistake is "Adding or removing entities accidentally omitted or included in FCC Form 471 Block 4". Such was the case in this application. On August 13, 2012 we received a FCDL (attached) for this application stating that the FRN's had been denied as "the funding cap will not provide for Internal Connections at your approved discount level to be funded". The guidance found at <http://www.universalservice.org/si/applicants/step02/clerkal-errors.aspx> further states that "USAC will accept and process (M&C) requests until an FCDL is issued". Our request of August 1, 2012 was submitted and received by USAC prior to the issuance of the FCDL but never processed. We respectfully ask that the FCDL denial be withdrawn and our request be processed according to USAC guidance.

Thank you,



John W. Hughes

For Granville County School District

Sharie Montgomery

From: Sharie Montgomery
Sent: Wednesday, August 29, 2012 4:37 PM
To: 'sldcaseattachments@sl.universalservice.org'
Subject: RE: SLD Inquiry #: 22-407586 Received
Attachments: 2012 Granville Co. appeal.pdf

Please see attached appeal.

Sharie Montgomery
 New Hope Foundation
 919.968.4332 office
 919.929.9074 fax

From: sldcaseattachments@sl.universalservice.org [mailto:sldcaseattachments@sl.universalservice.org]
Sent: Wednesday, August 29, 2012 4:28 PM
To: Sharie Montgomery
Subject: SLD Inquiry #: 22-407586 Received

Thank you for using Submit a Question. This message serves as a receipt confirmation of your submission.

The case number for your submission is 22-407586.

Please refer to this case number in subsequent contacts regarding this issue. Note that we may need to ask you for additional information to completely answer your question or fulfill your request.

You indicated in your submission that you wish to send us an attachment. To submit an attachment, please reply to this message and attach your attachment to the reply. Any additional information you wish to provide should be included in the attachment, not added to the text of this email.

If you still have questions about this issue after you review our response, please call us at 1-888-203-8100. Please do not reply to this message or to our response, as replies go to an unattended mailbox.

If you have a new question or issue, please submit another question and we will create a new case number to address it.

If you need program information, you can visit the SLD web site at www.usac.org/sl.

Thank you.

Here is the information you submitted:

[FirstName]=Sharie [LastName]=Montgomery [JobTitle]=Consultant [EmailAddress]=smontgomery@newhopetech.org [WorkPhone]=9199684332 [FaxPhone]=9199299074 [PreviousCaseNumber]=0 [FormType]=Appeal [Owner]=APPEALS [DateSubmitted]=8/29/2012 4:27:40 PM [AttachmentFlag]=Y[FRN]=various [FormType]=FCDL [ApplicationNumber]=827957 [Question2]=We are appealing the denial of all FRN's in the above application. Please see attachments for details.

8/29/2012