

EXHIBIT 1

Your submission has been accepted

ECFS Filing Receipt		
Confirmation number: 201487393143		
Proceeding		
	Name	Subject
	02-6	In the Matter of Schools and Libraries Universal Service Support Mechanism
Contact Info		
Name of Filer: Appling County School District		
Email Address: Paul.Besozzi@squirepb.com		
Attorney/Author Name: Paul C. Besozzi		
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Address Line 1: 2550 M Street, N.W.		
City: Washington		
State: DISTRICT OF COLUMBIA		
Zip: 20037		
+4: 3650		
Details		
Type of Filing: APPEAL		
Document(s)		
File Name	Custom Description	Size
Appling County FY 2008 Appeal.pdf	Appling County FY 2008 E-Rate Appeal	469 KB
Disclaimer		
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August 7, 2014

VIA ELECTRONIC FILING

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

**Re: Appeal of USAC Notification of Commitment Adjustment in CC Docket No. 02-6 –
Appling County School District (BEN 127472) - Funding Year 2008**

Applicant Name: Appling County School District
Billed Entity Number: 127472
Funding Year: 2008
FCC Registration Number: 0011882842
Form 471 App. Number(s): 633627
Funding Request Numbers: 1763008

Dear Ms. Dortch:

Appling County School District (“Appling County” or “District”), acting through counsel and pursuant to Sections 54.719-54.721 of the Commission’s rules¹, hereby timely files this Request for Review or Waiver (“Appeal”). The Appeal requests Commission review of the adverse decision of the Administrator of the Universal Service Administrative Company (“USAC”) seeking to recover previously-approved and disbursed E-Rate Program support funds for Funding Year 2008.²

More specifically, on June 9, 2014, USAC’s Schools and Libraries Division (“SLD”) issued the COMAD, asserting that the District had requested and received support for eligible Basic Maintenance of Internal Connections services that “exceeded the applicants reasonable needs”

¹ 47 C.F.R. §§ 54.719-54.721. Appling County is a school district then of some 3300 K-12 students located in Appling County, Georgia which qualified for 90% discounts in FY 2008.

² The relevant Notification of Commitment Adjustment Letter, dated June 9, 2014, is attached at Exhibit 1 (“COMAD”). This Appeal is timely filed within sixty (60) days of the date of the COMAD, which, under the Commission’s rules, would be August 8, 2014.

August 7, 2014

and thus the services selected and received were "not cost effective." Therefore, USAC contends that Appling County had violated the E-Rate Program rules and the entire \$86,400 funding commitment was rescinded and was to be recovered from the District.

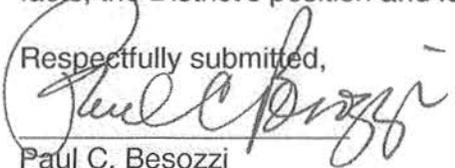
Appling County is aggrieved by the COMAD and the District has only very recently engaged the undersigned counsel to assist in this matter. Therefore, Appling County is timely submitting this Appeal and reserving the right to supplement the same with a full discussion of the facts, the District's position and supporting arguments.

The District selected the relevant service provider using an evaluation matrix that gave the greatest weight to price, as required by the E-Rate Program rules, to ensure the cost effective selection. The COMAD does not explain how or to what degree the services supported in FY 2008 now, some 5 years after they were provided, "exceeded the...reasonable needs" of the District. Nor does the COMAD explain the nature and extent of the "failure" of the District to "justify" the relevant FRN as cost effective. Certainly, before the grant of the Funding Commitment Decision Letter on April 22, 2009, a thorough assessment was made as to whether the services requested satisfied the cost effective requirements of the relevant E-Rate Program rules. Appling County's position is that it acted in good faith in setting these requirements and selected the service provider using price as the highest weighted factor in making the decision. The District respectfully disagrees with and contests the unexplained conclusions of USAC's Funding Commitment Adjustment Explanation.

Even if there was a technical violation of the Commission's rules relating to cost effectiveness there is no evidence of any waste, fraud and abuse or deliberate attempt to circumvent the Commission's rules. The E-Rate support approved and disbursed was used for the purpose for which it was approved. Further, the requirement to reimburse the requested funds would be a financial hardship on the District, which qualified at the 90% discount rate. There is no evidence that the District acted other than in good faith. Applying County respectfully submits that requiring repayment now, many years after the funding was approved and used in accordance with that approval, would not further the purpose of preserving and advancing access to universal service support. Under the circumstances, a waiver of any technical rule violation is appropriate and as a result the COMAD should be rescinded.

Again, Appling County reserves the right to supplement this Appeal with a full discussion of the facts, the District's position and further supporting arguments.

Respectfully submitted,



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cc: Graham Floyd, Esquire

EXHIBIT 1



Universal Service Administrative Company

Schools and Libraries Division

Notification of Commitment Adjustment Letter

Funding Year 2008: July 1, 2008 - June 30, 2009

June 09, 2014

Winton Herrin
APPLING COUNTY SCHOOL DISTRICT
249 BLACKSHEAR HWY
BAXLEY, GA 31513 3108

Re: Form 471 Application Number: 633627
Funding Year: 2008
Applicant's Form Identifier: APPEM0809471
Billed Entity Number: 127472
FCC Registration Number: 0011882842
SPIN: 143027309
Service Provider Name: Netmatrix, Inc.
Service Provider Contact Person: Scott Wilder

Our routine review of Schools and Libraries Program (Program) funding commitments has revealed certain applications where funds were committed in violation of Program rules.

In order to be sure that no funds are used in violation of Program rules, the Universal Service Administrative Company (USAC) must now adjust your overall funding commitment. The purpose of this letter is to make the required adjustments to your funding commitment, and to give you an opportunity to appeal this decision. USAC has determined the applicant is responsible for all or some of the violations. Therefore, the applicant is responsible to repay all or some of the funds disbursed in error (if any).

This is NOT a bill. If recovery of disbursed funds is required, the next step in the recovery process is for USAC to issue you a Demand Payment Letter. The balance of the debt will be due within 30 days of that letter. Failure to pay the debt within 30 days from the date of the Demand Payment Letter could result in interest, late payment fees, administrative charges and implementation of the "Red Light Rule." The FCC's Red Light Rule requires USAC to dismiss pending FCC Form 471 applications if the entity responsible for paying the outstanding debt has not paid the debt, or otherwise made satisfactory arrangements to pay the debt within 30 days of the notice provided by USAC. For more information on the Red Light Rule, please see "Red Light Frequently Asked Questions (FAQs)" posted on the FCC website at http://www.fcc.gov/debt_collection/faq.html.

TO APPEAL THIS DECISION:

You have the option of filing an appeal with USAC or directly with the Federal Communications Commission (FCC).

If you wish to appeal the Commitment Adjustment Decision indicated in this letter to USAC your appeal must be received or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and email address (if available) for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Identify the date of the Notification of Commitment Adjustment Letter and the Funding Request Number(s) (FRN) you are appealing. Your letter of appeal must include the
 - Billed Entity Name,
 - Form 471 Application Number,
 - Billed Entity Number, and
 - FCC Registration Number (FCC RN) from the top of your letter.
3. When explaining your appeal, copy the language or text from the Notification of Commitment Adjustment Letter that is the subject of your appeal to allow USAC to more readily understand your appeal and respond appropriately. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep a copy of your entire appeal including any correspondence and documentation.
4. If you are an applicant, please provide a copy of your appeal to the service provider(s) affected by USAC's decision. If you are a service provider, please provide a copy of your appeal to the applicant(s) affected by USAC's decision.
5. Provide an authorized signature on your letter of appeal.

To submit your appeal to us on paper, send your appeal to:

Letter of Appeal
Schools and Libraries Division - Correspondence Unit
100 S. Jefferson Rd.
P. O. Box 902
Whippany, NJ 07981

For more information on submitting an appeal to USAC, please see the "Appeals Procedure" posted on our website.

If you wish to appeal a decision in this letter to the FCC, you should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received by the FCC or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. We strongly recommend that you use the electronic filing options described in the "Appeals Procedure" posted on our website. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554.

FUNDING COMMITMENT ADJUSTMENT REPORT

On the pages following this letter, we have provided a Funding Commitment Adjustment Report (Report) for the Form 471 application cited above. The enclosed Report includes the Funding Request Number(s) from your application for which adjustments are necessary. See the "Guide to USAC Letter Reports" posted at <http://usac.org/sl/tools/reference/guide-usac-letter-reports.aspx> for more information on each of the fields in the Report. USAC is also sending this information to your service provider(s) for informational purposes. If USAC has determined the service provider is also responsible for any rule violation on the FRN(s), a separate letter will be sent to the service provider detailing the necessary service provider action.

Note that if the Funds Disbursed to Date amount is less than the Adjusted Funding Commitment amount, USAC will continue to process properly filed invoices up to the Adjusted Funding Commitment amount. Review the Funding Commitment Adjustment Explanation in the attached Report for an explanation of the reduction to the commitment(s). Please ensure that any invoices that you or your service provider(s) submits to USAC are consistent with Program rules as indicated in the Funding Commitment Adjustment Explanation. If the Funds Disbursed to Date amount exceeds your Adjusted Funding Commitment amount, USAC will have to recover some or all of the disbursed funds. The Report explains the exact amount (if any) the applicant is responsible for repaying.

Schools and Libraries Division
Universal Services Administrative Company

cc: Scott Wilder
Netmatrix, Inc.

Funding Commitment Adjustment Report for
Form 471 Application Number: 633627

Funding Request Number: 1763008
Services Ordered: INTERNAL CONNECTIONS MNT
SPIN: 143027309
Service Provider Name: Netmatrix, Inc.
Contract Number: C
Billing Account Number:
Site Identifier: 127472
Original Funding Commitment: \$86,400.00
Commitment Adjustment Amount: \$86,400.00
Adjusted Funding Commitment: \$0.00
Funds Disbursed to Date \$86,400.00
Funds to be Recovered from Applicant: \$86,400.00
Funding Commitment Adjustment Explanation:

After multiple requests for documentation and application review, it has been determined that this funding commitment must be rescinded in full. Funds were erroneously committed for FRN 1763008, which was not justified as cost effective. FCC rules require that, in selecting the service provider, the applicant must select the most cost effective service or equipment offering, with price being the primary factor, which will result in it being the most effective means of meeting educational needs and technology plan goals. Additionally, the applicants technology plans for requested services should be based on an assessment of their reasonable needs. Applicants that request services that are beyond their reasonable needs and thus not cost effective have violated the above rules. Since FRN 1763008 exceeded the applicants reasonable needs, this funding commitment \$86,400 is rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.