



SCHENECTADY CITY SCHOOLS

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November 23, 2009

Doc 02-6

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

CC: 02-6

RE: LETTER OF APPEAL OF FUNDING COMMITMENT DECISION LETTER
ISSUED September 3, 2009

Applicant Schenectady City School District
Form 471 Application No. 672438, 672419, 675305
Funding Year 2009 (07/01/09 – 06/30/2010)
Billed Entity No. 124157
Funding Request No. 1835818, 1835819, 1835820, 1835782, 1835785, 1835786,
1835791, 1835793, 1835796, 1843783

Dear Sir or Madam:

On September 3, 2009, the Schools and Libraries Division ("SLD") of the Universal Service Administrative Company ("USAC") issued the above-referenced Funding Commitment Decision Letter that funded Applicant Schenectady City School District ("SCSD" or "Applicant") request for universal service support funding for Internal Connections from New England Systems and Software Inc. ("NESS" or "Company"). The basis for denial of FRNs 1835818, 1835819, 1835820, 1835782, 1835785, 1835786, 1835791, 1835793, 1835796, 1843783 for Schenectady City School District's funding request was explained in the Funding Commitment Decision Letter as follows:

The FRN is denied since the entity is not eligible to receive internal connections.

An appeal was submitted to USAC on September 22, 2009 and denied on November 17, 2009. With this letter, New England Systems and Software Inc. and Schenectady City School District hereby appeal the SLD's November 17, 2009 appeal denial to the FCC.

This goes back to an unresolved appeal from funding year 2006 regarding FRN 1430560 where premise for the change of category from Basic Maintenance to Internal Connections as noted on the Funding Commitment Decision letter is incorrect. Schenectady City School District originally requested the funding of FRN 1430560 as Basic Maintenance. The change of category of funding was based on the SLD assuming PBX software maintenance was requested as a purchase of Internal Connections and not for the Basic Maintenance of PBX Equipment. PBX software maintenance is, in fact, Basic Maintenance.

During the Program Integrity Assurance (PIA), support for Blackboard web Server was cost allocated and not requested for funding. During Program Integrity Assurance (PIA) the Reviewer stated that the FRN 1430560 would not be funded unless the category of service was changed from Basic Maintenance to Internal Connections. The change of category of funding was based on the SLD assuming the district was purchasing new PBX software licenses. In actuality, the district was purchasing software maintenance on the district PBX, which was totally eligible under program rules.

During PIA, phase of the program the reviewer never stated the consequence or asked for additional information. In addition, the reviewer advised that SCSD would not receive funding if we did not change the category of service to Internal Connections. Basically, the district was given a choice of no funding at all or change the category of service. By following his advice, without further explanation the district now suffers from lack of funding. Per the Bishop Perry Order, to make corrections to ministerial or clerical errors, we feel that Schenectady City School District should be able to change the category of service back to the original request of Basic Maintenance.

By changing the category of service from Basic Maintenance to Internal Connections, Schenectady City School District now uses one (1) year of its ability to request funding of Internal Connections. The Funding Year 2006 – 2007 was only to be used to request funding for one school (Fulton School, Entity 16035234) with an e-rate discount of 90%. Consequently, it appears that all schools with an e-rate discount of 90% received funding for Internal Connections. This is not true as noted in the attached Item 21 attachment FRN I430560 is only for Basic Maintenance of Internal connections.

Now, the unresolved appeal from funding year 2006 trickles down and negatively impacts funding year 2009 FRNs 1835818, 1835819, 1835820, 1835782, 1835785, 1835786, 1835791, 1835793, 1835796, 1843783. We feel the Bishop Perry Order should be considered in review of these appeals. We would like to appeal of FRN 1430560 be approved and the category of service be returned to "Basic Maintenance" so that FRNs 1835818, 1835819, 1835820, 1835782, 1835785, 1835786, 1835791, 1835793, 1835796, 1843783 can be funded.

Given the reasons stated above, the Parties respectfully request that the FCC expeditiously process this Letter of Appeal and immediately change the category of service to basic maintenance in the funding commitment for Schenectady City School District from funding year 2006 for FRN 1430560 so that funding year 2009 FRNs 1835818, 1835819, 1835820, 1835782, 1835785, 1835786, 1835791, 1835793, 1835796, 1843783 can be funded. The change of category of funding for an administrative error places a particular hardship on a school district such as Schenectady City School District that otherwise could plan and

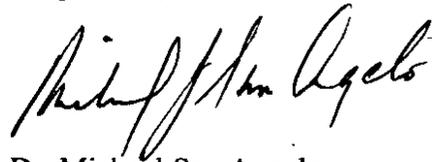
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strategically request funding for internal connections so that they to not violate the 2 in 5 rule.
Accordingly, your prompt attention to this appeal is appreciated.

Please direct any questions regarding this Letter of Appeal to the following:

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Respectfully submitted,



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cc: Shari Dwyer Phillips (Erate Exchange)
Brian Hogan (New England Systems and Software Inc.)