

**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 White Pine Library,	)	July 20, 2017
Stanton, MI	)	
	)	
	)	
Schools and Libraries Universal Service	)	CC Docket No. 02-6
Support Mechanism	)	

**Request for Review**

In accordance with Sections 54.719 through 54.721 of the Commission's Rules, White Pine Library (White Pine) appeals decisions of the Schools and Libraries Division of the Universal Service Administrative Company (Administrator). The Administrator issued Commitment Adjustment Letters citing bidding violations for 2003 and 2004 applications. Specifically, the Administrator contends the White Pine E-Rate consultant was owned by the service provider and the Administrator is exempt from the Commission's five-year statute of limitations. White Pine denies violating any bidding rules and questions the Administrator motives with the timing of this action. This appeal comes timely submitted within 60 days of the Administrator decision. Clear instructions in the Commission's Fifth Report and Order forbids the Administrator from taking this action against White Pine.<sup>1</sup>

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<sup>1</sup> Fifth Report and Order, FCC 04-190, rel. August 13, 2004, CC Docket Number 02-6 at 32: Under the policy we adopt today, USAC and the Commission shall carry out any audit or investigation that may lead to discovery of any violation of the statute or a rule within five years of the final delivery of service for a specific funding year.

**Requestor: White Pine Library**  
**Billed Entity Number: 131264**  
**FCC Registration Number 0011993268**  
**Funding Request Numbers: 990303, 1134631**  
**Form 471 Numbers: 364773, 413273**

In correspondence dated July 20, 2017, the Administrator denied an Administrator appeal filed by White Pine and confirmed Funding Commitment Adjustment Letters retroactively denying funding for the FRN here under appeal (Attachment A). The Administrator cited a 2006 stock purchase agreement it contends was proof that Elite Fund, White Pine's E-Rate consultant was owned by a service provider in 2003 and 2004.

This decision comes over a decade after the fund years in question were concluded and over seven years after the last date to retain documents related to these FRN. White Pine is at a complete loss to understand the Administrator's action with this attempt to claw back E-Rate funding that was eligible and properly bid.

### **Background**

White Pine posted Form 470s with RFPs for these FRN. The contact on both Forms was a White Pine employee. The RFPs and Form 470s were posted and available for at least 28 days. The responses were received and evaluated by an employee of White Pine and price was weighted the highest. White Pine contracted with Crystal Automated Systems for Internet services for both Fund Year 2003 and 2004. Crystal Automated Systems discounted invoices to White Pine and submitted E-Rate reimbursement to the Administrator for payment.

Complete records are not available, especially for Fund Year 2003, because document retention requirements for Stanton, Michigan and the E-Rate program are long passed; however,

White Pine did retain some documentation for 2004 which clearly shows that Elite Fund, Inc. was acting as a consultant only (Attachment B) to White Pine. White Pine personnel worked with Elite Fund, Inc. to indicate what items should be included on the RFP and Form 470. The documentation also clearly states that White Pine personnel were responsible for receiving and evaluating all bids. Personnel have completely turned over since these Fund Years, making it impossible to gather all facts for this situation. White Pine was unaware of an alleged improper relationship between a consultant and vendor and any such relationship had no impact on vendor selection.

The Administrator did not contact White Pine at all regarding these applications for 12 years. On June 21, 2017, out of the blue and as a complete surprise to White Pine, the Administrator issued Commitment Adjustment letters demanding repayment of over \$14,000 for services related to these FRN. The Administrator alleged Casair and Elite were the same company and therefore a violation of competitive bidding rules occurred. In denying White Pine's appeal, the Administrator regurgitated the same competitive bidding language and added that the statute of limitations did not apply, citing a decision by the Commission in Net56 that the five-year statute of limitations "...is a policy preference and does not serve as a bar to recovery of improperly disbursed funding." <sup>2</sup>

## **Discussion**

Without question, the Administrator exceeded its authority with retroactive denial of these FRN. The decision, more than a decade after the alleged event that triggered the Commitment Adjustments, is based solely on a stock sale in 2006 and no other detail. White Pine

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<sup>2</sup> Administrator Decision on Appeal for White Pine Community School District dated July 6, 2017 at 3.



was not aware of any alleged improper relationship between consultant and vendor, did not cede control of the bidding process to a consultant or vendor, selected the most cost-effective provider, retained documentation for the required period, and closed the books. There was absolutely no violation of E-Rate regulations.

In the first years of the E-Rate program, White Pine determined the program was exceedingly complex and engaged in a search for a consultant. White Pine selected Elite Fund as consultant because George Winchell, as head of the company, had a stellar reputation as a local educator, technology expert, and E-Rate expert. For the applications here under appeal, Mr. Winchell prepared Forms 470 and 471 in accordance with instructions provided by White Pine. White Pine was contact on the Form 470, received all bids and evaluated all bids. Mr. Winchell had no role in vendor selection.

When the fund year ended on June 30, 2005 for the last FRN under appeal, White Pine reviewed invoices and confirmed discounted billing was in accordance with E-Rate policies and regulations in place at the time. White Pine was not aware of any review, audit or investigation of these applications during the subsequent 12 years. The Administrator made absolutely no contact with White Pine regarding these applications, stock sale or alleged improper connection during the 12 years.

The Commission was quite clear in the Fifth Report and Order: “Under the policy we adopt today, USAC and the Commission *shall* carry out any audit or investigation that may lead to discovery of any violation of the statute or a rule within five years of the final delivery of service for a specific funding year.”<sup>3</sup> (emphasis added). The final delivery of service for these

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<sup>3</sup> Fifth Report and Order, FCC 04-190, rel. August 13, 2004, at 32



FRN was June 30, 2005 – 12 years before the Commitment Adjustment letters were issued. White Pine did not receive notice of an audit or investigation during that period. In Net56 the Commission stated that the Administrator had concluded its inquiry within five years of the funding disbursement and the resulting action fell within a reasonable time thereafter.<sup>4</sup>

Unlike Net56 where an investigation was initiated within five years of the last date to receive services, there was absolutely no audit or investigation directed at White Pine prior to the Commitment Adjustment letter. The Fifth Report and Order is clear on that point stating: “Under the policy we adopt today, USAC and the Commission shall carry out any audit or investigation that may lead to discovery of any violation of the statute or a rule within five years of the final delivery of service for a specific funding year.”<sup>5</sup> The Administrator violated clear Commission regulation when issuing a Commitment Adjustment to White Pine for these applications by failing to contact White Pine regarding an audit or investigation within five years of the last date to receive services.

Additionally, the Commission is time-barred from seeking recovery by the five year federal statute of limitations upheld by a recent Supreme Court ruling in *Kokesh v. SEC*.<sup>6</sup> This ruling forbids agencies from imposing penalties for alleged violations outside the five year statute of limitations.<sup>7</sup> Because White Pine was not aware of any alleged violation of and alleged improper vendor/consultant relationship and was never given notice of any alleged violation, a Commitment Adjustment imposed on White Pine constitutes a “penalty” and is not enforceable.

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<sup>4</sup> Net 56 Decision, FCC 17-1, Rel. January 17, 2017 at 9.

<sup>5</sup> Fifth Report and Order at 32.

<sup>6</sup> *Kokesh v. Securities and Exchange Commission*, No. 16-529, Decided June 5, 2017.

<sup>7</sup> 28 U. S. C. §2462 Except as otherwise provided by Act of Congress, an action, suit or proceeding for the enforcement of any civil fine, penalty, or forfeiture, pecuniary or otherwise, shall not be entertained unless commenced within five years from the date when the claim first accrued if, within the same period, the offender or the property is found within the United States in order that proper service may be made thereon.

## **Pattern of Commitment Adjustments**

White Pine is aware that the Administrator's decision to recoup funding from vendors and applicants as far back as the E-Rate program's inception is not isolated. The Administrator has issued hundreds of Commitment Adjustment letters since May 5, 2017 demanding approximately \$30 million from vendors and applicants for funding disbursements from old investigations, audits or other inquiries. Applicants, vendors and the Commission should be alarmed at these actions. Issuing Commitment Adjustments and demanding repayment of E-Rate funds years after document retention requirements leaves applicants in untenable positions of defending often baseless accusations without access to documents that could exonerate them. These actions fly in the face of the spirit of the Fifth Report and Order that: "We believe that conducting inquiries within five years strikes an appropriate balance between preserving the Commission's fiduciary duty to protect the fund against waste, fraud and abuse and the beneficiaries' need for certainty and closure in their E-rate application processes."<sup>8</sup> White Pine believes the Administrator has perverted the limited scope of the Net56 Decision to a scope much more broad than the Commission intended.

White Pine is concerned that it has been caught up in a sweeping attempt by the Administrator to pay for cost overruns related to the disastrous rollout of the EPC online portal with these actions.<sup>9</sup> Monies collected through Commitment Adjustments revert to the Universal Service Fund and could be used to offset administrative costs.

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<sup>8</sup> Fifth Report and Order at 33.

<sup>9</sup> Letter from FCC Chairman Ajit Pai to Chris Henderson dated April 18, 2017 "Finally, in terms of cost, the original estimate of \$19 million for implementation is proving to be far understated. I understand that over \$30 million has already been spent, and that estimates for the final total cost may be over double that amount - \$60 million or greater.

## **Companion Appeals**

White Pine reserves the right to amend and update this filing at future dates. White Pine also intends to reference and enjoin appeals filed by Elite for the applications here under appeal.

## **Conclusion**

These Commitment Adjustments must be overturned because they were issued after the five-year statute of limitations for recovery of funds specified in the Fifth Report and Order. The Supreme Court upheld the five-year statute of limitations for these actions.

White Pine engaged the services of Elite Fund based on the expertise and reputation of George Winchell. As George Winchell resided in Stanton, MI, was an E-rate expert, a technology expert, and patron of White Pine Library, it made complete sense to retain his consulting services on behalf of White Pine.

White Pine conducted an open and fair procurement and awarded contracts in accordance with local and state procurement regulations.

Any violation rests with the vendor and not White Pine. Any recovery efforts should be aimed at the vendor, not White Pine.

Respectfully Submitted,



Patty Rockafellow, Director  
White Pine Library  
106 E. Walnut St.  
Stanton, MI 48888  
989-831-4327



Submitted by  
Janelle Morgan, Consultant  
406 N. State St.  
PO Box 125  
Stanton, MI 48888  
989.283.1200



**Universal Service Administrative Company**  
Schools & Libraries Division

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**Administrator's Decision on Appeal – Funding Year 2003-2004**

July 20, 2017

Janelle Morgan  
Elite Fund, Inc.  
406 N. State Street  
PO Box 125  
Stanton, MI 48888

Re: Applicant Name: WHITE PINE LIBRARY  
Billed Entity Number: 131264  
Form 471 Application Number: 364773  
Funding Request Number(s): 990303  
Your Correspondence Received: July 06, 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 2003 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): 990303  
Decision on Appeal: **Denied**  
Explanation:

- After a thorough investigation, USAC determined to rescind the funds committed under the above listed Funding Request Number (FRN) in full. USAC has evidence of a stock purchase agreement between Steven R Meinhardt of Casair, Inc., and Roger Hoezee, which was effective July 1, 2006. In this agreement, Meinhardt sold Elite Fund to Hoezee. This purchase demonstrates that the two companies, Casair and Elite Fund, were a single entity prior to July 1, 2006. During the time when Elite Fund, Inc. was a part of Casair, Inc., Elite is considered a service provider and therefore cannot act as an independent consultant on behalf of applicant or assist them with those tasks that service providers are prohibited from undertaking. The FCC Form 470 must be completed by the entity that will negotiate for eligible products and services with potential service providers and cannot be a service provider. Furthermore, service providers that participate in the competitive bidding process as a bidder cannot be involved in the

preparation or certification of the entity's FCC Form 470. Because Elite Fund executed these tasks while it was part of Casair, the applicant was not in compliance with FCC rules which require applicants to conduct a fair and open competitive bidding process free from conflicts of interest. Accordingly, the applicant should not have a relationship with a service provider prior to the competitive bidding that would unfairly influence the outcome of a competition or would furnish the service provider with "inside" information or allow it to unfairly compete in any way. By having the service provider engaged in the preparation and submission of its Form 470, the applicant surrendered control of the competitive bidding process to the service provider who participated in the competitive bidding process as a bidder. Accordingly, the commitment will be rescinded in full and USAC will seek recovery of any funds disbursed in violation of the program's competitive bidding rules. In your appeal, you did not demonstrate that USAC's decision was incorrect. Consequently, your appeal is denied.

In your appeal, you also argue that USAC violated the five year administrative limitations period set forth by the Federal Communications Commission (FCC or Commission) in its Fifth Report and Order because the decision comes over a decade after the fund years in question were concluded and over seven years after the last date to retain documents related to these FRNs. USAC does not agree with this argument. First, the FCC recently has reiterated that the five year time frame is a policy preference and does not serve as a bar to recovery for improperly disbursed funding (See Application for Review of A Decision of the Wireline Competition Bureau by Net56, Inc. Palatine, Illinois, CC Docket No. 02-6, Memorandum Opinion and Order, 2017 WL 211539 at \*2, para. 9 (2017) ("...even assuming arguendo that the recovery action fell outside the five year period within which the Commission recommended that investigations be completed, that time frame constitutes merely a policy preference and not an absolute bar to recovery.")). Second, the Commission has consistently clarified that the five year administrative limitations period is a policy preference, not a requirement. Finally, the Commission has also explained that "USAC's recovery of government funds paid to an applicant or service provider who has no just right to keep the funds is not barred by the passage of time." As a result, USAC denies your appeal with respect to the five year administrative limitations period argument and will seek recovery of any funds disbursed in violation of the program's competitive bidding rules as explained above.

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

cc: Patty Rockafellow



**Universal Service Administrative Company**  
Schools & Libraries Division

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**Administrator's Decision on Appeal – Funding Year 2004-2005**

July 20, 2017

Janelle Morgan  
Elite Fund, Inc.  
406 N. State Street  
PO Box 125  
Stanton, MI 48888

Re: Applicant Name: WHITE PINE LIBRARY  
Billed Entity Number: 131264  
Form 471 Application Number: 413273  
Funding Request Number(s): 1134631  
Your Correspondence Received: July 06, 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 2004 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): 1134631  
Decision on Appeal: **Denied**  
Explanation:

- After a thorough investigation, USAC determined to rescind the funds committed under the above listed Funding Request Number (FRN) in full. USAC has evidence of a stock purchase agreement between Steven R Meinhardt of Casair, Inc., and Roger Hoezee, which was effective July 1, 2006. In this agreement, Meinhardt sold Elite Fund to Hoezee. This purchase demonstrates that the two companies, Casair and Elite Fund, were a single entity prior to July 1, 2006. During the time when Elite Fund, Inc. was a part of Casair, Inc., Elite is considered a service provider and therefore cannot act as an independent consultant on behalf of applicant or assist them with those tasks that service providers are prohibited from undertaking. The FCC Form 470 must be completed by the entity that will negotiate for eligible products and services with potential service providers and cannot be a service provider. Furthermore, service providers that participate in the competitive bidding process as a bidder cannot be involved in the

preparation or certification of the entity's FCC Form 470. Because Elite Fund executed these tasks while it was part of Casair, the applicant was not in compliance with FCC rules which require applicants to conduct a fair and open competitive bidding process free from conflicts of interest. Accordingly, the applicant should not have a relationship with a service provider prior to the competitive bidding that would unfairly influence the outcome of a competition or would furnish the service provider with "inside" information or allow it to unfairly compete in any way. By having the service provider engaged in the preparation and submission of its Form 470, the applicant surrendered control of the competitive bidding process to the service provider who participated in the competitive bidding process as a bidder. Accordingly, the commitment will be rescinded in full and USAC will seek recovery of any funds disbursed in violation of the programs competitive bidding rules. In your appeal, you did not demonstrate that USAC's decision was incorrect. Consequently, your appeal is denied.

In your appeal, you also argue that USAC violated the five year administrative limitations period set forth by the Federal Communications Commission (FCC or Commission) in its Fifth Report and Order because the decision comes over a decade after the fund years in question were concluded and over seven years after the last date to retain documents related to these FRN. USAC does not agree with this argument. First, the FCC recently has reiterated that the five year time frame is a policy preference and does not serve as a bar to recovery for improperly disbursed funding (See Application for Review of A Decision of the Wireline Competition Bureau by Net56, Inc. Palatine, Illinois, CC Docket No. 02-6, Memorandum Opinion and Order, 2017 WL 211539 at \*2, para. 9 (2017) ("...even assuming arguendo that the recovery action fell outside the five year period within which the Commission recommended that investigations be completed, that time frame constitutes merely a policy preference and not an absolute bar to recovery.")). Second, the Commission has consistently clarified that the five year administrative limitations period is a policy preference, not a requirement. Finally, the Commission has also explained that "USAC's recovery of government funds paid to an applicant or service provider who has no just right to keep the funds is not barred by the passage of time." As a result, USAC denies your appeal with respect to the five year administrative limitations period argument and will seek recovery of any funds disbursed in violation of the programs competitive bidding rules as explained above.

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

cc: Patty Rockafellow

Attachment B

Funding Year 2004

[MSN Home](#) | [My MSN](#) | [Hotmail](#) | [Shopping](#) | [Money](#) | [People & Chat](#)[Sign Out](#)Web Search: [Go](#)

## Poetry Contest



Hotmail

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bobosgal@hotmail.com

[Free Newsletters](#) | [I](#)[Reply](#) | [Reply All](#) | [Forward](#) | [Delete](#) | [Block](#) | [Junk](#) | [Put in Folder](#) | [Print View](#) | [Save Address](#)

From : George Winchell &lt;george@crystalauto.com&gt;

[Inbox](#)

Sent : Sunday, November 30, 2003 8:58 PM

To : "Katie Arwood" &lt;bobosgal@hotmail.com&gt;

CC : &lt;hattie@elitefund.com&gt;

Subject : White Pine Library's USF Applications

[Attachment](#) : BidAssessmentWorksheet.xls (66 KB)

Good afternoon Katie,

Hattie has had an opportunity to visit with you regarding your 2004-05 USF applications. In her discussions, she reviewed possibilities in each of the areas to be considered for E-Rate funding:

1. Telecommunications
2. Internet Access
3. Internal Connections

We will prepare your USF applications based upon your needs and requests. As you think about the application process, please consider the following points.

1. Hattie will be contacting you (or already has) early next week regarding your PIN. The SLD is requiring that all PINs be updated. Sorry for the inconvenience.
2. As Hattie indicated, the funding levels "may" allow for more schools to receive internal connections for this next funding year. Although the fund level remains at \$2.25 billion, the unused

Enter your  
last name:

Click Here!

What were  
they like?

How did  
they live?

Begin the discovery of  
lifetimes with access to  
databases like the U.S.

Federal Census,  
Newspaper Archives,  
Military Records,  
Ancestry Family Tree,  
and more!

Find your  
ancestors now!

Ancestry.com.



portion of previous years will now be rolled over to the next funding year. In other words, there may be \$2.75 - \$3.00 billion available for 2004-05. The extra money should allow more schools to receive funds for internal connections. If you have a building(s) with free and reduced lunch counts of 35% or higher, the building(s) may be eligible for at least a 70% Discount.

3. Elite Fund, Inc. will make sure that your RFP is posted as per SLD rules. It is **VERY** important to understand that you may also have board/district policies and state law that regulate purchasing products and services that would come in to play in the bid process. You, also, may have to post and advertise.
4. Your RFP (DRAFT) may be found at <http://www.elitefund.com/usf/whitepinelib.htm>. Please review it carefully. The RFP was developed based upon your discussions with Hattie. Because there have been a lot of questions around the country about "insufficient or unclear procurement specifications" for Internet Access, I have added detail to that section of the RFP. This will hopefully make it easier for vendors to respond to the RFP because they will know your specific needs. Please pay special attention to that portion to ensure that it still reflects your district's Internet needs/wants. Hattie or I will contact you next week for approval and permission to officially post the RFP with your revisions and submit your Form 470 application.
5. The Form 470 and its RFP must be posted for a minimum of 28 days. Once the application has been posted, vendors may submit quotations/bids. Please keep each and every quotation that you receive. Before we may complete the Form 471, you must consider each vendor. You may fax, mail, or email them to us or you may keep them on file within your district. Prior to completing your Form 471, we will contact you to discuss the quotations you received and the quotations that we may have solicited on your behalf.
6. If you have particular vendors that you want to respond to your RFP, please feel free to contact them with the RFP or let us know and we will forward the RFP to them on your behalf.



7. As you consider each vendor's quote, you may use a number of factors in making your final decision. Because the SLD is being much more proactive in screening applications, they have recommended the attached rubric in making your vendor selection. You may use any criteria you choose but price must be a primary consideration in your decision. You will also see a sample set of criteria on your RFP. I will post whatever criteria you feel is important for your district. I have entered a sample for Vendor 1 so that you may see how the rubric works. You may add, delete, or change the criteria that are listed **EXCEPT** price. The weight assigned to your criteria may be based on your own standards of vendor selection but price must be weighted the heaviest.
  
8. AFTER you have selected your vendors, we will complete the Form 471 application to request funding in early January. In general, you must enter into contract with a vendor prior to the submission of this application. That contract may simply be a purchase order that states that your district plans to purchase the product or service as detailed within the RFP. It is important to note that we will help you with the PO language that protects you against budget uncertainties and changing needs.

If you have any questions, please do not hesitate to call us.

George

George W. Winchell

President

EliteFund, Inc.

617 E. Lake St

Stanton, MI 48888

(616) 855-0543

[www.elitefund.com](http://www.elitefund.com)

HOME | CANCEL | HELP

**FCC Form 470**

Universal Service Program Description of Services Requested and Certification Form



Entity Number: 131264  
Contact Person: Katie Arwood

Applicant's Form Identifier: Telco/Int  
Phone Number: 989-831-4327

FCC Form

Approval by OMB  
3060-0806

**470**

Schools and Libraries Universal Service  
Program Description of Services Requested  
and Certification Form

Do not write in this area

Form 470 Application Number: 476200000485442

19. The applicant includes: (Check one or both)

- a. ☐ schools under the statutory definitions of elementary and secondary schools found in the **No Child Left Behind Act of 2001, 20 U.S.C Secs. 7801(18) and (38)**, that do not operate as for-profit businesses, and do not have endowments exceeding \$50 million; and/or
- b. ☒ libraries or library consortia eligible for assistance from a State library administrative agency under the Library Services and Technology Act of 1996 that do not operate as for-profit businesses and whose budgets are completely separate from any school (including, but not limited to) elementary and secondary schools, colleges and universities.

20. All of the individual schools, libraries, and library consortia receiving services under this application are covered by:

- a. ☒ individual technology plans for using the services requested in the application; and/or
- b. ☐ higher-level technology plans for using the services requested in the application; or
- c. ☐ no technology plan needed; application requests basic local and/or long distance telephone service only.

21. Status of technology plans (if representing multiple entities with mixed status, check both a and b):

- a. ☒ Technology plan(s) has/have been approved by a state or other authorized body.
- b. ☐ Technology plan(s) will be approved by a state or other authorized body.
- c. ☐ The application requests basic local and/or long distance telephone service only; no technology plan needed.

22. ☒ I certify that the services the applicant purchases at discounts provided by 47 U.S.C. Sec. 254 will be used solely for educational purposes and will not be sold, resold, or transferred in consideration for money or any other thing of value.

23. ☒ I recognize that support under this support mechanism is conditional upon the school(s) or library(ies) I represent securing access to all of the resources, including computers, training, software, maintenance, and electrical connections necessary to use the services purchased effectively.

24. ☒ I certify that I am authorized to submit this request on behalf of the above-named entities, that I have examined this request, and to the best of my knowledge, information, and belief, all statements of fact contained herein are true.

25. Signature of authorized person	<i>Katie Arwood</i>	26. Date	12-18-03
27. Printed name of authorized person	Katie Arwood		
28. Title or position of authorized person	Librarian		
29a. Street Address of authorized person	106 E. Walnut St. Stanton, MI 48888		
29b. Telephone Number of authorized person	(989) 831-4327		



29c. Fax Number of authorized person (989) 831-4976  
29d. E-mail address of authorized person bobosgal@hotmail.com

Form 470 Application Number: 476200000485442  
WHITE PINE LIBRARY  
106 E WALNUT ST  
STANTON, MI 48888-

Persons willfully making false statements on this form can be punished by fine or forfeiture, under the Communications Act, 47 U.S.C. Secs. 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. Sec. 1001.

Service provider involvement with preparation or certification of a Form 470 can taint the competitive bidding process and result in the denial of funding requests. For more information, refer to the "Service Provider Role in Assisting Customers" at [www.sl.universalservice.org/vendor/manual/chapter5.doc](http://www.sl.universalservice.org/vendor/manual/chapter5.doc) or call the Client Service Bureau at 1-888-203-8100.

NOTICE: Section 54.504 of the Federal Communications Commission's rules requires all schools and libraries ordering services that are eligible for and seeking universal service discounts to file this Description of Services Requested and Certification Form (FCC Form 470) with the Universal Service Administrator. 47 C.F.R. § 54.504. The collection of information stems from the Commission's authority under Section 254 of the Communications Act of 1934, as amended, 47 U.S.C. § 254. The data in the report will be used to ensure that schools and libraries comply with the competitive bidding requirement contained in 47 C.F.R. § 54.504. All schools and libraries planning to order services eligible for universal service discounts must file this form themselves or as part of a consortium.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

The FCC is authorized under the Communications Act of 1934, as amended, to collect the information we request in this form. We will use the information you provide to determine whether approving this application is in the public interest. If we believe there may be a violation or a potential violation of a FCC statute, regulation, rule or order, your application may be referred to the Federal, state, or local agency responsible for investigating, prosecuting, enforcing, or implementing the statute, rule, regulation or order. In certain cases, the information in your application may be disclosed to the Department of Justice or a court or adjudicative body when (a) the FCC; or (b) any employee of the FCC; or (c) the United States Government, is a party of a proceeding before the body or has an interest in the proceeding. In addition, information provided in or submitted with this form or in response to subsequent inquiries may also be subject to disclosure consistent with the Communications Act of 1934, FCC regulations, the Freedom of Information Act, 5 U.S.C. § 552, or other applicable law.

If you owe a past due debt to the federal government, the information you provide may also be disclosed to the Department of the Treasury Financial Management Service, other Federal agencies and/or your employer to offset your salary, IRS tax refund or other payments to collect that debt. The FCC may also provide this information to these agencies through the matching of computer records when authorized.

If you do not provide the information we request on the form, the FCC may delay processing of your application or may return your application without action.

The foregoing Notice is required by the Paperwork Reduction Act of 1995, Pub. L. No. 104-13, 44 U.S.C. § 3501, et seq.

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Please submit this form to:

SLD - Form 470  
P.O. Box 7026  
Lawrence, KS 66044-7026  
1-888-203-8100

For express delivery services or U.S. Postal Service, Return Receipt Requested, mail this form to:

SLD - Form 470  
c/o Ms. Smith  
3833 Greenway Drive  
Lawrence, KS 66046  
1-888-203-8100

FCC Form 470  
May 2003

Done



## REQUEST FOR PROPOSAL

White Pine USF RFP

Page 1 of 4

# Request for Proposal

USF - Year 2004

**BIDS RECEIVED AFTER 1/15/04 MAY  
NOT BE CONSIDERED**

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## White Pine Library

106 E. Walnut St.  
Stanton, MI 48888  
Phone: (989) 831-4327  
Fax: (989) 831-4976

■ E-Mail contact preferred:

- Katie Arwood



This RFP is for products and services for the existing voice, video, or data networks.

All quotes must be submitted with the understanding that implementation may be dependent upon approval by the SLD for e-rate funding, student enrollments, and/or existing budgetary requirements. Purchase and installation of products and services must be between July 1, 2004 and June 30, 2005.

Please mail, email, or fax all quotations to the above address/phone clearly marked "To the Attention of USF-RFP."

Unless otherwise indicated, service includes one building. Hardware must allow for distribution of voice, video, or data signal to other buildings within the library as necessary.

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The following specifications are to be used as guidelines in quoting a solution. Although specification changes are permitted, the quality of the product/service requested **must** be based upon industry standards at time of delivery.



The library reserves the right to accept or reject any or all quotations.

## Telephone Service

- Local Dial Tone Service
  - # of Buildings = 1
  - # of Lines = 2
- Long Distance Service
  - # of Buildings = 1
  - # of Lines = 2



Telephone service includes, but is not limited to, those items and components that are USF eligible. Any additional telephone service not covered by USF eligibility, must be itemized and quoted separately. Please contact *Katie Arwood* ([bobosgal@hotmail.com](mailto:bobosgal@hotmail.com)) for details.

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## Internet Access

- Minimum 2.0mb Internet connection
- Access for up to 20 users
- Include response time and/or latency report from the nearest POP to [www.microsoft.com](http://www.microsoft.com), [www.google.com](http://www.google.com) and [www.yahoo.com](http://www.yahoo.com) with the bid.
- Include backbone configuration diagram to nearest Tier-1 backbone.
- Provide 99.99% uptime guarantee
- 4-hour maximum service response time (24/7)
- Include itemization of ISP-owned equipment necessary for connectivity that will be placed within the Library.
- Building to have a 10/100 Ethernet connection as point of demarcation.
- Provide proof of Worker's Comp
- Provide proof of \$2 million liability insurance umbrella
- The library's portion of fees will be paid monthly. The ISP must invoice SLD directly for the USF-funded portion.
- Bids must include line itemization of all components to allow for the use of e-rate funds on all approved items. Itemization should include, but not be limited to:
  - Proxy caching
  - Filtering solution at local level for CIPA compliance
  - 20 email accounts

- Firewall services.
  - Firewall should be able to handle VPN connections via PPTP and 3des.
  - Stateful packet inspection
  - Managed via web interface by a person designated by the Library.
  - Full logging capability
- DHCP Service
- Statistical analyses access via web interface
- End-to-end maintenance on equipment used to deliver services.



Internet Access includes, but is not limited to, those items/components that are USF eligible. Any additional service not covered by USF eligibility, must be itemized and quoted separately. It is the intent of the library to obtain the highest value at the most reasonable price.

**NOTE:** Itemize all components of Internet Access Services. Please contact Katie Arwood ([bobosgal@hotmail.com](mailto:bobosgal@hotmail.com)) for details.

## Bid Evaluation

To achieve this goal, bids will be evaluated on several factors. The capability of the proposed solution to:

- Prices/Charges
- Prior Experience
- Understanding of Needs
- Financial Stability
- Personnel Qualifications
- Comply with the spirit of the library's long range technology plan
- Ability to upgrade and adapt to technological advances
- Completeness of response and adherence to bid specifications
- Summary of project implementation plan
- Capability of the bidder to successfully complete the installation within the required time frame

The ability to accommodate growth and change within the library service area is, in many ways, more important than the initial cost of installation. Do not assume the lowest bid will be awarded the project.

If you have questions related to the e-rate/USF requirements, please contact:  
[usfadmin@elitefund.com](mailto:usfadmin@elitefund.com).



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Funding Year 2003

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**FCC Form 470**

Universal Service Program Description of Services Requested and Certification Form



Entity Number: 131264  
Contact Person: Katie Arwood

Applicant's Form Identifier: Internet  
Phone Number: 989-831-4327

FCC Form

Approval by OMB  
3060-0806

**470**

Schools and Libraries Universal Service  
Program Description of Services Requested  
and Certification Form

Do not write in this area

Form 470 Application Number: 780700000427395

19. The applicant includes: (Check one or both)

- a. ☐ schools under the statutory definitions of elementary and secondary schools found in the Elementary and Secondary Education Act of 1965, 20 U.S.C. Secs. 8801(14) and (25), that do not operate as for-profit businesses, and do not have endowments exceeding \$50 million; and/or
- b. ☒ libraries or library consortia eligible for assistance from a State library administrative agency under the Library Services and Technology Act of 1996 that do not operate as for-profit businesses and whose budgets are completely separate from any school (including, but not limited to) elementary and secondary schools, colleges and universities.

20. All of the individual schools, libraries, and library consortia receiving services under this application are covered by:

- a. ☒ individual technology plans for using the services requested in the application
- b. ☐ higher-level technology plans for using the services requested in the application
- c. ☐ no technology plan needed; application requests basic local and/or long distance telephone service only.

21. Status of technology plans (If representing multiple entities with mixed status, check both a and b):

- a. ☐ Technology plan(s) has/have been approved by a state or other authorized body.
- b. ☒ Technology plan(s) will be approved by a state or other authorized body.
- c. ☐ The application requests basic local and/or long distance telephone service only; no technology plan needed.

22. ☒ I certify that the services the applicant purchases at discounts provided by 47 U.S.C. Sec. 254 will be used solely for educational purposes and will not be sold, resold, or transferred in consideration for money or any other thing of value.

23. ☒ I recognize that support under this support mechanism is conditional upon the school(s) or library(ies) I represent securing access to all of the resources, including computers, training, software, maintenance, and electrical connections necessary to use the services purchased effectively.

24. ☒ I certify that I am authorized to submit this request on behalf of the above-named entities, that I have examined this request, and to the best of my knowledge, information, and belief, all statements of fact contained herein are true.

25. Signature of authorized person	<i>Katie Arwood</i>	26. Date	11-8-02
27. Printed name of authorized person	Katie Arwood		
28. Title or position of authorized person	Director		
29. Telephone Number	(989) 831-4327		

Form 470 Application Number: 780700000427395

WHITE PINE LIBRARY  
106 E WALNUT ST  
STANTON, MI 48888-

**Persons willfully making false statements on this form can be punished by fine or forfeiture, under the Communications Act, 47 U.S.C. Secs. 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. Sec. 1001.**

**Service provider involvement with preparation or certification of a Form 470 can taint the competitive bidding process and result in the denial of funding requests. For more information, refer to the "Service Provider Role in Assisting Customers" at [www.sl.universalservice.org/vendor/manual/chapter5.doc](http://www.sl.universalservice.org/vendor/manual/chapter5.doc) or call the Client Service Bureau at 1-888-203-8100.**

NOTICE: Section 54.504 of the Federal Communications Commission's rules requires all schools and libraries ordering services that are eligible for and seeking universal service discounts to file this Description of Services Requested and Certification Form (FCC Form 470) with the Universal Service Administrator. 47 C.F.R. § 54.504. The collection of information stems from the Commission's authority under Section 254 of the Communications Act of 1934, as amended, 47 U.S.C. § 254. The data in the report will be used to ensure that schools and libraries comply with the competitive bidding requirement contained in 47 C.F.R. § 54.504. All schools and libraries planning to order services eligible for universal service discounts must file this form themselves or as part of a consortium.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

The FCC is authorized under the Communications Act of 1934, as amended, to collect the information we request in this form. We will use the information you provide to determine whether approving this application is in the public interest. If we believe there may be a violation or a potential violation of a FCC statute, regulation, rule or order, your application may be referred to the Federal, state, or local agency responsible for investigating, prosecuting, enforcing, or implementing the statute, rule, regulation or order. In certain cases, the information in your application may be disclosed to the Department of Justice or a court or adjudicative body when (a) the FCC; or (b) any employee of the FCC; or (c) the United States Government, is a party of a proceeding before the body or has an interest in the proceeding.

If you owe a past due debt to the federal government, the information you provide may also be disclosed to the Department of the Treasury Financial Management Service, other Federal agencies and/or your employer to offset your salary, IRS tax refund or other payments to collect that debt. The FCC may also provide this information to these agencies through the matching of computer records when authorized.

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