

FCC Grants 261 Appeals of USAC E-Rate Funding Denials

In a massive outpouring of decisions, the Federal Communications Commission has reversed 261 e-rate funding denials by the Universal Service Administrative Company (“USAC”). Most of the cases involved relatively minor applicant errors, which the Commission chose to overlook as not disqualifying. The Commission generally held that the applicants had followed the core goals of the e-rate program and concluded that their lapses should not warrant rejection of their applications and complete loss of their funding.

It is important to note at the outset that while all of these decisions are consistent with the recent trend by the Commission to overturn USAC denials based on unintentional applicant errors, this is merely an informal policy and so it is possible that a change may arise. Now that the e-rate program is maturing and applicants acquire more experience with its requirements, the Commission may come to expect a higher level of competence by those seeking funding and may not be as indulgent as it has been in the recent past. As a result, the Commission may be less willing to devote its resources to overseeing USAC’s work and applicants may find themselves held to stricter compliance standards. Therefore, applicants and service providers should not rely on this trend of leniency to continue in the future and should remain diligent in correctly filing their paperwork.

The common theme through all these cases is the Commission’s willingness to focus on the overall purpose and goal of its e-rate program and to give the benefit of most doubts to applicants who made honest mistakes in attempting to follow the highly technical procedures. However, many of these cases were decided only years after funds were needed and only following extensive (and often expensive) appeals of USAC’s initial denials. Therefore, even if the Commission were to continue its policy of granting lenient reviews of USAC’s work, it remains as important as ever to take extreme care in preparing and filing the required paperwork in the prescribed manner so as to avoid the expense and delay of pursuing an appeal of an adverse USAC funding decision.

The Commission’s analyses are fact-specific, and so a catalog providing sufficient detail necessarily is lengthy. We have grouped these into some general categories and headings to facilitate finding matters of particular potential interest. [Click here](#) to reference a more extensive overview of the actions taken by the Commission in deciding these cases.

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