

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

In the Matter of	)	
	)	
Request for Review of the Decision of the Universal Service Administrative Company	)	
	)	
Marion County Public Schools Ocala, Florida	)	File No. SLD-138811
	)	
Federal-State Joint Board on Universal Service	)	CC Docket No. 96-45
	)	
	)	CC Docket No. 97-21
Changes to the Board of Directors of the National Exchange Carriers Association, Inc.	)	

**ORDER**

**Adopted:** April 23, 2001

**Released:** April 24, 2001

By the Common Carrier Bureau:

1. In this Order, we grant a Request for Review filed by the Marion County Public Schools (Marion), Ocala, Florida,<sup>1</sup> seeking review of a funding commitment decision issued by the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (Administrator) pursuant to a funding request for internal connections.<sup>2</sup>

2. Under the schools and libraries universal service support mechanism, eligible schools, libraries, and consortia that include eligible schools and libraries, may apply for discounts for eligible telecommunications services, Internet access, and internal connections.<sup>3</sup> In order to receive discounts on eligible services, the Commission's rules require that the applicant submit to the Administrator a completed FCC Form 470, in which the applicant sets forth the school's technological needs and the services for which it seeks discounts.<sup>4</sup> Once the applicant has complied with the Commission's competitive bidding requirements and entered into an agreement

<sup>1</sup> Letter from Doug Joiner, Marion County Public Schools, to the Federal Communications Commission, filed May 18, 2000 (Request for Review).

<sup>2</sup> See Letter from Schools and Libraries Division, Universal Service Administrative Company, to Doug Joiner, Marion County Public Schools, issued September 21, 1999 (Funding Commitment Decision Letter); Letter from Schools and Libraries Division, Universal Service Administrative Company, to Doug Joiner, Marion County Public Schools, issued May 3, 2000 (Administrator's Decision on Appeal).

<sup>3</sup> 47 C.F.R. §§ 54.502, 54.503.

<sup>4</sup> 47 C.F.R. § 54.504 (b)(1), (b)(3).

for eligible services, it must file an FCC Form 471 to notify the Administrator of the services that have been ordered, the carrier with whom the school has entered into an agreement, and an estimate of funds needed to cover the discounts to be given for eligible services.<sup>5</sup> This information is generally provided in Block 5 of FCC Form 471. Using information provided by the applicant in its FCC Form 471, SLD issues a Receipt Acknowledgement Letter (RAL), which summarizes the applicant's funding requests and provides a limited period for the applicant to make corrections.<sup>6</sup> SLD also may contact the applicant with requests for further information.<sup>7</sup> Requests for funding are then approved or denied in a Funding Commitment Decision Letter.<sup>8</sup>

3. The instant appeal arises from SLD's approval of Marion's request for discounts for internal connections based on an annual pre-discount cost of \$319,626.00, as opposed to the \$391,626.00 reported in Marion's FCC Form 471. In its FCC Form 471, dated March 30, 1999, Marion indicated in Item 15 of Block 5 that it was seeking discounts for internal connections from Unisys Corporation. The contract period was listed as March 24, 1998 through June 30, 2002. The estimated monthly pre-discount cost was listed at \$26,635.50 and the estimated total annual pre-discount cost was listed at \$391,626.00. Based on an annual pre-discount cost of \$391,626.00, the monthly pre-discount cost should have been reported as \$32,635.50.

4. On July 18, 1999, SLD issued an RAL to Marion, specifying, *inter alia*, that the total annual pre-discount cost for FRN 215125 was \$391,626.00, based on Column 10 of Items 15/16 (the Column containing the total annual pre-discount cost).<sup>9</sup> It also instructed that "[i]f the information reported in this letter is at variance with the information that you provided in your application, please write to us at the address listed at the bottom of this letter under 'Questions about this Letter.'"<sup>10</sup> It further stated that "[i]f we (or you) have made errors in Form 471 data entry, . . . the Receipt Acknowledgement Letter offers you the opportunity to make corrections" and directed the applicant to send such corrections to SLD within two weeks of receiving the RAL.<sup>11</sup> Marion did not respond to the RAL.

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<sup>5</sup> 47 C.F.R. § 54.504(c).

<sup>6</sup> The Commission's regulations authorize SLD to establish rules and procedures for the administration of the schools and libraries support application process in an efficient and effective manner. *See* 47 C.F.R. §§ 54.701(a), 54.702, 54.705(a). Pursuant to this authority, SLD has incorporated the FCC Form 471 RAL as part of the FCC Form 471 application process. *See* <<http://www.sl.universalservice.org/data/pdf/prgm2000.pdf>> (SLD Program Description) (providing overall description of SLD application process, including description of the Form 471 Receipt Acknowledgement Letter).

<sup>7</sup> *See* SLD Program Description.

<sup>8</sup> *See id.*

<sup>9</sup> Letter from Schools and Libraries Division, Universal Service Administrative Co, to Doug Joiner, Marion County School District, dated June 18, 1999, at 2 (RAL).

<sup>10</sup> RAL at 2.

<sup>11</sup> RAL at 3.

5. By letter dated September 21, 1999, SLD approved Marion's request for discounts for services listed on its FCC Form 471. With respect to internal connections, SLD's Funding Commitment Decision Letter indicated that the estimated total annual pre-discount cost was \$319,626.00 and the discount percentage approved by the SLD was 71%. Thus, Marion was eligible for a discount totaling \$226,934.46 for the contract with Unisys.<sup>12</sup>

6. Marion filed an appeal with SLD on October 7, 1999, stating that, when calculating the pre-discount monthly cost of \$26,635.50 for internal connections, Marion "transposed \$391,626 with \$319,626."<sup>13</sup> SLD denied Marion's appeal on May 3, 2000, stating that information submitted on the original application is the responsibility of the applicant.<sup>14</sup> SLD continued that "[c]orrections to the application can not be made once the application is approved, unless the error is proven to be the fault of SLD."<sup>15</sup> Marion filed the instant appeal with the Commission on May 18, 2000.<sup>16</sup> In this appeal, Marion states that SLD should have notified Marion of any errors in its FCC Form 471.<sup>17</sup> Marion notes that SLD's Form 471 Receipt Acknowledgement Letter included the correct estimated total annual pre-discount cost of \$391,626.00.<sup>18</sup> Based on the Receipt Acknowledgement Letter, Marion alleges that it "thought there was no problem" with its application for discounts.<sup>19</sup>

7. We have carefully reviewed Marion's application as well as SLD's records relating to this application. Because SLD included the correct annual pre-discount cost for internal connections in Marion's RAL, we conclude that Marion had no reason to make corrections to its FCC Form 471.<sup>20</sup> Therefore, in spite of language in the RAL to the contrary, Marion was not provided with an effective "opportunity to make corrections" to its FCC Form 471.<sup>21</sup> In an effort

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<sup>12</sup> See Funding Commitment Decision Letter at 5.

<sup>13</sup> Letter from Doug Joiner, Marion County Public Schools, to Schools and Libraries Division, Universal Service Administrative Company, filed October 7, 1999 (SLD Letter of Appeal).

<sup>14</sup> See Administrator's Decision on Appeal at 1.

<sup>15</sup> *Id.*

<sup>16</sup> See Request for Review.

<sup>17</sup> *Id.* at 2.

<sup>18</sup> *Id.* at 1 (citing Letter from Schools and Libraries Division, Universal Service Administrative Company, to Doug Joiner, Marion County Public Schools, issued June 18, 1999 (Form 471 Receipt Acknowledgement Letter)).

<sup>19</sup> *Id.*

<sup>20</sup> Marion's Request for Review therefore is distinguishable from *Visitation Academy*, in which SLD included an incorrect annual pre-discount amount in an RAL. See *Request For Review By Visitation Academy, Federal-State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc.*, CC Docket Nos. 96-45, 97-21, Order, DA 01-655 (Com. Car. Bur. rel. Mar. 14, 2001).

<sup>21</sup> See RAL at 3.

to provide applicants with an effective opportunity to make such corrections after the issuance of RALs, SLD now includes both the monthly and annual pre-discount cost of funding requests in RALs.<sup>22</sup>

8. ACCORDINGLY, IT IS ORDERED, pursuant to authority delegated under sections 0.91, 0.291, and 54.722(a) of the Commission's rules, 47 C.F.R. §§ 0.91, 0.291, and 54.722(a), that the Request for Review filed on May 18, 2000 by Marion County Public Schools, Ocala, Florida, IS GRANTED to the extent provided herein. We direct the Schools and Libraries Division to review Marion's funding application and, if warranted, issue a revised Funding Commitment Decision Letter in accordance with the above-stated decision.

FEDERAL COMMUNICATIONS COMMISSION

Carol E. Matthey  
Deputy Chief, Common Carrier Bureau

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<sup>22</sup> We note that this conclusion does not diminish an applicant's obligation to correctly calculate the estimated monthly and annual pre-discount cost of funding requests. Applicants are responsible for ensuring that their applications are complete and accurate, and the burden of discovering and correcting errors rests with the applicants. See, e.g., *Request For Review By Scranton School District, Federal-State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc.*, CC Docket Nos. 96-45, 97-21, Order, 15 FCC Rcd. 181, 184 (Com. Car. Bur. 2000).