

Before the
Federal Communications Commission
Washington, DC 20554

In the matter of:

Request for Review and/or Waiver Related to
USAC Denial of Funding Requests Filed
By the Greater Egg Harbor Reg. School District

CC Docket No. 02-6

Schools and Libraries Universal
Support Mechanism

**REQUEST FOR REVIEW AND/OR WAIVER
BY THE GREATER EGG HARBOR REGIONAL HIGH SCHOOL DISTRICT
OF A FUNDING DECISION BY THE
UNIVERSAL SERVICE ADMINISTRATIVE COMPANY**

Pursuant to sections 54.719 and 54.722 of the Commission's rules,¹ the Greater Egg Harbor Regional High School District² (Greater Egg) hereby respectfully requests a review of a Universal Service Administrative Company (USAC) decision to deny payment of its funding year 2016 funding requests. For the reasons set forth below, the Wireline Competition Bureau (Bureau) should grant this appeal, and/or any waivers necessary or warranted, and reverse USAC's funding decision.³

¹ 47 C.F.R. § 54.719(b), (c); 47 C.F.R. § 54.722(a).

² BEN 123406.

³ The associated FRN is detailed in the background section of this appeal.

I. Executive Summary

This funding request was mishandled at every stage, and was denied in spite of no rule violation. PIA erred in its handling of the Category 2 budget issues with this FRN, denying instead of reducing. PIA also ignored the information sent from the applicant before denying the FRN. In processing the appeal, the EPC system failed to provide proper notification to the applicant.

II. Leave to Plead

The district requests leave to plead, even though it has not yet received an Administrator's Decision on Appeal. USAC has had ample time to issue the Decision, and the district should not be further disadvantaged by USAC's delay.

III. USAC Mishandles Category 2 Budgets: Reduction, not denial

USAC has incorrectly implemented Category 2 budgets. Rather than using the budgets as a "limit on the amount of E-rate discounts"⁴, as envisioned by the Commission, USAC is making the budgets a limit on the amount of equipment a district can buy. If the district contracts for a purchase at an amount that exceeds the Category 2 Budget, rather than simply reduce the amount of funding to fit under the district's cap, which would effectively pro-rate the cost of each item to fit under the budget, USAC demands that applicants go through each line item to remove pieces of equipment until the request is below the remaining budget.

⁴ Second E-Rate Modernization Order (FCC 14-189), paragraph 86.

USAC does not tell applicants that funding requests that exceed the Category 2 budget will be denied. Instead, the advice on their website echoes the Commission's position that the limit is on discounts, not on the total amount of the purchase: "Each school or library can receive discounts on eligible products and services up to the pre-discount budget amount."⁵

The mistaken approach of denying FRNs when the C2 budget is exceeded has led to the denial of hundreds of applications where the applicants requested more than their budget.⁶

This mistaken approach also increases the workload for both applicants and PIA, as applicants must go through line item by line item, identifying individual pieces of equipment to be removed from the list until they get below the C2 budget. The PIA reviewer must then effect the changes in EPC.

In addition, in this case, the applicant did not have the necessary information to keep their purchase within their C2 budget. The district filed the Form 470 on February 24, 2016. It wasn't until March 2017 that USAC determined the budgets for FY2016 and FY2017. The revised budget was not announced until the USAC News Brief of April 7, 2017.⁷ So the applicant could not shape its project to fit its budget.

Finally, the erroneous USAC process of reducing the request gives a distorted picture of C2 demand. Applicants have to hide their true needs to fit under the budget. It would be much more informative to have the full cost of eligible C2 services on the application.

⁵ <https://www.usac.org/sl/applicants/step03/category-two-budget.aspx>

⁶ Supplemental Comments of Funds for Learning on the Implementation of the E-Rate Category Two Budget System, posted Feb. 20, 2018, <https://ecfsapi.fcc.gov/file/10216289915912/FFL%20Comments%20-%20C2%20Budget%20Denials%202018-02-16.pdf>, p.2.

⁷ <https://www.usac.org/sl/tools/news-briefs/preview.aspx?id=765>

IV. USAC Failed to Read Submitted Material

The district responded to the final inquiry for this application on January 4, 2017. The FCDL was not issued until January 9, 2017. In the E-Rate Correction Order, the Commission said, “we direct USAC to allow an applicant to amend its forms to correct clerical and ministerial errors on their FCC Forms 470, FCC Form 471 applications, or associated documentation until an FCDL is issued.”⁸ USAC should have considered the information it had on hand before issuing the FCDL.

V. No Notice of Intent to Deny

In this case, USAC did not issue a Notice of Intent to Deny. The applicant was not told that a failure to change its funding request would result in denial of the entire request.

VI. EPC Appeals System Failed to Provide Necessary Information

The EPC appeals system created a Case, but the case was never updated (see Exhibit A). Normally, EPC cases show a timeline of all correspondence and attachments pertaining to the case. Since this case was never updated, it appeared that no action had yet been taken by USAC.

USAC sent email requests for information (see Exhibit B), but those requests only notified that information was needed, and did not explain what information was required. Instead, the email contained a link to the Summary page of the appeal.

Following the link in the notification emails, the applicant was directed to the Summary page of the appeal Case. As mentioned above that page had no information on any required information. There are three links at the top of that page: “Associated FRNs” (Exhibit C), “News” (Exhibit D) and “Related Actions” (Exhibit E)

⁸ FCC 11-60, paragraph 5.

The “Associated FRNs” link identifies the FRN involved, but no information on any required response. Following the link from that page to the FRN provides no further information; the links at the top of the FRN page also provide no detail on what information USAC is requesting.

The “News” page provides a copy of the email that was received. Again, the link provided is to the Summary page for the case. Nor further information about the nature of USAC’s request is available.

The “Related Actions” page is empty.

The lack of any details on any page associated with the appeal case is consistent with the fact that USAC had received the information required months earlier, before the original FCDL was issued.

VII. Conclusion

For the foregoing reasons, the Bureau should direct USAC to approve funding consistent with the district’s Category 2 budget. The Bureau should also grant a waiver of any other rules as necessary to effectuate a grant of this appeal.

Respectfully submitted by:



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Fax: 732-530-0606
Email: dan@on-tech.com

September 30, 2017

List of Exhibits

Exhibit A	Appeal case #39820
Exhibit B	USAC request for information
Exhibit C	Associated FRNs appeal page
Exhibit D	News appeal page
Exhibit E	Related Actions appeal page

[Records](#) / [Appeals](#)

GEGG 2016 C2 - #39820

[Summary](#)[Associated FRNs](#)[News](#)[Related Actions](#)

In-Review

Outreach

Wave Ready

Committed

▼ Appeal Information

[View Status \(+\)](#)**Funding Year** 2016**Submitting Organization** [GREATER EGG HARBOR REG HS DIST \(BEN: 123406\)](#)**Created By** Dan Riordan**Created On** 3/10/2017 2:10 PM EST

▼ Main Contact

Name Dan Riordan**Email** dan@on-tech.com**Phone Number** 732-530-5435

▼ Narrative

This FRN was denied with no reason given. Please explain why this FRN was denied.

I am assuming that the final inquiry response was not reviewed before funding was denied. However, I responded to the final inquiry for this application on January 4, 2017, and the FCDL was not issued until January 9, 2017. Even if no response had been received, the FRN should not have been denied. There is no rule or guideline saying that the pre-discount total for a C2 FRN cannot exceed the C2 budget. While the approved funding should be calculated using the C2 budget in such cases, there is no reason that applicants should be forced to reduce the pre-discount amount of their funding request.

Please approve this funding request.

▼ Appeal Details

Decision appealed by applicant

If you wish to modify or cancel your appeal, or, if you have any questions about your appeal, please contact the E-rate Program's Client Service Bureau (CSB) at (888) 203-8100.

[View Supporting Documentation \(+\)](#)

Dan Riordan

From: portal@usac.org on behalf of EPC Application Administrator
<EPC.Application.Administrator@usac.org>
Sent: Wednesday, August 2, 2017 4:39 PM
To: dan@on-tech.com; dberret@geh.nj.k12us.com; dan@on-tech.com; maria@on-tech.com;
sam@on-tech.com; tara@on-tech.com
Subject: E-Rate Information Request - FRN Case# 39820



E-Rate Information Request

Today's Date: 8/2/2017
Response Due Date: 8/17/2017
Requestor Name: Dan Riordan
Applicant Name: GREATER EGG HARBOR REG HS DIST
Case Number: 39820

Dear Applicant,

As previously mentioned, we are in the process of reviewing your appeal and we need additional information to complete our review. Please respond to the information requests below. Please note that EPC allows you to begin working on your answers and save your work for later by clicking "Save and Close." We advise you to provide responses to all of the questions before submitting your answers. Click "Submit" only when you have answered all the questions in their entirety.

- Category Two Budget

[Click here to respond to inquiries](#)

[USAC Homepage](#)

If you have any questions as you work through your responses to the review inquiries, please feel free to contact me via the phone number or e-mail address provided below. Please do not use e-mail to submit your responses to the review inquiries. USAC will not review responses sent to the reviewer's email address. All responses must be submitted in EPC. Again, please be sure to provide complete responses to all of the questions. If you need additional time to prepare your response, you may request an extension. Click the "Request Extension" button, located at the top of the "Review Inquiries" page in EPC. Your first extension request will be automatically granted, and you will receive an additional seven days to respond. Be sure to meet the response due date and provide all of the information requested, otherwise your funding may be reduced or denied. If you are unable to respond due to summer break, please call or email me and provide the timeframe during which you will be available, so that we can adjust the response due date accordingly.

Charlene Rollins
Associate Case Manager – SLP Appeals/COMAD
USAC, Schools & Libraries Program

973-581-5163

Do not reply to this e-mail

This message has been sent by EPC



Records / Appeals

GEGG 2016 C2 - #39820



Summary **Associated FRNs** News Related Actions

Associated FRNs

FRN	↑ Application Number	Category of Service	FRN Status
1699112307	161047640	Category 2	Denied

GEGG 2016 C2 - #39820

[Summary](#)[Associated FRNs](#)[News](#)[Related Actions](#)**From the FRN Case Review Team** Appeals and Non-Appeals Summer 15-Day

Today's Date: 8/2/2017

Response Due Date: 8/17/2017

Requestor Name: Dan Riordan

Applicant Name: GREATER EGG HARBOR REG HS DIST

Case Number: 39820

Dear Applicant,

As previously mentioned, we are in the process of reviewing your appeal and we need additional information to complete our review. Please respond to the information requests below. Please note that EPC allows you to begin working on your answers and save your work for later by clicking "Save and Close." We advise you to provide responses to all of the questions before submitting your answers. Click "Submit" only when you have answered all the questions in their entirety.

- Category Two Budget

(Please click on the case link below this letter)

If you have any questions as you work through your responses to the review inquiries, please feel free to contact me via the phone number or e-mail address provided below. Please do not use e-mail to submit your responses to the review inquiries. USAC w [...More](#)

GEGG 2016 C2 - #39820

Aug 2, 2017 ☆ 🔒 [Comment](#)

! You have one or more pending inquiries. Please respond to all pending inquiries.

Aug 10, 2017

! You have one or more pending inquiries on this outreach. Please respond to all pending inquiries before deadline.

Aug 17, 2017

! There are pending inquiries for this outreach that has expired

Aug 18, 2017

**From the FRN Case Review Team** Appeals and Non-Appeals Summer 15-Day

Today's Date: 6/22/2017

Response Due Date: 7/7/2017

Requestor Name: Dan Riordan

Applicant Name: GREATER EGG HARBOR REG HS DIST

Case Number: 39820

Dear Applicant,

As previously mentioned, we are in the process of reviewing your appeal and we need additional information to complete our review. Please respond to the information requests below. Please note that EPC allows you to begin working on your answers and save your work for later by clicking "Save and Close." We advise you to provide responses to all of the questions before submitting your answers. Click "Submit" only when you have answered all the questions in their entirety.

- Category Two Budget
- Category Two Budget

(Please click on the case link below this letter)

If you have any questions as you work through your responses to the review inquiries, please feel free to contact me via the phone number or e-mail address provided below. Please do not use e-mail to submit your responses to the r ...**More**

GEGG 2016 C2 - #39820

Jun 22, 2017 ☆ 🔒 [Comment](#)

! You have one or more pending inquiries. Please respond to all pending inquiries.

Jun 30, 2017

! You have one or more pending inquiries on this outreach. Please respond to all pending inquiries before deadline.

Jul 14, 2017

! There are pending inquiries for this outreach that has expired

Jul 15, 2017



E-Rate Productivity Center Appeal Confirmation Letter

Confirmation Letter is an acknowledgement that USAC has received GREATER EGG HARBOR REG HS DIST's Appeal number - 39820 for Funding Year 2016 on 3/10/2017. Each Service Provider featured on this request will be able to view this confirmation letter.

It is important that you review this request now to make sure the information you have filed is accurate.

Click on the date/time at the bottom of this Appeal Confirmation Letter to see a printable version.

NEXT STEPS

- Gather the documentation you used to complete your request so that you can respond to questions from USAC about your request
- Retain documentation showing that you have complied with all standards, with all statutes and E-rate program rules for at least 10 years after the last day of service delivered.
- You can view your entire Appeal by clicking the link below.

Please keep a copy of this confirmation for your records.

[#123406 - GREATER EG...](#)[#143006553 - ePlus Te...](#)[GEGG 2016 C2 - #39820](#)

Mar 10, 2017


[Comment](#)[More Info ▼](#)

Records / Appeals

GEGG 2016 C2 - #39820



- Summary
- Associated FRNs
- News
- Related Actions**

 **Request Cancellation**
Cancel this request