

BART STANLEY  
GALLUP-MCKINLEY CO SCHOOL DIST  
640 BOARDMAN DRIVE  
P.O. BOX 1318  
GALLUP, NM 87305-1318



**Demand Payment Letter  
FINAL REQUEST**

( Funding Year 2001: July 1, 2001 - June 30, 2002 )

August 8, 2017

Bart Stanley  
GALLUP-MCKINLEY CO SCHOOL DISTRICT  
640 BOARDMAN DR, PO BOX 1318  
GALLUP, NM 87305

**- PAST DUE NOTICE -**

**THIS NOTICE PROVIDES IMPORTANT INFORMATION ABOUT YOUR  
ACCOUNT AND YOUR RIGHTS AND OBLIGATIONS UNDER LAW**

Re: Form 471 Application Number:	248147
Funding Year:	2001
Applicant's Form Identifier:	2001-1
Billed Entity Number:	143257
FCC Registration Number:	0001604743
SPIN:	143005607
Service Provider Name:	International Business Machines Corporation
Service Provider Contact Person:	Todd Twine
Payment Due By:	8/8/2017

You were previously sent a Demand Payment 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 this letter. You were also sent a Second Demand for Payment Letter on 05/16/2011. Our records indicate that you have not responded to either letter. As of 05/16/2011, the debt is past due. Because you did not pay the full amount, it is past due (delinquent), and it is legally enforceable. The purpose of this letter is to give you a final opportunity to repay the debt and to inform you of the repercussions associated with not repaying the debt.

**THE FOLLOWING PROVISIONS CONTAIN IMPORTANT INFORMATION AND A DESCRIPTION OF LEGAL RIGHTS,  
OBLIGATIONS, AND OPPORTUNITIES**

1. Pursuant to the provisions of the Debt Collection Act of 1982 (Public Law 97-365) and the Debt Collection Improvement Act of 1996 (Public Law 104-134), as amended (the DCIA), as set forth below, continued failure to make the demanded payment has resulted in the assessment of administrative charges, penalties, and interest, and it may result in sanctions, including, but not limited to, administrative proceedings or judicial action to recover the outstanding debt.
2. Unless we receive full payment, evidence that the debt is not owed, or a request for installment payment plan for repaying the outstanding debt within 30 days of the date of this Letter (Demand Date), pursuant to the DCIA, you may incur additional charges and

costs, and the debt may be transferred to the Secretary of Treasury (Treasury) for debt collection. The FCC has determined that the funds are owed to the United States pursuant to the provisions of 31 U.S.C. § 3701 and 47 U.S.C. § 254. Because the unpaid amount is a debt owed to the United States, we are required by the DCIA to impose interest and to inform you what may happen if you do not pay the full outstanding debt. Under the DCIA, the United States will charge interest from the date of this notice and you will be required to pay the administrative costs of processing and handling a delinquent debt as set by the Treasury. The Treasury will impose additional charges (currently 28% of the debt). Additional information regarding the DCIA is available at 31 U.S.C. §§ 3701, 3711, 3716, 3717 and 3720B, the Federal Claims Collection Standards (e.g. 31 C.F.R. § 900.1, et seq.) and 47 C.F.R. § 1.1901, et seq.

3. Please be advised that when the debt is transferred, you may be subject to an administrative proceeding if one has not already been initiated (see 47 C.F.R. § 1.1910). For example, information about your delinquent account has been or will be reported to credit bureaus (see 31 U.S.C. § 3711(e)) and administrative offset has been or may be applied (see 31 U.S.C. § 3716). Moreover, under 31 U.S.C. § 3720B, a person owing an outstanding non-tax debt that is in delinquent status shall not be eligible for Federal financial assistance. Furthermore, the Debt may be referred to the United States Department of Justice (DOJ) for enforced collection, which may result in additional administrative costs. Separately, we may also request action by the Commission's Enforcement Bureau.

4. Pursuant to the Commission's DCIA Order (FCC 04-72, released Apr. 13, 2004), the FCC will withhold action on any application or request for benefits made by an entity that is delinquent in its non-tax debts owed to the Commission, and shall dismiss such applications or requests if the delinquent debt is not resolved. The Commission has generally referred to this as the "Red Light Rule". This rule applies to the Schools and Libraries Universal Service Support Mechanism. The Fifth Report and Order (FCC 04-190, released Aug. 13, 2004) directed USAC to dismiss any outstanding requests for funding commitments if an entity has not paid the outstanding debt, or made otherwise satisfactory arrangements within 30 days (See Fifth Report and Order at ¶ 42). Therefore, pursuant to the DCIA Order and the Fifth Report and Order, failure to make full payment or arrangements for payment within 30-days of the date of this letter may cause USAC to place you under the provisions of the Red Light Rule. For more information on the Red Light Rule, please see <https://www.fcc.gov/encyclopedia/red-light-frequently-asked-questions>. In determining whether an entity is delinquent for purposes of the Red Light Rule, the Commission matches the FCC Registration Number of the applying entity to its database of debts; the applicant's FCC Registration Number will be linked to all other FCC Registration Number's associated with the same Taxpayer Identification Number (TIN). To obtain an FCCRN, go to the registration site <https://apps.fcc.gov/coresWeb/publicHome.do>

#### Opportunity of Inspection and Review

5. You have an opportunity to inspect and copy the invoices and the records pertinent to the debt. The Notification of Commitment Adjustment Letter gave you the opportunity to appeal the validity of the debt. However, if you have evidence that all or part of the Debt has been paid and is no longer delinquent, you must present it to us within fifteen (15) days of the date of this Demand. If your debt is under appeal, either at USAC or the FCC, you will not be transferred under the DCIA to the Treasury for further collections activities.

#### Opportunity to Request Repayment Agreement

6. You have an opportunity to request a written repayment agreement (which includes a Promissory Note) to pay the full amount of the debt. If, due to financial hardship, you are unable to pay the full amount of the past due invoice in a lump sum, you may contact our

Customer Service Office to request an installment payment plan, which will require the payment of interest and execution of a promissory note. If you fail to pay the installment payment plan amount in full, plus accrued interest, penalties, and administrative charges, several administrative or judicial actions may result. First, your delinquent account information will be reported to credit bureaus, your account will be subject to administrative action by the FCC and the Treasury, including administrative offset, denial of certain federal benefits, withholding of action on any pending application (see 47 C.F.R. § 1.1910 (Red Light)), and referral to private collection attorneys. Next, we may refer the circumstances of your delinquency to the FCC's Enforcement Bureau for further action. Finally, your delinquent debt may be transferred to either the Treasury for further administrative collection or the DOJ for enforced collection.

To provide evidence that all or part of the Debt has been paid or request an installment payment plan, you may notify us in writing by mail or facsimile transmission at the following address and telephone number:

Schools and Libraries Program-  
Correspondence Unit  
30 Lanidex Plaza West, P.O. Box 685  
Parsippany, NJ 07054-0685  
Phone Number: 973-581-5395  
Fax Number: 973-599-6582

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 30348-5056

**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 MUST BE RETURNED IMMEDIATELY.**

Complete Program information is posted to the SLP section of the USAC web site at [www.usac.org/slp/](http://www.usac.org/slp/). You may also contact the SLP Technical 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  
for Form 471 Application Number: 248147**

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Funding Request Number:	606006
Services Ordered:	INTERNAL CONNECTIONS
SPIN:	143005607
Service Provider Name:	International Business Machines Corporation
Contract Number:	HQ12291
Billing Account Number:	3602033
Site Identifier:	143257
Original Funding Commitment:	\$925,767.09
Commitment Adjustment Amount:	\$41,145.20
Adjusted Funding Commitment:	\$884,621.89
Funds Disbursed to Date:	\$920,217.95
Funds to be Recovered from Applicant: <sup>1</sup>	\$35,596.06

**Funding Commitment Adjustment Explanation:**

The FCC received an appeal on your behalf to review USACs decision of the aforementioned FRN. FCC Order DA 17-712 released July 31, 2017 denied the petitioners request to review USACs decision. USAC will continue to seek recovery for the following reason:

Based on an appeal, the commitment has been adjusted to \$884,621.89. Therefore we are now seeking recovery of \$35,596.06; which is the the difference between the amount disbursed and the new commitment amount. Please see below for explanation and original findings:

After a thorough investigation, it has been determined that this funding commitment must be rescinded in the amount of \$41,145.20. During the course of an audit it was determined that USAC erroneously committed funds for FRN 606006. On the original Form 471 the applicant was approved at a 90 percent discount. FCC rules indicate that the level of poverty shall be measured by the percentage of the student enrollment that is eligible for a free or reduced price lunch under the national school lunch program or a federally-approved alternative mechanism. During the course of an audit it was determined that the applicant is only eligible to receive an 86 percent discount. This determination was based on documentation that was provided by the applicant during an appeal of the audit finding. Therefore, your funding commitment has been reduced and USAC will seek recovery of \$35,596.06 from the applicant.

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. During an audit it was determined that USAC erroneously committed funds for FRN 606006. On the original Form 471 the applicant was approved at a 90 percent discount. FCC rules indicate that the level of poverty shall be measured by the percentage of the student enrollment that is eligible for a free or reduced price lunch under the national school lunch program or a federally-approved alternative mechanism. During the course of an audit it was determined that the applicant is only eligible to receive an 84 percent discount. This determination was based on documentation that was provided by the applicant during the audit. Pursuant to the FCC rules, requests for internal connections are given second priority and, when demand for discounts for internal connections exceeds available support, funding should be awarded first to applicants eligible for 90% discount level and then at each descending single discount percentage level until funds are depleted. Since it was determined that your FY 2001 request for funding was for internal

connections and approved for 86 percent, and taking into account a fact that there were not sufficient funds for FY 2001 to provide internal connections to applicants at your discount rate, your funding commitment has been rescinded in full and USAC will seek recovery of any disbursed funds from the applicant.

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

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<sup>1</sup> Please note that if the Funds to be Recovered from the Applicant is less than what was reported on the Notification of Commitment Adjustment Letter or the 2nd Demand Payment Letter, it is because you have partially repaid the debt or because the service provider has partially repaid the debt.