

**Before the
Federal Communications Commission
Washington DC 20554**

In the Matter of:

)	
Request for Review of a decision)	
by the Schools and Libraries Division)	Administrator Correspondence Dated
for Greensville County, Virginia)	March 2011
Public Schools)	
)	
)	
Schools and Libraries Universal Service)	CC Docket No. 02-6
Support Mechanism)	

Request for Review or Waiver

In accordance with Sections 54.719 through 54.721 of the Commission’s Rules, Greensville County Public Schools, Virginia (Greensville) requests Federal Communications Commission (Commission) review of a decision of the Universal Service Administrative Company (Administrator) reducing a funding request for Basic Maintenance of Internal Connections.

Requestor: Greensville County Public Schools, Virginia
Billed Entity Number: 126551
FCC Registration Number: 0002034684
Funding Request Number: 1983120
Form 471 Number: 733398

During review of the FRN here under appeal, the Administrator reduced funding by \$160.64 per month (\$1,927.68 total) to remove “Smarnet Licenses” from the funding request. Specifically the Administrator determined the items were “CISCO Unified Communications

Software Subscription licenses” and should be classified as Internal Connections rather than Basic Maintenance. During review the Administrator gave Greenville the option of separating the items from the funding request for a new Internal Connection request or reduce the request to remove the ineligible items. Greenville opted to reduce the funding request because of two-in-five year concerns with Internal Connections but maintained that the items were eligible as Basic Maintenance.

Discussion

Greenville purchased a Voice Over IP (VOIP) telephone system to serve the school division in 2008 and 2009. The purchase price included the initial cost of software licenses for the system. Once purchased, VOIP telephone systems require annual software updates to maintain reliable system performance. CISCO includes VOIP software licenses in its family of Smartnet products. Greenville had a single response to its Form 470 posting for Basic Maintenance of Internal Connections. The vendor proposed Smartnet coverage for all eligible equipment, including “Essential Software Coverage” for the VOIP telephone system. The vendor proposal is included as Attachment A.

The VOIP portion of the funding request included the following items: CUCM-BE7-50USR (6 each), CUCM-BE7-50USR (2 each), and one MCS7828H3-K9-BE7. All items were essential software updates for the VOIP system under the CISCO Smartnet umbrella, with a total cost of \$1,927 for the portions of the fund year covered. If the listed software packages were purchased new the retail cost would exceed \$20,000, according to vendor documentation. Clearly, the cost is reflective of software updates rather than outright purchase of new software.

CISCO Smartnet products were eligible as Basic Maintenance of Internal Connections in Fund Year 2010. Smartnet includes: 24X7 tech support, either via phone or online; hardware replacement; software updates and critical software patches; and, in some cases, technician dispatched to replace equipment. Greenville applied for Smartnet coverage of the VOIP telephone system software which includes tech support and software updates.

Greenville elected to limit Basic Maintenance support for the VOIP system to the necessary software updates required to effectively operate the system rather than the more expensive coverage of the VOIP equipment itself. Had Greenville added the VOIP equipment in the Smartnet application, the necessary software updates would have been included in addition to equipment replacement.

In the Sixth Report and Order, the Commission reiterated the longstanding regulation that Basic Maintenance of Internal Connections includes: "...but for the maintenance at issue, the service would not function and serve its intended purpose with the degree of reliability ordinarily provided in the marketplace to entities receiving such services."¹ Subsequently, the Commission clarified the Sixth Report and Order specifically discussing software upgrades: "Services such as software upgrades and patches, including bug fixes and security patches, and online and telephone-based technical assistance and tools that are typically standard fixed priced offerings will *continue* to be funded as BMIC if the service or equipment would not function and serve its intended purpose with the degree of reliability ordinarily provided but for these specific services."² (emphasis added)

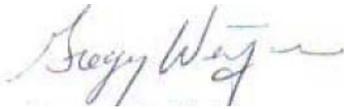
¹ Sixth Report and Order, FCC 10-175, rel. September 28, 2010 at 107.

² DA 10-2355, CC Docket No. 02-6, Rel. December 15, 2010 at 6.

The funding requests in this appeal are necessary for the VOIP system to function and serve its intended purpose with the degree of reliability provided in the marketplace. The software upgrades are clearly limited to necessary upgrades to existing purchased software and are not new purchases. These upgrades should be treated as Basic Maintenance of Internal Connections and not Internal Connections.

Greensville asks the Commission to overturn this denial and restore funding for this request. Alternatively, Greensville asks the Commission to waive relevant regulation and overturn this funding denial.

Respectfully submitted this Fourth day of May, 2011,

A handwritten signature in blue ink, appearing to read "Greg Weisiger", is written over a light blue horizontal line.

Greg Weisiger
Consultant for Greensville County Schools
14504 Bent Creek Ct.
Midlothian, VA 23112