This is an appeal of a USAC appeal denial via letter dated 10/29/19.

Mentor School District

Mentor, Ohio

BEN 129439

The USAC appeal #157719, concerned a denial of reimbursement for FRN 1799005533 which was for Basic Maintenance of Network Equipment. The 471 was 171003403. The vendor was Bailey Communications, SPIN 143008213.

Included in the Basic Maintenance funding were Wireless Access Points and Controllers, Network switches, and firewall components which were installed components on the applicable Network switches. The Firewall components had been purchased with the switches as internal connections and were separate from the firewall service provided by the internet service provider, which was funded under Category 1.

The USAC appeal denial stated that the firewall service should have been filed under Managed Internal Broadband Services, but the Basic Maintenance agreement only covered fixing or replacing the Firewall components, not monitoring their function – school district employees monitor their function. A case was opened with USAC, 288370, asking for clarification concerning how firewall components should be funded and the case narrative reply said these components should be funded under Internal Connections; however, these components were already purchased and once purchased, would not be purchased again every year.

The Form 472 for this FRN was completed on 8/23/2018; however, due to a “glitch” in the USAC system, the Bear Notification Letter was not received until 7/8/2019 when USAC discovered their error and mailed these letters. The letter included the denial of the reimbursement request. The only avenue available was to file an appeal with USAC. If the BEAR Notification letter had been sent in a timely fashion, the district would have had time to pursue this further before the deadline to file BEAR forms at the end of October 2018, and could have resubmitted the BEAR request.

If, in fact, Firewall Components that are integral to a Network Switch can not be covered under Basic Maintenance, the district could have cost allocated them from the BEAR reimbursement request and resubmitted that request.

If those items were removed, the BEAR request would have been $37,300 and the reimbursement amount would have been $18,650.

In addition, if Firewall Components can not be covered under Basic Maintenance, this should have been discovered in the PIA review process, since these components were indicated in the narrative section of the FRN. PIA could have informed the district that these were ineligible, and they could have been cost allocated from the FRN.

We ask that this appeal be approved for one of the following two reasons:

1. Firewall components installed in existing Network Switches should be covered under Basic Maintenance per the 2017 FCC Eligible Services List. The reimbursement amount of $22,359.55 should be approved.
2. If there is other documentation that specifically states that Firewall Components that are part of and installed in a covered Network Switch are not eligible under Basic Maintenance, because of the errors of USAC not sending the Bear Notification Letter in a timely manner (one year late) and because this was not caught in a PIA review of the FRN, the district should be allowed to remove the cost for the firewall service and be awarded reimbursement for the switches, wireless access points and controllers that are covered under Basic Maintenance. The reimbursement of $18,650 should be granted.

Thank You