

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter Of)	
)	
Federal-State Joint Board on Universal Service)	CC Docket No. 96-45
)	
Changes to the Board of Directors of the)	CC Docket No. 97-21
Board of Directors of the National Exchange)	
Carrier Association, Inc.)	

**COMMENTS OF THE
SCHOOLS, HEALTH & LIBRARIES BROADBAND (SHLB) COALITION AND THE
AMERICAN LIBRARY ASSOCIATION**

The Schools, Health & Libraries Broadband (SHLB) Coalition and the American Library Association (ALA) respectfully submit these recommendations in response to the Wireline Competition Bureau (WCB) and Office of the Managing Director’s (OMD) Public Notice requesting comment on the operations and management of the Universal Service Administrative Company (USAC) (Public Notice).¹ Our organizations work closely with various stakeholders and beneficiaries of the Universal Service Fund (USF) programs (particularly E-Rate and Rural Health Care (RHC)). Their experience offers us direct insight into how the application and funding processes function in practice. We appreciate this opportunity to share recommendations based on these experiences to promote practices that reduce administrative burden and streamline program implementation. While the Public Notice seeks broad comment on ways to reform USF administration, we focus our recommendations on the E-Rate and RHC programs.

¹ Public Notice, Wireline Competition Bureau and Office of the Managing Director Seek Comment on Reforms of USAC Processes and Oversight, CC Docket Nos. 96-45, 97-21, DA 26-367 (rel. Apr. 15, 2026) (Public Notice).

TABLE OF CONTENTS

I. USAC OPERATIONS SHOULD SUPPORT AMPLE TRAINING OPPORTUNITIES, TRANSPARENT BOARD MEETINGS AND PROCEDURES, MEANINGFUL STAKEHOLDER ENGAGEMENT, AND ROBUST DATA COLLECTION AND REPORTING PRACTICES.3

A. In-Person and Virtual Training Opportunities Should Address Varying Subject Matter, Accommodate the Unique Needs of Different Stakeholder Groups, and Support Users with Varying Levels of Experience and Expertise.3

B. USAC’s Board Meetings and Procedures Should Be Open and Transparent, and Allow Opportunities for Stakeholder Engagement.....6

C. USAC Should Engage With E-Rate and RHC Stakeholders Before, During, and After Implementing System Updates and Changes.7

D. The Commission and USAC Should Report on Additional E-Rate and RHC Metrics That Reflect User Needs and Enhance Information Captured in USAC’s Open Data Tools.9

II. USAC SHOULD INCREASE USER VISIBILITY IN E-RATE AND RHC FILING SYSTEMS AND OFFER AMPLE GUIDANCE PRIOR TO CHANGING APPLICATION REVIEW PROCEDURES. THE COMMISSION SHOULD ALSO OFFER GUIDANCE AROUND CONFUSING OR AMBIGUOUS RULES.....11

A. Filing Systems Should Offer Better Visibility Into the Status of Pending Forms, Applications, and Invoices. 11

B. USAC Should Provide Sufficient Advanced Notice and Clear Guidance When Implementing New Form, Application, and Invoice Review Policies and Procedures. 12

C. The Commission Should Clarify Confusing or Ambiguous Rules..... 13

III. THE COMMISSION SHOULD CONSIDER WAYS TO REVIEW AND ESTABLISH GUIDANCE FOR USAC ACTION AND RESPONSIVENESS.14

IV. THE COMMISSION SHOULD RE-EXAMINE CERTAIN POLICIES AND PROCEDURES CONCERNING AUDITS, APPEALS, AND FUNDING RECOVERY.....16

V. USAC BOARD COMPOSITION SHOULD INCLUDE A DIVERSE ARRAY OF STAKEHOLDERS WHO POSSESS KNOWLEDGE OF THE E-RATE AND RHC PROGRAMS.19

VI. THE COMMISSION SHOULD TAKE ACTION ON PENDING RECOMMENDATIONS TO FURTHER STREAMLINE E-RATE AND RHC APPLICATION PROCESSES AND ADMINISTRATION OF FUNDS.19

VII. CONCLUSION21

I. USAC OPERATIONS SHOULD SUPPORT AMPLE TRAINING OPPORTUNITIES, TRANSPARENT BOARD MEETINGS AND PROCEDURES, MEANINGFUL STAKEHOLDER ENGAGEMENT, AND ROBUST DATA COLLECTION AND REPORTING PRACTICES.

The Public Notice seeks comment on the current state of USAC operations and requests insight into ways the Commission can appropriately improve USAC. We concentrate our recommendations below on ways that current USAC operations can better aid program participants in understanding E-Rate and RHC application procedures. Specifically, USAC operations should support ample training opportunities and tech support, transparent board meetings and procedures, meaningful stakeholder engagement around system management, and robust data collection and reporting practices.

A. In-Person and Virtual Training Opportunities Should Address Varying Subject Matter, Accommodate the Unique Needs of Different Stakeholder Groups, and Support Users with Varying Levels of Experience and Expertise.

Navigating the E-Rate and RHC application processes can be challenging for all stakeholders, including smaller or rural applicants with limited capacity, first-time participants unfamiliar with system requirements, and experienced filers adapting to new procedures. Training opportunities provide substantial value by fostering confidence and compliance—which can encourage continued program participation, reduce the risk of funding delays and denials, and maintain program integrity. Accordingly, the Commission should ensure that USAC offers ample training opportunities that strengthen competence in the application process and increase awareness of recently adopted programmatic changes. To meet the needs of *all* program participants, training sessions should also address varying subject matter, accommodate the unique needs of different stakeholder groups, and support users with varying levels of experience and expertise.

USAC's in-person training sessions promote an ideal environment for stakeholders to gain a deeper understanding of the nuances associated with the filing process. These settings enable participants to ask questions (and follow-up questions) without the typical time constraint associated with shorter, virtual webinars. Participants can also interact and engage with their peers in attendance, often learning from shared experiences and insights gained through others' questions and discussions. To ensure that in-person opportunities bring the highest value to program participants, we suggest the following recommendations:

- All in-person training sessions should be accompanied by a virtual option for those who cannot travel to the on-site location.²
- Virtual attendees should be able to ask questions live during the seminar. Currently, virtual attendees can only see and hear the seminar, but cannot actively participate.
- In-person and virtual attendees should have the option to submit questions beforehand for USAC to answer during the seminar.
- In-person and virtual attendees should have the option to submit filing and system challenges beforehand for USAC to address during the seminar.³
- Questions asked and answers provided should be subsequently published to USAC's website, along with the recording of the seminar, so that stakeholders can easily find them later. Webpages with such guidance should include cites to Commission rules/orders.
- USAC should consider offering additional in-person training sessions that focus on certain program stakeholders (i.e. first-time filers, service providers, smaller/more rural applicants, consortia applicants, etc.).

² Last year, USAC held an in-person E-Rate training session in Washington, D.C. that included a virtual option, and we were pleased to see a virtual option included again as part of this year's D.C. training. Expanding virtual opportunities for all in-person training sessions would be greatly beneficial, as it would allow attendees to hear the discussion and questions asked/answers given during every training session.

³ For example, an attendee may not have a question about how the filing process works, but instead might need to address form errors or issues, system functionality challenges, or burdens they've generally encountered related to the application process.

Currently, USAC offers two in-person training opportunities annually *only* for E-Rate program participants. It should likewise offer similar in-person training opportunities for participants in the RHC program.

USAC also provides virtual training opportunities for both E-Rate and RHC program participants, typically through webinars hosted on USAC's website. We find that such opportunities can serve as a valuable complement to in-person training sessions as they allow for focused discussions on specific aspects of the application process or system enhancements. They may also be adapted for a specific type of program stakeholder, such as training focused on assisting service providers. For virtual sessions to better serve program participants, we suggest the following recommendations:

- Virtual training platforms should be more interactive. For example, USAC should make attendee questions visible to participants, even if the submissions remain anonymous. Similar to in-person training sessions, attendees can derive benefit from knowing the questions and concerns raised by others. In virtual settings, however, questions submitted are not visible, leaving attendees unaware of what was asked.
- Attendees should have the option to submit questions beforehand for USAC to answer during the webinar.
- Attendees should have the option to submit filing and system challenges beforehand for USAC to address during the webinar.
- Questions asked and answers provided should be subsequently published to USAC's website, along with the recording of the webinar, so that stakeholders can easily find them later. Webpages with such guidance should include cites to Commission rules/orders.

In addition to ample in-person and virtual training opportunities, we suggest that USAC's website could be more effectively utilized to help participants navigate program policies and procedures. For example, USAC should configure and publish one training manual—or one location for all Commission rules and associated USAC processes and procedures—for each

program. USAC should update this information when processes change and relay those updates to participants using various types of communication (via the website, newsletter, training sessions, and webinars for example). Additionally, the Commission may be able to leverage enhanced search functionality or other tools on its website that allows users to more easily locate specific guidance and answers to programmatic-related questions.

B. USAC's Board Meetings and Procedures Should Be Open and Transparent, and Allow Opportunities for Stakeholder Engagement.

USAC's board meetings and procedures should remain open and transparent to all E-Rate and RHC program stakeholders. Currently, USAC holds quarterly board meetings that are virtually broadcast⁴ and releases materials including board minutes, reports, and slide decks for public review.⁵ This practice offers the public critical visibility into USAC's operations and goals, current year-to-date funding data, and future system updates or enhancements. We appreciate and support the continued live streaming of these board meetings as well as the publication of USAC's board materials (that are not exempt from public disclosure) and suggest that this practice be codified.

Additionally, we recommend that the Commission and USAC offer stakeholders the opportunity to publicly comment on board meeting agenda items. This could include the submission of written comments in advance of meetings or participation in public listening sessions. Providing stakeholders with meaningful opportunities for input would not only increase

⁴ USAC's quarterly board meeting schedule is available at <https://www.usac.org/about/leadership/quarterly-meeting-schedule/>.

⁵ See, e.g., USAC Schools & Libraries Committee Meeting Briefing Book, available at <https://www.usac.org/wp-content/uploads/about/documents/leadership/materials/sl/2026/2026-04-27-SL-Briefing-Book-Public.pdf> (Apr. 27, 2026). Past board materials are available at <https://www.usac.org/about/leadership/board-materials/>.

transparency and trust in E-Rate and RHC administration, but help ensure that decisions are informed by the experiences and operational realities of program participants.

C. USAC Should Engage With E-Rate and RHC Stakeholders Before, During, and After Implementing System Updates and Changes.

Changes or enhancements to the E-Rate and RHC filing systems can create unintended user challenges and application processing delays. While traditional training sessions help program participants understand the application process policies and procedures, many users experience form-related issues, filing and application processing delays, and other system-specific challenges that are not typically addressed in these settings. Early stakeholder engagement is thus imperative for USAC to identify potential challenges, improve system functionality, and ensure that updates align with the operational realities applicants and service providers face.⁶ Likewise, ongoing stakeholder engagement throughout and after implementation also promotes better transparency and allows USAC to address concerns in a timely manner.

Accordingly, we suggest that USAC implement ways to better engage with E-Rate and RHC program stakeholders before, during, and after implementing system updates and changes, including the following recommendations:

- USAC should publish proposed system changes and enhancements for public comment prior to implementation. This would allow program stakeholders an opportunity to provide valuable insight and feedback upfront rather than having to react to changes already in place, which can result in administrative burden and funding delays.
- USAC should allow program participants to beta test system changes or updates in order to quickly identify filing challenges and other issues that USAC can resolve prior to implementation.

⁶ For example, we recently urged the Commission to ensure that USAC gathers meaningful stakeholder feedback prior to, during, and after implementation of the Commission's recently adopted E-Rate competitive bidding portal, as well as to conduct user beta testing associated with system changes. We were pleased that the Commission agreed with our recommendations.

- The Commission and USAC should regularly solicit public feedback regarding user experiences with application processing and challenges with system functionality. This feedback should be used to shape future training opportunities and webinars focused on addressing recurring challenges and common areas of confusion. USAC should also publish, maintain, and update frequently asked questions that identify these issues and provide clear guidance and resolutions for program participants to reference as needed.
- Commission forms and instructions should be available outside of USAC filing systems. We also recommend that those forms and instructions be subject to public comment (as is the case for the FCC Form 499).⁷

We additionally recommend that it would be beneficial for the Commission to establish a USAC ombudsman position for the E-Rate and RHC programs. The individual(s) in this role could serve as a neutral resource who reviews specific filing and/or application challenges or disputes and presents a recommended path toward resolution to the program participant and USAC staff.

D. The Commission and USAC Should Report on Additional E-Rate and RHC Metrics That Reflect User Needs and Enhance Information Captured in USAC's Open Data Tools.

Robust data reporting practices help ensure that the E-Rate and RHC programs remain transparent, efficient, and responsive to the communities they serve. Although the Commission and USAC already publish certain E-Rate and RHC program information, we offer recommendations for additional data publication that would provide further value to program stakeholders.

⁷ See, e.g., *Wireline Competition Bureau Releases the 2026 Telecommunications Reporting Worksheets and Accompanying Instructions*, WC Docket No. 06-122, Public Notice, DA 25-1064, (rel. Dec. 16, 2025), available at <https://docs.fcc.gov/public/attachments/DA-25-1064A1.pdf>. See also 2026 FCC Form 499-A Telecommunications Reporting Worksheet (Reporting 2025 Revenues), available at <https://docs.fcc.gov/public/attachments/DA-25-1064A2.pdf> and 2026 Instructions to the Telecommunications Reporting Worksheet, FCC Form 499-A, available at <https://docs.fcc.gov/public/attachments/DA-25-1064A3.pdf>.

Currently, the Commission and USAC produce a variety of resources capturing public data about each of the USF programs. For example, USAC publishes an annual report that reviews the “operations, activities, and accomplishments” of each of the four programs.⁸ USAC also provides multiple tools through its Open Data portal that allow the public to access raw data submitted by universal service program participants.⁹ The FCC provides policy oversight, and publishes an annual Agency Financial Report¹⁰ and the annual Universal Service Monitoring Report, which provides certain data pertaining to each of the USF programs including funding commitment and disbursement dollar figures and how many institutions participate in the E-Rate and RHC programs each year.¹¹

Additionally, while these resources are valuable, they only provide a snapshot of how USF funding advances universal service. To capture a larger picture, we recommend that the Commission and USAC should report on data currently submitted with the program forms to identify broadband infrastructure including speed, bandwidth, and latency used by schools, libraries, and health clinics. The Commission could also conduct periodic, targeted surveys of program users to determine whether schools, libraries, and health clinics’ current broadband services are meeting their needs, and gain information regarding their future broadband

⁸ Universal Service Administrative Co. Annual Report, *available at* <https://www.usac.org/about/reports-orders/annual-report/>. USAC reports on data like authorized USF disbursement each year, its own operating expenses, and highlights from its work over each of the USF programs like training efforts and administration enhancements.

⁹ USAC Open Data tools can be found by visiting <https://opendata.usac.org/>.

¹⁰ *See, e.g.*, FCC Agency Financial Report Fiscal Year 2025, *available at* <https://docs.fcc.gov/public/attachments/DA-25-1059A1.pdf>.

¹¹ *See, e.g.*, FCC Universal Service Monitoring Report, CC Docket No. 96-45, WC Docket No. 02-6, WC Docket No. 02-60, WC Docket No. 06-122, WC Docket No. 10-90, WC Docket No. 11-42, WC Docket No. 13-184, WC Docket No. 14-58, *available at* <https://docs.fcc.gov/public/attachments/DOC-418505A1.pdf> (rel. Feb. 5, 2026). Past reports are available at <https://www.fcc.gov/general/federal-state-joint-board-monitoring-reports>.

requirements.¹² Any additional data collection should not, however, burden program participants during the funding application process, but should be conducted in a limited manner through succinct and easily answerable surveys.

When USAC reports year-to-date funding commitment data (during its quarterly board meetings, for example), we recommend that it provide various types of performance metrics outside of only those applications that are workable. For example, rather than only reporting on the status of a funding request at the funding request number (FRN) level, USAC should report on the number of processed and unprocessed line items and the gross funding associated with those line items. Funding requests often include many individual line items, which may remain unprocessed until the end of the approval process for a given fund year. Reporting on individual line items would thus provide program stakeholders a more complete picture of the funding that has been committed and what percentage of applications are still pending.

Regarding the information that is publicly collected and shared through USAC's Open Data tool, we suggest that USAC report additional data from RHC program applications. For example, the RHC program's Open Data tool currently lacks meaningful application status data for funding years after 2021. Rather than identifying whether an application is submitted, under review, processed, withdrawn, or otherwise pending, many applications are generically labeled as "submitted" or "processed," requiring stakeholders to infer status information based on commitment amounts. We thus recommend that the RHC Open Data tool report FCC Form 462 application status (for example, the E-Rate Open Data tool includes application statuses such as initial review, final review, quality assurance 1, etc.) and decision explanations. We also suggest

¹² Doing so would provide a clearer understanding of how applicant and user needs are changing over time so that the Commission can shape effective policies that ensure the programs evolve accordingly.

that the RHC Open Data tool provide a list of healthcare providers (HCP) and report related HCP/FCC Form 460 information.

Additionally, we recommend that USAC create a common user interface for its E-Rate Open Data reports and a data dictionary or legend that describes each data point reflected in the reports/spreadsheets that are generated from the Open Data toolsets.

II. USAC SHOULD INCREASE USER VISIBILITY IN E-RATE AND RHC FILING SYSTEMS AND OFFER AMPLE GUIDANCE PRIOR TO CHANGING APPLICATION REVIEW PROCEDURES. THE COMMISSION SHOULD ALSO OFFER GUIDANCE AROUND CONFUSING OR AMBIGUOUS RULES.

The Public Notice requests feedback about how the Commission can create additional efficiencies in USAC administration, specifically regarding areas or processes that are most in need of streamlining. It also asks if there are USAC processes that cause undue delay or burden on program participants. Our recommendations below discuss current challenges that program participants often face during the funding year when using USAC systems and navigating the application process generally (which can lead to unintentional processing delays or funding denials). To alleviate common administrative burdens, we recommend that USAC implement system functionalities that increase user “visibility” into the status of pending form, application and invoice reviews and offer ample notice and guidance prior to instituting changes in review procedures. We also urge the Commission to offer guidance to RHC program participants around confusing or ambiguous rules.

A. Filing Systems Should Offer Better Visibility Into the Status of Pending Forms, Applications, and Invoices.

One of the most common administrative challenges we hear from program stakeholders is the lack of visibility into the review status of pending forms, funding applications, and invoices, especially in the RHC program. For example, RHC participants have shared that there is no clear

indication in the filing system that lets them know if their application or invoice is under review, pending additional information, processed, or otherwise. They often express frustration from this lack of information and communication, especially if there has been no movement on their form submission for an extended period of time.¹³ This lack of information also causes concern about whether there is an issue with the form that needs to be addressed, and ambiguity in planning for future program support.

As such, we recommend that the E-Rate and RHC filing systems utilize clear status indicators that allow applicants and service providers to easily identify the stage of the review process for pending forms, applications, and invoices. Providing this visibility would enhance transparency into USAC's processing timelines and better equip participants to navigate administrative procedures and plan future funding requests accordingly.

B. USAC Should Provide Sufficient Advanced Notice and Clear Guidance When Implementing New Form, Application, and Invoice Review Policies and Procedures.

Another challenge frequently encountered by program filers during the funding year involves changes or updates to form, application, and invoice review procedures that result in unexpected administrative burden. For example, RHC program participants have experienced:

- Recent changes affecting FCC Form 463 invoicing reviews, including requests for additional amounts of supporting documentation.
- Requests for new verifications of expense type, even if the service has not changed and is an eligible service.
- Requests for filers to highlight service/circuit charges for every bill (rather than just a sample).

¹³ Filers have also shared confusion and frustration in those instances when they have promptly responded to a request for information from a USAC reviewer, but the submitted form continues to remain pending for an extended amount of time thereafter.

When new requirements are introduced without sufficient advanced notice and clear guidance, program participants may experience confusion, increased administrative time and burdens, and delay in the application review and funding process timeframe. Accordingly, we recommend that USAC communicate form, application, and invoice review changes clearly and proactively through multiple channels, including through its website, newsletters, webinars, and training sessions, and provide participants with adequate time to prepare for implementation. Such communication should also detail the reasons for the change being made.

C. The Commission Should Clarify Confusing or Ambiguous Rules.

When there is ambiguity or confusion regarding the application of the Commission’s rules, it can cause delayed review of a funding request, increased likelihood of a funding denial, and elevated risk of funding recovery resulting from subsequent audit findings. Accordingly, we recommend that the Commission offer guidance to USAC and program participants on the following items:

- The Commission should better clarify the equipment and services that are eligible for RHC funding. USAC offers applicants a document outlining “examples of products and services that are typically eligible for support in the RHC Healthcare Connect Fund (HCF) Program.”¹⁴ While this list serves as a useful starting point, it often does not provide the clarity needed for applicants to fully understand the scope of eligible equipment and services, particularly when it comes to funding requests for cybersecurity and network protection.¹⁵ We also note that the public process around eligible services in

¹⁴ USAC, Rural Health Care Program Healthcare Connect Fund (HCF) Program Examples of Common Products and Services, *available at* <https://www.usac.org/wp-content/uploads/rural-health-care/documents/handouts/HCF-Program-Examples-of-Common-Products-and-Services.pdf>.

¹⁵ Program stakeholders specifically note that clarity is needed around both qualifying equipment and supporting software licenses. For example, are all components of a switch (supervisor engine, power supplies, etc.) that are required to make the equipment function eligible for program support? Regarding software licenses, clarification is needed related to whether licenses, warranties, and other related equipment software on previously purchased/owned equipment would qualify.

the RHC program varies greatly from the procedure adopted in the E-Rate program, whereby the Commission publishes an annual Eligible Services List (ESL) that the public can review and comment on prior to its adoption. Additionally, some program stakeholders have encountered inconsistent or unclear eligibility determinations, further complicating the application process. Improved clarity and explanation around eligible equipment and services, like that provided in the E-Rate program's ESL, would be helpful.

- The Commission should better clarify the rules around disposal, including the resale and transfer of equipment and services and equipment end of life. While the application of these rules is clear in the E-Rate program, they are not for RHC participants.
- The Commission should offer guidance regarding ministerial and clerical errors. Stakeholders share that there is often no resolution offered to RHC program applicants who made a ministerial or clerical error (such as choosing the incorrect expense type) after receiving a funding commitment letter. They have found that any appeal to correct this type of error will typically be denied, unless the applicant can point to an error on the part of USAC.

III. THE COMMISSION SHOULD CONSIDER WAYS TO REVIEW AND ESTABLISH GUIDANCE FOR USAC ACTION AND RESPONSIVENESS.

The Public Notice asks whether changes in the Commission's oversight of and guidance to USAC could increase responsiveness for program participants and stakeholders, such as shot clocks or clear deadlines for USAC action. As discussed above, program participants frequently express concerns and frustration stemming from limited visibility into the status of pending form, application, and invoice reviews. These concerns relate not only to the need for clear status indicators in USAC's filing systems that show the current stage of review (as discussed previously), but also to a lack of clarity regarding expected timelines for USAC to complete each stage in the application and invoicing process more generally. Accordingly, we support enhanced Commission guidance and oversight regarding timelines for E-Rate and RHC form, application, and invoice reviews.

While applicants and service providers are held to strict deadlines for filing forms and applications, submitting invoices, and responding to USAC requests for information, USAC is not always held to specific timelines to review and advance the application, invoice, and appeal process. This elevates frustration and concern for filers, as they are unable to determine if there is an issue with their filing that either needs to be addressed or will cause an unanticipated funding delay or denial. Delayed application and invoice processing can also stall planning and progress on funding decisions for the next year. We additionally note that limited oversight around application and invoice review timelines can lead to inconsistent USAC processes that impose administrative burdens on filers at unexpected times. For example, RHC program participants recently shared that they saw an uptick in the number of requests for information generated from USAC reviewers in the month of March, one month prior to the April 1 application filing deadline. This created added pressure on filers, as they were required to respond promptly (within 14 days) to information requests concerning FY25 applications while simultaneously finalizing FY26 applications.

As such, greater oversight and guidance from the Commission concerning timelines for USAC's form, application, invoice, and appeal reviews would increase administrative transparency and better align USAC's processes with participants' deadlines. We specifically suggest the following recommendations:

- The Commission should offer guidance to USAC around the appropriate timeframe to respond to a request for information that a participant has completed. Here, stakeholders have shared instances where they have promptly responded to requests for information, but find that the form or application will sit dormant for an extended period of time without additional communication or advancement.
- In the RHC program, the Commission should consider offering guidance around site and service substitution approval deadlines so that a pending FCC Form 463 for the affected FRN isn't "locked" for a long period of time.

- In the RHC program, the Commission should consider implementing a deadline (such as 30 days, that can be extended for good cause) for FCC Form 460 review, including Letter of Agency/Third Party Authorization review. For FCC Form 460 revisions, the Commission should direct USAC to review only the modified information rather than treating all revisions as new Form 460 submissions that require a new, comprehensive review.
- The Commission should review how long it takes USAC to review and resolve pending applications, invoices, and appeals. This information will help the Commission offer guidance to USAC about ways USAC can more efficiently complete these reviews and resolve outstanding issues, if needed.
- The Commission should direct USAC to maintain a detailed system in Open Data for program participants to track the status of appeals.

IV. THE COMMISSION SHOULD RE-EXAMINE CERTAIN POLICIES AND PROCEDURES CONCERNING AUDITS, APPEALS, AND FUNDING RECOVERY.

The Public Notice asks questions related to USAC’s processes around audits, appeals, and funding recovery, including whether there are changes the Commission should make to streamline USAC’s audit and recovery processes to improve efficiency.

Regarding audits, we recommend that the Commission reconsider the post-audit “policies and procedures” requirement in the E-Rate program, whereby program applicants prepare and submit “policies and procedures” documents for approval after the conclusion of an audit¹⁶ even though there is no requirement in the E-Rate rules that applicants create or maintain such documents.¹⁷

¹⁶ USAC School and Libraries Program Administrative Procedures, 32-33 (Oct. 31, 2023), available at <https://www.fcc.gov/ecfs/document/11021884723696/1>.

¹⁷ Comments of the Schools, Health & Libraries Broadband Coalition (SHLB), *Delete, Delete, Delete*, GN Docket No. 25-133, *Schools and Libraries Universal Service Support Mechanism, Federal-State Joint Board on Universal Service, Changes to the Board of Directors of the Board of Directors of the National Exchange Carrier Association, Inc.*, CC Docket Nos. 02-6, 96-45, 97-21, *Modernizing the E-rate Program for Schools and Libraries*, WC Docket No. 13-184,

Regarding the appeals process, we find that program participants would be better served with additional transparency measures. For example:

- In the E-Rate and RHC programs, when USAC or the Commission denies a funding request, they should cite relevant Commission rules and/or orders and provide analysis of how those rules/orders apply to the specific facts of the funding denial. Program stakeholders note that denials currently only list general Commission rules/orders with no analysis specifically applicable to the denial. This practice is not helpful to participants since they are unable to discern exactly why their request was denied (so as to not repeat the reason in the future or file an appeal).
- All appeals and waivers of USAC decisions submitted to the Commission are publicly available through the ECFS system, but there is no corresponding way for parties to review appeals made directly to USAC. It would benefit E-Rate and RHC program participants to see the types of issues that are being appealed to USAC, and the specific facts involved in those appeals, so that they may better understand how to successfully navigate their own funding request process. This could result in fewer funding denials and fewer appeals to USAC and to the Commission.

Additionally, the Commission should clarify that applicants may appeal adverse demand for payment decisions issued by USAC, consistent with rule section 54.719.¹⁸

Regarding recovery of funds, we recommend clarification regarding the statute of limitations for funding recovery in the E-Rate and RHC programs.¹⁹ While the Commission originally established a five-year limit on recovery in 2004, it later noted (in a 2017 E-Rate appeal decision) that its five-year recovery limit was a “policy” only and not a rule. While there

Promoting Telehealth in Rural America, WC Docket No. 17-310, *Rural Health Care Support Mechanism*, WC Docket No. 02-60, p. 3 (filed Apr. 11, 2025) (*SHLB Delete Comments*).

¹⁸ *SHLB Delete Comments* at 3-4.

¹⁹ Reply Comments of the Schools, Health & Libraries Broadband Coalition (SHLB), *Delete, Delete, Delete*, GN Docket No. 25-133, *Schools and Libraries Universal Service Support Mechanism, Federal-State Joint Board on Universal Service, Changes to the Board of Directors of the Board of Directors of the National Exchange Carrier Association, Inc.*, CC Docket Nos. 02-6, 96-45, 97-21, *Modernizing the E-rate Program for Schools and Libraries*, WC Docket No. 13-184, *Promoting Telehealth in Rural America*, WC Docket No. 17-310, *Rural Health Care Support Mechanism*, WC Docket No. 02-60, pp. 10-11 (filed Apr. 28, 2025) (*SHLB Delete Reply Comments*).

is a statutory limit of one year on Commission penalties for “repeated and willful” rule violations, there is no limitation on recovery for any violations, including mistakes or errors, even those with no monetary impact on the fund. This means that program participants can be liable for recovery of funds for any mistakes in their applications all the way back to the beginning of the program, which has the potential to create a chilling effect on program utilization. Statutes of limitations are well-established in federal law, even for fraud and wrongdoing. We suggest that one option would be to make clear that a current five year general statute of limitations that applies to the federal government²⁰ also applies to the E-Rate and RHC programs.

Additionally, SHLB previously commented on ways that the Commission should revise its current recovery process, including recommending that the Commission: review and outline a specific process and timeline that takes into account the current recovery process and other rule changes since its 2000 Order; identify what should be included in USAC’s letter notifying applicants and service providers of its proposed recovery; and reexamine its decision to dismiss pending E-Rate submissions if a participant is on red light status.²¹

²⁰ 28 U.S.C. § 2462.

²¹ Comments of the Schools, Health & Libraries Broadband Coalition (SHLB), *Schools and Libraries Universal Service Support Mechanism, Federal-State Joint Board on Universal Service, and Changes to the Board of Directors of the National Exchange Carrier Association, Inc.*, CC Docket Nos. 02-6, 96-45, 97-21, pp. 25-31 (filed Sep. 25, 2023) (*SHLB Streamlining Comments*).

V. USAC BOARD COMPOSITION SHOULD INCLUDE A DIVERSE ARRAY OF STAKEHOLDERS WHO POSSESS KNOWLEDGE OF THE E-RATE AND RHC PROGRAMS.

The Public Notice requests comments regarding the composition of the USAC Board of Directors, including whether it should be modified to include new stakeholders or independent directors and if there are any areas of expertise that are not represented.

The E-Rate and RHC programs are uniquely situated funding programs within the USF that invoke participation by various stakeholders and beneficiaries. Accordingly, we believe that it is imperative that the composition of the USAC board continue to include members of the community who possess meaningful knowledge of and experience with the E-Rate and RHC programs. Board members with direct familiarity of program operations are well positioned to ask informed and appropriate questions, identify emerging challenges, evaluate the practical impact of policy and system changes, and promote transparent and effective program administration. This ultimately enables the board to effectively fulfill its oversight responsibilities while considering forward-looking program administration and policy development. We also reinforce support for ensuring that board membership reflects the diversity of stakeholders participating in the E-Rate and RHC programs, including members representing schools, libraries, rural health care providers, service providers, and Tribal communities.

VI. THE COMMISSION SHOULD TAKE ACTION ON PENDING RECOMMENDATIONS TO FURTHER STREAMLINE E-RATE AND RHC APPLICATION PROCESSES AND ADMINISTRATION OF FUNDS.

Finally, we note that there are other measures that the Commission can take to continue to streamline E-Rate and RHC program administration. The Commission previously took public comment around ways to reform the E-Rate application process and administration of funds for

tribal libraries and other smaller school and library participants.²² SHLB and ALA participated in this rulemaking endeavor, suggesting various recommendations based on E-Rate stakeholder feedback.²³ SHLB and ALA also offered recommendations in the “Delete, Delete, Delete” docket explaining ways that the Commission could update program procedures that currently burden E-Rate and RHC program participants.²⁴

We appreciate that the Commission took action last month to adopt a variety of changes to E-Rate program application processes and administration, many of which we supported.²⁵ We believe that some of these updates serve to alleviate many of the common filing burdens and challenges filers face, which will enhance program efficiencies for E-Rate participants and USAC staff. To continue to streamline the E-Rate and RHC administrative process, we urge the Commission to take action on pending proposals in those dockets, including the following recommendations:

- Regarding the E-Rate Program, the Commission should:

²² See *Schools and Libraries Universal Support Mechanism, Federal-State Joint Board on Universal Service, and Changes to the Board of Directors of the National Exchange Carrier Association, Inc.*, CC Docket Nos. 02-6, 96-45, 97-21, Report and Order (Order) and Further Notice of Proposed Rulemaking, FCC 23-56 (rel. July 21, 2023).

²³ See SHLB Comments and Reply Comments and ALA Comments and Reply Comments, *Schools and Libraries Universal Service Support Mechanism, Federal-State Joint Board on Universal Service, and Changes to the Board of Directors of the National Exchange Carrier Association, Inc.*, CC Docket Nos. 02-6, 96-45, 97-21 (filed Sep. 25, 2023 and Oct. 23, 2023) (*SHLB Streamlining Comments and Streamlining Reply Comments*) (*ALA Streamlining Comments and Streamlining Reply Comments*).

²⁴ See *SHLB Delete Comments* and *SHLB Delete Reply Comments*. See also ALA Comments and Reply Comments, *Delete, Delete, Delete*, GN Docket No. 25-133, (filed Apr. 11, 2025 and Apr. 29, 2025). (*ALA Delete Comments*) (*ALA Delete Reply Comments*).

²⁵ For example, the Commission clarified guidance around transition of services, cost-allocation, and eliminating the FCC Form 486. See *Promoting Fair and Open Competitive Bidding in the E-Rate Program*, WC Docket No. 21-455, *Schools and Libraries Universal Service Support Mechanism*, CC Docket No. 02-6, Report and Order and Order on Reconsideration, FCC 26-30 (rel. May 1, 2026).

- Eliminate Form 470 drop-down menu categories confusion.²⁶
- Create a competitive bidding exemption for E-Rate funding requests under \$10,000 submitted by libraries and expand its competitive bidding exemption for Category Two purchases of \$3,600 or less per funding year to apply to schools.²⁷ In addition, we ask that the \$3,600 bid exemption, which was established in FY 2015 initially for internet service, be adjusted for inflation. Data from the Bureau of Labor statistics shows that when this is done, \$3,600 in 2015 would be equivalent to \$4,968 as of May 2026.
- Clarify certain competitive bidding requirements, including offering guidelines about when an applicant should restart the competitive bidding process and examples of the types of evidence constituting a legally binding agreement.²⁸
- Regarding the RHC Program, the Commission should:
 - Delete rule section 54.605 – Methods 1, 2, and 3 for Telecom Program rural rates.²⁹
 - Delete rule section 54.622(i)(3) – approval of “evergreen” contracts.³⁰

VII. CONCLUSION

SHLB and ALA appreciate this opportunity to offer recommendations for examining ways that the Commission can review current USAC procedures in a way that reduces administrative burden and streamlines E-Rate and RHC program efficiencies and implementation.

²⁶ *SHLB Delete Comments* at 5. *ALA Delete Reply Comments* at 2, citing SHLB.

²⁷ *SHLB Streamlining Comments* at 9-10. See also *ALA Streamlining Comments* and *ALA Delete Comments* and ALA Ex Parte Notice, *Delete, Delete, Delete*, GN Docket No. 25-133; *Schools and Libraries Universal Service Support Mechanism, Federal-State Joint Board on Universal Service*, and *Changes to the Board of Directors of the National Exchange Carrier Association, Inc.*, CC Docket Nos. 02-6, 96-45, 97-21 (Aug. 28, 2025).

²⁸ *SHLB Streamlining Reply Comments* at 9-12. See also *ALA Streamlining Reply Comments*.

²⁹ *SHLB Delete Comments* at 5-6.

³⁰ *Id.* at 6-7.

Respectfully submitted,

/s/ Kristen Corra

Kristen Corra
Policy Counsel
Schools, Health & Libraries Broadband Coalition
1250 Connecticut Ave. NW, Suite 700
Washington, DC 20036
kcorra@shlb.org
571-306-3757

/s/ Megan Janicki

Megan Janicki
Deputy Director, Public Policy & Advocacy
American Library Association
mjanicki@alawash.org
202-403-8210

May 15, 2026