

Letter of Appeal  
 Federal Communications Commission  
 Office of the Secretary  
 445 12<sup>th</sup> Street, SW  
 Washington, DC 20554  
 CC Docket No. 02-6

Re: Request for Review of Red Light Status Alert dated May 3<sup>rd</sup>, 2019

I am submitting this letter of appeal regarding the Red Light Status Alert for Clintonville Public School District on the grounds that, the necessary information requested via COMAD #87655 was submitted to the reviewer correcting the over budget issue referenced.

Appellant Name:	e2e Exchange, LLC
Applicant Name:	Clintonville Public School District
471 Application Number:	161003773
Billed Entity Number:	133465
FRN:	1699029482, 1699029484
Service Provider:	Camera Corner, Inc.

SLD Explanation: *“After a thorough investigation, it was determined that the funding commitment for this request must be rescinded in full. USAC will seek recovery of \$65,399.85 improperly disbursed funds from the applicant. The amount of \$20,484.99 committed under FRN's 1699029482 and 1699029484 for BEN 63265 exceeded BEN 63265 eligible budget for Category Two services.... The Category Two budget amount for DELLWOOD ELEMENTARY SCHOOL Entity #63265 is \$13,483.50. The amount committed for DELLWOOD ELEMENTARY SCHOOL Entity #63265 is \$20,484.99, which is over the budget amount.”.*

The above applicant had received USAC Commitment Adjustment Letter dated 7/30/2018 indicating USAC's intention to rescind and collect \$4,249.12 for FRN 1699029482 and \$65,399.85 for FRN 1699029484. The explanation given for this action is that Dellwood Academy was over budget by \$7,001.49. However, documentation shows that the solution to correct this over budget ministerial/clerical error was provided to USAC via EPC multiple times.

The 2016 Category 2 application was approved as is via a Funding Commitment Decision Letter on 11/28/2016. The following funding year, Clintonville Public School District applied for another 2017 Category 2 project. A PIA inquiry was issued and answered, whereby Dellwood Elementary School's funding request was reduced by \$15,356.84 to fit within budget. The solution was submitted to the PIA inquiry in EPC on 8/9/2017. However, the application was denied via a Funding Commitment Decision Letter dated 8/11/17. For this reason, a USAC appeal was immediately filed on 8/25/2017 to overturn the wrongful denial of the 2017 application. The appeal was approved, and the Revised Funding Commitment Decision letter was issued on 1/26/2018 approving the 2017 Category 2 application with the amendments.

Two months later a COMAD Outreach inquiry was issued on 3/28/2018, indicating that Dellwood Elementary School was over budget by \$7,001.49. The reviewer was informed of the recent resolution of the budget issue for Dellwood Elementary School in January; and the reviewer subsequently informed the school's consultant to disregard the COMAD Outreach until a new one was issued. Finally, on 5/18/2018, a new COMAD Outreach inquiry was issued indicating the new over budget amount of \$7,001.49 was indeed accurate even after the 2017 resolution. The 2016 application was immediately reexamined and it was found the correction of a ministerial/clerical error for line item .007 would resolve the over budget issue. This solution was submitted multiple times on 6/11/2018 to clear the pending COMAD Outreach inquiries.

On 6/12/2018 and 6/21/2018 two further duplicate COMAD Outreach inquiries were issued asking for confirmation once more of the change to line item .007, which would resolve the over budget issue for Dellwood Elementary. Due to the convoluted nature of the EPC portal and unclear process by which USAC issues various notifications, these duplicate new inquiries went unnoticed. Since these inquiries, again

requesting duplicate confirmation of the change to line item .007, did not get submitted, a COMAD for the full amount of the FRNs was issued on 7/30/2018. The request to return the fully approved 2016 reimbursements due to this one procedural error is not a sufficient reason to cause hardship and difficulty for the school district.

Once more, the applicant previously submitted the requested information to resolve the over budget issue for Dellwood Elementary School. By correcting the recipient of service for line item .007 from entity #63265 to correct entity #63266, Dellwood Elementary School would have a remaining budget of \$1,468.51. No entities would be in violation of the over budget rule as stated in the COMAD. However, this change was not made by the reviewer in charge of the COMAD Outreach, and no communication with the applicant or consultant was attempted by the reviewer before issuance of the COMAD dated 7/30/18.

**Note that this is not a case of ineligible services.** It is only a case of procedural error on the part of the USAC departments working together and between funding years. The lack of acknowledgement to the solution provided to correct the ministerial/clerical error does not follow in line with the Bishop-Perry order. Furthermore, the FCC Order 06-54 waives the rules for procedural, not substantive, violations.

We do agree with the USAC request to return \$4,097.01 for the following reason stated on the 7/30/18 COMAD: *"It was determined that the funding commitment for this request must be reduced by \$249.95 and \$3,847.05 and USAC will seek recovery of \$249.95 and \$3,847.05. On the original FCC Form 471, the applicant was approved at 85 percent discount... the application is only eligible to receive 80 percent discount. This determination was based on NSLP documentation provided by the applicant"*.

This appeal has shown that the full amount of the FRNs, \$4,249.12 and \$65,399.85, should **not** be rescinded via a Commitment Adjustment Letter and that only \$249.95 and \$3,847.05 should be rescinded per the change in discount percentage.

This is a clear example of what Chairman Pai describes in his April 18, 2017 letter addressed to Chris Henderson as "serious flaws in USAC's administration of the E-Rate program – flaws that relate to the process by which schools and libraries apply for E-Rate funding and that are preventing many schools and libraries from getting their funding".

We respectfully request that you overturn the COMAD and restore funding of \$3,999.16 and \$61,552.80 to these FRNs. The disbursed difference will be returned to USAC from the district, thereby rescinding the Red Light Status. Thank you for reviewing this appeal. Please use the contact information below.

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Sincerely,  
**E2e exchange, LLC**

Tiffany Bullion  
Director of Operations