

EXHIBIT

A

MSD MARTINSVILLE

FY 2014

471 # 974677

Greg Rollo
MSD Martinsville
460 S. Main Street
Martinsville, IN 46151

M.S.D. OF
MARTINSVILLE

JUL 17 2017

R E C E I V E D

Billed Entity Number: 130253
Form 471 Application Number: 974677
Form 486 Application Number:



Universal Service Administrative Company
Schools & Libraries Division

Administrator's Decision on Appeal – Funding Year 2014-2015

July 13, 2017

Bret Lewis
AdTec
P.O. Box 223
New Market, IN 47965

Re: Applicant Name: MSD OF MARTINSVILLE
Billed Entity Number: 130253
Form 471 Application Number: 974677
Funding Request Number(s): 2654363
Your Correspondence Dated: April 21, 2017

After thorough review and investigation of all relevant facts, the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC) has made its decision in regard to your appeal of USAC's Funding Year 2014 Notification of Commitment Adjustment Letter for the Application Number indicated above. This letter explains the basis of USAC's decision. The date of this letter begins the 60 day time period for appealing this decision. If your Letter of Appeal included more than one Application Number, please note that you will receive a separate letter for each application.

Funding Request Number(s): 2654363
Decision on Appeal: **Denied**
Explanation:

- During a Payment Quality Assurance (PQA) review, it was determined that MSD OF MARTINSVILLE selected its service provider prior to the close of the mandatory 28-day waiting period. On appeal, your documentation failed to prove otherwise, therefore, your appeal is denied.
- You selected your vendor for new products and/or services prior to the expiration of the 28 day posting period. FCC rules require that except under limited circumstances, all FCC Forms 470 received be posted on the USAC website for 28 days, and that applicants carefully consider all bids received before selecting a vendor, entering into an agreement or signing a contract, and signing and submitting an FCC Form 471. See 47 C.F.R. secs. 54.503(b) and (c), 54.511(a) and (c). FCC rules further require that the Administrator send the applicant a

confirmation when the FCC Form 470 has been posted, and inform the applicant of the earliest date upon which they may sign a contract with the vendor it selects. *See* 47 C.F.R. sec. 54.503(c)(4). These competitive bidding requirements help to ensure that applicants receive the lowest pre-discount price from vendors. *See* Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Order on Reconsideration, 12 FCC Rcd 10095, 10098, FCC 97-246 para. 9 (rel. Jul. 10, 1997). New products and/or services include tariff, month to month and services for which a new written contract is sought for the current funding year.

Since your appeal was denied in full, dismissed or cancelled, you may file an appeal with the FCC. Your appeal must be postmarked within 60 days of the date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found under the Reference Area/"Appeals" of the SLD section of the USAC website or by contacting the Client Service Bureau. We strongly recommend that you use the electronic filing options.

We thank you for your continued support, patience and cooperation during the appeal process.

Schools and Libraries Division
Universal Service Administrative Company

Sam Arnes/Brian Friesse
MSD OF MARTINSVILLE
P.O. Box 1416
Martinsville, IN 46151-0416

EXHIBIT B
MSD MARTINSVILLE
FY 2014
471 # 974677



Schools and Libraries Program

Demand Payment Letter

(Funding Year 2014: July 1, 2014 - June 30, 2015)

July 13, 2017

Sam Arnes/Brian Friesse
MSD OF MARTINSVILLE
P.O. Box 1416
Martinsville, IN 46151-0416

Re: Form 471 Application Number:	974677
Funding Year:	2014
Applicant's Form Identifier:	2014-486
Billed Entity Number:	130253
FCC Registration Number:	0020321220
SPIN:	143031449
Service Provider Name:	HRS Internet LLC
Service Provider Contact Person:	Amanda Haase
Payment Due By:	8/12/2017

M.S.D. OF
MARTINSVILLE
JUL 17 2017
RECEIVED

You were previously sent a Notification of Commitment Adjustment Letter informing you of the need to recover funds for the Funding Request Number(s) (FRNs) listed on the Funding Commitment Adjustment Report (Report) attached to the Notification of Commitment Adjustment Letter. A copy of that Report is attached to this letter.

The balance of this debt is due within 30 days from the date of this letter. Failure to pay the debt within 30 days from the date of this letter could result in interest, late payment fees, administrative charges, and implementation of the "Red Light Rule." The FCC's Red Light Rule requires USAC to dismiss pending FCC Form 471 applications if the entity responsible for paying the outstanding debt has not paid the debt, or otherwise made satisfactory arrangements to pay the debt within 30 days of the notice provided by USAC. For more information on the Red Light Rule, please see <https://www.fcc.gov/encyclopedia/red-light-frequently-asked-questions>.

If the Universal Service Administrative Company (USAC) has determined that both the applicant and the service provider are responsible for a Program rule violation, then, pursuant to the Order on Reconsideration and Fourth Report and Order (FCC 04-181), USAC will seek recovery of the improperly disbursed amount from BOTH parties and will continue to seek recovery until either or both parties have fully paid the debt. If USAC has determined that both the applicant and the service provider are responsible for a Program rule violation, this was indicated in the Funding Commitment Adjustment Explanation on the Funding Commitment Adjustment Report.

If USAC is attempting to collect all or part of the debt from both the applicant and the service provider, then you should work with your service provider to determine who will be repaying the debt to avoid duplicate payment. Please note, however, that the debt is the responsibility of both the applicant and service provider. Therefore, you are responsible for ensuring that the debt is paid in a timely manner.

Please remit payment for the full "Funds to be Recovered from Applicant" amount shown in the Report. To ensure that your payment is properly credited, please include a copy of the Report with your check. Make your check payable to the Universal Service Administrative Company (USAC).

Use one of the appropriate addresses listed below to send payments to USAC.

U.S. Postal Service and Standard Mail for Payments:

USAC
PO Box 105056
Atlanta, GA 30346-5056

Courier and Overnight Packages:

USAC
Lockbox 105056
1075 Loop Road
Atlanta, GA 30337
(404) 209-6377

ACH payments:

USAC requests that all ACH payment be sent in CCD+ format to:
ABA Routing #071000039, Account #5590045653

Payment is due within 30 days from the date of this letter.

Complete Program information is posted to the SLP section of the USAC website at www.usac.org/slp/. You may also contact the SLP Client Service Bureau by email using the "Submit a Question" link on the SLP website, by fax at 1-888-276-8736 or by phone at 1-888-203-8100. Contacting SLP for questions does not change the deadline for your response to this Letter.

Universal Service Administrative Company
Schools and Libraries Program

Funding Commitment Adjustment Report
Form 471 Application Number: 974677

Funding Request Number: 2654363
Services Ordered: TELCOMM SERVICES
SPIN: 143031449
Service Provider Name: HRS Internet LLC
Contract Number: N/A
Billing Account Number: 0000000038
Site Identifier: 130253
Original Funding Commitment: \$37,233.09
Commitment Adjustment Amount: \$37,233.09
Adjusted Funding Commitment: \$0.00
Funds Disbursed to Date: \$32,306.50
Funds to be Recovered from Applicant: \$32,306.50
Funding Commitment Adjustment Explanation:

Finding 1

During a Payment Quality Assurance (PQA) review, it has been determined that this funding commitment must be rescinded in full. The applicant selected a service provider prior to the expiration of 28-day posting period. FCC rules require that, except under limited circumstances, all FCC Forms 470 received be posted on the USAC web site for 28 days, and that applicants carefully consider all bids received before selecting a service provider, entering into an agreement or signing a contract, and signing and submitting a FCC Form 471. In the FCC Form 470 Receipt Notification Letter, USAC notified the applicant that the earliest date upon which they could sign a contract or enter into an agreement (Allowable Contract Date) was December 8, 2012. Based on the contract, the service provider was selected on November 10, 2012, which is prior to the required 28-day posting period. Therefore, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Finding 2

During a Payment Quality Assurance (PQA) review, it has been determined that funds were improperly disbursed for this funding request. Funds were disbursed in excess of the actual cost of the products and/or services actually delivered to the applicant. Specifically, the applicant invoiced USAC in excess of the amount billed for the services provided by the service provider. FCC rules authorize USAC to disburse funds to service providers for providing supported services to eligible entities. These rules are violated if the Administrator is invoiced and funds are disbursed in excess of the services and/or products delivered to the eligible entity. In this situation, the applicant certified on the BEAR Form that discount amounts for which the applicant is seeking reimbursement represent charges for eligible services delivered to and used by eligible entities. Additionally, the applicant made a certification on the BEAR form stating that the discount amounts listed on the form were already billed by the service provider and paid by the Billed Entity Applicant on behalf of eligible schools, libraries, and consortia of those entities. Accordingly, USAC will seek recovery of \$11.11 of improperly disbursed funds from the applicant. (Recovery amount is included in recovery under finding 1.)

PLEASE SEND A COPY OF THIS PAGE WITH YOUR
CHECK TO ENSURE TIMELY PROCESSING



EXHIBIT C
MSD MARTINSVILLE
FY 2014
471# 974677
Schools and Libraries Program

Notification of Commitment Adjustment Letter

Funding Year 2014: July 1, 2014 - June 30, 2015

March 08, 2017

Sam Arnes/Brian Frieese
MSD OF MARTINSVILLE
P.O. Box 1416
Martinsville, IN 46151-0416

Re: Form 471 Application Number:	974677
Funding Year:	2014
Applicant's Form Identifier:	2014-486
Billed Entity Number:	130253
FCC Registration Number:	0020321220
SPIN:	143031449
Service Provider Name:	HRS Internet LLC
Service Provider Contact Person:	Amanda Haase

Our routine review of Schools and Libraries Program (SLP) funding commitments has revealed certain applications where funds were committed in violation of SLP rules.

In order to be sure that no funds are used in violation of SLP rules, the Universal Service Administrative Company (USAC) must now adjust your overall funding commitment. The purpose of this letter is to make the required adjustments to your funding commitment, and to give you an opportunity to appeal this decision. USAC has determined the applicant is responsible for all or some of the violations. Therefore, the applicant is responsible to repay all or some of the funds disbursed in error (if any).

This is NOT a bill. If recovery of disbursed funds is required, the next step in the recovery process is for USAC to issue you a Demand Payment Letter. The balance of the debt will be due within 30 days of that letter. Failure to pay the debt within 30 days from the date of the Demand Payment Letter could result in interest, late payment fees, administrative charges and implementation of the "Red Light Rule." The FCC's Red Light Rule requires USAC to dismiss pending FCC Form 471 applications if the entity responsible for paying the outstanding debt has not paid the debt, or otherwise made satisfactory arrangements to pay the debt within 30 days of the notice provided by USAC. For more information on the Red Light Rule, please see <https://www.fcc.gov/encyclopedia/red-light-frequently-asked-questions>.

Schools and Libraries Program - Correspondence Unit
30 Lanidex Plaza West, P.O. Box 685, Parsippany, NJ 07054-0685
Visit us online at: www.usac.org/sl

M.S.D. OF
MARTINSVILLE

MAR 15 2017

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TO APPEAL THIS DECISION:

If you wish to appeal the Commitment Adjustment Decision indicated in this letter to USAC, your appeal must be received or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and email address (if available) for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Identify the date of the Notification of Commitment Adjustment Letter and the Funding Request Number(s) (FRNs) you are appealing. Your letter of appeal must include the
 - Billed Entity Name,
 - Form 471 Application Number,
 - Billed Entity Number, and
 - FCC Registration Number (FCC RN) from the top of your letter.
3. When explaining your appeal, copy the language or text from the Notification of Commitment Adjustment Letter that is the subject of your appeal to allow USAC to more readily understand your appeal and respond appropriately. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep a copy of your entire appeal including any correspondence and documentation.
4. If you are an applicant, please provide a copy of your appeal to the service provider(s) affected by USAC's decision. If you are a service provider, please provide a copy of your appeal to the applicant(s) affected by USAC's decision.
5. Provide an authorized signature on your letter of appeal.

We strongly recommend that you use one of the electronic filing options. To submit your appeal to USAC by email, email your appeal to appeals@sl.universalservice.org or submit your appeal electronically by using the "Submit a Question" feature on the USAC website. USAC will automatically reply to incoming emails to confirm receipt.

To submit your appeal to us by fax, fax your appeal to (973) 599-6542.

To submit your appeal to us on paper, send your appeal to:

Letter of Appeal
Schools and Libraries Program - Correspondence Unit
30 Lanidex Plaza West
PO Box 685
Parsippany, NJ 07054-0685

For more information on submitting an appeal to USAC, see "Appeals" in the "Schools and Libraries" section of the USAC website.

FUNDING COMMITMENT ADJUSTMENT REPORT

On the pages following this letter, we have provided a Funding Commitment Adjustment Report (Report) for the Form 471 application cited above. The enclosed Report includes the Funding Request Number(s) from your application for which adjustments are necessary. See the "Guide to USAC Letters" posted at <http://www.usac.org/sl/tools/samples.aspx> for more information on each of the fields in the Report. USAC is also sending this information to your service provider(s) for informational purposes. If USAC has determined the service provider is also responsible for any rule violation on the FRN(s), a separate letter will be sent to the service provider detailing the necessary service provider action.

Note that if the Funds Disbursed to Date amount is less than the Adjusted Funding Commitment amount, USAC will continue to process properly filed invoices up to the Adjusted Funding Commitment amount. Review the Funding Commitment Adjustment Explanation in the attached Report for an explanation of the reduction to the commitment(s). Please ensure that any invoices that you or your service provider(s) submits to USAC are consistent with SLP rules as indicated in the Funding Commitment Adjustment Explanation. If the Funds Disbursed to Date amount exceeds your Adjusted Funding Commitment amount, USAC will have to recover some or all of the disbursed funds. The Report explains the exact amount (if any) the applicant is responsible for repaying.

Schools and Libraries Program
Universal Services Administrative Company

cc: Amanda Haase
HRS Internet LLC

Funding Commitment Adjustment Report for
Form 471 Application Number: 974677

Funding Request Number:	2654363
Services Ordered:	TELCOMM SERVICES
SPIN:	143031449
Service Provider Name:	HRS Internet LLC
Contract Number:	N/A
Billing Account Number:	0000000038
Site Identifier:	130253
Original Funding Commitment:	\$37,233.09
Commitment Adjustment Amount:	\$37,233.09
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$32,306.50
Funds to be Recovered from Applicant:	\$32,306.50
Funding Commitment Adjustment Explanation:	

Finding 1

During a Payment Quality Assurance (PQA) review, it has been determined that this funding commitment must be rescinded in full. The applicant selected a service provider prior to the expiration of 28-day posting period. FCC rules require that, except under limited circumstances, all FCC Forms 470 received be posted on the USAC web site for 28 days, and that applicants carefully consider all bids received before selecting a service provider, entering into an agreement or signing a contract, and signing and submitting a FCC Form 471. In the FCC Form 470 Receipt Notification Letter, USAC notified the applicant that the earliest date upon which they could sign a contract or enter into an agreement (Allowable Contract Date) was December 8, 2012. Based on the contract, the service provider was selected on November 10, 2012, which is prior to the required 28-day posting period. Therefore, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Finding 2

During a Payment Quality Assurance (PQA) review, it has been determined that funds were improperly disbursed for this funding request. Funds were disbursed in excess of the actual cost of the products and/or services actually delivered to the applicant. Specifically, the applicant invoiced USAC in excess of the amount billed for the services provided by the service provider. FCC rules authorize USAC to disburse funds to service providers for providing supported services to eligible entities. These rules are violated if the Administrator is invoiced and funds are disbursed in excess of the services and/or products delivered to the eligible entity. In this situation, the applicant certified on the BEAR Form that discount amounts for which the applicant is seeking reimbursement represent charges for eligible services delivered to and used by eligible entities. Additionally, the applicant made a certification on the BEAR form stating that the discount amounts listed on the form were already billed by the service provider and paid by the Billed Entity Applicant on behalf of eligible schools, libraries, and consortia of those entities. Accordingly, USAC will seek recovery of \$11.11 of improperly disbursed funds from the applicant. (Recovery amount is included in recovery under finding 1.)