

CC Docket No. 96-45 and CC Docket No. 02-6

Letter of Appeal
Federal Communications Commission
Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Washington, DC 20554

REQUEST FOR REVIEW OF APPEAL FOLLOWING DENIAL FROM SLD

Entity Number 145192
ERate Year 2006
FCDL Date 09/19/2006
Application Number 496159
Service Provider Qwest Corporation
Service Provider SPN 143005231
470 App 383930000549525
FRN 1424224
Block 4 discount calculation = 61%
Priority 1

Introduction to the FCC

We realize the original date of the appeal and this FCDL are out of compliance with program rules. We spoke to the program administrator recently at a conference however who concurred with our position.

I think in light of the following information is easy to determine a better number could not have been given at the time and that this particular rule unfairly compromises the ability of large school districts such as ours to fairly project the amount of an eligible discount.

Our hope is that you will see this fundamental flaw and award Seattle Schools the increase in discounts shown below.

This letter is intended to address the results of conditions that were we believe, unpreventable affecting the FRN Number listed above. The total combined result of the events that took place between July 15, 2006 and May 5, 2007 are an underfunding of Telecommunications Priority 1 pre-discount request by \$390,000. The supporting information below was not available to us at the time of the FCC 470 application, the FCC 471 application or the FCDL and was only discovered following the fiber rollout project completion.

Telecommunications Connectivity – The two methods

Seattle School's contracts through ERate eligible service providers for telecommunications and internet service. These services are considered Priority 1 by the SLD. These circuits are eligible for reimbursement.

Seattle School District 1 (hereafter Seattle Schools) files their ERate Applications as a "district" as outlined in the program rules. Over the last several years, Seattle Schools has attempted to decrease information systems costs through all reasonable means.

One method for decreasing costs is membership in what is known as the “Seattle Fiber Consortium”. This “consortium” is governed by a renewable agreement of several City of Seattle Agencies who share common benefit from fiber deployment across the city. This is not an ERate eligible system and funding has not ever been sought for any of these circuits by Seattle Schools. As this deployment has evolved and whenever feasible, Seattle Schools has lit certain segments or fiber if it allowed a decrease in pre discount telecommunications cost and could simultaneously meet the upcoming school year requirement for connectivity.

As Seattle Schools moves certain schools to this fiber plant, individual leased circuits are simultaneously removed from the next year’s FCC 471 application thereby progressively decreasing the amount applied for reimbursement each year.

Seattle Schools goes through an exhaustive effort to accurately project the number of telecommunications circuits that will be leased during a given year.

Timing Issues

As the planning and deployment of this system is coauthored and managed by different city agencies, Seattle Schools is not in a position to independently direct the timing, locating or provisioning of each deployed segment. Seattle Schools does everything it can to identify which segments will be lit during the next ERate Year. Since the 471 deadline occurs before the actual deployment of certain sections, the ERate application process requires a significant amount of projection. **During ERate Year 2006, there was an unavoidable misalignment of projected costs from those service providers who lease eligible telecommunications circuits to Seattle Schools.** All were a result of delays that forced Seattle Schools to continue utilizing leased circuits for a given school beyond the projected dates.

These missed reimbursable costs were a result of issues beyond the control of this school district.

The 30% Rule

Shortly before submitting the 471, our ERate team contacted the support number to ask that “if in fact we included some network sites that were probably going to be ineligible due to the nature of the consortium network., could we stand to lose the entire amount in the 471”. We were referred to this rule, which didn’t at the time fit our particular issue:

The FRN will be denied if the applicant does not respond to USAC’s request to remove the ineligible items and 30% OR MORE of the FRN is for ineligible products or services. If the applicant does not respond to USAC’s contact and LESS THEN 30% of the FRN is for ineligible products or services, that amount will be automatically removed from the funding request.

USAC developed the "30% Rule" to more efficiently process the large number of applications under the Schools and Libraries Program, especially because demand for funding generally exceeds the funding available.

Since the pre-discount amount of \$140, 257.80 represented only 26% of the \$530,257.80 he (CSB rep) cautioned us against submitting such a “risky” 471. Our intent to never pad any requests combined with this advice and my understanding of the program, we elected to go with what we knew at the time to be true based on a temporal scope statement in the project plan. A plan which to date had proved fairly reliable.

Summary

Seattle Schools is requesting an increase in the prediscount amount for FRN Number 1424224 from the original pre-discount amount of **\$140,257.80 to \$530,257.80**

We hope that that the FCC will see fit to increase these amounts as there was no clear path to a better estimate than the one Seattle Schools gave. We feel that Seattle Schools has been disadvantaged by conditions beyond their control and should be considered for increases in the prediscount application amount as listed above.

All invoices or circuit ID breakdowns are available upon request. There are several hundred pages of circuit information available in paper copy.

Respectfully,

John Mitchell, ERate Administrator
Seattle School District 1
Entity Number 14592
Seattle Washington
206.252.0426 Office
206.235.5433 Cell
ERateadmin@seattleschools.org