

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

In the Matter of)	
)	
Request for Review)	
of the Decision of)	
the Universal Service Administrator by)	
)	
Carl Schurz High School)	File No. SLD-143629
Chicago, Illinois)	
)	
Federal-State Joint Board on Universal)	CC Docket No. 96-45
Service)	
)	
Changes to the Board of Directors)	CC Docket No. 97-21
of the National Exchange Carrier)	
Association, Inc.)	

ORDER

Adopted: January 30, 2001

Released: January 31, 2001

By the Common Carrier Bureau:

1. The Bureau has under consideration a Letter of Appeal filed by Carl Schurz High School (Carl Schurz), Chicago, Illinois, on May 23, 2000, seeking review of a decision issued by the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (Administrator).¹ Carl Schurz seeks review of the SLD’s denial of its appeal in which Carl Schurz sought to amend its discount percentage under the schools and libraries universal service support mechanism.² For the reasons set forth below, we deny the Letter of Appeal.

2. Under the schools and libraries universal service support mechanism, eligible schools, libraries, and consortia that include eligible schools and libraries, may apply for discounts for eligible telecommunications services, Internet access, and internal connections.³ The universal service program rules are designed to direct support toward the most economically disadvantaged schools and libraries. Under the program’s discount matrix, the most economically disadvantaged

¹ Letter from Joan M. Harris, Carl Schurz High School, to Federal Communications Commission, filed May 23, 2000 (Letter of Appeal).

² Section 54.719(c) of the Commission’s rules provides that any person aggrieved by an action taken by a division of the Administrator may seek review from the Commission. 47 C.F.R. § 54.719(c).

³ 47 C.F.R. §§ 54.502, 54.503.

schools, as measured by the percentage of students eligible for the national school lunch program, are eligible for the greatest levels of discount.⁴ In order to receive discounts on eligible services, schools and libraries are required to provide specific information to the Administrator.⁵ As part of this process, the applicant must provide information in block 4 of FCC Form 471 to determine the appropriate discount percentage.

3. By letter dated August 17, 1999, SLD granted Carl Schurz's application for discounts at the 80 percent discount percentage as indicated on its FCC Form 471.⁶ On September 10, 1999, Carl Schurz filed an appeal with SLD indicating that the company responsible for compiling its application had erroneously calculated its discount percentage in block 4 of FCC Form 471.⁷ Carl Schurz stated that its application should be amended to reflect a higher discount rate of 90 percent. By letter dated April 27, 2000, SLD denied Carl Schurz's appeal indicating that the funding decision was based on information submitted by Carl Schurz, and that Commission rules "prohibit the funding of discounts that are greater than what was submitted on the original 471."⁸ Carl Schurz appeals this decision.

4. We have reviewed Carl Schurz's appeal and conclude that SLD properly denied its request to amend the approved discount percentage. The record indicates that SLD reasonably relied upon the information submitted by Carl Schurz in block 4, item 14 and block 5, item 16 of its FCC Form 471. In light of the thousands of applications that SLD must review and process each year, we find that it is administratively necessary to require an applicant to be responsible for correctly calculating and reporting its discount percentage in completing the FCC Form 471 upon which its ultimate funding is dependent.⁹ It was Carl Schurz's own error that caused it to be

⁴ 47 C.F.R. § 54.505(g).

⁵ The Commission's rules require that the applicant make a bona fide request for services by filing with the Administrator an FCC Form 470, which is posted to the Administrator's website for all potential competing service providers to review. After the FCC Form 470 is posted, the applicant must wait at least 28 days before entering an agreement for services and submitting an FCC Form 471, which requests support for eligible services. SLD reviews the FCC Form 471 that it receives and issues funding commitment decisions in accordance with the Commission's rules.

⁶ Letter from Universal Service Administrative Company to Schurz High School, dated August 17, 1999.

⁷ Letter from Joan M. Harris, Carl Schurz High School, to Schools and Libraries Division, filed September 13, 1999 (SLD Appeal).

⁸ Letter from Universal Service Administrative Company to Carl Schurz High School, dated April 27, 2000.

⁹ We also note that following the receipt of FCC Form 471, SLD provides the applicant with a "Form 471 Receipt Acknowledgement Letter" confirming the services requested on its FCC Form 471. The applicant has an opportunity at that time to correct any errors on the FCC Form 471. SLD's records indicate that it did not receive notification from Carl Schurz of the error prior to the issuance of the funding commitment decision. Carl Schurz alleges that it did notify SLD of the error. SLD's records, and our review of this matter, however, indicate that SLD never received notification from Carl Schurz. The proffered copy of the August 10, 1999 letter, without more, is insufficient to demonstrate that the correction was timely filed with SLD. *See Request for Review of the Decision of the Universal Service Administrator by Pediatric Library of Rainbow Babies and Children's Hospital, Cleveland, Ohio, Federal-State Joint Board on Universal Service, Changes to the Board of* (continued....)

approved for a smaller discount than that which it may have otherwise been entitled. In addition, because demand for support has generally exceeded the availability of funds, it is important to the administration of the program that applicants provide accurate information regarding funding requests. The Administrator must be able to reasonably estimate the total demand for support submitted by applicants during each filing period in order to make determinations regarding the availability of funding.¹⁰ We therefore conclude that SLD correctly denied Carl Schurz's appeal.

5. 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 Letter of Appeal filed by Carl Schurz High School on May 23, 2000 IS DENIED.

FEDERAL COMMUNICATIONS COMMISSION

Carol E. Matthey
Deputy Chief, Common Carrier Bureau

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Directors of the National Exchange Carrier Association, Inc., File No. SLD-23380, CC Dockets No. 96-45 and 97-21, Order, 15 FCC Rcd 3416 (Common Carrier Bur. 1999). We note that, in certain situations, we would consider a date-stamped postal return receipt to be persuasive evidence that a communication had in fact been received by SLD.

¹⁰ The Commission has established rules of priority for the distribution of support when total demand exceeds total support available for the funding year. See 47 C.F.R. 54.507(g).