

bonded or have similar insurance coverage to indemnify recipients against losses resulting from fraudulent or dishonest acts committed by one or more employees, officers, directors, agents, volunteers, and third-party contractors who handle LSC funds.

#### § 1629.2 Definitions.

*Annualized funding level* means the amount of:

- (1) Basic Field Grant funds (including Agricultural Worker and Native American) and
- (2) Special grants of LSC funds, including Technology Initiative Grants, Pro Bono Innovation Fund grants, and emergency relief grants, awarded by LSC to the recipient for the fiscal year included in the recipient's annual audited financial statements.

#### § 1629.3 Who must be bonded?

(a) A recipient must supply fidelity bond coverage for all employees, officers, directors, agents, and volunteers.

(b) If a recipient uses a third party for payroll, billing, or collection services, the recipient must either supply coverage covering the third party or ensure that the third party has a fidelity bond or similar insurance coverage.

(c) For recipients with subgrants:

- (1) The recipient must extend its fidelity bond coverage to supply identical coverage to the subrecipient and the subrecipient's directors, officers, employees, agents, and volunteers to the extent required to comply with this Part; or
- (2) The subrecipient must supply proof of its own fidelity bond coverage that meets the requirements of this Part for the subrecipient's directors, officers, employees, agents, and volunteers.

#### § 1629.4 What forms of bonds can recipients use?

(a) A recipient may use any form of bond, such as individual, name schedule, position schedule, blanket, or any combination of such forms of bonds, as long as the type or combination of bonds secured adequately protects LSC funds.

(b) A recipient may use similar forms of insurance that essentially fulfill the same purpose as a fidelity bond.

#### § 1629.5 What losses must the bond cover?

The bond must provide recovery for loss caused by such acts as fraud, dishonesty, larceny, theft, embezzlement, forgery, misappropriation, wrongful abstraction, wrongful conversion, willful misapplication, or any other fraudulent or dishonest act committed by an employee, officer, director, agent, or volunteer.

#### § 1629.6 What is the required minimum level of coverage?

(a) A recipient must carry fidelity bond coverage or similar coverage at a minimum level of at least ten percent of its annualized funding level for the previous fiscal year.

(b) If a recipient is a new recipient, the coverage must be at a minimum level of at least ten percent of the initial grant.

(c) Notwithstanding paragraphs (a) and (b) of this section, recipients must not carry coverage under this part at a level less than \$100,000.

#### § 1629.7 Can LSC funds be used to cover bonding costs?

Costs of bonding required by this part are allowable if expended consistent with 45 CFR part 1630. Costs of bonding such as rates, deductibles, single loss retention, and premiums, are allowable as an indirect cost if such bonding is in accordance with sound business practice and is reasonable.

Dated: April 27, 2017.

**Stefanie K. Davis,**

*Assistant General Counsel.*

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## FEDERAL COMMUNICATIONS COMMISSION

### 47 CFR Part 54

[WC Docket Nos. 10-90, 14-58; Report No. 3075]

### Petitions for Reconsideration of Action in Rulemaking Proceeding

**AGENCY:** Federal Communications Commission.

**ACTION:** Petitions for reconsideration.

**SUMMARY:** Petitions for Reconsideration (Petitions) have been filed in the Commission's rulemaking proceeding by Jennifer A. Manner, on behalf of HUGHES NETWORK SYSTEMS, LLC, Bohdan R. Pankiw, on behalf of Pennsylvania Public Utility Commission, and Arthur F. McNulty, on behalf of Pennsylvania Department of Community and Economic Development.

**DATES:** Oppositions to the Petitions must be filed on or before May 18, 2017. Replies to an opposition must be filed on or before May 30, 2017.

**ADDRESSES:** Federal Communications Commission, 445 12th Street SW., Washington, DC 20554.

**FOR FURTHER INFORMATION CONTACT:** Alexander Minard, Telecommunications Access Policy Division, Wireline Competition Bureau, at (202) 418-7400 or email: [Alexander.Minard@fcc.gov](mailto:Alexander.Minard@fcc.gov).

**SUPPLEMENTARY INFORMATION:** This is a summary of the Commission's document, Report No. 3075, released April 25, 2017. The full text of the Petitions is available for viewing and copying at the FCC Reference Information Center, 445 12th Street SW., Room CY-A257, Washington, DC 20554. They also may be accessed online via the Commission's Electronic Comment Filing System at: <http://apps.fcc.gov/ecfs/>. The Commission will not send a copy of this document pursuant to the Congressional Review Act, 5 U.S.C. 801(a)(1)(A), because this document does not have an impact on any rules of particular applicability.

*Subject:* In the Matter of Connect America Fund, ETC Annual Reports and Certifications, FCC 17-12, published at 82 FR 14466, March 21, 2017, in WC Docket Nos. 10-90, 14-58. This document is being published pursuant to 47 CFR 1.429(e). See also 47 CFR 1.4(b)(1) and 1.429(f), (g).

*Number of Petitions Filed:* 2.

Federal Communications Commission.

**Marlene H. Dortch,**

*Secretary.*

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