Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the matter of:	)	
	)	
Request for Review of Decisions	)	Docket No. 02-6
of the Universal Service Administrator	)	
	)	

Letter of Support for March 25, 2009, Appeal to the FCC from San Juan Day School and Other Pending Appeals on the Issue of USAC's Cost-Effectiveness Standards

Reference:

Funding Year:	2005
Applicant Names:	San Juan Day School
Entity Number:	99380
Form 471 Number:	459629
Funding Request Numbers:	1263055 and 1263166

According to an appeal filed by the San Juan Day School with the Federal Communications Commission (FCC) on March 25, 2009, the Universal Service Administrative Company (USAC) denied two Funding Year (FY) 2005 funding requests submitted by the School because these requests for basic maintenance of E-rate-eligible internal connections were deemed not to be cost-effective based on the maintenance cost per piece of equipment, the cost per hour of maintenance, and the cost per student. The appeal sets out a long list of factors that affected the *pro rata* cost based on those measures

The San Juan Day School appeal is one of many that have been filed on this subject.[1]

[1] The following are a number of other pending FCC appeals involving cost-effectiveness denials for schools and school districts:

a) Long Branch School District, dated March 24, 2009, which appealed a USAC denial based on it determination that "… the cost per student, ratio cable drops per student, and cost of maintenance per cable drop are … not cost effective." (see http://fjallfoss.fcc.gov/prod/ecfs/retrieve.cgi?native_or_pdf=pdf&id_document=6520202185)

b) White Plains School District, dated February 9, 2007, which appealed a USAC determination that: "The cost for cabling system ($1,965.02) per drop and cost per student ($1,842.21) had been found to be not cost-effective." (see http://fjallfoss.fcc.gov/prod/ecfs/retrieve.cgi?native_or_pdf=pdf&id_document=6518725760)

c) Devereux Foundation, dated January 29, 2007, which noted that essentially similar funding basic maintenance funding requests for a number of its special education schools for FY 2006 were

We assert that USAC's interpretation of "cost-effectiveness" in this case and other cases is not supported by FCC rule or precedent and should be overturned. More broadly, we ask the Commission to clarify that cost-effectiveness measures employed by USAC should relate to the **cost** of the products and services required to meet valid educational purposes, and not to *pro rata* cost **standards** that improperly deny funding to many applicants with special circumstances that drive up such *pro rata* costs.

The San Juan Day School appeal along with the appeals cited in Note 1 demonstrate the wide variety of factors that can affect the pro rata cost of equipment and equipment maintenance in school settings – the nature and/or size of the population served, expected changes in the population served, remoteness of the population served, age and condition of equipment to be maintained, etc.

Denials of funding requests based on the USAC "cost-effectiveness" ratios are arbitrary and cannot be logically supported.

We ask the Commission to review and reverse the Administrator's decision on the referenced San Juan Day School funding requests. More broadly, we ask the Commission to clarify its cost-effectiveness rules with respect to the unit costs required to provide necessary and effective E-rate eligible services to schools and libraries.

Respectfully submitted,

Winston E. Himsworth
E-Rate Central
625 Locust Street, Suite 1
Garden City, NY 11530
(516)832-2881
whimsworth@e-raecentral.com

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approved or denied apparently based solely on calculations of cost per student (see http://gullfoss2.fcc.gov/prod/ecfs/retrieve.cgi?native_or_pdf=pdf&id_document=6518725552)

d) Green Chimneys School, dated January 23, 2007, which appealed a USAC determination "…that the requests include excessive amounts of equipment for a facility (students and staff) the size of [the school.]" (see http://gullfoss2.fcc.gov/prod/ecfs/retrieve.cgi?native_or_pdf=pdf&id_document=65187254727).

e) Gallup-McKinley County Public Schools Technology Services, dated February 27, 2006, which appealed a denial for basic maintenance to be provided by on-site technicians after a request the previous year had been denied because SLD determined off-site technicians would not be cost-effective. (see http://fjallfoss.fcc.gov/prod/ecfs/retrieve.cgi?native_or_pdf=pdf&id_document=6518329881)