

April 21, 2011

USAC Funding Eligibility Decisions Overturned by Commission

The FCC has granted two appeals of decisions by the Universal Service Administrative Company (“USAC”) concerning funding eligibility. In the first appeal, USAC had found that a school’s E-rate consortium agreement only authorized the school to procure Internet access on behalf of its members. On review of the decision, the Commission found that the applicant was an individual school, rather than the consortium of which it was a member, and that the school had sought telecommunications services for its students at its own location rather than at its members’ locations. Thus, any restrictions or required authority placed on service requests by the consortium (such as requiring authority from the consortium members to negotiate telecommunications contracts) did not apply in this instance, and the school did not need to have sought authorization from the consortium.

The Commission also granted the appeal of a petitioner that the USAC had found was ineligible for E-rate support. Though E-rate funding is only available for K-12 schools and libraries, the Commission found that telecommunications service connections to two community colleges were eligible for funding because the connections were used only for “transmitting course material *from* the colleges to eligible high schools.”

If you have any questions, contact [Mark Palchick](#) or any member of the firm’s [Communications Law Group](#).