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FCC Grants Hickory Public Schools District's E-Rate Appeal

August 4, 2006

From: Cavan Fabris

On August 2, 2006 the Federal Communications Commission (FCC) granted the appeal of Hickory Public Schools District (Hickory) regarding Hickory's participation in the federal E-Rate program. Hickory had filed its 2005 Form 471's in a timely manner, but failed to respond to Universal Service Administrative Company's (USAC) selective review requests for additional information during the application review stage. USAC subsequently denied the school E-Rate funding on the grounds that Hickory had not secured access to the funds needed to pay its portion of the charges.

USAC faxed Hickory's E-Rate consultant three separate written requests for additional documents as part of USAC's selective review process. Hickory replied to the first two requests with the requested documentation. However, a reply to the third request was not made. Hickory argued that it did not receive the third faxed request.

In granting Hickory's appeal the FCC stated that "even if Hickory's consultant failed to respond within the time frame, this error was procedural and involved a USAC administrative deadline, not a failure to adhere to a core program requirement, misuse of funds, or violation of a Commission rule. As the Commission recently found, given that this error was procedural, not substantive, we find that the complete rejection of these applications is not warranted... . Furthermore, it appears that Hickory may have provided the information in question." Reinforcing its earlier decision in Bishop Perry Middle School, the FCC directed USAC to "reach out to applicants in order to ensure the successful processing of applications."

However, while the FCC continues to grant appeals, the FCC cautions applicants that this decision does not eliminate application processing deadlines nor reduce or eliminate application review procedures, audits or investigations necessary to guard against waste, fraud and abuse in the E-Rate program.

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