## Before the Federal Communications Commission Washington, DC 20554

| In the Matter of                        | ) |                             |
|---|---|-----------------------------|
|   | ) |                             |
| Requests for Review of Decisions of the | ) |                             |
| Universal Service Administrator by      | ) |                             |
| •                                       | ) |                             |
| Brewster Academy                        | ) | File Nos. SLD-317937, et al |
| Dallas, Texas, et al.                   | ) |                             |
|   | ) |                             |
| Schools and Libraries Universal Service | ) | CC Docket No. 02-6          |
| Support Mechanism                       | ) |                             |
|   |   |                             |

ORDER

Adopted: May 18, 2007 Released: May 18, 2007

By the Deputy Chief, Wireline Competition Bureau:

### I. INTRODUCTION

- 1. In this Order, we grant 27 appeals of decisions by the Universal Service Administrative Company (USAC) denying applications for discounted services under the schools and libraries universal service support mechanism, also known as the E-rate program.<sup>1</sup> Petitioners were denied funding on the grounds that their requests for telecommunications service were from providers that do not provide telecommunications on a common carrier basis.<sup>2</sup> As explained below, although each petitioner used an incorrect Service Provider Information Number (SPIN) that was linked to a provider that was not eligible to provide telecommunications on a common carrier basis, petitioners claim that they had indeed sought service from a telecommunications carrier. We find that if petitioners are given an opportunity to correct the incorrect SPINs, they may be eligible for funding under the E-rate program. To the extent necessary, we therefore also waive section 54.504(c) of the Commission's rules in order to allow petitioners to correct the SPIN errors on their FCC Forms 471. We thus remand the underlying applications associated with these appeals to USAC for further action consistent with this Order.
- 2. To ensure that the underlying applications are resolved expeditiously, we direct USAC to complete its review of each application listed in the Appendix and issue an award or denial based upon a complete review and analysis no later than 90 days from the release of this Order. In addition, we direct USAC to assist petitioners and other similarly affected applicants to determine, if necessary, what SPINs should be used for the telecommunications providers selected and to provide applicants with a 15-day opportunity to file or amend incorrect SPINs.

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<sup>&</sup>lt;sup>1</sup> In this Order, we use the term "appeals" to generally refer to requests for review of decisions issued by the Administrator. 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).

<sup>&</sup>lt;sup>2</sup> A list of the appeals is provided in the Appendix.

#### II. 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.<sup>3</sup> In order to receive discounts on eligible services, the Commission's rules require that an applicant submit to USAC an FCC Form 470, in which the applicant sets forth its 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 for eligible services, it must file a completed FCC Form 471 application to notify USAC of the services that have been ordered, the carrier with whom the applicant has entered an agreement, and an estimate of funds needed to cover the discounts to be given for eligible services.<sup>5</sup>
- 4. To provide services under the E-rate program (as well as the other universal service support mechanisms), service providers must obtain a SPIN from USAC.<sup>6</sup> USAC assigns a SPIN to each company that files an FCC Form 498 to register with USAC as a carrier or service provider that receives support from the universal service support mechanism.<sup>7</sup> Some of the companies that register with USAC for a SPIN designate themselves as telecommunications carriers on the FCC Form 498.<sup>8</sup> Certain categories of service providers are automatically considered to be telecommunications carriers eligible to participate in universal service support programs, including incumbent local exchange carriers (ILECs), competitive access providers/competitive local exchange carriers (CAPs/CLECs), and interexchange carriers (IXCs), because they are widely acknowledged to be the types of service providers that provide telecommunications services on a common carrier basis.<sup>9</sup> Under program procedures, however, even if a

<sup>&</sup>lt;sup>3</sup> 47 C.F.R. §§ 54.501-54.504.

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

<sup>&</sup>lt;sup>5</sup> 47 C.F.R. § 54.504(c).

<sup>&</sup>lt;sup>6</sup> See USAC website, Step 1: Obtain a Service Provider Information Number (Submit Form 498), http://www.usac.org/sl/providers/step01/ (retrieved Mar. 8, 2007).

<sup>&</sup>lt;sup>7</sup> Pursuant to section 54.515 and other sections of the Commission's rules, USAC must obtain the service provider name, address, telephone number, and contact names, as well as other information, in order for USAC to be able to perform its billing, collection and disbursement functions. *See, e.g.* 47 C.F.R. § 54.515. Therefore, the Commission and USAC developed the Service Provider Identification Number and Contact Form, FCC Form 498, to collect this information from carriers and service providers that receive support. *See* Instructions for Completing the Service Provider Identification Number and Contact Information Form (FCC Form 498), OMB 3060-0824 (May 2006). *See also* USAC website, USAC Forms, <a href="http://www.usac.org/fund-administration/forms/">http://www.usac.org/fund-administration/forms/</a> (retrieved Mar. 8, 2007).

<sup>&</sup>lt;sup>8</sup> These companies are also required to file a Telecommunications Reporting Worksheet (FCC Form 499) and may be required to make contributions to the Universal Service Fund. *See* USAC website, USAC Forms, <a href="http://www.usac.org/fund-administration/forms/">http://www.usac.org/fund-administration/forms/</a> (retrieved Mar. 8, 2007). Such companies are referred to as "contributors."

<sup>&</sup>lt;sup>9</sup> See Request for Review of the Decision of the Universal Service Administrator by Virginia State Department of Education, Federal-State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc., File No. SLD-163045, CC Docket Nos. 96-45 and 97-21, Order, 17 FCC Rcd 8677, at 8678, para. 3 (Wireline Comp. Bur. 2002).

service provider designates itself under one of these categories on the FCC Form 498, the presumption that they provide service on a common carriage basis remains subject to verification by USAC.<sup>10</sup>

- 5. The Communications Act permits only "telecommunications carriers" to receive direct reimbursement under the universal service support mechanism for the provision of discounted telecommunications services. The term "telecommunications carrier" includes only carriers that offer telecommunications on a common carrier basis. The Commission stated in the *Universal Service Order* that a carrier may be a common carrier if it holds itself out "to service indifferently to all potential users," but a "carrier will not be a common carrier 'where its practice is to make individualized decisions in particular cases whether and on what terms to serve."
- 6. In this instance, petitioners dispute USAC's position that their funding requests were for telecommunications service from providers that do not provide telecommunications on a common carriage basis. Thus, in their appeals, petitioners assert that although they sought service from providers that are common carriers, they inadvertently used incorrect SPINs for those providers, giving the appearance that they were seeking telecommunications service from non-common carriers.

### III. DISCUSSION

7. In this item, we grant 27 appeals of decisions by USAC reducing or denying requests for funding under the E-rate program and remand the underlying applications associated with these appeals to USAC for further action consistent with this Order. As indicated above, petitioners generally seek review from the Commission because, although they sought telecommunications service from common carriers, they used incorrect SPINs for those providers, giving the appearance that they were seeking telecommunications service from non-common carriers. Petitioners offered evidence that their use of incorrect SPINs was inadvertent.<sup>14</sup> For example, many of the petitioners sought service from large

<sup>&</sup>lt;sup>10</sup> *Id. See also* USAC website, Step 1: Providers of Telecommunications Services, http://www.usac.org/sl/providers/step01/providers-telecommunications-services.aspx (retrieved Mar. 8, 2007).

<sup>&</sup>lt;sup>11</sup> See 47 U.S.C. § 254 (h)(1)(B); Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Report and Order, 12 FCC Rcd 8776, 9177-78, 9005-23, 9084-90, paras. 589-600 (1997) (Universal Service Order); Federal-State Joint Board on Universal Service, Access Charge Reform, Price Cap Performance Review for Local Exchange Carriers, Transport Rate Structure and Pricing, End User Common Line Charge, CC Docket Nos. 96-45, 96-262, 94-1, 91-213, 95-72, Fourth Order on Reconsideration, 13 FCC Rcd 5318, 5413-14, paras. 163-164 (1997) (Fourth Reconsideration Order). Non-telecommunications providers are eligible for support for providing voice mail, Internet access, and installation and maintenance of internal connections but are not eligible to provide telecommunications services under the universal service support mechanism. See 47 C.F.R. § 54.517.

 $<sup>^{12}</sup>$  Universal Service Order, 12 FCC Rcd at 9177-78, paras. 785-786; Fourth Reconsideration Order, 13 FCC Rcd at 5413-14, paras. 163-164.

<sup>&</sup>lt;sup>13</sup> Universal Service Order, 12 FCC Rcd at 9177-78, paras. 785-786 (citing National Association of Regulatory Utility Commissioners v. FCC, 533 F.2d 601, 608 (D.C. 1976)).

<sup>&</sup>lt;sup>14</sup> See Request for Review by Eastchester Union Free School District; Request for Review by Glynn County School District; Request for Review by Hinesburg Community School; Request for Review by Onslow County Schools. In some cases, the applicant requested an operational SPIN change to correct this mistake and the request was denied. See Request for Review by Meramec Valley School District R-III; Request for Review by Broome-Tioga BOCES; Request for Review by Brewster Academy. A few other petitioners worked through a state agency or special administrator or consortium to apply for discounts and used that state agency's name and SPIN because they may have not received the proper guidance to use the actual telecommunications provider's SPIN. See Request for Review by Scott County Unified School District No. 466; Request for Review by Cimarron-Ensign Unified School District No. 102; Request for Review by Satanta Unified School District No. 507; Request for Review by Holcomb

carriers or providers with many divisions and inadvertently used a SPIN for a division of that company that was not providing service on a common carriage basis. Some of the errors may have been caused by third parties, such as large telecommunications companies or state agencies who supplied the wrong SPINs, and therefore were not the fault of the petitioners. Several petitioners may have had trouble looking up the provider's SPIN on USAC's website database. Other petitioners thought they had to use the SPIN of a state agency or other consortium administering their E-rate services, instead of the SPIN of the service provider.

8. Based on the facts and the circumstances of these specific cases and consistent with the Commission's decision in *Bishop Perry*, <sup>19</sup> we grant petitioners' appeals and remand the underlying applications to USAC. USAC should determine if petitioners' applications would have been granted if they had used the correct SPIN. In prior decisions of the Wireline Competition Bureau (Bureau), SPIN correction requests were not granted after an application was denied funding by USAC.<sup>20</sup> Specifically, in Penn Hills, the Bureau treated SPIN corrections like other data errors, reasoning that if applicants were permitted to make SPIN corrections on applications after USAC had denied them, it would eliminate any incentive for applicants to avoid including ineligible expenses or ineligible providers in their funding requests, and that this would significantly increase the administrative burden on USAC.<sup>21</sup> In this Order,

Consolidated Schools (Unified School District No. 363); Request for Review by Deerfield Unified School District No. 216; Request for Review by Texas School for the Blind and Visually Impaired; Request for Review by Caldwell Independent School District; Request for Review by the Texas State Library and Archives Commission.

<sup>&</sup>lt;sup>15</sup> See Request for Review by Carteret Public Schools; Request for Review by Grant County Education Service District; Request for Review by Greene County Library; Request for Review by Merced City School District; Request for Review by Jasper County Library; Request for Review by Morgan County Library; Request for Review by Morroe-Walton County Library; Request for Review by Northmor Local School District; Request for Review by Putnam County Library.

<sup>&</sup>lt;sup>16</sup> See, e.g., Request for Review by Broome-Tioga BOCES; Request for Review by the Texas State Library and Archives Commission; Request for Review by Grant County Education Service District; Request for Review by Trego Elementary School.

<sup>&</sup>lt;sup>17</sup> See, e.g., Request for Review by Eastchester Union Free School District; Request for Review by Glynn County School District; Request for Review by Hinesburg Community School.

<sup>&</sup>lt;sup>18</sup> See, e.g., Request for Review by Scott County Unified School District No. 466; Request for Review by Cimarron-Ensign Unified School District No. 102; Request for Review by Satanta Unified School District No. 507; Request for Review by Holcomb Consolidated Schools (Unified School District No. 363); Request for Review by Deerfield Unified School District No. 216; Request for Review by Texas School for the Blind and Visually Impaired; Request for Review by Caldwell Independent School District; Request for Review by the Texas State Library and Archives Commission.

<sup>&</sup>lt;sup>19</sup> See Request for Review of the Decision of the Universal Service Administrator by Bishop Perry Middle School, Schools and Libraries Universal Service Support Mechanism, et al., CC Docket No. 02-6, Order, 21 FCC Rcd 5316, (2006) (Bishop Perry) (directing USAC to identify and allow applicants to cure errors related to FCC Form 470 and FCC Form 471 filings and to enhance outreach to applicants in order to avoid clerical, ministerial, and procedural errors).

<sup>&</sup>lt;sup>20</sup> See Request for Review of the Decision of the Universal Service Administrator by Penn Hills School District, Federal-Stare Join Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc., File No. SLD 174801, CC Docket Nos. 96-45 and 97-21, Order, 17 FCC Rcd 713 (Com Car. Bureau 2002) (Penn Hills).

<sup>&</sup>lt;sup>21</sup> See Penn Hills at 716, para. 8.

we depart from this prior Bureau ruling based on the analysis in the Commission's recent decision in *Bishop Perry*, which allowed applicants to cure errors related to the FCC Form 470 and the FCC Form 471 filings.<sup>22</sup> All the petitioners claim that, in reality, the service provider they chose is indeed eligible to provide telecommunications on a common carriage basis, but staff mistakes, confusion, or circumstances beyond their control resulted in using the wrong SPIN for their telecommunications service provider. We find that inadvertently using an incorrect SPIN for a service provider that is otherwise eligible to provide telecommunications is a clerical, ministerial or procedural error, and thus consistent with the Commission's analysis in *Bishop Perry*. Therefore, we find that the complete rejection of these applications is not warranted. Notably, 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.

- 9. In addition, we find that good cause exists to waive rule section 54.504(c), which requires that applications must be complete when filed, to enable these petitioners to correct the SPINs.<sup>23</sup> That is, although the applicants filed their FCC Forms 471 on time, they need a waiver to make a correction after the deadline.<sup>24</sup> Under Bureau precedent, deadlines have been strictly enforced for the E-rate program, including those pertaining to the FCC Form 471. We nevertheless find that good cause exists to waive the deadline in these cases where clerical, ministerial or procedural errors led to using the wrong SPIN, and where correction of the SPINs can only occur after the filing deadline for the FCC Form 471.<sup>26</sup> This finding is consistent with our ruling in the *Bishop Perry* order in which the Commission waived section 54.504(c) of our rules in situations where applicants' ministerial or clerical errors caused USAC to find that the applications were not complete and thus not filed within the filing window.<sup>27</sup> Because we are giving these petitioners the opportunity to correct the SPINs, we must also allow the petitioners to file the corrected SPIN information after the FCC Form 471 filing deadline.
- 10. In these circumstances, applicants committed minor errors in filling out their application forms. As the Commission recently noted, we do not believe that such minor mistakes warrant the complete rejection of each of these applicants' E-rate applications. As the Commission found in the *Bishop Perry* order, under certain circumstances, rigid adherence to certain E-rate rules and requirements

<sup>&</sup>lt;sup>22</sup> See generally Bishop Perry, 21 FCC Rcd 5316. In finding that applicants should be permitted to cure clerical, ministerial or procedural errors on E-rate applications, the Commission has altered the reasoning used by the Bureau in *Penn Hills* which would not have allowed applicants to cure clerical, ministerial or procedural mistakes related to SPINs.

<sup>&</sup>lt;sup>23</sup> See 47 C.F.R. § 54.504(c).

<sup>&</sup>lt;sup>24</sup> See also 47 C.F.R. § 54.507(c) (establishing the filing window).

<sup>&</sup>lt;sup>25</sup> See, e.g., Request for Review by Information Technology Department State of North Dakota, Federal-State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc., File No. SLD-245592, CC Docket Nos. 96-45 and 97-21, Order, 17 FCC Rcd 7383, 7389, para. 13 (Wireline Comp. Bur. 2002); Request for Review by Wilmington Public Schools, Federal-State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc., File No. SLD-254818, CC Docket Nos. 96-45 and 97-21, Order, 17 FCC Rcd 12069, 12071, paras. 7-8 (Wireline Comp. Bur. 2002); Request for Review by South Barber Unified School District, Federal-State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc., File No. SLD-158897, CC Docket Nos. 96-45 and 97-21, Order, 16 FCC Rcd 18435, 18437-38, para. 7 (Com. Car. Bur. 2001).

<sup>&</sup>lt;sup>26</sup> See, e.g., Bishop Perry, 21 FCC Rcd at 5323, para. 14.

<sup>&</sup>lt;sup>27</sup> *Id.* at paras. 10-11.

<sup>&</sup>lt;sup>28</sup> *Id*.at para. 11.

that are "procedural" in nature does not promote the goals of section 254 of the Act – ensuring access to discounted telecommunications and information services to schools and libraries – and therefore does not serve the public interest. We therefore grant these appeals and remand them to USAC for further processing consistent with this Order. To ensure these issues are resolved expeditiously, we direct USAC to complete its review of the applications listed in the Appendix and issue an award or denial based on a complete review and analysis no later than 90 days from release of this Order. 30

- Additional Processing Directives for USAC. In remanding these appeals, we require that USAC, when it otherwise verifies SPIN information, must confirm that the service provider the applicant chose is indeed a common carrier. 31 As the Commission noted in the Bishop Perry order, USAC should reach out to applicants in order to facilitate the successful processing of applications.<sup>32</sup> In particular, when an applicant is seeking telecommunications service but the SPIN used is linked to a provider that does not provide telecommunications on a common carrier basis, USAC should explain the problem to the applicant and allow the applicant 15 days to cure its application.<sup>33</sup> Additionally, USAC shall assist the applicant in finding the correct SPIN for the service provider, if the applicant has not already identified the correct SPIN in its appeal. Thus, USAC may need to obtain the name of the service provider -- either as listed on the FCC Forms 470 and 471 or as otherwise provided by the applicant. USAC shall apply this directive to the instant applications, all applications beginning in Funding Year 2007, and to all appeals pending with USAC. To the extent that upon further review USAC determines that the applicant chose a service provider that is not eligible to provide telecommunications and the problem is not merely an incorrect SPIN, USAC should again verify the correct service provider with the applicant before denying the underlying application. USAC may choose to verify the correct service provider by reviewing billing statements, affidavits from service providers, or any other documentation to assist it in making this determination.
- 12. We emphasize the limited nature of this decision. We continue to require E-rate applicants to submit complete and accurate information to USAC as part of the application review process. All existing E-rate program rules and requirements will continue to apply, including USAC's Program Integrity Assurance review procedures, and other processes designed to ensure applicants meet the

<sup>&</sup>lt;sup>29</sup> See id. at paras. 2, 9.

<sup>&</sup>lt;sup>30</sup> In remanding these underlying applications to USAC, we make no finding as to the ultimate eligibility of the petitioners' applications for discounts under the E-rate program. Nothing in this order is intended 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.

<sup>&</sup>lt;sup>31</sup> Based on this decision and the instructions herein, USAC may be required to reverse its decision to issue a Commitment Adjustment letter to several of the petitioners listed in the Appendix. *See* Request for Review by Scott County Unified School District No. 466; Request for Review by Cimarron-Ensign Unified School District No. 102; Request for Review by Satanta Unified School District No. 507; Request for Review by Holcomb Consolidated Schools (Unified School District No. 363); Request for Review by Deerfield Unified School District No. 216. During reviews of funding commitments, USAC may discover that funds were committed in error and therefore must adjust those funding commitments to ensure that no funds are used in violation of program rules. *See* USAC website, Commitment Adjustment (COMAD), <a href="http://www.universalservice.org/sl/about/commitments-adjustments.aspx">http://www.universalservice.org/sl/about/commitments-adjustments.aspx</a> (retrieved Mar. 8. 2007).

<sup>&</sup>lt;sup>32</sup> See Bishop Perry, 21 FCC Rcd at 5326-27, paras. 23-24.

<sup>&</sup>lt;sup>33</sup> *Id*.

applicable program requirements.<sup>34</sup> Although applicants must make every effort to ensure that the documentation they file with USAC complies with E-rate program requirements and requests by USAC for additional information, we remind USAC that it has an obligation to conduct a reasonable inquiry into the filings and materials that USAC itself has in its possession.<sup>35</sup>

- 13. As we recently noted, many E-rate program beneficiaries, particularly small entities, contend that the application process is complicated, resulting in a significant number of applications for E-rate support being denied for ministerial, clerical or procedural errors.<sup>36</sup> We find that the actions we take here to provide relief from an error of this type will promote the statutory requirements of section 254(h) of the Communications Act of 1934, as amended (the Act), by helping to ensure that eligible schools and libraries obtain access to discounted telecommunications and information services.<sup>37</sup> Requiring USAC to provide the additional outreach described herein will not reduce or eliminate any application review procedures or lessen the program requirements that applicants must comply with to receive funding; instead; it should reduce the occurrence of circumstances justifying waivers such as those granted above. Indeed, we retain our commitment to detecting and deterring potential instances of waste, fraud, and abuse by ensuring that USAC continues to scrutinize applications and takes steps to educate applicants in a manner that fosters program participation. We also emphasize that our actions taken in this Order should have minimal effect on the Universal Service Fund (USF or Fund) because the monies needed to fund these appeals have already been collected and held in reserve.<sup>38</sup>
- 14. 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 the appeals addressed here, this action does not affect 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 Commission 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

<sup>&</sup>lt;sup>34</sup> Pursuant to the Administrator's operating procedures, USAC performs a Program Integrity Assurance (PIA) review to verify that the discounts recipients seek are for eligible services, provided to eligible entities, and for eligible uses. *See* USAC website, PIA, <a href="http://www.sl.universalservice.org/reference/6pia.asp">http://www.sl.universalservice.org/reference/6pia.asp</a> (retrieved Mar. 8, 2007).

<sup>&</sup>lt;sup>35</sup> See Requests for Review of the Decision of the Universal Service Administrator by Pasadena Unified School District, Schools and Libraries Universal Service Support Mechanism, File Nos. SLD-399355 et al., CC Docket No. 02-6, Order, 21 FCC Rcd 2116, at 2119, para. 9 (Wireline Comp. Bur. 2006).

<sup>&</sup>lt;sup>36</sup> Comprehensive Review of Universal Service Fund Management, Administration, and Oversight, Federal-State Joint Board on Universal Service, Schools and Libraries Universal Service Support Mechanism, Rural Health Care Support Mechanism, Lifeline and Linkup, Changes to the Board of Directors of the National Exchange Carrier Association, Inc., WC Docket Nos. 05-195, 02-60, 03-109, CC Docket Nos. 96-45, 02-6, 97-21, Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking, 20 FCC Rcd 11308 (2005) (Comprehensive Review NPRM). Among other issues, the Comprehensive Review NPRM was initiated to address modifications that could be made to the application and disbursement process for the schools and libraries support mechanism.

<sup>&</sup>lt;sup>37</sup> 47 U.S.C. § 254(h). The Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56, amended the Communications Act of 1934.

<sup>&</sup>lt;sup>38</sup> We estimate that the 28 appeals granted in this Order involve approximately \$795,730 in funding for Funding Years 1998-2006. 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 2007, dated May 2, 2007.

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 our own procedures and in cooperation with law enforcement agencies.

### IV. ORDERING CLAUSES

- 15. 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 the authority delegated in 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 Requests for Review as listed in the Appendix ARE GRANTED and REMANDED to USAC for further consideration in accordance with the terms of this Order.
- 16. 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 the authority delegated in sections 0.91 and 0.291 of the Commission's rules, 47 C.F.R. §§ 0.91 and 0.291, USAC SHALL COMPLETE its review of each remanded application listed in the Appendix and ISSUE an award or a denial based on a complete review and analysis no later than 90 calendar days from release of this Order.
- 17. 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 the authority delegated in sections 0.91, 0.291, and 1.3 of the Commission's rules, 47 C.F.R. §§ 0.91, 0.291, and 1.3 of the Commission's rules, section 54.504(c) of the Commission's rules, 47 C.F.R. § 54.504(c), IS WAIVED as described herein.
- 18. IT IS FURTHER ORDERED that, pursuant to authority delegated under sections 0.91, 0.291, and 1.102 of the Commission's rules, 47 C.F.R. §§ 0.91, 0.291, and 1.102, this Order SHALL BE EFFECTIVE upon release.

FEDERAL COMMUNICATIONS COMMISSION

Renée R. Crittenden Deputy Chief Wireline Competition Bureau

# APPENDIX Requests for Review

| Applicant                                 | Application Number | Funding Year |
|---|--------------------|--------------|
| Brewster Academy                          | 317937             | 2002         |
| Wolfeboro, NH                             |                    |              |
| Broome-Tioga BOCES                        | 265168             | 2001         |
| Binghamton, NY                            |                    |              |
| Caldwell Independent School District      | 308462             | 2002         |
| Caldwell, TX                              |                    |              |
| Carteret Public Schools                   | 368555             | 2003         |
| Carteret, NJ                              |                    |              |
| Cimarron-Ensign School District No. 102   | 109071             | 1998         |
| Cimarron, KS                              |                    |              |
| Deerfield Unified School District No. 216 | 68423              | 1998         |
| Deerfield, KS                             |                    |              |
| Eastchester Union Free School District    | 450442             | 2005         |
| Eastchester, NY                           |                    |              |
| Glynn County School District              | 355312             | 2003         |
| Brunswick, GA                             |                    |              |
| Grant County Education Service District   | 339377             | 2003         |
| John Day, OR                              |                    |              |
| Greene County Library                     | 392792             | 2004         |
| Greensboro, GA                            |                    |              |
| Hinesburg Community School                | 520992             | 2006         |
| Hinesburg, VT                             |                    |              |
| Holcomb Consolidated Schools (Unified     | 107527             | 1998         |
| School District No. 363)                  |                    | -770         |
| Holcomb, KS                               |                    |              |
| Jasper County Library                     | 392826             | 2004         |
| Monticello, GA                            |                    |              |
| Meramec Valley School District R-III      | 428543             | 2004         |
| Pacific, MO                               |                    |              |
| Merced City School District               | 429890             | 2004         |
| Merced, CA                                |                    |              |
| Monroe-Walton County Library              | 392852             | 2004         |
| Monroe, GA                                |                    |              |
| Morgan County Library                     | 392752             | 2004         |
| Madison, GA                               |                    |              |
| Northmor Local School District            | 393317             | 2004         |
| Galion, OH                                |                    |              |
| Onslow County Schools                     | 297840             | 2002         |
| Jacksonville, NC                          |                    |              |
| Putnam County Library                     | 392772             | 2004         |
| Eatontown, GA                             |                    |              |

| Satanta Unified School District No. 507      | 69113  | 1998 |
|--|--------|------|
| Satanta, KS                                  |        |      |
| Scott County Unified School District No. 466 | 75145  | 1998 |
| Scott City, KS                               |        |      |
| Texas School for the Blind and Visually      | 259018 | 2001 |
| Impaired                                     |        |      |
| Austin, TX                                   |        |      |
| Texas School for the Blind and Visually      | 298124 | 2002 |
| Impaired                                     |        |      |
| Austin, TX                                   |        |      |
| Texas State Library and Archives Commission  | 378724 | 2003 |
| Austin, TX                                   |        |      |
| Texas State Library and Archives Commission  | 379966 | 2003 |
| Austin, TX                                   |        |      |
| Trego Elementary School                      | 445832 | 2005 |
| Trego, MT                                    |        |      |