Dear FCC,

USAC recently denied funding for FRN 1899007007 (471 application 181003777) stating “service not approved on 471”, per the submitted invoice SLD Number 2851794.

This rejection follows an invoice audit in which the service provider submitted as requested, a copy of the same quote that was provided with the 471 which was approved. All services are eligible and underwent a PIA review and was subsequently awarded and approved funding.

The FRN requested funding for wireless access point license renewals: Product: AH-HMCS-SL Aerohive Networks (Bundled). Basic technical support of HiveManager Classic, including phone and software support. This is an eligible product.

An appeal was filed in regards to the denial – Appeal #126598. The appeal was denied with a new reason for denial which was stated as:

“ During the appeal review it was determined that you invoiced for services that were not posted for on your FCC Form 470. The funding request is for Aerohive Hive-manager licenses for school WAPs which is category of service of Internal Connections. Your FCC Form 470 #180010464 is for Basic Maintenance of Internal Connections. Reimbursement can only be issued for services that were posted for on your FCC Form 470 and approved during the FCC Form 471 review process. Consequently, your appeal is denied “

When I called USAC about the reason for denial they sent me information the following information regarding the difference in filing categories for Wireless Access Points Licenses:

Thank you for contacting USAC Client Service Bureau regarding licensing. Licenses are eligible for E-rate support in either Category Two Internal Connections or Category Two Basic Maintenance of Internal Connections. If the license includes hardware replacement, it will need to be listed in Basic Maintenance of Internal Connections instead of Internal Connections. Please keep in mind: • When applying for licenses, be sure to include the Stock Keeping Unit (SKU) number so that during review, Program Integrity Assurance (PIA) can determine what is included in the license. • For licenses listed in Basic Maintenance of Internal Connections, only the present year can be claimed. You will need to apply each subsequent year to receive the total funding. • For licenses listed in Internal Connections, you can apply for the total cost of the license in the first year. • Multi-year licenses are eligible and there is no limit to the number of years that you can purchase a license. • License renewals are also eligible. When purchasing a piece of eligible Internal Connections equipment, you may also be required to purchase a license of a year or more to have the right to use eligible software that is essential to make the equipment operate. Such multi-year licenses can be eligible if they are supporting eligible components used to distribute high-speed broadband throughout school buildings and libraries. While there is no cap on the number of years such a license can cover, remember that Category Two funding is subject to the Category Two five-year budget which includes Licenses and Fees. If you have any questions or believe this case was closed incorrectly, please re-open this case or contact us at (888)-203-8100. Thank you, Sequoia Daniels Universal Service Administrative Company (USAC) Client Service Bureau (888) 203-8100

When I asked where I could find this information on the Eligible Services List on the USAC Website the rep said that it wasn’t on the list and that this was “internal information.” When I have called USAC in the past regarding Category of Service for wireless access point licenses I was always told that they are filed under the Category “Basic Maintenance of Internal Connections”. I was never told that there was a difference in how access point licenses are filed nor was I ever told that they should be filed under the Category “Internal connections.”

In addition, it is very clearly stated on the narrative description on the 470 (see additional attached document) that there was a need for only renewal licenses. This is what was written in the narrative section: ‘ Renewal Licenses/support needed for a 3 year term for Aerohive Wireless Access points (VHM-BTPJTK). Licenses needed for a minimum of 95 devices.” This alone should be enough information regardless of a box clicked for Category of Service. The vendors knew what they were bidding on and there would be no violation of competitive bidding. Everything was filed by the book and all USAC rules were followed.

In addition when I had asked the USAC rep why this wasn’t picked up as a problem during the PIA review she responded that “they are really busy and miss things.” If I was told that there was an issue at the time of the review I would have had enough time to refile correctly and not have to have this denial. USAC is very poor at communication. The eligible services list needs to be updated to reflect all eligible services and caveats that come with it. The staff also needs to be trained better to provide accurate information to filers.

I am requesting a waiver request based on the Category of Service reason for denial (as stated before all relevant information was clearly stated on the 470 application on the narrative section). Please reach out with any questions you may have. We believe that this FRN should not have been denied.

Thank you,

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