

**Before the
Federal Communications Commission
Washington, D.C.**

In the Matter of:

Application for Review of decisions)	
of the Schools and Libraries Division)	
of the Universal Service Administrative)	
Company for ABS Technology Architects)	Funding Request Number
Virginia Beach, Virginia)	1044327
)	
Joint Board on Universal Service)	CC Docket No. 02-6

Application For Review
ABS Technology Architects
SPIN: 143022950
Form 471 Number 379705
Funding Request Number 1044327
Administrator's Decision on Appeal dated January 10, 2008

In accordance with Sections 54.719 through 54.721 of the Commission's rules, now comes ABS Technology Architects (ABS) before the Commission requesting review of action by the Schools and Libraries Division of the Universal Service Administrative Company (Administrator).

The Administrator denied an appeal from ABS because the Administrator, during a site visit, determined a Cisco 3421 IP Video Control Server was not eligible for funding. Almost two years later, the Administrator demands return of funds for the purchase price. ABS should not be required to repay the Administrator.

This funding request was made during the winter of 2002 using the Eligible Services List dated October 18, 2002. The Item 21 attachment to the application included a line item naming this server. The Administrator's Decision on Appeal states: "According to documentation submitted as the Item 21 attachments, the funds requested includes a \$11,250 one-time non-recurring charge for the ineligible Cisco 3412 IP Video Control Server."

If the server was not eligible, during review, Program Integrity Assurance reviewers should have noted the fact and denied funding. Despite the fact the server was clearly described and itemized in the Item 21, the request was funded. During Invoice Review after submission of the SPI, the Invoice

Review Team should have noted the ineligible item and denied payment. The item passed funding commitment review and payment review.

In 2005 Mecklenburg was the recipient of a “site visit” from the Administrator. After the visit the Administrator had few questions and the matter seemed to have been dropped. However in October 2007, two years after the site visit, the Administrator discovers the improper funding and now demands return of funds for a 2003 application. We find the delay from site visit to payment demand suspect and ask the Commission to investigate Administrator internal review practices. There is no excuse for a two year delay from an “audit” to a final resolution of an audit resulting in a demand for return of funds.

Contrary to the Administrator decision, we believe the Cisco server in question is wholly or partially eligible for funding. The server acts as a conduit for transfer of information to end users. Video distribution equipment has long been eligible for support. This unit essentially serves as a video distribution vehicle to eligible users. To the extent portions of the server are used for video storage – such as the hard drives – that portion may be ineligible; however the processors, video converters, and distribution systems provide a means to deliver content – just as an eligible channel modulator, MPEG Video Encoder, video amplifiers, or Multipoint Control Units - all eligible in 2002. The functionality of this server is exactly the same as the video components described as eligible.

Further, the 2002 Eligible Services List expressly names the server functions ineligible for funding. They are: Archive or Data Warehouse Server, Application Server, and Database Server. Ineligible server uses include: Caching Server, Firewall Server, Print Server, and Proxy Server. Again, the sever in question here under appeal provides encoding, transmission, and distribution functions – all eligible in Year 2002.

Respectfully Submitted this 25th day of February, 2008

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