

Before the
Federal Communications Commission
Washington, DC 20554

In the Matter of
Requests for Review of
Decisions of the
Universal Service Administrator by
Alton Community Unit School District 11,
Alton, Illinois, et al.
Schools and Libraries Universal Service
Support Mechanism
File Nos. SLD-518052, et al.
CC Docket No. 02-6

ORDER

Adopted: June 2, 2010

Released: June 2, 2010

By the Deputy Chief, Wireline Competition Bureau:

I. INTRODUCTION

1. In this order, we address issues related to the invoicing process used by the Universal Service Administrative Company (USAC) in its administration of the E-rate program (formally known as the schools and libraries universal service support mechanism). First, we grant 49 appeals of USAC decisions filed by applicants for funding from the E-rate program. USAC denied funding to these applicants because their invoice forms were late or not received by USAC. Upon review of these appeals, we find, consistent with the decision in Canon-McMillan, that non-payment of these invoices is not warranted, given that the applicants missed a USAC procedural deadline and did not violate a Commission rule. Therefore, we remand the invoices at issue here to USAC for further action consistent with this order. To ensure that the invoices are resolved expeditiously, we direct USAC to accept each invoice as timely filed and disburse funding, if warranted, based on a complete review and analysis no later than 90 calendar days from release of this order.

1 See Appendices A-C. Appendix A contains a list of the 49 appeals granted in this order. Appendix B contains a list of all the applicants included in the Request for Review filed by Novell, Inc. Appendix C contains a list of applicants included in the Request for Waiver filed by Southwestern Bell Telephone LP. In this order, we use the term "appeals" to refer generally to requests for review or waiver that are related to decisions issued by USAC. Section 54.719(c) of the Commission's rules provides that any person aggrieved by an action taken by a division of USAC may seek review from the Commission. 47 C.F.R. § 54.719(c).

2 Request for Review of the Decision of the Universal Service Administrator by Canon-McMillan School District, et al., Schools and Libraries Universal Service Support Mechanism, File Nos. SLD-360219, et al., CC Docket No. 02-6, 23 FCC Red 15555 (Wireline Comp. Bur. 2008) (Canon-McMillan Order) (finding good cause to waive USAC's deadline for FCC Forms 472 or 474).

3 In performing a complete review and analysis of each underlying application, USAC shall either grant the underlying application before it or, if denying the application, provide the applicant with all grounds for denial. For those applications where the appropriate form was not submitted to USAC previously, we direct USAC to solicit submission of the invoice form no later than 15 calendar days from the release of this order and to remit payment associated with the solicited invoice form, if warranted, no later than 90 calendar days from the receipt of the invoice form.

2. In addition, on our own motion,⁴ we clarify that an electronic funds transfer mechanism to distribute universal service support payments invoiced by service providers does not conflict with the Commission's directive that service providers must remit the E-rate discount amount to the applicant "prior to tendering or making use of the payment from the Administrator."⁵ We find that the electronic funds transfer system will not undermine the fundamental purpose of the restriction on the FCC Form 472, which is to ensure that the service provider does not divert universal service support payments from the applicant.

II. INVOICE APPEALS

A. Background

3. Under the E-rate program, eligible schools, libraries, and consortia that include eligible schools and libraries may apply for discounts for eligible telecommunications services, Internet access, and internal connections.⁶ Following completion of the application and fulfillment of the Commission's competitive bidding requirements, USAC informs the applicants and service providers in the Funding Commitment Decision Letter (FCDL) the extent to which, if any, the requested funding will be provided.⁷ If a request for funding is approved, applicants must submit an FCC Form 486 to USAC confirming receipt of supported services from the specified service providers.⁸

4. After the eligible services have been delivered, the applicant determines which payment method to use to secure reimbursement from USAC for the services rendered under the E-rate program.⁹ If the applicant pays the full cost of the services, then the applicant must submit an FCC Form 472, Billed Entity Application for Reimbursement (BEAR) form, to secure reimbursement from USAC.¹⁰ If the applicant pays only the reduced cost of the services, then the service provider must file an FCC Form 474, Service Provider Invoice (SPI) form, to receive its reimbursement.¹¹ Based on information provided on the FCC Form 472 or the FCC Form 474, USAC remits the E-rate support payments to the service

⁴ 47 C.F.R. §§ 0.91, 0.291, 1.46.

⁵ See Universal Service for Schools and Libraries, FCC Form 472, Billed Entity Applicant Reimbursement Form, OMB 3060-0856, at 4 (April 2007) (emphasis added) (FCC Form 472); *Schools and Libraries Universal Service Support Mechanism*, CC Docket No. 02-6, Second Report and Order, Further Notice of Proposed Rulemaking, 18 FCC Rcd 9202, 9216 at para. 42 (2003) (*Schools and Libraries Second Report and Order*).

⁶ 47 C.F.R. §§ 54.501-54.504.

⁷ See USAC website, Receive Your Funding Decision, <http://www.universalservice.org/sl/applicants/step09/> (retrieved June 1, 2010).

⁸ See USAC website, FCC Form 486 Filing Information, <http://www.universalservice.org/sl/applicants/step10/form486-filing-information.aspx> (retrieved June 1, 2010).

⁹ See *Schools and Libraries Universal Service Support Mechanism*, CC Docket No. 02-6, Second Report and Order and Further Notice of Proposed Rulemaking, 18 FCC Rcd 9202, 9217-19, paras. 44-50 (2003) (*Schools Second Report and Order*); see also USAC website, Form 472 BEAR Filing Guidance, <http://www.sl.universalservice.org/reference/8bear.asp> (retrieved June 1, 2010); USAC website, Invoice Filing Information USAC, <http://www.universalservice.org/sl/applicants/step11/> (retrieved June 1, 2010). Beginning July 1, 2004, the Commission's rules require the service provider to allow the applicant to select the method governing the payment for services rendered in accordance with the E-rate program. See 47 C.F.R. §54.514 (b).

¹⁰ FCC Form 472, Billed Entity Applicant Reimbursement (BEAR) Form, available at <http://www.universalservice.org/res/documents/sl/pdf/472.pdf> (retrieved June 1, 2010).

¹¹ FCC Form 474, Service Provider Invoice (SPI) Form, available at <http://www.universalservice.org/res/documents/sl/pdf/474.pdf> (retrieved June 1, 2010).

provider.¹² Service providers reimbursing applicants (billed entities) via the BEAR process must remit the amount authorized by USAC to the billed entity within 20 business days of receiving the reimbursement payment.¹³ Since funding year 2003, the relevant invoice forms must be postmarked no later than 120 days after the date of the FCC Form 486 notification letter or 120 days after the last day to receive service, whichever is later.¹⁴ An applicant may request an extension of the filing deadline.¹⁵

B. Discussion

5. In this order, we grant 49 appeals of decisions by USAC denying funding because it found that the invoice forms, either the FCC Form 472 or the FCC Form 474, were late or not received by USAC.¹⁶ Petitioners present a number of explanations for the timing of their invoice submissions, or the lack thereof. Some petitioners assert that staff turnover or miscommunications between staff as E-rate duties were transitioned to a new employee resulted in a failure by the applicants to file their invoice forms on time.¹⁷ For example, Springer Municipal Schools claimed that its E-rate staff person resigned

¹² See *Schools and Libraries Universal Service Support Mechanism*, CC Docket No. 02-6, Notice of Proposed Rulemaking and Order, 17 FCC Rcd 1914, 1919, para. 9 (2002); see also *Schools and Libraries Second Report and Order*, 18 FCC Rcd at 9217, para. 42.

¹³ See 47 C.F.R. § 54.514(b); see also *Schools and Libraries Second Report and Order*, 18 FCC Rcd at 9219, para.51.

¹⁴ See USAC website, June 2002 Announcements, Invoicing Deadlines Extended, <http://www.universalservice.org/sl/tools/news-archive/2002/062002.asp#062002> (retrieved June 1, 2010). Prior to funding year 2003, invoice deadlines were as follows: For funding year 1998, the invoice deadline was March 28, 2000. See USAC website, February 2000 Announcements, Final Payment Date for Year 1 Invoices Approaches, <http://www.universalservice.org/sl/tools/news-archive/2000/022000.asp#yrlinv> (retrieved June 1, 2010). For funding year 1999, the invoice deadline was November 20, 2000. See USAC website, October 2000 Announcements, Reminder of November 20 Deadline for Submitting BEAR Forms and Service Provider Invoices for Year 2, <http://www.universalservice.org/sl/tools/news-archive/2000/102000.asp#102700> (retrieved June 1, 2010). For funding year 2000, the invoice deadline was January 31, 2002 or no later than 90 days after the date of the FCC Form 486 notification letter to the service provider. See USAC website, Funding Year 3 Disbursement Closeout Process, <http://www.universalservice.org/sl/tools/news-archive/2001/112001.asp#111301> (retrieved June 1, 2010). For funding year 2001, the invoice deadline was December 9, 2002. See USAC website, December 2002 Announcements, Deadline for Invoices for FY 2001 Recurring Services, <http://www.universalservice.org/sl/tools/news-archive/2002/122002.asp#120302a> (retrieved June 1, 2010). For funding year 2002, the invoice deadline was December 31, 2002. See USAC website, October 2003 Announcements, Two October Deadlines for Certain Applicants, <http://www.usac.org/sl/tools/news-archive/2003/102003.asp#100803> (retrieved June 1, 2010).

¹⁵ See <http://www.universalservice.org/sl/applicants/step11/invoice-deadlines-extension-requests.aspx> (retrieved June 1, 2010).

¹⁶ See Appendix A.

¹⁷ Request for Review of Annunciation School; Request for Review of Beecher City Community Unit District #20; Request for Review of Billings School District; Request for Review of Burlington City School District; Request for Review of Claiborne County Public Schools; Request for Review of Consorcio Colegios Catolicos Arquidiocesis de San Juan; Request for Review of Cranfills Gap Independent School District; Request for Review of Dublin City School District; Request for Review of Duquesne City School District; Request for Review of Fredericksburg City School District; Request for Waiver of Greensville County School District; Request for Waiver of Hartford Public Library; Request for Waiver of Haworth Independent School District 6; Request for Review of Laguna Department of Education; Request for Review of Lexington/Richland School District #5; Request for Review of May Independent School District; Requests for Review of Mother Lode Internet (Form 471 Application Numbers 339077, 395821, and 461568); Request for Review of Northeast Parent & Child Society; Request for Review of Novell, Inc.; Request for Waiver of Ohio County Schools; Request for Waiver of Peekskill City School District; Requests for Review of San Jacinto Unified School District (Form 471 Application Numbers 477862 and 503533); Request for Review of Springer Municipal Schools; Request for Review of United Talmudical Academy of Borough Park; and Requests for Review of Westbury Union Free School District (Form 471 Application Numbers 488304

(continued....)

from her position without completing the invoice forms, and Lexington/Richland School District #5 claimed that it has had repeated staff turnover and ineffective consultants.¹⁸ Several petitioners assert that they were confused about the rules and the invoice process.¹⁹ Four petitioners filed an invoice form but made an error and, by the time the error was discovered, it was too late to file a new invoice.²⁰ Three applicants were late because of errors made by the service provider,²¹ and one service provider claims that the applicant failed to schedule its installation on time.²² Finally, in three appeals, the petitioners argue that they filed their FCC Forms 472 and 474 on time, but never received funding.²³ In addition, for five

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and 538739) (all asserting that staff turnover or miscommunications as E-rate duties were transitioned to a new employee resulted in a failure by the applicants to file their invoice forms on time).

¹⁸ Request for Review of Springer Municipal Schools at 2; Request for Review of Lexington/Richland School District #5 at 3.

¹⁹ Request for Waiver of Alton Community Unit School District 11 (claiming misunderstanding with the vendor on the filing requirements and on issues dealing with the billing format and accuracy of the bills); Request for Waiver of Barrington Community Unit School District 220 (claiming misunderstanding with the vendor on the filing requirements and on issues dealing with the billing format and accuracy of the bills); Request for Review of Carlson Valley School (claiming that this was the first year it sought reimbursements and did not fully understand the BEAR process); Request for Review of Cherokee Central School (claiming Cherokee thought the service provider was going to file a Form 474 and the service provider thought Cherokee was going to file the Form 472, but neither form was filed); Request for Waiver of Decatur Public Schools (claiming misunderstanding with the vendor on the filing requirements and on issues dealing with the billing format and accuracy of the bills); Request for Review of Integrity Networking Solutions (Santa Fe Indian School) (claiming that it filed for a contract extension and thought it would automatically receive the invoice extension); Request for Waiver of Moore County School District (claiming Form 472 was file late due to human error); Request for Waiver of Paulding Exempted Village Schools (claiming lack of communication between the school and the service provider resulted in missed deadline); and Request for Waiver of Southern Door County School District (claiming that its E-rate person did not know how to file the Form 472).

²⁰ Request for Waiver of Broome-Tioga BOCES (claiming it made a mistake on the Form 472 and, when the mistake was realized, it was after the invoice deadline); Request for Review of CDW-G (Aldine Independent School District) (claiming it submitted the Form 472 with errors and wanted to submit a second Form 472, but it was after the invoice deadline); Request for Waiver of Jefferson Davis County School District (claiming an error was made on its first Form 472 and, when the error was realized, it was outside the invoice deadline); and Request for Review of Wayne County Public Library (claims it filed for an invoice extension but forgot to include the FRN number and too much time passed before the error was found).

²¹ Request for Review of Santa Ana Unified School District (claiming that its service provider's calculations of California Teleconnect discounts delayed the filing of the invoices). Request for Waiver of Southwestern Bell Telephone LP (claiming that it had a billing error in its computer system due to system upgrades and did not know there was a problem until after the deadline). Request for Review of Yeshiva Ohr Elchonon Chabad West Coast Talmudical Seminary (claiming that the service provider did not fax back page 4 of the Form 472 and, when it finally did so, the deadline had passed).

²² Request for Review of ePlus Technology, Inc. (District of Columbia Public Schools) (claiming that, because the school district failed to schedule installation services for the project in a timely manner, the filing of the Form 474 was late)

²³ Request for Waiver of McAlester Public Schools I-80, Midwest City-Del City School District, and Oklahoma City School District I-89; Request for Review of Qwest Corporation (Educational Service Unit No. 17) (noting that it filed its FCC Form 474 timely and, after months of trying to figure out what happened to its invoices, was told by USAC to request an extension of the invoice deadline); Request for Waiver of Verona Board of Education (arguing that its FCC Form 472 was filed on time, but the check was lost and USAC directed it to invoice again).

petitioners, we find good cause to waive section 54.720 of the Commission's rules, which establishes deadlines for affected parties to seek review of USAC decisions.²⁴

6. Based on the facts and circumstances of these specific cases, we find that good cause exists to grant these appeals. As the Bureau found in the *Canon-McMillan Order*, we find that complete rejection of these invoices is not warranted, given that the applicants missed a USAC procedural deadline and did not violate a Commission rule.²⁵ As the Commission noted in *Bishop Perry Middle School*, a departure from required filing deadlines may be warranted upon careful review of the petitioner's case and when doing so will serve the public interest.²⁶ Generally, these applicants claim that staff changes or inadvertent errors on the part of their staff resulted in the late filing or failure to file the FCC Form 472 or FCC Form 474. We believe that the petitioners have demonstrated that they made good faith efforts to comply with programmatic rules. We note that those tasked with working on E-rate applications are typically school administrators, technology coordinators, teachers, and librarians who may have little experience with the invoice requirements for the E-rate program. This may be particularly true of staff at small school districts or libraries.

7. We find that denying the petitioners' requests would create undue hardship and prevent these otherwise eligible schools and libraries from receiving funding that they need to bring advanced telecommunications and information services to their students and patrons. Requiring USAC to take these additional steps will not reduce or eliminate any invoice review procedures or program requirements with which applicants must comply in order to receive funding. Although the invoice deadline is an important element in helping the Commission guard against the waste of program funds, there is no evidence at this time in the record that the petitioners engaged in activity to defraud or otherwise abuse the E-rate program. We further note that granting these requests should have a minimal effect on the fund as a whole.²⁷

²⁴ Specifically, section 54.720 of the Commission's rules provides parties with 60 days to appeal a decision by USAC to either USAC or the Commission. 47 C.F.R. § 54.720. Duquesne City School District indicates that it was late filing its appeal because the 60-day appeal period mistakenly was computed based on the receipt date instead of the issuance dates of the decision letters. Letter of Appeal of Duquesne City School District at 2. When Duquesne City School District filed its appeal with the Commission on Jan. 25, 2008, it was only five days late. See Letters from USAC, Schools and Libraries, to Debra Kriete (dated Nov. 21, 2007) (Administrator's Decision on Invoice Appeal). While the other three petitioners, Claiborne County Public Schools, Westbury Union Free School District (Form 471 Application Number 538739), and Yeshiva Ohr Elchonon Chabad West Coast Talmudical Seminary, did not provide reasons for filing their appeals late to the Commission, their appeals were only seven or fewer days late. See Letter from USAC, Schools and Libraries, to Julia Odom, Claiborne County Public Schools (dated Aug. 11, 2006) (Administrator's Decision on Invoice Appeal) (filing its appeal two days late); Letter from USAC, Schools and Libraries, to Winston E. Himsworth, Westbury Union Free School District (Form 471 Application Number 538739) (dated April 24, 2009) (Administrator's Decision on Invoice Deadline Extension Request) (filing its appeal seven days late); Letter from USAC, Schools and Libraries, to Mendel Spalter, Yeshiva Ohr Elchonon West Coast Talmudical Seminary (dated Sept. 1, 2009) (Administrator's Decision on Invoice Deadline Extension Request) (filing its appeal two days late). We therefore grant a waiver of the filing deadline in section 54.720 of the Commission's rules for these petitioners. 47 C.F.R. § 54.720.

²⁵ *Canon-McMillan Order*, 23 FCC Rcd at 15558, para. 7.

²⁶ *Request for Review of the Decision of the Universal Service Administrator by Bishop Perry Middle School, et al., Schools and Libraries Universal Service Support Mechanism*, File Nos. SLD-487170, et al., CC Docket No. 02-6, Order, 21 FCC Rcd 5316, para. 9 (2006) (*Bishop Perry Order*).

²⁷ We estimate that the appeals granted in this order involve applications for approximately \$6.7 million in funding for funding years 1998 through 2007. We note that USAC has already reserved sufficient funds to address outstanding appeals. See, e.g., Universal Service Administrative Company, Federal Universal Service Support Mechanisms Fund Size Projections for the Third Quarter 2010 (Apr. 30, 2010). Thus, we determine that the action we take today should have minimal impact on the Universal Service Fund as a whole.

8. We emphasize the limited nature of this decision. This order does not diminish applicants' obligations to adhere to the E-rate program's procedures and deadlines and to submit complete and accurate information to USAC as part of the invoicing process. We recognize that filing deadlines are necessary for the efficient administration of the E-rate program and, although we grant these 49 appeals, our action here does not eliminate USAC's deadlines for filing the FCC Form 472 and the FCC Form 474. In remanding these applications to USAC, we make no finding as to the ultimate eligibility of the services or payments requested.²⁸

9. Finally, we are committed to guarding against waste, fraud, and abuse, and ensuring that funds disbursed through the E-rate program are used for appropriate purposes. Although we grant these appeals, this action in no way affects the authority of the Commission or USAC to conduct audits or investigations to determine compliance with the E-rate program rules and requirements. Because audits or investigations may provide information showing that a beneficiary or service provider failed to comply with the statute or the Commission's rules, such proceedings can reveal instances in which universal service funds were disbursed improperly or in a manner inconsistent with the statute or the Commission's rules. To the extent we find that funds were not used properly, we will require USAC to recover such funds through its normal processes. We emphasize that we retain the discretion to evaluate the uses of monies disbursed through the E-rate program and to determine on a case-by-case basis that waste, fraud, or abuse of program funds occurred and that recovery is warranted. We remain committed to ensuring the integrity of the program and will continue to aggressively pursue instances of waste, fraud, or abuse under the Commission's procedures and in cooperation with law enforcement agencies.

III. ELECTRONIC FUNDS TRANSFER

10. On September 28, 2009, the Wireline Competition Bureau (Bureau) announced that, pursuant to the Debt Collection Improvement Act of 1996 (DCIA), all federal universal service fund support payments must be made by electronic funds transfer (EFT).²⁹ The Bureau stated that recipients of universal service fund support payments must provide their financial institution information and other relevant information on the FCC Form 498 (Service Provider Identification Number and Contact Information Form), which was being revised to conform to the requirements of the DCIA.³⁰ On November 2, 2009, the revised FCC Form 498 was approved by the Office of Management and Budget.³¹ The Bureau is also releasing a public notice today establishing August 31, 2010 as the effective date of the electronic disbursement of universal service support payments.³² After August 31, 2010, if a recipient of universal service support payments fails to provide the required financial institution information on its FCC Form 498 to enable payment by EFT, USAC will not make universal service support payments to that entity until the entity provides the required information.

11. Some service providers have expressed concern that the FCC Form 472, which is used in the E-rate program, may conflict with the use of EFT in that the FCC Form 472 requires the service

²⁸ Additionally, nothing in this order is intended: (1) to authorize or require payment of any claim that previously may have been released by a service provider or applicant, including in a civil settlement or plea agreement with the United States; or (2) to authorize or require payment to any person or entity that has been debarred from participation in the E-rate program.

²⁹ See *Wireline Competition Bureau Announces Mandatory Electronic Disbursement of Universal Service Support Payments*, CC Docket No. 02-6, Public Notice, 24 FCC Rcd 12124 (Wireline Comp. Bur. 2009) (*USF Electronic Disbursement Public Notice*); 31 U.S.C. §3332(f)(1).

³⁰ See *USF Electronic Disbursement Public Notice*.

³¹ See FCC Form 498, Service Provider Identification Number and Contact Information Form, OMB 3060-0824 (November 2009).

³² See *Wireline Competition Bureau Establishes the Effective Date for Electronic Disbursement of Universal Service Support Mechanism*, CC Docket No. 02-6, Public Notice, DA 10-270 (Wireline Comp. Bur. June 2, 2010).

provider to “remit the discount amount ... to the billed entity within twenty days of receiving the reimbursement payment from the Administrator and *prior to tendering or making use of the payment from the Administrator.*”³³ For example, depositing funds electronically into the account of a service provider may result in the service provider earning interest on those funds until the funds are passed along to the E-rate applicant.

12. We find that an EFT mechanism to distribute universal service support payments will not conflict with or otherwise undermine the fundamental purpose of the restriction on the FCC Form 472, which is to prevent the service provider from diverting for its own use universal service support payments from the applicant.³⁴ The E-rate program’s restriction on tender or other use of the funds prior to remittance of the discounted amount to the applicant was intended to underscore that such money does not belong to the service provider, and thus may not be used for other purposes.³⁵ As we have previously stated, “BEAR payments are not the property of the service provider, which has been paid in full.”³⁶ Consistent with this, vendors must handle these payments in a manner that does not jeopardize the integrity of the funds or impair the vendor’s ability to make prompt remittance to the applicant not later than 20 days after receipt of the funds from USAC. Thus, as long as the reimbursed funds are merely held by the service provider prior to being remitted to the applicant within the requisite 20-day period, as required by section 54.514(b) of the Commission’s rules, we will find no violation of the restriction on the tender or other use of the funds.³⁷ In addition, we find that electronic disbursement of universal service support payments by EFT is required by the DCIA and federal financial management and reporting statutes.³⁸ Specifically, section 54.702(n) of the Commission’s rules provides that “[i]n administering the universal service fund, [USAC] shall also comply with all relevant and applicable federal financial management and reporting statutes.”³⁹ Because USAC is required to comply with federal statutes governing the management, accounting, and reporting of relevant financial, management, and similar information, USAC must also comply with the DCIA, which requires the use of EFT.⁴⁰

IV. ORDERING CLAUSES

13. ACCORDINGLY, IT IS ORDERED that, pursuant to the authority contained in sections 1-4 and 254 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151-154 and 254, and pursuant to authority delegated under sections 0.91, 0.291, 1.3, and 54.722(a) of the Commission’s rules, 47 C.F.R. §§ 0.91, 0.291, 1.3, and 54.722(a), the Requests for Review and Requests for Waiver filed by the petitioners as listed in Appendices A-C ARE GRANTED and REMANDED to USAC for further consideration to the extent provided herein.

³³ See Universal Service for Schools and Libraries, FCC Form 472, Billed Entity Applicant Reimbursement Form, OMB 3060- 0856, at 4 (April 2007) (emphasis added); *Schools and Libraries Second Report and Order*, 18 FCC Rcd at 9216, para. 42.

³⁴ See *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Third Report and Order, 12 FCC Rcd 22485 (erratum at 22493), 22488-89, para. 6 (1997).

³⁵ *Schools and Libraries Second Report and Order*, 18 FCC Rcd at 9219, para. 51.

³⁶ *Id.*

³⁷ See 47 C.F.R. § 54.514(b); FCC Form 471 at 4. Moreover, we anticipate that service providers will remit the funds to the applicant as soon as practicable after receipt from USAC and that the accrual of any interest will be *de minimis*.

³⁸ See 31 U.S.C. §3332(f)(1) (requiring that “all Federal payments made after January 1, 1999, shall be made by electronic funds transfer,” except in rare cases where exceptions are granted by the Secretary of the Treasury); 31 C.F.R. Part 208; 31 C.F.R. Part 210 (setting forth the implementing rules pertinent to participation in the Automated Clearing House (ACH) network).

³⁹ 47 C.F.R. § 54.702(n).

⁴⁰ See 47 C.F.R. § 54.702(n); 31 U.S.C. §3332(f)(1).

14. IT IS FURTHER ORDERED that, pursuant to the authority contained in sections 1-4 and 254 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151-154 and 254, and sections 0.91, 0.291, 1.3 and 54.722(a) of the Commission's rules, 47 C.F.R. §§ 0.91, 0.291, 1.3 and 54.722(a), waivers of section 54.720 of the Commission's rules, 47 C.F.R. § 54.720, ARE GRANTED to Duquesne City School District; Claiborne County Public Schools; Westbury Union Free School District (Form 471 Application No. 538739); and Yeshiva Ohr Elchonon Chabad West Coast Talmudical Seminary and their invoice forms ARE REMANDED to USAC for further consideration consistent with this order.

15. IT IS FURTHER ORDERED that, pursuant to the authority contained in sections 1-4 and 254 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151-154 and 254, and 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), the Universal Service Administrative Company SHALL COMPLETE its review of each remanded request for reimbursement and REMIT payment, if warranted, based on a complete review and analysis no later than 90 calendar days from release of this order or no later than 90 calendar days after the receipt of the appropriate invoice form as provided herein.

16. IT IS FURTHER ORDERED that, pursuant to section 1.102(b)(1) of the Commission's rules, 47 C.F.R. § 1.102(b)(1), this order SHALL BE EFFECTIVE upon release.

FEDERAL COMMUNICATIONS COMMISSION

Carol E. Matthey
Deputy Chief
Wireline Competition Bureau

APPENDIX A

List of Applicants Whose Appeals are Granted in this Order

Petitioner	Application Number	Funding Year	Date Appeal Filed
Alton Community Unit School District 11 Alton, IL	518052, 576715	2006, 2007	11/10/2009
Annunciation School Denver, CO	506132	2006	3/10/2010
Barrington Community Unit School District 220 Barrington, IL	532574	2006	12/28/2009
Beecher City Community Unit District No. 20 Beecher City, IL	471795	2005	7/29/2008
Billings School District 2 Billings, MT	455804	2005	3/30/2009
Burlington City School District Burlington, NJ	447054	2005	5/15/2009
Carlson Valley School Glenside, PA	501164, 530589	2006	4/7/2009
CDW-G (Aldine Independent School District) Houston, TX	358885	2003	6/27/2007
Cherokee Central School Cherokee, NC	535408	2006	6/22/2009
Claiborne County Public Schools Port Gibson, MS	372033	2003	10/11/2006
Consortio Colegios Catolicos Arquidiocesis de San Juan Guaynabo, PR	556529, 561926, 556724	2007	11/3/2008
Cranfills Gap Independent School District Cranfills Gap, TX	512118, 512230, 561025	2006, 2007	2/26/2010
Decatur School District Decatur, IL	516857, 568177	2006, 2007	8/18/2009
Dublin City Schools Beachwood, OH	423506, 423596	2004	11/27/2007
Duquesne City School District Duquesne, PA	401517	2004	1/25/2008
ePlus Technology, Inc. (District of Columbia Public Schools) Washington, DC	380358	2003	6/22/2009
Fredericksburg City School District Fredericksburg, VA	445803	2005	10/8/2008
Greensville County School District Emporia, VA	403233, 421968	2004	10/8/2008
Hartford Public Library Hartford, CT	303534, 362118, 434831	2002, 2003, 2004	7/6/2007

Petitioner	Application Number	Funding Year	Date Appeal Filed
Haworth Independent School District 6 Haworth, OK	561929	2007	4/19/2010
Integrity Networking Solutions (Santa Fe Indian School) Santa Fe, NM	382920	2003	8/3/2007
Jefferson Davis County School District Meadville, MS	486174	2005	1/12/2009
Laguna Department of Education Laguna, NM	530582	2006	9/29/2009
Lexington/Richland School District #5 Irmo, SC	478189	2008	6/9/2008
May Independent School District May, TX	530181	2006	4/7/2009
McAlester Public Schools I-80, Midwest City-Del City School District, Oklahoma City School District I-89 Allen, OK	391937, 406976, 412623	2004	1/5/2009
Moore County School District Lynchburg, TN	518479	2006	1/7/2008
Mother Lode Internet Sonora, CA	339077	2003	11/6/2007
Mother Lode Internet Sonora, CA	395821	2004	11/6/2007
Mother Lode Internet Sonora, CA	461568	2005	11/6/2007
Northeast Parent & Child Society Schenectady, NY	476007	2005	1/9/2008
Novell, Inc. Provo, UT	See Appendix B	See Appendix B	11/13/2007
Ohio County Schools Hartford, KY	425705	2004	12/12/2006
Paulding Exempted Village Schools Paulding, OH	117018, 161992, 390734, 349436	2003	10/12/2007
Peekskill City School District Peekskill, NY	429348	2004	3/23/2007
Qwest Corporation (Educational Service Unit No. 17) Ainsworth, NE	500603	2006	4/24/2009
San Jacinto Unified School District San Jacinto, CA	477862	2005	3/13/2009
San Jacinto Unified School District San Jacinto, CA	503533	2006	3/13/2009
Santa Ana Unified School District Santa Ana, CA	550546	2007	3/25/2010
Southern Door County School District Fond du Lac, WI	391661, 474978, 476285	2004	7/14/2008
Southwestern Bell Telephone, LP Washington, DC	See Appendix C	See Appendix C	2/24/2004
Springer Municipal School Springer, NM	482123	2005	5/12/2009

Petitioner	Application Number	Funding Year	Date Appeal Filed
The Thomas Group (Broome-Tioga BOCES) Binghamton, NY	529485	2006	10/22/2008
United Talmudical Academy of Borough Park Brooklyn, NY	526446	2006	4/28/2009
Verona Board of Education Verona, NJ	420500	2004	10/31/2007
Wayne County Public Library Wooster, OH	495834	2006	10/14/2008
Westbury Union Free School District Westbury, NY	488304	2005	11/4/2008
Westbury Union Free School District Westbury, NY	538739	2006	6/30/2009
Yeshiva Ohr Elchonon Chabad West Coast Talmudical Seminary Los Angeles, CA	560939	2007	11/2/2009

APPENDIX B

**List of Applicants and Application Numbers Included in Request for Review
filed November 12, 2007 by Novell, Inc.**

Applicant Name	Application Number	Funding Year
Agra Independent School District 134 Agra, OK	363792	2003
Allendale County School District Allendale, SC	234225	2001
Altheimer Unified School District Altheimer, AR	250374	2001
Anderson County School District Clinton, TN	123056	1999
Atkinson County School District Pearson, GA	231352	2001
Bacon County School District Alma, GA	143645	1999
Canton Public School District Columbia, MS	124514	1999
Casey-Westfield County Unified School District C-4 Casey, IL	138450	1999
Coahoma County School District Clarksdale, MS	253618	2001
Colquitt County School District Moultrie, GA	328924	2002
Commerce Public Schools Commerce, OK	255723	2000
Covington County School District Collins, MS	236866	2001
Crawford County School District Roberta, GA	112158	1998
Dillon County School District 2 Dillon, SC	361025	2003
Dinuba Unified School District Dinuba, CA	178359	2000
Dinuba Unit School District Dinuba, CA	142835	1999
Dixon School District R 1 Dixon, MO	23488	1998
Dooly County School System Vienna, GA	234314	2001
Edgewood Independent School District San Antonio, TX	327722	2002
Edgewood Independent School District San Antonio, TX	356761	2003
Evansville-Vanderburgh School District Evansville, IN	134554	1999
Evansville-Vanderburgh School District Evansville, IN	134556	1999

Applicant Name	Application Number	Funding Year
Evening Shade School District Evening Shade, AR	28126	1998
Fairfax Elementary School District Bakersfield, CA	13247	1998
Fairfax Elementary School District Bakersfield, CA	119881	1999
Fairview Area School District Williamsburg, MI	136316	1999
Florence County School District 3 Lake City, SC	224402	2001
Gainesville School District R5 Gainesville, MO	109506	1998
Georgetown County School District Georgetown, SC	308502	2002
Graves County School District Frankfort, KY	110131	1998
Greenville School District R-2 Greenville, MO	127882	1999
Hampshire Collaborative Northampton, MA	145724	1999
Harrison Central School District Harrison, NY	122975	1999
Hazelhurst City School District Hazlehurst, MS	305225	2002
Hearne Independent School District Hearne, TX	31959	1998
Holy Angels Catholic School Indianapolis, IN	143818	1999
Jackson County School Board Marianna, FL	322096	2002
Jackson County School Board Marianna, FL	365555	2003
Jefferson County School District Louisville, GA	244360	2001
Leake County School District Carthage, MS	315574	2002
Lee County School District Bishopville, SC	302924	2002
Leflore County School District Greenwood, MS	105876	1998
Lenoir County Public Schools Kinston, NC	244417	2001
Lincoln Park High School Chicago, IL	136130	1999
Louisville Municipal School District Louisville, MS	152794	1999
Louisville Municipal School District Louisville, MS	174394	2000
Marion 2 School District Mullins, SC	245349	2001

Applicant Name	Application Number	Funding Year
Marion 2 School District Mullins, SC	358720	2003
Marion County School District Columbia, MS	125579	1999
Marion County School District 7 Rains, SC	289457	2002
Marlin Independent School District Marlin, TX	324453	2002
Maud Independent School District 117 Maud, OK	349019	2003
McComb School District McComb, MS	344339	2003
Meridian School District Meridian, MS	108051	1998
Minidoka Co Joint School District 331 Rupert, ID	119821	1999
Monroe County School District Amory, MS	352991	2003
Montgomery County School District Winona, MS	253578	2001
Montgomery County School District Winona, MS	363154	2003
Mountain View School District Mountain View, AR	112977	1999
Navasota Independent School District Navasota, TX	345241	2003
New York Public Library New York, NY	294415	2002
North Panola Consolidated School District Sardis, MS	324269	2002
Okemah Independent School District 26 Okemah, OK	173430	2000
Orofino JT School District 171 Orofino, ID	352045	2003
Orofino JT School District 171 Orofino, ID	354035	2003
Pharr-San Juan-Alamo Independent School District Pharr, TX	249022	2001
Pierce County School District Blackshear, GA	28074	1998
Porter Consolidated School District I-35 Porter, OK	366168	2003
Richland School District Shafter, CA	366256	2003
Richland School District R-1 Essex, MO	136484	1999
Richland-Lerdo Union Elementary School District Shafter, CA	232699	2001
Richland-Lerdo Union Elementary School District Shafter, CA	311350	2002

Applicant Name	Application Number	Funding Year
Saginaw Public School District Saginaw, MI	338137	2003
San Augustine School District San Augustine, TX	185200	2000
San Augustine School District San Augustine, TX	342006	2003
South Delta School District Rolling Fork, MS	221045	2001
St. Angela Merici School Bronx, NY	185459	2000
Sumter County School District Two Sumter, SC	323365	2002
Taos Municipal School District Taos, NM	248272	2001
Taos Municipal School District Taos, NM	308847	2002
Western Yell County School District Havana, AR	138277	1999
Wewoka Independent School District 2 Wewoka, OK	354410	2003
Wildwood School District Wildwood, NJ	301559	2002
Yazoo City Municipal School District Yazoo City, MS	349951	2003
Youngstown City School District Youngstown, OH	153405	1999

APPENDIX C

**List of Applicants and Application Numbers Included in Request for Waiver
filed February 24, 2004 by Southwestern Bell Telephone LP**

Applicant Name	Application Number	Funding Year
Alice Independent School District Alice, TX	319837	2002
Arlington Independent School District Arlington, TX	305715	2002
Beaumont Independent School District Beaumont, TX	286558	2002
Belton Independent School District Belton, TX	303704	2002
Birdville Independent School District Haltom, TX	301691	2002
Castleberry Independent School District Fort Worth, TX	309548	2002
Channelview School District Channelview, TX	309825	2002
Chase County Unified School District 284 Cottonwood Falls, KS	312746	2002
Cuero Public Library Cuero, TX	305920	2002
Edgewood Independent School District San Antonio, TX	327722	2002
Harmony Science Academy Houston, TX	329714	2002
La Joya Independent School District La Joya, TX	317750	2002
Mustang Public Schools Mustang, OK	315703	2002
New Braunfels Independent School District New Braunfels, TX	328947	2002
North Forest Independent School District Houston, TX	317574	2002
Pauls Valley School District 18 Pauls Valley, OK	286089	2002
Pharr-San-Juan-Alamo Independent School District Pharr, TX	303671	2002
Pittsburg Public Library Pittsburg, KS	310684	2002
Region Education Service Center 13 Austin, TX	331393	2002
Renwick Unified School District 267 Andale, KS	321773	2002
Round Rock Independent School District Round Rock, TX	309961	2002

Applicant Name	Application Number	Funding Year
St. Francis De Sales School Houston, TX	289342	2002
Texans Can! Dallas, TX	329041	2002
Victoria Public Library Victoria, TX	306433	2002
Waco Independent School District Waco, TX	288663	2002
Wichita Unified School District 259 Wichita, KS	285444	2002
Ysleta Independent School District El Paso, TX	299321	2002