Before the
Federal Communications Commission
Washington, D.C. 20554

In the matter of	CC Docket No. 02-6
Request for Review by Crystal Automation Services, Inc. of Decision of Universal Service Administrator	Funding Request Nos. 932622, 933596, 935432, 935450, 956609, 990303, 1008157, 1081674, 1082434, 1083967, 1134631, and 1159681
Schools and Libraries Universal Service Support Mechanism	Form 471 Application Nos. 344498, 346373, 347432, 354876, 395738, 364773, 396010, 396545, 369768,413273, 420735

REQUEST FOR REVIEW BY CRYSTAL AUTOMATION SERVICES, INC. OF USAC DENIAL OF APPEALS

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SUMMARY

Crystal Automation Systems, Inc. d/b/a Casair, Inc. ("CAS"), asks the Wireline Competition Bureau ("Bureau") of the Federal Communications Commission ("Commission" or "FCC") to review and reverse the decisions of the Universal Service Administrative Company ("USAC") to claw back $1,785,074.37 in connection with Schools and Libraries program ("E-rate") funding awarded to CAS over a decade ago to assist five school districts and one library (collectively, the "Districts") during Funding Years 2003 and 2004, or in the alternative, asks the Commission to waive its rules for good cause shown. USAC's decisions, and its subsequent denials of CAS' timely appeals, are all based on the incorrect conclusion that CAS was improperly involved in the competitive bidding process, either because CAS itself provided E-rate consulting assistance to the Districts while they were preparing their FCC Forms 470, or because the Districts obtained E-rate consulting from Elite Funds, Inc. ("Elite"), a separate business entity that USAC incorrectly contends was a "single entity" with CAS.

Although CAS did provide vendor-neutral E-rate consulting services to the Districts for FY 2003, there was no *improper* involvement, because during the funding years in question service providers like CAS were expressly *allowed* to offer the type of "vendor-neutral assistance" that CAS provided to applicants, and Commission precedent clearly distinguished such permissible assistance from improper conduct that resulted in the school or library "surrender[ing] control of the competitive bidding process to the service provider." In deciding to rescind the funds, USAC appears to assume that any E-rate consulting by CAS would automatically be "improper," regardless of the funding year or particular facts at issue. That may be the law today, but it was not so over a decade ago when the relevant FCC Form 470s were prepared for FY 2003. Because nothing in the record shows that CAS offered anything but

permissible vendor-neutral assistance, USAC's decisions must be reversed for the FY 2003 funding.

All the reasons for reversing USAC FY 2003 decisions apply equally to FY 2004. In addition, USAC's decisions to claw back the FY 2004 funding must be reversed because they assume that CAS and the separate business entity that provided the vendor-neutral consulting to the Districts for FY 2004, Elite Funds, Inc., constituted a "single entity." Although at the time, Elite and CAS were both owned by Steven Meinhardt, and both leased office space in a building with shared Internet service (and therefore, a single external IP address), Elite was always a distinct corporate entity, and the record shows that it was operated as a separate business. Even if CAS and Elite had been a "single entity" (which they did not), the vendor-neutral assistance that Elite provided was allowed under the rules and Commission precedent in effect at the time.

There is yet another, independent reason to reverse USAC's decisions. The Commitment Adjustment Decisions ("COMADs") were untimely, violating both two applicable statutes of limitations and the Commission's policy that investigations should be conducted within five years of the conduct in question. In particular, any action to recover the funding here is time-barred by 28 U.S.C. § 2462, which imposes a five-year limitation period on any "action, suit or proceeding for the enforcement of any civil fine, penalty, or forfeiture, pecuniary or otherwise," and by 28 U.S.C. § 1658(a), which imposes a four-year limitations period on civil actions arising under Acts of Congress enacted after Dec. 1, 1990. Here, USAC did not even commence its investigation until more than five years after the funding years, and did not complete the investigation for another five years.

Moreover, USAC's actions here violated the Commission's own policy and rules. Commission policy is to complete investigations within five years wherever possible. But the

years-long delays here show that USAC made no effort to do so here. By, in effect, excusing its own years-long delays in investigating CAS, USAC has effectively re-interpreted (or disregarded) Commission policy – which it is forbidden to do. Section 47 C.F.R. 54.702(c) expressly forbids USAC from making policy or interpreting the FCC rules, but USAC has effectively done both here, substituting its own policy preferences for those of the Commission.

Finally, if the USAC decisions are allowed to stand, then good cause exists for waiver. Clawing back funds spent over a decade ago for their intended purpose would expose CAS to great financial hardship, threaten the services it provides to rural communities, and undercut the goals of the E-rate program.

TABLE OF CONTENTS

I. Interest in the Matter Presented for Review 1

II. Statement of Material Facts 2

III. Procedural History 7

IV. Questions Presented for Review 7

V. Relief Sought, and Provisions Under Which Relief Is Sought 8

VI. Argument 10

A. USAC's (Erroneous) Grounds for Rescinding E-rate Funding 11

B. The E-rate Rules for FY 2003 and 2004 Permitted Service Providers to Give the Type of Vendor Neutral Assistance CAS and Elite Gave the Districts. 13

C. USAC Disregarded FCC Rules and Precedent by Jumping to the False Conclusion that CAS and Elite were the Same Entity, Without Ever Applying the Relevant FCC Test... 16

1. Elite and CAS were not the "same entity." 16

2. The FCC's test for "piercing the corporate veil," which was not (and could not be) applied by USAC here, is not met here..... 19

D. USAC's Evidence of a Shared IP Address Fails to Justify USAC's Decisions. 20

E. USAC's Action Is Inconsistent with the FCC Policy that Fund Recovery Actions Should Be Initiated and Completed within Five Years of Service Delivery. 23

1. USAC impermissibly departed from the FCC's policies on the timeframe for initiating investigations into the use of E-rate funds. 28

2. USAC's unexplained additional five-year delay in issuing a decision *after* its investigation of FY 2004 is inconsistent with the FCC's five-year policy, and undermines the policy's express goals of certainty and finality for USF program beneficiaries. 30

F. Forcing CAS to Forfeit the Funds Here Is Barred by Statutes of Limitations..... 31

1. 28 U.S.C. § 2462 bars USAC, and the Commission, from any proceedings to force CAS to forfeit funds received over a decade ago. 31

2. Any action to claw back the funds is time-barred by 28 U.S.C. § 1658..... 33

G. Good Cause Exists for Waiver, to Avoid Grave Financial Hardship for CAS, Which Would Otherwise Undermine E-Rate's Goals and Hurt Rural Service. 34

H. The Districts, not CAS, should pay any amounts remitted to USAC here. 35

VII. Conclusion 36

VIII. List of Attachments 37

I. INTEREST IN THE MATTER PRESENTED FOR REVIEW

Pursuant to 47 C.F.R. §§ 54.719 and 54.722, Crystal Automation Services, Inc. d/b/a Casair, Inc. ("CAS") appeals decisions of the Universal Service Administrative Company ("USAC") with respect to eleven Commitment Adjustment Decisions ("COMADs") that, taken together, rescind a total of $1,785,074.37 in funds awarded by the Schools and Library Program ("E-rate") for Funding Years ("FY") 2003 and 2004. CAS timely appealed these COMADs to USAC on August 1, 2017.[1] Details of each COMAD, including the relevant Funding Request Number ("FRN") are listed in the chart below.[2]

COMAD Date	Funding Year	School District or Library	Form 471	FRN	Amount USAC Seeks	USAC Denial
June 16, 2017	2003	Montcalm Area Intermediate S.D.	354876	956609	$392,557.20	Aug. 23, 2017
June 16, 2017	2004	Montcalm Area Intermediate S.D.	396545	1083967	$383,761.44	Aug. 23, 2017
June 9, 2017	2003	Harrison Comm. School District	347432	935432 935450	$7,506.00 $2,320.77	Aug. 29, 2017
June 9, 2017	2003	Ithaca Public School District	346373	932622	$35,685.00	Aug. 29, 2017
June 9, 2017	2004	Ithaca Public School District	395738	1081674	$12,999.96	Aug. 29, 2017
June 2, 2017	2003	Ashley Community School District	344498	933596	$12,621.00	Aug. 25, 2017
June 2, 2017	2004	Ashley Community School District	396010	1082434	$12,621.00	Aug. 29, 2017
June 2, 2017	2003	Clare-Gladwin RESD	369768	1008157	$458,341.42	Aug. 23, 2017
June 2, 2017	2004	Clare-Gladwin RESD	420735	1159681	$452,264.40	Aug. 23, 2017
June 21, 2017	2003	White Pine Library	364773	990303	$7,198.10	Aug. 29, 2017

[1] Copies of the USAC letters denying CAS's appeal are attached hereto as Attachment 1. Copies of the COMADs are attached hereto as Attachment 2.

[2] Appeal by Crystal Automation Systems, Inc. of Commitment Adjustment Decisions Regarding E-rate Funding for FY 2003 and FY 2004 (Aug. 1, 2017) ("Letter of Appeal"), attached hereto as Attachment 3.

COMAD Date	Funding Year	School District or Library	Form 471	FRN	Amount USAC Seeks	USAC Denial
June 21, 2017	2004	White Pine Library	413273	1134631	$7,198.08	Aug. 29, 2017

USAC seeks to force CAS to remit over $1.7 million in funding back to USAC, based on conduct that complied with the FCC's rules during the relevant period. Moreover, the funds that USAC seeks to claw back were spent over a decade ago for their intended purpose— providing Internet access to the Districts. Forcing CAS to remit the full amount back to USAC now would be a grossly disproportionate penalty that would impose a grave financial hardship on CAS, and threaten CAS's ability to continue providing vital Internet connectivity to rural communities, either through E-rate or the USDA's Rural Utilities Service ("RUS") program.

II. STATEMENT OF MATERIAL FACTS

CAS was incorporated in Michigan in 1999.[3] Since its formation, Steven Meinhardt has owned 100% of the shares of CAS.[4] Originally a supplier of computer hardware, CAS grew into an Internet service provider ("ISP") that also provided a wide range of services to customers including structured cabling, technical support, and technology consulting.[5] One such service was assistance preparing applications for technology funding, which CAS performed at standard hourly rates or on a fixed-rate, fee-for-service basis.[6] In response to increasing demand for technology consulting services and to ensure ongoing compliance in light of evolving E-rate

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[3] Attachment 3, Declaration of Steven Meinhardt in Support of Appeal by Crystal Automation Systems, Inc. d/b/a Casair of Commitment Adjustment Decisions Regarding E-rate Funding for FY 2003 and 2004 ("Meinhardt Decl."), ¶ 3. *See also* Michigan Dept. of Licensing and Regulatory Affairs record for CAS at http://w1.lara.state.mi.us/businessentitysearch/dt_corp.asp?id_nbr=19970A&name_entity=CRYSTAL%20AUTOMATION%20SYSTEMS,%20INC.

[4] Meinhardt Decl. ¶ 4.

[5] *Id*. ¶ 5.

[6] *Id*. ¶ 6.

program guidance, in September of 2003 Mr. Meinhardt formed an independent business devoted exclusively to such consulting services – Elite Fund, Inc. Thereafter, CAS ceased its involvement in preparing applications for technology funding.[7]

Elite is also a Michigan corporation.[8] Mr. Meinhardt was never an officer of Elite, and although he was initially its sole shareholder, he did not participate in its day-to-day operations, which were carried out by Elite's employees.[9] One Elite employee was George Winchell, a former school teacher and administrator, who had worked for CAS before departing at the end of 2003 and joining Elite.[10] Elite originally leased office space in a multi-tenant building that was also occupied by CAS and Area Wide Accounting and Tax Service (which had distinct ownership).[11] During that time, CAS provided Internet access service to the entire building, which was protected behind a secure firewall that had a single Internet-facing IP address. As a result, although computers behind the firewall each had their own local address, to the outside world, every computer in the building appeared to have single IP address. Accordingly, the three different tenants – Elite, CAS and Area Wide Accounting and Tax Service – had the same external-facing IP address until about June 2006, when Elite relocated its operations and obtained a separate Internet service provider.[12] But they were all separate businesses.

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[7] *Id*. ¶ 7.
[8] *Id*. ¶ 8. *See also* the Michigan Dept. of Licensing and Regulatory Affairs record for Elite at http://w1.lara.state.mi.us/businessentitysearch/dt_corp.asp?id_nbr=05846D&name_entity=ELITE%20FUND,%20INC.
[9] Meinhardt Decl. at ¶ 11-12; Attachment 3, Declaration of George Winchell in Support of Appeal by Crystal
Automation Systems, Inc. d/b/a Casair of Commitment Adjustment Decisions Regarding E-Rate Funding For FY 2003 And 2004 ("Winchell Decl.") ¶ 5.
[10] Meinhardt Decl. at ¶ 16; Winchell Decl., ¶ 14.
[11] Meinhardt Decl. at ¶ 13; Winchell Decl., ¶ 6.
[12] Meinhardt Decl. at ¶ 13; Winchell Decl., ¶ 6.

Since Elite's formation, it always operated as a separate business from CAS.[13] Elite's status as a distinct operating business is reflected in the fact that Mr. Meinhardt sold Elite – but not CAS – to Roger Hoezee, in a stock purchase agreement effective July 1, 2006.[14] Just as it has throughout its history, Elite continued to operate as a separate business after the sale.[15]

During FY 2003 and 2004, CAS was awarded contracts to provide Internet access services using E-rate funds to multiple school districts and one library in Michigan. In keeping with the Commission's record-keeping rules in effect for the funding years at issue, CAS retained records concerning the E-rate funding awards it received for FY 2003 and 2004 for five years.[16] Although records of this period are now incomplete, CAS acknowledges that it provided assistance to the Districts as they prepared FY 2003 applications. Such assistance was "vendor-neutral," and did not favor CAS over other potential vendors. All such assistance was also provided at standard hourly or flat rates, so CAS' compensation for this assistance did not depend on whether CAS competed for, or was awarded, E-rate contracts.[17] CAS did not make determinations as to what services the Districts needed, and the information on the FCC Form 470s was provided and certified by District personnel. No CAS employee or representative was listed as the contact person on the 470. During the competitive bidding process, CAS prevailed in some instances but not in others.[18]

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[13] Meinhardt Decl. at ¶ 10; Winchell Decl., ¶¶ 3, 5-6.
[14] Meinhardt Decl. at ¶ 14.
[15] Meinhardt Decl. at ¶ 14; Winchell Decl., ¶ 3. Mr. Winchell was erroneously listed as an officer of CAS for a time following the creation of Elite. In fact, however, he played no operational role at CAS since 2003. Meinhardt Decl., ¶ 17; Winchell Decl. ¶ 19.
[16] Meinhardt Decl., ¶ 28
[17] Meinhardt Decl., ¶ 20-21.
[18] *Id*. ¶ 22.

For FY 2004, CAS did not assist the Districts in preparing E-rate applications.[19] Instead, at least some of the Districts consulted with Elite in preparing their applications.[20] CAS did not coordinate with Elite or receive any information from Elite concerning contracts or the FCC Forms 470 and 471.[21] As it did for FY 2003, CAS participated in a competitive bidding process for each FY 2004 contract. The results underscore the lack of collusion between Elite and CAS. Elite appears to have assisted 36 school districts prepare their E-rate applications for FY 2004, and yet, CAS was only awarded contracts by five of these districts.[22]

On January 25, 2011, long after the five-year record retention period applicable to FY 2003 and 2004 had expired, USAC sent CAS a letter announcing a review of Funding Years 2004-2010, and seeking information about CAS' relationship with Elite.[23] CAS responded on February 3, 2011.[24] USAC sent a follow-up inquiry on March 7, 2011, to which CAS responded on March 17, 2011.[25] On May 16, 2011, USAC sent CAS a letter denying an appeal CAS had filed in April 2006.[26] On June 1, 2011, USAC sent another letter, this time limiting the inquiry to FY 2008-2010.[27] On June 14, 2011, CAS responded to that USAC inquiry (*i.e.*, the one

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[19] *Id*. ¶ 23.
[20] *Id*. ¶ 24; Winchell Decl., ¶¶ 12-13.
[21] Meinhardt Decl., ¶ 25.
[22] Meinhardt Decl., ¶ 26-27; Winchell Decl., ¶ 13.
[23] Meinhardt Decl., ¶ 30. The Commission adopted the five-year record retention period in the *Fifth Report and Order*, issued on August 13, 2004. The final amended rules became effective on November 12, 2004. 70 FR 55300. The record retention period was extended to 10 years in 2014, and became effective on August 19, 2014. 79 FR 49160. The record retention periods applicable FY 2003 and FY 2004 expired in 2009 and 2010, respectively.
[24] Meinhardt Decl., ¶ 31.
[25] *Id*. ¶ 32.
[26] *Id.* ¶ 33.
[27] *Id.* ¶ 34.

pertaining to 2008-2010).[28] In August 2011, USAC notified CAS that it was rescinding three E-rate awards for FY 2008-2010 – a total amount of $526,688.20.[29] Although CAS believed that USAC's decisions to rescind funding were in error, it did not pursue further action or appeal USAC's decision. Instead, CAS considered the matter closed and moved on with its business.[30]

CAS received no further correspondence from USAC concerning past E-rate funding for *more than five years,* until 2017. Then, beginning on June 2, 2017, CAS received a series of letters from USAC that rescinded funding for FY 2003 and 2004 – *more than a decade in the past*.

This was a shock, to put it mildly. USAC had not inquired about Funding Year 2003 at all during the 2011 correspondence. Indeed, until the 2017 letters, USAC had provided CAS with *no notice at all* that the 2003 funding was under review. Although USAC had initially inquired about Funding Year 2004 in its January 25, 2011 letter, the June 1, 2011 letter had narrowed the inquiry to just Funding Years 2008-2010. Given that the five-year record-retention period had expired long before, CAS no longer had complete records concerning these E-rate awards, which had been spent long before to provide Internet access to the Districts.

Making the delay more confusing, the 2017 COMADs did not indicate that USAC found any new information relevant to FY 2003 or 2004 in the years since its 2011 inquiries, and give no indication that USAC conducted a specific investigation of the FY 2003 and 2004 awards. Indeed, USAC's explanation for rescinding the awards in the 2017 COMADs was simply copied, *word for word*, from USAC's May 16, 2011 denial of CAS' appeal for FY 2005-2006. USAC

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[28] *Id.* ¶ 35.
[29] *Id.* ¶ 36.
[30] *Id.* ¶ 37.

provided no explanation as to why it waited until 2011 to investigate funds disbursed for FY 2003 and 2004, or why it waited an *additional* five years after the 2011 inquiry before suddenly seeking recovery of funds that were spent on Internet access services over a decade ago.

III. PROCEDURAL HISTORY

Pursuant to 47 C.F.R. § 54.719(a), CAS filed a Letter of Appeal with USAC concerning the COMADs on August 1, 2017. In a series of letters dated August 23, August 25, and August 29, 2017, USAC denied the appeal. Although USAC's denial acknowledged that CAS has 60 days to appeal the decision under the Commission's rules per 47 C.F.R. § 54.720, in four letters dated August 24, 2017, USAC notified CAS that in just 30 days (on September 23, 2017) USAC would seek recovery of over $1.5 million that was the subject of the August 23, 2017 denials. That is, USAC intends to collect the funds before the deadline for CAS to file an appeal, and well before the Commission could issue a ruling on such an appeal. This effectively allows CAS just 29 days of the 60 days provided under 47 C.F.R. 54.720 to file an appeal with the Commission. This appeal is timely under 47 C.F.R. § 54.720(a)-(b) because it is being filed on September 22, 2017, within 60 days of the USAC denials. The Commission has authority to hear this appeal under 47 C.F.R. § 54.719(b)-(c) and § 54.722.

IV. QUESTIONS PRESENTED FOR REVIEW

1. Did USAC err in finding that service provider CAS violated the competitive bidding rules in effect for FY 2003 by providing consulting assistance to the Districts, where in fact CAS provided only "vendor neutral assistance" which was allowed at the time as recognized by USAC and the Commission?

2. Did USAC err in finding that service provider CAS violated the bidding rules in effect for FY 2004 based on *Elite's* provision of E-rate consulting services to the Districts,

including by erroneously concluding that Elite and CAS were a "single entity," and by ignoring the fact that Elite provided only "vendor neutral assistance" which would have been allowable for CAS itself to provide under the rules at the time?

3. Did USAC err by issuing COMADs that were time-barred by applicable statutes of limitations, including 28 U.S.C. § 2462 and 28 U.S.C. § 1658(a), and by rejecting CAS's appeal that the COMADs were untimely?

4. Did USAC improperly interpret or disregard Commission policy establishing the time-frame for investigations, in violation of 47 C.F.R. 54.702(c), when it effectively excused its own unexplained five-year delay in commencing investigation of the funding here, and its additional unexplained five-year delay in completing the investigation?

5. Do the facts here – where the goals of the E-rate award were achieved, and clawing back the award would impose grave financial consequences on CAS – constitute good cause for the Commission to waive any rules that were violated, rather than apply the draconian penalty proposed by USAC?

6. Did USAC improperly seek to claw back the $1,785,074.37 from CAS, rather than from the Districts, where CAS delivered what it promised by using the E-rate funds to provide Internet access to the Districts, and extracting the entire amount from CAS would leave the Districts to enjoy the benefits of that service without cost, while subjecting CAS to grave financial consequences?

V. RELIEF SOUGHT, AND PROVISIONS UNDER WHICH RELIEF IS SOUGHT

Pursuant to the Bureau's authority under 47 C.F.R. §§ 54.719(b), 54.722(a) and 54.723(a), and for the reasons set forth herein CAS respectfully asks that the Bureau, or where appropriate, the Commission, grant the following relief:

1. Reverse USAC's decisions, in the COMADs and denials of appeals to rescind eleven separate funding awards totaling $1,785,074.37 for FY 2003 and FY 2004 (collectively the "Decisions"), because the factual record does not support the Decisions, and in particular:

a. Reverse USAC's erroneous conclusion that the vendor-neutral assistance CAS provided to the Districts in FY 2003 violated the Commission's competitive bidding rules then in effect, on which the Decisions for FY 2003 are based;

b. Reverse USAC's erroneous conclusion that CAS and Elite are a "single entity," which failed to apply the Commission's test, and on which the Decisions for FY 2004 are based;

c. Reverse USAC's erroneous conclusion that the vendor-neutral E-rate consulting assistance that Elite provided to the Districts in FY 2004, had it been provided by CAS, would have violated the Commission's competitive bidding rules then in effect, on which the Decisions for FY 2004 are based.

2. Reverse all the Decisions on the ground that the Decisions issued in 2017 for funding pertaining to FY 2003 and FY 2004 were time-barred by 28 U.S.C. 2462.

3. Reverse all the Decisions on the ground that the Decisions were time-barred by 28 U.S.C. 1658(a).

4. Reverse all the Decisions on the ground USAC violated 47 C.F.R. § 54.702(c) by improperly re-interpreting (or disregarding) Commission policy requiring USAC to complete investigations within the five-year retention period whenever possible, including by excusing USAC's own unexplained five-year delay in commencing investigation of FY 2003 and 2004, along with USAC's unexplained additional five-year delay in issuing the COMADs?

5. If the Bureau determines that a violation occurred, waive application of the Commission's rules here (including 47 C.F.R. § 54.503) pursuant to 47 C.F.R. §§ 1.3 and 54.719, because CAS delivered the services for which the E-rate funds were awarded, thereby achieving the purpose of the program, and because forcing CAS to remit money that was long ago expended for E-rate's intended purpose, would impose grave financial hardship on CAS.

6. If the Bureau determines that a violation occurred and that the funds at issue in this appeal should be paid to USAC, direct USAC to collect those funds from the Districts rather than CAS, because CAS already expended the funds providing Internet access benefiting the Districts, and it would be inequitable, arbitrary, and capricious to force CAS to pay the cost of that service out of its own pocket while the Districts received all the benefits.

VI. ARGUMENT

The Decisions are so lacking in support – both as to the law and the factual record here – that upholding them would be arbitrary and capricious. As explained in detail below, the Bureau should reverse the Decisions because (1) all the assistance that either CAS or Elite provided to the Districts was vendor-neutral, and therefore allowed – even if by a service provider – under the rules at the time; (2) the Decisions, at least for FY 2004, rest on the false assumption that CAS and Elite were a "single entity," (3) the COMADs are untimely, violating two applicable federal statutes of limitations, and re-interpreting or disregarding, in contravention of 47 C.F.R. 54.702(c), the Commission's policy that USAC's investigations be initiated and completed within five years, and (4) the clawing back of funds that USAC seeks would impose grave financial penalties on CAS, notwithstanding the fact that in the goals of the E-rate award were achieved by CAS's expenditure of the funds to provide Internet access to the Districts.

A. USAC's (Erroneous) Grounds for Rescinding E-rate Funding

The fundamental allegation in the COMADs is that CAS, as a service provider, violated the Commission rules by also providing E-rate consulting to the Districts, either directly (presumably, for FY 2003, when CAS provided vendor-neutral consulting services) or by being a "single entity" with Elite (which provided vendor-neutral E-rate consulting services in FY 2004). Each of COMADs letters CAS received contained the following explanation (copied verbatim from the USAC's May 16, 2011 denial of CAS' appeal for FY 2005-2006):

> After a thorough investigation, it has been determined that this funding commitment must be rescinded 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, CAS 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 entitys [sic] 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 been rescinded in full and USAC will seek recovery of any funds disbursed in violation of the programs competitive bidding rules from the applicant and service provider.

As explained in sections VI.B and VI.C, below, USAC's explanation cannot support USAC's Decisions, because all assistance provided by CAS was vendor-neutral, and therefore allowable for service providers under the rules at the time, and because USAC erred in assuming that common ownership means that CAS and Elite were a "single entity."

With respect to all but three of the COMADs, USAC's denial of CAS's timely appeal added no specific factual findings to the COMADs.[31] The closest that most of the denials come to additional explanation is the following statement, which appears in each denial:

> In cases where the Administrator finds "carbon copy" FCC Forms 470 across a series of applications, especially where the services and products requested are complex or substantial, and when the same service provider is involved, it is appropriate for the Administrator to subject such applications to more searching scrutiny to ensure there has been no improper service provider involvement in the competitive bidding process.

But this passage alleges nothing about *CAS*. Notably, the denials do *not* state that USAC found "carbon copy" here, nor does it explain what qualifies as a "carbon copy." Proposals by educational institutions, *i.e.*, the Districts, for the provision of Internet access are bound to look similar due to the nature of Internet service. The denials do not explain how such similarities violate any Commission rule in effect at the time, and the denials give no indication of how much similarity was found here, or how much was allowable. Nor do the denials do not say whether USAC subjected the applications to "more searching scrutiny," or what – if anything – that "scrutiny" turned up. In sum, the "carbon copy" language in USAC's denials of CAS's appeals adds nothing to the inaccurate assertions in the COMADs that would support USAC's conclusion that there was improper service provider involvement in the bidding process.

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[31] USAC's new "evidence" concerning the three Ithaca and Harrison COMADs are discussed in Section VI.D.

Finally, although USAC did cite new "evidence" concerning the three Ithaca and Harrison COMADs, as explained in Section VI.D, USAC grossly misinterpreted the IP address data that it cited, which fails to support USAC's Decisions.

B. The E-rate Rules for FY 2003 and 2004 Permitted Service Providers to Give the Type of Vendor Neutral Assistance CAS and Elite Gave the Districts.

In the Decisions, USAC appears to have assumed – contrary to the established law at the time – that *any* assistance that a service provider provided to an applicant for FY 2003 or 2004 was automatically improper and amounted to a "surrender" of control to the service provider. Thus, in the COMADs, USAD jumped from the fact that CAS provided vendor-neutral assistance to the Districts in 2003 to the conclusion that that "the service provider [was] engaged in the preparation and submission of its Form 470, the applicant [thereby] surrendered control of the competitive bidding process to the service provider who participated in the competitive bidding process as a bidder." Similarly, in denying CAS's appeals, USAC simply assumes that any assistance rendered was necessarily improper, and there is no indication that it considered or investigated whether the assistance CAS or Elite provided was vendor-neutral.

Regardless of whether assistance was provided by CAS or Elite, USAC's decisions to rescind funds must be reversed because Commission rules and precedent *expressly permitted* service providers to provide the type of neutral assistance at issue here. The conduct that the COMADs describe is consistent with the E-rate rules in place for FY 2003 and 2004, and does not amount to "surrendering control" to the service provider. The E-rate rules allowed service providers to assist in preparing applicants' bidding materials, so long as the service provider provided only "vendor-neutral assistance." In fact, each of the 2003 and 2004 FCC Form 470s directed potential bidders to a document on USAC's website entitled "Service Provider Role in

Assisting Customers,"[32] which expressly recognized that the Commission deemed vendor-neutral assistance "permissible":

> The FCC understands that applicants sometimes need to seek assistance from service providers in developing RFPs. *Such assistance is permissible even if the service provider plans to submit a bid in response to that RFP as long as the service provider's assistance is neutral*.[33]

This guidance confirms that vendor-neutral assistance was *expressly permitted*, and distinguishes such permissible assistance from impermissible, non-neutral conduct – *e.g.*, causing an RFP to be written such that only the service provider that assisted could win the bid.[34]

The distinction between permissible neutral assistance and impermissibly surrendering control of the bidding process is illustrated by the Commission's decisions. In the 2008 *SEND* case, for example, the service provider, SEND, provided varying levels of assistance to different customers.[35] In most cases, SEND provided some mailing assistance to the customers submitting their FCC Form 470 and may have been the source of similar content that appeared in multiple applications, but stopped short of actually filling in or certifying the Form 470 or determining what services were needed.[36] For those customers, the Commission found no violation of the competitive bidding process.[37]

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[32] *See* Exhibit A (copies of FCC Form 470 forms).
[33] *Service Provider Role in Assisting Customers* (Ch. 5 of *The SLD Guide to Service Provider Participation in the E-Rate*), 13 April. 2005, at 2. http://www.sl.universalservice.org/vendor/manual/chapter5.doc; Internet Archive, https://web.archive.org/web/20050401000000*/http://www.sl.universalservice.org/vendor/manual/chapter5.doc.
[34] *Id*.
[35] *In the Matter of Requests for Review of Decisions of the Universal Serv. Adm'r by Caldwell Par. Sch. Dist., et al.* Columbia, Louisiana Sch. & Libraries Universal Serv. Support Mechanism ("*SEND*"), 23 FCC Rcd. 2784, 2790 (FCC 2008).
[36] *Id.*
[37] *Id*.

For another customer involved in the SEND case, the Jackson district, the Commission reached a different conclusion. Because SEND had advised Jackson district personnel as to what services were needed, and had "performed many of the competitive bidding tasks that would ordinarily have been performed by [the district]," including "prepar[ing] a list of services to bid out, fill[ing] out the FCC Form 470," and "submit[ting] the FCC Form 470 to USAC," the Commission found that the SEND had violated the E-rate competitive bidding rules with respect to that district.[38] Here, in contrast, nothing in the COMAD letters provides any evidence that either Elite or CAS determined what services the Districts needed. Similarly, the COMADs do not indicate that the service provider here – CAS – performed "many … competitive bidding tasks" that would mirror SEND's improper role with the Jackson district. Here, the Districts – not CAS or Elite – provided and certified the information on the FCC Form 470.[39]

Similarly, in *Mastermind Internet Services, Inc.*, the Commission held that where the contact person on the FCC Form 470 is an employee or representative of a bidding service provider, the FCC Form 470 is defective.[40] At the same time, however, *Mastermind* also held that where a vendor neither signs the Form 470 nor is listed as the contact, there is no violation of the E-rate competitive bidding rules.[41] These holdings in *Mastermind* are applicable to the timeframe here, because Mastermind was decided in 2000 and was again relied upon by the

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[38] *Id.* at 2790–91.
[39] Meinhardt Decl. ¶¶ 20-21; Winchell Decl. ¶¶ 9, 12, 16.
[40] *Request for Review by Mastermind Internet Services, Inc.*, Federal-State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc., SPIN-143006149, CC Docket No. 96-45, FCC 00-167, para. 9 (2000) (Mastermind).
[41] *Id.* at 4034-35 ("To the extent that the applications at issue here were denied by SLD in instances that the Applicant did not name a MasterMind employee as the contact person and a MasterMind employee did not sign the associated Forms 470 or 471, we do not believe that there has been a violation of the competitive bidding process.").

Commission in the 2007 *SEND* decision.[42] Here, nothing in the COMAD letters indicates that either Elite or CAS actually signed any FCC Form 470 or was the contact person. Indeed, each of the relevant FCC Form 470s plainly lists a District representative as the contract person.[43]

Together, *SEND* and *Mastermind* make clear that service providers were allowed to assist in preparing an applicant's bids during the funding years in question, so long as certain lines were not crossed – *e.g.*, certifying the Form 470, being listed as the contact person, determining what services were needed. Here, there is no indication that any of those lines were crossed. No such lines were crossed in FY 2003, where any assistance that CAS provided was vendor neutral, CAS did not determine the Districts' technology needs, the Districts provided and certified the information in the FCC Form 470. No such lines were crossed in 2004, where Elite – a separate entity – similarly provided vendor-neutral assistance, did not determine what the Districts needs were, and the Districts again provided and certified the information in the FCC Form 470.

In sum, there is no indication that the Districts "surrendered control" of the bid process here. USAC erred by leaping to the conclusion that *any* service provider assistance violated the E-rate rules applicable for FY 2003 or 2004. Therefore, USAC's Decisions should be reversed.

C. USAC Disregarded FCC Rules and Precedent by Jumping to the False Conclusion that CAS and Elite were the Same Entity, Without Ever Applying the Relevant FCC Test.

1. Elite and CAS were not the "same entity."

USAC's explanation for rescinding the funding in which Elite was involved jumps to the erroneous conclusion Elite and CAS are one in the same. USAC appears to have reiterated that position, at least with respect to White Pine, despite its inconsistency with the facts.[44]

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[42] *SEND*, 23 FCC Rcd at 2791.
[43] See Exhibit A (copies of the FCC Form 470 forms).

In the COMADs, USAC erred by leaping from the (true) fact that Mr. Meinhardt sold Elite to Mr. Hoezee effective July 1, 2006, to the (false) conclusion that "[t]his purchase demonstrates that the two companies, CAS and Elite, were a single entity prior to July 1, 2006." That is simply not the case. As explained above, although Mr. Meinhardt originally owned the stock in both companies, from the time CAS and Elite were formed those two distinct entities have not only been separate Michigan corporations, but have been separate businesses that have operated independently – with Mr. Meinhardt having no day-to-day involvement in Elite.[45] Although Mr. Winchell worked for CAS before he became President of Elite, that obviously does not make Elite the same company. Nor does the fact that Mr. Winchell chose to leave his old company, CAS, and take the helm of the new organization, Elite, even imply, much less establish, that the two separate corporations were really "a single entity."

The fact that Elite was an independent business is reinforced by the fact that its operations have continued through a change in ownership and a change in location.[46] That success reinforces the fact that Elite simply is not, and never was, CAS. From the time that Elite was formed, the companies played (and continue to play) distinct roles concerning E-rate. CAS, as an ISP, provided Internet access service and competed for contracts in response to E-rate proposals, and with respect to one of the years in question, provided vendor-neutral assistance.[47] Elite, as a consultant, performed vendor-neutral E-rate consulting on an hourly or flat-rate

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[44] Although the White Pine denials repeat the claim that CAS and Elite were a single entity, USAC's denials of CAS's other appeals do not repeat the claim, simply asserting that "you have not demonstrated that USAC's [COMAD] determination was incorrect." To the extent that USAC is abandoning this claim, then there is no basis for the FY 2004 denials.
[45] Meinhardt Decl., ¶¶ 10-14; Winchell Decl. ¶¶ 3, 56.
[46] Meinhardt Decl., ¶¶ 13-14; Winchell Decl. ¶ 6.
[47] Meinhardt Decl. ¶ 5.

basis.[48] CAS competed for, and obtained, E-rate-funded contracts in which Elite had no role, and Elite assisted many school districts with RFPs that CAS either did not bid on, or was not awarded.[49]

As a result, the COMADs' assertions about "the time when Elite Fund, Inc. was a part of Casair, Inc." are simply false. But the erroneous viewing that the two companies were "a single entity" was a crucial basis for USAC's claims that there were violations of the E-rate rules, particularly in 2004 (the year where Elite provided consulting services to the Districts). Because CAS was not Elite, USAC had no valid basis for asserting that CAS acted both as a service provider, and a consultant, or for assuming that CAS had "inside" information, or for assuming the bidding process was unfair.[50] Because Elite never was a service provider, USAC's objections to Elite's involvement with the Districts' FCC Forms 470 are *irrelevant*. The only service provider at issue here – both for FY 2003 and 2004 – was CAS.[51] Moreover, the information on the FCC Form 470 was provided and certified by the Districts – not CAS or Elite.[52] Because the erroneous conclusion that Elite and CAS were the "same entity" is the *primary basis* for USAC's claw-back of the E-rate funding commitments at issue here for the years where Elite was involved, the actual facts – *e.g.*, that Elite and CAS were, and acted as, separate corporate entities even before the sale to Mr. Hoezee, requires a reversal of the decision to rescind the funds.

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[48] *See* Winchell Decl. ¶¶ 8-11; Meinhardt Decl. ¶ 8, 22-23.
[49] *See* Meinhardt Decl. ¶ 27; Winchell Decl. ¶ 13.
[50] *See*, e.g. Letter from USAC to Steven Meinhardt regarding FY 2003 funding for Ashley Community School District (June 2, 2017).
[51] *See* Winchell Decl. ¶ 11.
[52] *See* Winchell Decl. ¶ 16.

2. The FCC's test for "piercing the corporate veil," which was not (and could not be) applied by USAC here, is not met here.

Although the Commission or the courts may, in rare cases, choose to disregard the separate corporate existence of entities by "piercing the corporate veil," the facts and the law here prevented USAC from doing so here. In 2012, the FCC established three elements that must all be present in order to pierce the corporate veil:

> The Commission may "pierce the corporate veil" and hold one entity or individual liable for the acts or omissions of a different, related entity when: (1) there is a common identity of officers, directors or shareholders; (2) there is common control between the entities; and (3) it is necessary to preserve the integrity of the Communications Act and to prevent the entities from defeating the purpose and provisions of statutory provisions.[53]

USAC's discussion in the COMADs and denials of CAS' appeals simply does not apply the FCC's test. Instead, USAC just assumed – falsely – that common ownership or control, standing alone, suffices to make two corporate entities into a single entity.

In any case, the Commission's test does not support rescinding the E-rate funds here. In particular, the second required element – common control – is missing. There is no indication that Mr. Meinhardt exercised *any* actual control over the day-to-day operations of Elite – including its activities as an E-rate consultant – during the relevant time frame. Rather, the factual record shows just the opposite: Mr. Meinhardt exercised no day-to-day control over

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[53] *In re Telseven, LLC*, 27 FCC Rcd 6636, 6649-6650, 2012 FCC LEXIS 2528, *42-48, 56 Comm. Reg. (P & F) 234 ¶ 29 (FCC June 14, 2012) (citing *Capital Tel. Co. v. FCC*, 498 F.2d 734, 737 (D.C. Cir 1974) and *Mansfield Journal Co. (FM) v. FCC*, 180 F.2d 28, 37 (D.C. Cir. 1950) (piercing corporate veil where one family not owned all of the stock in two entities but the owners took an active part in the control of both entities)); *see also In re Network Servs. Solutions, LLC*, 31 FCC Rcd 12238, 12278-12282, 2016 FCC LEXIS 3697, *133-144, 65 Comm. Reg. (P & F) 1483 (FCC Nov. 4, 2016).

Elite, participating only in occasional, organizational decisions.[54] Accordingly, USAC's conclusions about CAS and Elite are rebutted by the Commission's own test.

But even if the first two elements were satisfied, the third is not. USAC itself is prohibited, under the Commission's rules, from analyzing that third element, which necessarily involves interpreting relevant "statutory provisions" in order to determine their "purpose," and to determine that application of the doctrine is "necessary" to avoid defeating that "purpose." The Commission has expressly forbidden USAC from engaging in this type of statutory interpretation, and from the policy judgments that would inevitably arise in determining whether piercing the veil is "necessary" to achieve the purpose of the Communications Act's provisions. Under 47 C.F.R. § 54.702(c), USAC may not make policy, interpret unclear provisions of the statute or rules, or interpret the intent of Congress."[55] In any case, USAC has unearthed no facts that would cause the Commission to find that CAS and Elite satisfy the third element of the test.

D. USAC's Evidence of a Shared IP Address Fails to Justify USAC's Decisions.

In denying CAS's appeals concerning the Harrison COMAD and the two COMADs concerning Ithaca (three of the eleven awards appealed here), USAC did announced a single piece of new "evidence" to support its assertion that CAS violated the Commission's rules:

> During the review it was determined that the IP address used to submit both FY 2003 and 2004 Forms 470 and Form 471 for the school district is the same IP address that Crystal Automation Services (CAS) used to submit service provider invoices. This shows that CAS had improper involvement in the competitive bidding process on behalf of the school district and that the school district served a role in that involvement, i.e., allowing the service provider to submit Forms on their behalf.

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[54] Meinhardt Decl. ¶ 12; Winchell Decl. ¶ 2, ¶ 5.

[55] In any case, there is no basis to think that treating these two businesses, CAS and Elite, as a single entity would be "necessary" to preserve the integrity of the Communications Act or to prevent defeat of the purpose of statutory provisions concerning universal service.

However, as explained below, this last-minute revelation does not support USAC's decisions.

As a preliminary matter, presenting new "evidence" for the first time in response to CAS's appeal, especially evidence that USAC failed to raise in USAC's correspondence with CAS during the course of USAC's supposedly "thorough" investigation, is procedurally improper, and that evidence is not properly part of the record in this proceeding, and provides no lawful basis for clawing back funds from CAS.

But turning to the substance, the common IP address adds no new support for USAC's decisions. At most USAC's review shows that during the times that the FY 2003 and 2004 forms were submitted, the service provider (CAS) shared an IP addresses with the E-rate consultant (CAS itself, for FY 2003, and Elite for FY 2004). The explanation for that is straightforward, and – contrary to USAC's wild speculation – involved no "improper involvement" by CAS.

First, as CAS has always acknowledged, Elite initially leased space in the same building as CAS and another firm, Area Wide Accounting.[56] CAS provided Internet access service to the entire building, protected behind a secure firewall that had a single Internet-facing IP address.[57] As a result, although computers behind the firewall each had their own local address, to the outside world, every computer in the building would have appeared to have single IP address.[58] The record reflects that Elite's sole Director, Mr. Winchell, viewed Elite's IP address as part of

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[56] Meinhardt Decl. at ¶ 13; Winchell Decl., ¶ 6.
[57] Attachment 4, Supplemental Declaration of Steven Meinhardt in Support of Request for Review by
Crystal Automation Services, Inc. of USAC Denial of Appeals ("Suppl. Meinhardt Decl."), ¶ 5.
[58] *Id.* The device in question, a firewall made by Asatro, a leading manufacturer of network equipment, used Network Address Translation ("NAT") to assign local private IP addresses to computers behind the firewall. *Id.*

its real estate arrangement. In June of 2006, Mr. Winchell decided that Elite should relocate to a new building and at the same time, obtain "its own firewall and IP address space."[59] Thus the shared IP address space was simply a function of leasing space in the same building, a situation that CAS has openly acknowledged. It was no indication that CAS and Elite were a "single entity," just as it was no indication that CAS and Area Wide Accounting (which had separate ownership)[60] were a "single entity."

Second, as CAS has also acknowledged, CAS provided (vendor-neutral) assistance to the Districts in FY 2003, which it was allowed to do (at the time) despite being a service provider. Even assuming that the Forms 470 and Forms 471 for the Ithaca or Harrison applicants were electronically submitted by CAS (the E-rate consultant for FY 2003) or Elite (as the E-rate consultant for FY 2004), that was not "improper involvement in the competitive bidding process," because the content of the forms was provided by, and certified by, the Districts.[61] Neither the Ithaca nor the Harrison district "surrendered control" of the bidding process by having their consultant submit something on their behalf.

The electronic submittal of the forms here is comparable to the physical mailing of the forms in the *SEND* case where the Commission found no violation the competitive bidding process.[62] Providing mailing assistance requires physical labor on the part of a service provider representative, and yet, it was found not to have tainted the competitive bidding process in

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[59] See Exhibit 4 to the Declaration of Steven Meinhardt, at 7 (page marked with an "Exhibit B" sticker).
[60] Suppl. Meinhardt Decl. ¶ 6.
[61] *See* Meinhardt Decl. ¶¶ 20-21; Winchell Decl. ¶¶ 9, 12, 16.
[62] *SEND*, 23 FCC Rcd. at 2790.

SEND.[63] Similarly, CAS submits that the use of the same IP address—particularly after CAS and Elite became two legally separate entities, is not by indicative of any improper behavior but only that CAS and Elite were located in the same building with the same Internet service. A service providers' electronic submission of a completed form on a districts behalf does not show that the district in question "surrendered control" to the service provider, any more than the physical mailing in *SEND* did.[64] What matters is who controlled the content of the forms, not who submitted it, or whether they did so using a computer at the district, Elite, CAS, or the local public library. In sum, the new IP address "evidence" does not bolster USAC's erroneous decisions with respect to the Ithaca and Harrison COMADs.

Finally, even if the IP address "evidence" did support USAC's decisions in those three cases (which it does not), there is nothing in the record indicating that USAC's decisions for the other eight funding awards were based on similar IP address evidence. Therefore, the IP address evidence cannot provide any support for those other awards.

E. USAC's Action Is Inconsistent with the FCC Policy that Fund Recovery Actions Should Be Initiated and Completed within Five Years of Service Delivery.

In its *Fifth Report and Order*, the Commission announced a five-year administrative limitations period applicable to USAC audits and investigations of E-rate funding:

> We believe that some limitation on the timeframe for audits or other investigations is desirable in order to provide beneficiaries with certainty and closure in the E-rate applications and funding processes. For administrative efficiency, the time frame for such inquiry should match the record retention requirements and, similarly, should go into effect for Funding Year 2004. Accordingly, ***we announce our policy that we will initiate and complete any inquiries to determine whether or not statutory or***

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[63] *See id.*
[64] *See id.*

> ***rule violations exist within a five year period after final delivery of service for a specific funding year***. We note that USAC and the Commission have several means of determining whether a violation has occurred, including reviewing the application, post application year auditing, invoice review and investigations. ***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.*** … [C]onducting 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.[65]

Later in the *Fifth Report and Order*, the Commission referred to the limitations period as a "rule" with respect to the initiation of fund recovery actions:

> **[T]he rule adopted in this *Fifth Report and Order*, adopting a five year administrative limitations period for initiation of fund recovery actions**, does not involve additional reporting, recordkeeping, or compliance requirements for small entities.[66]

In its 2005 Notice of Proposed Rulemaking, the Commission also offered an additional rationale for imposing a limitations period on investigations of E-rate funding, specifically:

> Many E-rate beneficiaries are public institutions. In these cases, the money needed to comply with audits and to maintain services when funds are unexpectedly delayed or denied comes from taxpayers and is part of a lengthy and complex budgeting process**.** If schools and libraries must account for the fact that an unintentional clerical error many years in the past may require them to disgorge E-rate funds, the system will work very inefficiently. For this reason we believe that ***we must balance our duty to investigate fraud with E-rate beneficiaries' legitimate***

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[65] *In the Matter of Sch. & Libraries Universal Serv. Support Mechanism*, Fifth Report and Order and Order, 19 FCC Rcd 15808, 15818–19, ¶¶ 32-33 (FCC 2004) (*Fifth Report and Order*) (emphasis added).
[66] *Id.*, 19 FCC Rcd at 15841–42 ¶ 102 (emphasis added).

> ***need for finality***, which they have with other government programs.[67]

The Commission reiterated the importance of providing certainty to Universal Service Fund ("USF") recipients in 2007 when it extended the five-year administrative limitations period to all USF programs:

> The administrative limitations period sets forth the time frame for audits and investigations. In the *Schools and Libraries Fifth Report and Order*, we adopted a policy that any inquiries to determine whether statutory or rule violations occurred will be initiated and completed within a five-year period after final delivery of service for that funding year. ***A general policy in this area for all USF programs would provide these participants with some certainty of the time within which an audit or further review of funding may occur.*** We emphasize that the administrative limitations period discussed here is not a statute of limitations for pursuing enforcement action or prosecuting a service provider or beneficiary.
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> * * * We are not convinced that the administrative limitations period for these programs should be less than the period for the schools and libraries program. ***We are therefore adopting a five-year standard for the other USF programs. This time period appropriately balances the beneficiary's need for finality and our need to safeguard the USF programs from waste, fraud, and abuse.***[68]

The Commission has been clear that the administrative limitations period is a policy, not a formal statute of limitations.[69] Nonetheless, USAC is not free to re-interpret, discard or waive

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[67] *In the Matter of Comprehensive Review of the Universal Serv. Fund Mgmt., Admin., & Oversight, et al.*, Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking, 20 FCC Rcd 11308, 11343–44 (FCC 2005) (seeking comments on the adoption of an administrative limitations period for all USF programs, which was adopted in the 2007 Order) (emphasis added).

[68] *In the Matter of Comprehensive Review of the Universal Serv. Fund Mgmt., Admin., & Oversight, et al.*, Report and Order, 22 FCC Rcd 16372, 16385–86 (FCC 2007).

[69] *See id.; In the Matter of Sandwich Isles Commc'ns, Inc.*, 31 FCC Rcd 12999 (FCC 2016) (*Sandwich Isles*) (citing *In the Matter of Request for Waiver of Review of a Decision of the Universal Service Administrator by Premio Computer, Inc. et al.*, Order, 29 FCC Rcd 8185,

this policy. Doing so would violate 47 C.F.R. § 54.702(c), which expressly forbids USAC from making policy or interpreting the Commission's rules. Although the Commission *itself* has, on occasion, departed from requiring that investigations be initiated and completed within the five-year record-retention period, its authority to interpret, clarify, or even waive its own policies does not grant any similar authority to USAC. Moreover, the cases where the Commission did depart from its five-year rule are distinguishable from the situation here.

The Commission's *Sandwich Isles* decision, for instance, concerned High Cost funding, rather than E-rate. There, the Commission specifically noted the longer "ten-year retention requirements for high-cost program recipients,"[70] and explained that "[t]he fact that the Commission adopted a rule in 2007 requiring all high-cost recipients to maintain specific forms of documentation for at least five years from the receipt of funding does not exonerate recipients from all other applicable retention requirements."[71] Moreover, in *Sandwich Isles*, USAC clawed back funding going all the way back to 2002 based on Wireline Competition Bureau decisions issued in 2010 and 2011[72] – within the ten-year record retention period applicable to high-cost recipients.[73] It was in that specific context – totally different than the one here – that the Commission signaled flexibility on the *completion* of the investigation and claw-back process, stating that "the Commission's direction to USAC to initiate and complete investigations within

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8186, para. 6 (WCB 2014) (*Premio*)). In explaining the distinction, the Commission has explained that "only Congress may impose such absolute limitations on debt recovery," and identified "constitutional constraints on an agency's ability to waive collection of legitimate Government debts in the absence of express statutory authority." *Id.*

[70] *Sandwich Isles*, 31 FCC Rcd at 13028.

[71] *Id*. at 13027.

[72] *Id*. at 13008-09.

[73] 31 FCC Rcd. at 13009-10. The investigation into Sandwich Isles ultimately resulted in a federal indictment in 2014 and ultimately a criminal tax fraud conviction in 2016.

five years is a policy preference, not an absolute bar to recovery."[74] That being said, even in the case of egregious conduct as that investigated in *Sandwich Isles*, the Bureau's investigation was *initiated* within the document retention period.

In the context of E-rate, the Commission has indicated that it (not USAC) may create an exception in certain contexts to the requirement that an audit/investigation be *completed* within the record-retention period.[75] In *Net56*, the Commission refers to its "policy directive that USAC finish its investigations and seek recovery within five years of the final delivery of service for a specific funding year," and ultimately concluded that "USAC finished its inquiries within five years of the funding year 2006 disbursements." But the Commission cautioned that "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, unlike a statutory limitations period that Congress may establish."[76] The Commission pointed to another occasion where the Commission had proceeded with recovery when the investigation was not concluded within the five year policy.[77] But the Commission emphasized that "[i]n this [*Net56*] case, upon determining that it had provided E-rate support for funding for both ineligible services and services that were awarded in violation of the Commission's competitive bidding rules, USAC promptly took action, which was both appropriate and consistent with Commission precedent."[78]

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[74] *Id.* at 13027.
[75] *See In the Matter of Application for Review of A Decision of the Wireline Competition Bureau by Net56, Inc. Palatine, Illinois*, Memorandum Op. and Order, 2017 WL 211539, at *2 (FCC Jan. 17, 2017).
[76] *Id.*
[77] *Id*. at *3.
[78] *Id*.

With CAS, the opposite is true. Both USAC's investigation and its determination to rescind funding reflect delays that are inconsistent with the Commission's policy.

1. USAC impermissibly departed from the FCC's policies on the timeframe for initiating investigations into the use of E-rate funds.

First, USAC failed even to initiate its investigation within the five-year period. USAC sent CAS its initial inquiry in January 2011, which is more than five years after FY 2004 (which ran from July 1, 2004 to June 30, 2005) had concluded. And USAC never sent an inquiry concerning FY 2003 at all. In fact, there is no record of any USAC investigation into the FY 2003 funding until USAC sent COMAD letters in *2017*, over twelve years after the funding year.

Even if the precedents above suggest that the Commission would allow USAC to *complete* an investigation after the record-retention period had elapsed, the Commission has never condoned USAC's *initiation* of an audit/investigation after the record retention period has run. That makes policy sense. As long as an audit is initiated within the record-keeping period, the audited entity would still be able to provide USAC with the relevant records, even if the audit takes longer to complete. In contrast, if USAC were allowed to wait until the record-keeping period had ended (and the records were potentially discarded), and only *then* initiate an investigation – as occurred here – then it is likely that important records would be gone – hurting both funded entities' need for certainty *and* the goal of identifying and eliminating waste, fraud, and abuse. Policies aside, it makes no sense to permit USAC to commence an audit *after* the obligation to retain relevant records expires. Yet that is just what USAC has done here – in effect, disregarding the Commission's policy choice by excusing its five-year delay in investigating FY 2004, and its egregious twelve-year delay in investigating FY 2003.

USAC's delays here plainly undermine the FCC's policy that audits and other investigations be initiated within the record-retention period, and the Commission's edict that

USAC should complete its investigations "and seek recovery of funds" within the five-year period "whenever possible."[79] Even if the five-year period is characterized as "policy," rather than a "rule," USAC has no discretion to determine whether to disregard the Commission's policy preferences, or to carve out an exception allowing for the unexplained delays here. Not only would that undermines the certainty and closure that the policy was intended to provide, but it would violate 47 U.S.C. 54.702(c), which expressly bars USAC from making policy or interpreting the Commission's rules.

Public policy considerations that the Commission has emphasized strongly counsel against creating new exceptions to the Commission's limitations policy. The Commission's express goal in adopting the policy was to provide certainty and finality to funding recipients. Declining to apply the policy in a clear case like this – where USAC did not even commence its investigation until after the records-retention period expired (and, indeed, after many records no longer exist) – would undermine the Commission's goal of providing such certainty. Because USAC's investigation here was not even *initiated* within five years of the funding years in question, the Commission's policy applies with full force, and *requires* USAC to reverse its decision to rescind the funding amounts.

And even if USAC disagreed with the Commission's policy preferences, under 47 U.S.C. 54.702(c), USAC has no discretion to substitute its own judgment for the Commission's, or to interpret the Commission's policy and rules to find exceptions or carve-outs that would allow for the unprecedented delays here. The Commission's edict is clear: "[USAC] may not make

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[79] *See Net56*, 2017 WL 211539, at *2 (FCC Jan. 17, 2017) ("We continue to believe that the best course is for USAC to aim to complete its investigations and seek recovery of funds within five years, whenever possible.").

policy, interpret unclear provisions of the statute or rules, or interpret the intent of Congress. Where the Act or the Commission's rules are unclear, or do not address a particular situation, the Administrator shall seek guidance from the Commission." Instead of seeking such guidance, USAC has substituted its own judgment for the Commission's concerning acceptable delays. Under 47 U.S.C. 54.702(c), it is forbidden from doing so.

2. USAC's unexplained additional five-year delay in issuing a decision *after* its investigation of FY 2004 is inconsistent with the FCC's five-year policy, and undermines the policy's express goals of certainty and finality for USF program beneficiaries.

After USAC's 2011 inquiries to CAS about FY 2004, there was an additional – and unexplained – five-year delay before USAC issued a decision in 2017. This is not the type of delay in completing investigations that the FCC has excused under its five-year policy, and is at odds with the policy's goals of certainty and finality for USF program beneficiaries. In *Net56*, the Commission emphasized that "[i]n this case, upon determining that it had provided E-rate support for funding for both ineligible services and services that were awarded in violation of the Commission's competitive bidding rules, USAC promptly took action, which was both appropriate and consistent with Commission precedent."[80] Just the opposite appears to have occurred here. USAC's 2017 COMADs rely entirely on an explanation that USAC had written in 2011, reflect no investigation beyond that conducted in 2011, and cite no new or additional facts. Therefore, it appears that after (incorrectly) determining that it had provided E-rate support to an ineligible recipient, instead of taking prompt action, USAC did *nothing* for an additional five years with respect to the funding years at issue in this appeal. The Commission has never authorized such delays in completing an investigation, and *Net56* indicates that it

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[80] *Id*.

would not do so. And, again because of 47 C.F.R. § 54.702(c), USAC cannot alter the Commission's policy, and cannot interpret the Commission rules as excusing its delays here.

F. Forcing CAS to Forfeit the Funds Here Is Barred by Statutes of Limitations.

1. 28 U.S.C. § 2462 bars USAC, and the Commission, from any proceedings to force CAS to forfeit funds received over a decade ago.

An additional, independent ground for reversing USAC's Decisions is that making CAS forfeit over $1.7 million in funding received for FY 2003 and FY 2004 is barred by the five-year limitations period established in 28 U.S.C. § 2462. That statute provides:

> 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.

This broad language plainly encompasses the proceeding here. *See 3M v. Browner*, 17 F. 3d 1453 (D.C. Cir. 1994) (holding that 28 U.S.C. § 2462 applies to administrative proceedings). Moreover, the draconian action that USAC proposes here – forcing CAS to pay over $1.7 million, which will threaten financial ruin for CAS, is plainly within the broad ambit of the statute, which applies to any "fine, penalty, of forfeiture, pecuniary or otherwise." Neither USAC's characterization of its action – or ultimately, the Commission's – alters the fundamentally punitive nature of USAC's action. *See Kokesh v. SEC*, ___ U.S. ___, 137 S. Ct. 1635 (June 5, 2017) (holding that SEC action seeking "disgorgement" sought a "penalty" within the meaning of 28 U.S.C. § 2462). In *Kokesh*, the Supreme Court set forth two principles that govern whether relief sought constitutes a "penalty": "[f]irst, whether a sanction represents a penalty turns in part on 'whether the wrong sought to be redressed is a wrong to the public, or a wrong to the individual'" and "[s]econd, a pecuniary sanction operates as a penalty only if it is

sought 'for the purpose of punishment, and to deter others from offending in like manner' — as opposed to compensating a victim for his loss." *Kokesh*, 137 S. Ct. at 1642 (quoting *Huntington v. Attrill*, 146 U.S. 657, 668, 13 S. Ct. 224 (1892)).

Kokesh concluded that SEC disgorgement satisfied the first principle because it operated as a consequence for violations of public laws. *See Kokesh*, 137 S. Ct. at 1643 ("The violation for which the remedy is sought is committed against the United States rather than an aggrieved individual—this is why, for example, a securities-enforcement action may proceed even if victims do not support or are not parties to the prosecution."). Similarly, here, the competitive bidding rules that CAS is accused of having violated are public laws, codified at 47 C.F.R. § 54.503. The violation that USAC has charged CAS with is against the public, not against the Districts or any other individuals. Accordingly, the first principle indicates that USAC's proposed claw-back of funds is, in fact a penalty, regardless of what USAC calls it.

Kokesh held that purpose of disgorgement satisfied the second principle, because SEC disgorgement has long been imposed for the purpose of deterring violations. *See Kokesh*, 137 S. Ct. at 1643. The court noted that "[s]anctions imposed for the purpose of deterring infractions of public laws are *inherently* punitive because 'deterrence [is] not [a] legitimate nonpunitive governmental objectiv[e].'" *Id.* (quoting *Bell v. Wolfish*, 441 U.S. 520, 539, n. 20, 99 S. Ct. 1861 (1979)). Moreover, the court observed that "[t]he primary purpose of disgorgement orders is to deter violations of the securities laws by depriving violators of their ill-gotten gains," and that "deterrence is not simply an incidental effect of disgorgement." *Id.* Similarly here, the claw-back proposed by USAC is not merely "incidental." USAC intends to deprive CAS of its (supposedly) "ill-gotten" gains, and to thereby deter future violations. So, the second principle confirms that the claw-back is punitive in nature.

Finally, as is evident from the records of the Michigan Dept. of Licensing and Regulatory Affairs,[81] and as confirmed in the attached Supplemental Declaration of Steven Meinhardt, since 2003, CAS has continuously maintained its principal place of business "within the United States," and has maintained agents in the United States "in order that proper service may be made" on CAS, thus satisfying the final requirement of 28 U.S.C. § 2462.

Therefore, forcing CAS to forfeit the E-rate funding that it received for FY 2003 and FY 2004 is time-barred by 28 U.S.C. § 2462, and USAC's Decisions must be reversed.

2. Any action to claw back the funds is time-barred by 28 U.S.C. § 1658.

In addition, recoupment here is barred by the four-year limitations period in 28 U.S.C. § 1658(a), which applies to civil actions arising under Acts of Congress enacted after Dec. 1, 1990. The statute applies here because the E-rate program was created after 1990, as part of the Telecommunications Act of 1996, and because any causes of action to recoup the FY 2003 and FY 2004 funding awards sought here accrued when the funds for each award were disbursed – more than four years before USAC issued the COMADs here. In *Sandwich Isles*, the Commission noted that the four-year limitations period set forth in 28 U.S.C. § 1658(a) may bar the Commission from recovering E-rate overpayments in the courts.[82] Although the Commission held that § 1658(a) did not bar the Commission's administrative remedies, the authority cited by the Commission establishes only that agencies may use administrative *offsets* to recover debts time-barred under a *different* statute – 28 U.S.C. § 2415(a).[83] In any case, Congress surely never

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[81] *See* http://w1.lara.state.mi.us/businessentitysearch/dt_corp.asp?id_nbr=19970A; Suppl. Meinhardt Decl., ¶ 4.
[82] *Sandwich Isles*, 31 FCC Rcd. at 13026.
[83] *See Sandwich Isles*, 31 FCC Rcd at 13026 (citing *BP Am. Prod. Co. v. Burton*, 549 U.S. 84, 96-97, 127 S. Ct. 638, 646-47 (2006) (holding that 28 U.S.C. § 2415(a) does not bar

intended to allow USAC (or the Commission) to circumvent the limitations period in § 1658(a) by initiating an administrative action to *recover* already disbursed funds when a court action would be plainly time-barred. Accordingly, such recovery is barred by 28 U.S.C. § 1658(a).

G. Good Cause Exists for Waiver, to Avoid Grave Financial Hardship for CAS, Which Would Otherwise Undermine E-Rate's Goals and Hurt Rural Service.

In the event that the USAC Decisions are upheld, then CAS requests that the Commission waive any rules violated here for good cause shown. Clawing back funds spent over a decade ago for their intended purpose would expose CAS to great financial hardship, threaten the services it provides to rural communities, and undercut the goals of the E-rate program. Forcing CAS to forfeit the $1,785,074.37 in E-rate funds would impose grave financial hardship on CAS.[84] It is now over a decade after the last funds were awarded, and the funds are not simply sitting in CAS's bank account.[85] All the FY 2003 and 2004 funds that CAS received were used long ago for their intended purpose.[86] Specifically, CAS used those funds to provide Internet access to the Districts. CAS is a relatively small company, with limited financial resources.[87] There is a substantial risk that forcing CAS to pay $1,785,074.37 would put CAS in default with respect to its loans including a substantial loan with the United States Department of Agriculture's Rural Utilities Service program, and even force CAS into bankruptcy, resulting in the loss of many jobs in the small town where CAS is based.[88]

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administrative offsets, concluding that "action," as used in the statute, is limited to judicial proceedings)).

[84] Meinhardt Decl. ¶ 42.

[85] *Id*. at 43.

[86] *Id.*

[87] *Id.* at 44.

[88] *Id.* at 45.

Not only would those outcomes be devastating for CAS, but they would prevent CAS from continuing to have a positive impact on the communities it serves. The proceeds of CAS's USDA RUS loan have been used to expand the network originally built for the schools by adding 400 miles of fiber and 16 cell towers, resulting in the connection of over 10,000 homes, businesses, hospitals, libraries, schools, ISDs, 911 centers, and colleges.[89] CAS's results on this project have made it one of the most successful BIP-funded projects in the nation, and CAS's efforts were recognized during an onsite visit from the director of the USDA RUS, who referred to CAS as one of the "shining stars" of their program.[90] Accordingly, rescinding the decade-old E-rate awards here threatens not only CAS, but would harm the goals of the E-rate program and the federal Universal Service Fund generally by impeding CAS's ongoing work assisting rural schools, libraries, and hospitals. Accordingly, CAS asks the Commission waive any rules were violated here (including 47 C.F.R. § 54.503) pursuant to 47 C.F.R. §§ 1.3 and 54.719.

H. The Districts, not CAS, should pay any amounts remitted to USAC here.

A fundamental purpose of the E-rate program is to provide schools and libraries with Internet access services. CAS should not be required to bear the cost of providing Internet access to the Districts. The Districts have already obtained the benefits of the E-rate funding by receiving the Internet access for which the funds were intended. Forcing CAS, the service provider, rather than the Districts, to repay funds that have already been spent for the Districts' benefit would leave the Districts with all the benefits while leaving the service provider, CAS, to shoulder the burden. Clawing the funds back from CAS would, in effect, retroactively force

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[89] *Id.* at 46.
[90] *Id.* at 47.

CAS (a private entity) rather than the E-rate fund to subsidize the District's Internet access. That is neither just nor equitable.

VII. CONCLUSION

For all the foregoing reasons, appellant CAS respectfully urges the Bureau to grant the relief requested herein and reverse USAC's decisions in the eleven COMADs, and denials of CAS's appeals with respect to the E-rate funding that CAS received for FY 2003 and 2004.

Respectfully submitted,

s/ Danielle Frappier

Danielle Frappier
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1300 SW Fifth Avenue
Suite 2400
Portland, OR 97201

Attorneys for Crystal Automation Services, Inc.

VIII. LIST OF ATTACHMENTS

Attachment 1 - Copies of USAC letters denying CAS's appeal

Attachment 2 - Copies of USAC Commitment Adjustment Decisions (COMADs)

Attachment 3 - Appeal by Crystal Automation Systems, Inc. of Commitment Adjustment Decisions Regarding E-rate Funding for FY 2003 and FY 2004 (filed Aug. 1, 2017), including:

Letter of Appeal (pp. 1-28);

Exhibit A – Copies of FCC Forms 470 (pp. 29-103);

Declaration of Steven Meinhardt in Support of Appeal by Crystal Automation Systems, Inc. d/b/a Casair of Commitment Adjustment Decisions Regarding E-rate Funding for FY 2003 and 2004 (pp. 104-109), including Exhibits 1- 8 (pp. 110-188); and

Declaration of George Winchell in Support of Appeal by Crystal Automation Systems, Inc. d/b/a Casair of Commitment Adjustment Decisions Regarding E-Rate Funding For FY 2003 and 2004 (pp. 189-192)

Attachment 4 - Supplemental Declaration of Steven Meinhardt in Support of Request for Review by Crystal Automation Services, Inc. of USAC Denial of Appeals

Universal Service Administrative Company
Schools & Libraries Division

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

August 25, 2017

Alan Galloway
David Wright Tremaine LLP
1300 SW Fifth Avenue, Suite 2400
Portland, OR 97201

Re:	Applicant Name:	ASHLEY COMMUNITY SCHOOL DIST
	Billed Entity Number:	131177
	Form 471 Application Number:	344498
	Funding Request Number(s):	933596
	Your Correspondence Dated:	August 01, 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): 933596
Decision on Appeal: **Denied**
Explanation:

- USAC determined that the service provider was improperly involved in the competitive bidding process. During the review process, USAC gave you an opportunity to demonstrate that the competitive bidding process was not compromised and you failed to do so. Since you violated the FCC competitive bidding rules, USAC rescinded your funding request and sought recovery of any funds disbursed. On appeal, you have not demonstrated that USAC's determination was incorrect. Consequently, your appeal is denied.

  FCC rules require that, except under limited circumstances, an eligible school, library or consortium that includes an eligible school or library shall seek competitive bids for all services eligible for support and must conduct a fair and open competitive bidding process. See 47 C.F.R. sec. 54.503(a) and (b). An applicant violates the FCC's competitive bidding requirements when it surrenders control of the bidding process to a

service provider who participated in the competitive bidding process as a bidder. See Request for Review of the Decisions of the Universal Service Administrator by Mastermind Internet Services, Inc, Federal-State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc., CC Docket Nos. 96-45, Order, 16 FCC Rcd 4028, FCC 00-167 para. 9-10 (rel. May 23, 2000). In cases where the Administrator finds "carbon copy" FCC Forms 470 across a series of applications, especially where the services and products requested are complex or substantial, and when the same service provider is involved, it is appropriate for the Administrator to subject such applications to more searching scrutiny to ensure there has been no improper service provider involvement in the competitive bidding process. See Request for Review of the Decision of the Universal Service Administrator by Ysleta Independent School District, El Paso, Texas, et al., Federal State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc., SLD Nos. 321479, et al., CC Docket Nos. 96-45, 97-21, Order, FCC 03-313 para. 30 (rel. Dec. 8, 2003). The FCC's Fifth Report and Order requires recovery of all funds disbursed for any funding request for which the competitive bidding rules have been violated. See Schools and Libraries Universal Service Support Mechanism, CC Docket No. 02-6, Fifth Report and Order and Order, 19 FCC Rcd 15815-15816, FCC 04-190 para. 21 (rel. Aug. 13, 2004).

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: Roger Keck

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

August 29, 2017

Alan Galloway
Davis Wright Tremaine LLP
1300 SW Fifth Avenue, Suite 2400
Portland, OR 97201

Re:	Applicant Name:	ASHLEY COMMUNITY SCHOOL DIST
	Billed Entity Number:	131177
	Form 471 Application Number:	396010
	Funding Request Number(s):	1082434
	Your Correspondence Dated:	August 01, 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): 1082434
Decision on Appeal: **Denied**
Explanation:

- USAC determined that the service provider was improperly involved in the competitive bidding process. During the review process, USAC gave you an opportunity to demonstrate that the competitive bidding process was not compromised and you failed to do so. Since you violated the FCC competitive bidding rules, USAC rescinded your funding request and sought recovery of any funds disbursed. On appeal, you have not demonstrated that USAC's determination was incorrect. Consequently, your appeal is denied.

  FCC rules require that, except under limited circumstances, an eligible school, library or consortium that includes an eligible school or library shall seek competitive bids for all services eligible for support and must conduct a fair and open competitive bidding process. See 47 C.F.R. sec. 54.503(a) and (b). An applicant violates the FCC's competitive bidding requirements when it surrenders control of the bidding process to a

service provider who participated in the competitive bidding process as a bidder. See Request for Review of the Decisions of the Universal Service Administrator by Mastermind Internet Services, Inc, Federal-State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc., CC Docket Nos. 96-45, Order, 16 FCC Rcd 4028, FCC 00-167 para. 9-10 (rel. May 23, 2000). In cases where the Administrator finds "carbon copy" FCC Forms 470 across a series of applications, especially where the services and products requested are complex or substantial, and when the same service provider is involved, it is appropriate for the Administrator to subject such applications to more searching scrutiny to ensure there has been no improper service provider involvement in the competitive bidding process. See Request for Review of the Decision of the Universal Service Administrator by Ysleta Independent School District, El Paso, Texas, et al., Federal State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc., SLD Nos. 321479, et al., CC Docket Nos. 96-45, 97-21, Order, FCC 03-313 para. 30 (rel. Dec. 8, 2003). The FCC's Fifth Report and Order requires recovery of all funds disbursed for any funding request for which the competitive bidding rules have been violated. See Schools and Libraries Universal Service Support Mechanism, CC Docket No. 02-6, Fifth Report and Order and Order, 19 FCC Rcd 15815-15816, FCC 04-190 para. 21 (rel. Aug. 13, 2004).

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: Roger Keck

Universal Service Administrative Company
Schools & Libraries Division

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

August 23, 2017

Alan Galloway
David Wright Tremaine LLP
1300 SW Fifth Avenue, Suite 2400
Portland, OR 97201

Re:	Applicant Name:	CLARE-GLADWIN RESD
	Billed Entity Number:	131099
	Form 471 Application Number:	369768
	Funding Request Number(s):	1008157
	Your Correspondence Dated:	August 01, 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):	1008157
Decision on Appeal:	**Denied**
Explanation:	

- USAC determined that the service provider was improperly involved in the competitive bidding process. During the review process, USAC gave you an opportunity to demonstrate that the competitive bidding process was not compromised and you failed to do so. Since you violated the FCC competitive bidding rules, USAC rescinded your funding request and sought recovery of any funds disbursed. On appeal, you have not demonstrated that USAC's determination was incorrect. Consequently, your appeal is denied.

  FCC rules require that, except under limited circumstances, an eligible school, library or consortium that includes an eligible school or library shall seek competitive bids for all services eligible for support and must conduct a fair and open competitive bidding process. See 47 C.F.R. sec. 54.503(a) and (b). An applicant violates the FCC's competitive bidding requirements when it surrenders control of the bidding process to a

service provider who participated in the competitive bidding process as a bidder. See Request for Review of the Decisions of the Universal Service Administrator by Mastermind Internet Services, Inc, Federal-State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc., CC Docket Nos. 96-45, Order, 16 FCC Rcd 4028, FCC 00-167 para. 9-10 (rel. May 23, 2000). In cases where the Administrator finds "carbon copy" FCC Forms 470 across a series of applications, especially where the services and products requested are complex or substantial, and when the same service provider is involved, it is appropriate for the Administrator to subject such applications to more searching scrutiny to ensure there has been no improper service provider involvement in the competitive bidding process. See Request for Review of the Decision of the Universal Service Administrator by Ysleta Independent School District, El Paso, Texas, et al., Federal State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc., SLD Nos. 321479, et al., CC Docket Nos. 96-45, 97-21, Order, FCC 03-313 para. 30 (rel. Dec. 8, 2003). The FCC's Fifth Report and Order requires recovery of all funds disbursed for any funding request for which the competitive bidding rules have been violated. See Schools and Libraries Universal Service Support Mechanism, CC Docket No. 02-6, Fifth Report and Order and Order, 19 FCC Rcd 15815-15816, FCC 04-190 para. 21 (rel. Aug. 13, 2004).

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

Universal Service Administrative Company
Schools & Libraries Division

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

August 23, 2017

Alan Galloway
David Wrght Tremain LLP
1300 SW Fifth Avenue, Suite 2400
Portland, OR 97201

Re:	Applicant Name:	CLARE-GLADWIN RESD
	Billed Entity Number:	131099
	Form 471 Application Number:	420735
	Funding Request Number(s):	1159681
	Your Correspondence Dated:	August 01, 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):	1159681
Decision on Appeal:	**Denied**
Explanation:	

- USAC determined that the service provider was improperly involved in the competitive bidding process. During the review process, USAC gave you an opportunity to demonstrate that the competitive bidding process was not compromised and you failed to do so. Since you violated the FCC competitive bidding rules, USAC rescinded your funding request and sought recovery of any funds disbursed. On appeal, you have not demonstrated that USAC's determination was incorrect. Consequently, your appeal is denied.

  FCC rules require that, except under limited circumstances, an eligible school, library or consortium that includes an eligible school or library shall seek competitive bids for all services eligible for support and must conduct a fair and open competitive bidding process. See 47 C.F.R. sec. 54.503(a) and (b). An applicant violates the FCC's competitive bidding requirements when it surrenders control of the bidding process to a

service provider who participated in the competitive bidding process as a bidder. See Request for Review of the Decisions of the Universal Service Administrator by Mastermind Internet Services, Inc, Federal-State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc., CC Docket Nos. 96-45, Order, 16 FCC Rcd 4028, FCC 00-167 para. 9-10 (rel. May 23, 2000). In cases where the Administrator finds "carbon copy" FCC Forms 470 across a series of applications, especially where the services and products requested are complex or substantial, and when the same service provider is involved, it is appropriate for the Administrator to subject such applications to more searching scrutiny to ensure there has been no improper service provider involvement in the competitive bidding process. See Request for Review of the Decision of the Universal Service Administrator by Ysleta Independent School District, El Paso, Texas, et al., Federal State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc., SLD Nos. 321479, et al., CC Docket Nos. 96-45, 97-21, Order, FCC 03-313 para. 30 (rel. Dec. 8, 2003). The FCC's Fifth Report and Order requires recovery of all funds disbursed for any funding request for which the competitive bidding rules have been violated. See Schools and Libraries Universal Service Support Mechanism, CC Docket No. 02-6, Fifth Report and Order and Order, 19 FCC Rcd 15815-15816, FCC 04-190 para. 21 (rel. Aug. 13, 2004).

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

Universal Service Administrative Company
Schools & Libraries Division

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

August 29, 2017

Alan Galloway
David Wright Tremaine LLP
1300 SW Fifth Avenue, Suite 2400
Portland, OR 97201

Re:	Applicant Name:	HARRISON COMM SCHOOL DISTRICT
	Billed Entity Number:	131109
	Form 471 Application Number:	347432
	Funding Request Number(s):	935432, 935450
	Your Correspondence Dated:	August 01, 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): 935432, 935450
Decision on Appeal: **Denied**
Explanation:

- USAC determined that the service provider was improperly involved in the competitive bidding process. During the review it was determined that the IP address used to submit both FY 2003 and 2004 Forms 470 and Form 471 for the school district is the same IP address that Crystal Automation Services (CAS) used to submit service provider invoices. This shows that CAS had improper involvement in the competitive bidding process on behalf of the school district and that the school district served a role in that involvement, i.e., allowing the service provider to submit Forms on their behalf. Additionally, Elite Fund and CAS are under common ownership and were housed in the same location, clearly a relationship that is a conflict of interest for applicants who used both Elite Fund as a consultant and CAS as a service provider. Thus, the competitive bidding process is tainted and recovery is warranted. USAC gave you an opportunity to demonstrate that the competitive bidding process was not compromised and you failed to

do so. On appeal, you have not demonstrated that USAC's determination was incorrect. Consequently, your appeal is denied.

FCC rules require that, except under limited circumstances, an eligible school, library or consortium that includes an eligible school or library shall seek competitive bids for all services eligible for support and must conduct a fair and open competitive bidding process. See 47 C.F.R. sec. 54.503(a) and (b). An applicant violates the FCC's competitive bidding requirements when it surrenders control of the bidding process to a service provider who participated in the competitive bidding process as a bidder. See Request for Review of the Decisions of the Universal Service Administrator by Mastermind Internet Services, Inc, Federal-State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc., CC Docket Nos. 96-45, Order, 16 FCC Rcd 4028, FCC 00-167 para. 9-10 (rel. May 23, 2000). In cases where the Administrator finds "carbon copy" FCC Forms 470 across a series of applications, especially where the services and products requested are complex or substantial, and when the same service provider is involved, it is appropriate for the Administrator to subject such applications to more searching scrutiny to ensure there has been no improper service provider involvement in the competitive bidding process. See Request for Review of the Decision of the Universal Service Administrator by Ysleta Independent School District, El Paso, Texas, et al., Federal State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc., SLD Nos. 321479, et al., CC Docket Nos. 96-45, 97-21, Order, FCC 03-313 para. 30 (rel. Dec. 8, 2003). The FCC's Fifth Report and Order requires recovery of all funds disbursed for any funding request for which the competitive bidding rules have been violated. See Schools and Libraries Universal Service Support Mechanism, CC Docket No. 02-6, Fifth Report and Order and Order, 19 FCC Rcd 15815-15816, FCC 04-190 para. 21 (rel. Aug. 13, 2004).

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: Kelly Hileman

Universal Service Administrative Company
Schools & Libraries Division

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

August 29, 2017

Alan Galloway
David Wright Tremaine LLP
1300 SW Fifth Avenue, Suite 2400
Portland, OR 97201

Re:	Applicant Name:	ITHACA PUBLIC SCHOOL DISTRICT
	Billed Entity Number:	131221
	Form 471 Application Number:	346373
	Funding Request Number(s):	932622
	Your Correspondence Dated:	August 01, 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): 932622
Decision on Appeal: **Denied**
Explanation:

- USAC determined that the service provider was improperly involved in the competitive bidding process. During the review it was determined that the IP address used to submit both FY 2003 and 2004 Forms 470 and Form 471 for the school district is the same IP address that Crystal Automation Services (CAS) used to submit service provider invoices. This shows that CAS had improper involvement in the competitive bidding process on behalf of the school district and that the school district served a role in that involvement, i.e., allowing the service provider to submit Forms on their behalf. Additionally, Elite Fund and CAS are under common ownership and were housed in the same location, clearly a relationship that is a conflict of interest for applicants who used both Elite Fund as a consultant and CAS as a service provider. Thus, the competitive bidding process is tainted and recovery is warranted. USAC gave you an opportunity to demonstrate that the competitive bidding process was not compromised and you failed to

do so. On appeal, you have not demonstrated that USAC's determination was incorrect. Consequently, your appeal is denied.

FCC rules require that, except under limited circumstances, an eligible school, library or consortium that includes an eligible school or library shall seek competitive bids for all services eligible for support and must conduct a fair and open competitive bidding process. See 47 C.F.R. sec. 54.503(a) and (b). An applicant violates the FCC's competitive bidding requirements when it surrenders control of the bidding process to a service provider who participated in the competitive bidding process as a bidder. See Request for Review of the Decisions of the Universal Service Administrator by Mastermind Internet Services, Inc, Federal-State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc., CC Docket Nos. 96-45, Order, 16 FCC Rcd 4028, FCC 00-167 para. 9-10 (rel. May 23, 2000). In cases where the Administrator finds "carbon copy" FCC Forms 470 across a series of applications, especially where the services and products requested are complex or substantial, and when the same service provider is involved, it is appropriate for the Administrator to subject such applications to more searching scrutiny to ensure there has been no improper service provider involvement in the competitive bidding process. See Request for Review of the Decision of the Universal Service Administrator by Ysleta Independent School District, El Paso, Texas, et al., Federal State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc., SLD Nos. 321479, et al., CC Docket Nos. 96-45, 97-21, Order, FCC 03-313 para. 30 (rel. Dec. 8, 2003). The FCC's Fifth Report and Order requires recovery of all funds disbursed for any funding request for which the competitive bidding rules have been violated. See Schools and Libraries Universal Service Support Mechanism, CC Docket No. 02-6, Fifth Report and Order and Order, 19 FCC Rcd 15815-15816, FCC 04-190 para. 21 (rel. Aug. 13, 2004).

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: Steve Netzley

Universal Service Administrative Company
Schools & Libraries Division

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

August 29, 2017

Alan Galloway
David Wright Tremaine LLP
1300 SW Fifth Avenue, Suite 2400
Portland, OR 97201

Re:	Applicant Name:	ITHACA PUBLIC SCHOOL DISTRICT
	Billed Entity Number:	131221
	Form 471 Application Number:	395738
	Funding Request Number(s):	1081674
	Your Correspondence Dated:	August 01, 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): 1081674
Decision on Appeal: **Denied**
Explanation:

- USAC determined that the service provider was improperly involved in the competitive bidding process. During the review it was determined that the IP address used to submit both FY 2003 and 2004 Forms 470 and Form 471 for the school district is the same IP address that Crystal Automation Services (CAS) used to submit service provider invoices. This shows that CAS had improper involvement in the competitive bidding process on behalf of the school district and that the school district served a role in that involvement, i.e., allowing the service provider to submit Forms on their behalf. Additionally, Elite Fund and CAS are under common ownership and were housed in the same location, clearly a relationship that is a conflict of interest for applicants who used both Elite Fund as a consultant and CAS as a service provider. Thus, the competitive bidding process is tainted and recovery is warranted. USAC gave you an opportunity to demonstrate that the competitive bidding process was not compromised and you failed to

do so. On appeal, you have not demonstrated that USAC's determination was incorrect. Consequently, your appeal is denied.

FCC rules require that, except under limited circumstances, an eligible school, library or consortium that includes an eligible school or library shall seek competitive bids for all services eligible for support and must conduct a fair and open competitive bidding process. See 47 C.F.R. sec. 54.503(a) and (b). An applicant violates the FCC's competitive bidding requirements when it surrenders control of the bidding process to a service provider who participated in the competitive bidding process as a bidder. See Request for Review of the Decisions of the Universal Service Administrator by Mastermind Internet Services, Inc, Federal-State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc., CC Docket Nos. 96-45, Order, 16 FCC Rcd 4028, FCC 00-167 para. 9-10 (rel. May 23, 2000). In cases where the Administrator finds "carbon copy" FCC Forms 470 across a series of applications, especially where the services and products requested are complex or substantial, and when the same service provider is involved, it is appropriate for the Administrator to subject such applications to more searching scrutiny to ensure there has been no improper service provider involvement in the competitive bidding process. See Request for Review of the Decision of the Universal Service Administrator by Ysleta Independent School District, El Paso, Texas, et al., Federal State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc., SLD Nos. 321479, et al., CC Docket Nos. 96-45, 97-21, Order, FCC 03-313 para. 30 (rel. Dec. 8, 2003). The FCC's Fifth Report and Order requires recovery of all funds disbursed for any funding request for which the competitive bidding rules have been violated. See Schools and Libraries Universal Service Support Mechanism, CC Docket No. 02-6, Fifth Report and Order and Order, 19 FCC Rcd 15815-15816, FCC 04-190 para. 21 (rel. Aug. 13, 2004).

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: Steve Netzley

Universal Service Administrative Company
Schools & Libraries Division

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

August 23, 2017

Alan Galloway
Davis Wright Tremaine LLP
1300 SW Fifth Avenue, Suite 2400
Portland, OR 97201

Re:	Applicant Name:	MONTCALM AREA INTER SCH DIST
	Billed Entity Number:	131263
	Form 471 Application Number:	354876
	Funding Request Number(s):	956609
	Your Correspondence Dated:	August 01, 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): 956609
Decision on Appeal: **Denied**
Explanation:

- USAC determined that the service provider was improperly involved in the competitive bidding process. During the review process, USAC gave you an opportunity to demonstrate that the competitive bidding process was not compromised and you failed to do so. Since you violated the FCC competitive bidding rules, USAC rescinded your funding request and sought recovery of any funds disbursed. On appeal, you have not demonstrated that USAC's determination was incorrect. Consequently, your appeal is denied.

  FCC rules require that, except under limited circumstances, an eligible school, library or consortium that includes an eligible school or library shall seek competitive bids for all services eligible for support and must conduct a fair and open competitive bidding process. See 47 C.F.R. sec. 54.503(a) and (b). An applicant violates the FCC's competitive bidding requirements when it surrenders control of the bidding process to a

service provider who participated in the competitive bidding process as a bidder. See Request for Review of the Decisions of the Universal Service Administrator by Mastermind Internet Services, Inc, Federal-State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc., CC Docket Nos. 96-45, Order, 16 FCC Rcd 4028, FCC 00-167 para. 9-10 (rel. May 23, 2000). In cases where the Administrator finds "carbon copy" FCC Forms 470 across a series of applications, especially where the services and products requested are complex or substantial, and when the same service provider is involved, it is appropriate for the Administrator to subject such applications to more searching scrutiny to ensure there has been no improper service provider involvement in the competitive bidding process. See Request for Review of the Decision of the Universal Service Administrator by Ysleta Independent School District, El Paso, Texas, et al., Federal State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc., SLD Nos. 321479, et al., CC Docket Nos. 96-45, 97-21, Order, FCC 03-313 para. 30 (rel. Dec. 8, 2003). The FCC's Fifth Report and Order requires recovery of all funds disbursed for any funding request for which the competitive bidding rules have been violated. See Schools and Libraries Universal Service Support Mechanism, CC Docket No. 02-6, Fifth Report and Order and Order, 19 FCC Rcd 15815-15816, FCC 04-190 para. 21 (rel. Aug. 13, 2004).

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: Tom Staten

Universal Service Administrative Company
Schools & Libraries Division

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

August 23, 2017

Alan Galloway
Davis Wright Tremaine LLP
1300 SW Fifth Avenue, Suite 2400
Portanld, OR 97201

Re:	Applicant Name:	MONTCALM AREA INTER SCH DIST
	Billed Entity Number:	131263
	Form 471 Application Number:	396545
	Funding Request Number(s):	1083967
	Your Correspondence Dated:	August 01, 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):	1083967
Decision on Appeal:	**Denied**
Explanation:	

- USAC determined that the service provider was improperly involved in the competitive bidding process. During the review process, USAC gave you an opportunity to demonstrate that the competitive bidding process was not compromised and you failed to do so. Since you violated the FCC competitive bidding rules, USAC rescinded your funding request and sought recovery of any funds disbursed. On appeal, you have not demonstrated that USAC's determination was incorrect. Consequently, your appeal is denied.

  FCC rules require that, except under limited circumstances, an eligible school, library or consortium that includes an eligible school or library shall seek competitive bids for all services eligible for support and must conduct a fair and open competitive bidding process. See 47 C.F.R. sec. 54.503(a) and (b). An applicant violates the FCC's competitive bidding requirements when it surrenders control of the bidding process to a

service provider who participated in the competitive bidding process as a bidder. See Request for Review of the Decisions of the Universal Service Administrator by Mastermind Internet Services, Inc, Federal-State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc., CC Docket Nos. 96-45, Order, 16 FCC Rcd 4028, FCC 00-167 para. 9-10 (rel. May 23, 2000). In cases where the Administrator finds "carbon copy" FCC Forms 470 across a series of applications, especially where the services and products requested are complex or substantial, and when the same service provider is involved, it is appropriate for the Administrator to subject such applications to more searching scrutiny to ensure there has been no improper service provider involvement in the competitive bidding process. See Request for Review of the Decision of the Universal Service Administrator by Ysleta Independent School District, El Paso, Texas, et al., Federal State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc., SLD Nos. 321479, et al., CC Docket Nos. 96-45, 97-21, Order, FCC 03-313 para. 30 (rel. Dec. 8, 2003). The FCC's Fifth Report and Order requires recovery of all funds disbursed for any funding request for which the competitive bidding rules have been violated. See Schools and Libraries Universal Service Support Mechanism, CC Docket No. 02-6, Fifth Report and Order and Order, 19 FCC Rcd 15815-15816, FCC 04-190 para. 21 (rel. Aug. 13, 2004).

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: Tom Staten

Universal Service Administrative Company
Schools & Libraries Division

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

August 29, 2017

Alan Galloway
David Wright Tremaine LLP
1300 SW Fifth Avenue, Suite 2400
Portland, OR 97201

Re:	Applicant Name:	WHITE PINE LIBRARY
	Billed Entity Number:	131264
	Form 471 Application Number:	364773
	Funding Request Number(s):	990303
	Your Correspondence Dated:	August 01, 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 entitys 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: Katie Arwood

100 South Jefferson Road, P.O. Box 902, Whippany, New Jersey 07981
Visit us online at: *www.usac.org/sl/*

Universal Service Administrative Company
Schools & Libraries Division

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

August 29, 2017

Alan Galloway
David Wright Tremaine LLP
1300 SW Fifth Avenue, Suite 2400
Portland, OR 97201

Re:	Applicant Name:	WHITE PINE LIBRARY
	Billed Entity Number:	131264
	Form 471 Application Number:	413273
	Funding Request Number(s):	1134631
	Your Correspondence Dated:	August 01, 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 entitys 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: Katie Arwood

Steve Meinhardt
Crystal Automation Systems Inc
617 E. Lake St.
Stanton, MI 48888

Schools & Libraries Program

Notification of Commitment Adjustment Letter

Funding Year 2003: July 1, 2003 - June 30, 2004

June 16, 2017

Steve Meinhardt
Crystal Automation Systems Inc
617 E. Lake St.
Stanton, MI 48888

Re:	**SPIN:**	**143004346**
	Service Provider Name:	**Crystal Automation Systems Inc**
	Form 471 Application Number:	**354876**
	Funding Year:	**2003**
	FCC Registration Number:	
	Applicant Name	**MONTCALM AREA INTER SCH DIST**
	Billed Entity Number:	**131263**
	Applicant Contact Person:	**TOM STATEN**

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 the overall funding commitment. The purpose of this letter is to make the required adjustments to the funding commitment, and to give you an opportunity to appeal this decision. USAC has determined the service provider is responsible for all or some of the program rule violations. Therefore, the service provider 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.

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.

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 the applicant for informational purposes. If USAC has determined the applicant is also responsible for any rule violation on the FRN(s), a separate letter will be sent to the applicant detailing the necessary applicant 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 the applicant(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 the 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 service provider is responsible for repaying.

Schools and Libraries Program
Universal Services Administrative Company

cc: THOMAS STATEN
MONTCALM AREA INTER SCH DIST

Funding Commitment Adjustment Report
Form 471 Application Number: 354876

Funding Request Number:	956609
Contract Number:	N/A
Services Ordered:	INTERNET ACCESS
Billing Account Number:	CAS-Q2168
Original Funding Commitment:	$392,557.20
Commitment Adjustment Amount:	$392,557.20
Adjusted Funding Commitment:	$0.00
Funds Disbursed to Date:	$392,557.20
Funds to be Recovered from Service Provider:	$392,557.20

Funding Commitment Adjustment Explanation:

After a thorough investigation, it has been determined that this funding commitment must be rescinded 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 entitys 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 been rescinded in full and USAC will seek recovery of any funds disbursed in violation of the programs competitive bidding rules from the applicant and service provider.

THOMAS STATEN
MONTCALM AREA INTER SCH DIST
P.O. Box 367
STANTON, MI 48888-0367

Schools & Libraries Program

Notification of Commitment Adjustment Letter

Funding Year 2003: July 1, 2003 - June 30, 2004

June 16, 2017

Steve Meinhardt
Crystal Automation Systems Inc
617 E. Lake St.
Stanton, MI 48888

Re:	**SPIN:**	**143004346**
	Service Provider Name:	**Crystal Automation Systems Inc**
	Form 471 Application Number:	**354876**
	Funding Year:	**2003**
	FCC Registration Number:	
	Applicant Name	**MONTCALM AREA INTER SCH DIST**
	Billed Entity Number:	**131263**
	Applicant Contact Person:	**TOM STATEN**

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 the overall funding commitment. The purpose of this letter is to make the required adjustments to the funding commitment, and to give you an opportunity to appeal this decision. USAC has determined the service provider is responsible for all or some of the program rule violations. Therefore, the service provider 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.

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.

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5. Provide an authorized signature on your letter of appeal.

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

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

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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 the applicant(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 the 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 service provider is responsible for repaying.

Schools and Libraries Program
Universal Services Administrative Company

cc: THOMAS STATEN
MONTCALM AREA INTER SCH DIST

Funding Commitment Adjustment Report
Form 471 Application Number: 354876

Funding Request Number:	956609
Contract Number:	N/A
Services Ordered:	INTERNET ACCESS
Billing Account Number:	CAS-Q2168
Original Funding Commitment:	$392,557.20
Commitment Adjustment Amount:	$392,557.20
Adjusted Funding Commitment:	$0.00
Funds Disbursed to Date:	$392,557.20
Funds to be Recovered from Service Provider:	$392,557.20

Funding Commitment Adjustment Explanation:

After a thorough investigation, it has been determined that this funding commitment must be rescinded 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 entitys 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 been rescinded in full and USAC will seek recovery of any funds disbursed in violation of the programs competitive bidding rules from the applicant and service provider.

Patty Rockafellow
WHITE PINE LIBRARY
106 E WALNUT ST
STANTON, MI 48888

Schools and Libraries Program

Notification of Commitment Adjustment Letter

Funding Year 2003: July 1, 2003 - June 30, 2004

June 21, 2017

Patty Rockafellow
WHITE PINE LIBRARY
106 E WALNUT ST
STANTON, MI 48888

Re: Form 471 Application Number:	**364773**
Funding Year:	**2003**
Applicant's Form Identifier:	**INTERNET**
Billed Entity Number:	**131264**
FCC Registration Number:	**0011993268**
SPIN:	**143004346**
Service Provider Name:	**Crystal Automation Systems Inc**
Service Provider Contact Person:	**Steve Meinhardt**

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).

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• Form 471 Application Number,
• Billed Entity Number, and
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Schools and Libraries Program - Correspondence Unit
30 Lanidex Plaza West
PO Box 685
Parsippany, NJ 07054-0685

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FUNDING COMMITMENT ADJUSTMENT REPORT

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Schools and Libraries Program
Universal Services Administrative Company

cc: Steve Meinhardt
Crystal Automation Systems Inc

Funding Commitment Adjustment Report for
Form 471 Application Number: 364773

Funding Request Number:	990303
Services Ordered:	INTERNET ACCESS
SPIN:	143004346
Service Provider Name:	Crystal Automation Systems Inc
Contract Number:	CAS-Q2195
Billing Account Number:	N/A
Site Identifier:	131264
Original Funding Commitment:	$7,198.10
Commitment Adjustment Amount:	$7,198.10
Adjusted Funding Commitment:	$0.00
Funds Disbursed to Date	$7,198.10
Funds to be Recovered from Applicant:	$7,198.10

Funding Commitment Adjustment Explanation:

After a thorough investigation, it has been determined that this funding commitment must be rescinded 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 entitys 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.

Steve Meinhardt
Crystal Automation Systems Inc
617 E. Lake St.
Stanton, MI 48888

Schools and Libraries Program

Notification of Commitment Adjustment Letter

Funding Year 2003: July 1, 2003 - June 30, 2004

June 21, 2017

Patty Rockafellow
WHITE PINE LIBRARY
106 E WALNUT ST
STANTON, MI 48888

Re: Form 471 Application Number:	**364773**
Funding Year:	**2003**
Applicant's Form Identifier:	**INTERNET**
Billed Entity Number:	**131264**
FCC Registration Number:	**0011993268**
SPIN:	**143004346**
Service Provider Name:	**Crystal Automation Systems Inc**
Service Provider Contact Person:	**Steve Meinhardt**

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Parsippany, NJ 07054-0685

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Schools and Libraries Program
Universal Services Administrative Company

cc: Steve Meinhardt
Crystal Automation Systems Inc

Funding Commitment Adjustment Report for
Form 471 Application Number: 364773

Funding Request Number:	990303
Services Ordered:	INTERNET ACCESS
SPIN:	143004346
Service Provider Name:	Crystal Automation Systems Inc
Contract Number:	CAS-Q2195
Billing Account Number:	N/A
Site Identifier:	131264
Original Funding Commitment:	$7,198.10
Commitment Adjustment Amount:	$7,198.10
Adjusted Funding Commitment:	$0.00
Funds Disbursed to Date	$7,198.10
Funds to be Recovered from Applicant:	$7,198.10

Funding Commitment Adjustment Explanation:

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Schools & Libraries Program

Notification of Commitment Adjustment Letter

Funding Year 2004: July 1, 2004 - June 30, 2005

June 9, 2017

Steve Meinhardt
Crystal Automation Systems Inc
617 E. Lake St.
Stanton, MI 48888

Re:	**SPIN:**	**143004346**
	Service Provider Name:	**Crystal Automation Systems Inc**
	Form 471 Application Number:	**395738**
	Funding Year:	**2004**
	FCC Registration Number:	
	Applicant Name	**ITHACA PUBLIC SCHOOL DISTRICT**
	Billed Entity Number:	**131221**
	Applicant Contact Person:	**Steve Netzley**

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- Form 471 Application Number,
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Schools and Libraries Program
Universal Services Administrative Company

cc: Chairman Fletcher
ITHACA PUBLIC SCHOOL DISTRICT

Funding Commitment Adjustment Report
Form 471 Application Number: 395738

Funding Request Number:	1081674
Contract Number:	CAS2557
Services Ordered:	INTERNET ACCESS
Billing Account Number:	
Original Funding Commitment:	$13,000.00
Commitment Adjustment Amount:	$13,000.00
Adjusted Funding Commitment:	$0.00
Funds Disbursed to Date:	$12,999.96
Funds to be Recovered from Service Provider:	$12,999.96

Funding Commitment Adjustment Explanation:

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Schools & Libraries Program

Notification of Commitment Adjustment Letter

Funding Year 2003: July 1, 2003 - June 30, 2004

June 9, 2017

Steve Meinhardt
Crystal Automation Systems Inc
617 E. Lake St.
Stanton, MI 48888

Re:	**SPIN:**	**143004346**
	Service Provider Name:	**Crystal Automation Systems Inc**
	Form 471 Application Number:	**346373**
	Funding Year:	**2003**
	FCC Registration Number:	
	Applicant Name	**ITHACA PUBLIC SCHOOL DISTRICT**
	Billed Entity Number:	**131221**
	Applicant Contact Person:	**Steve Netzley**

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 the overall funding commitment. The purpose of this letter is to make the required adjustments to the funding commitment, and to give you an opportunity to appeal this decision. USAC has determined the service provider is responsible for all or some of the program rule violations. Therefore, the service provider is responsible to repay all or some of the funds disbursed in error (if any).

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- Form 471 Application Number,
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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

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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 the applicant(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 the 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 service provider is responsible for repaying.

Schools and Libraries Program
Universal Services Administrative Company

cc: Chairman Fletcher
ITHACA PUBLIC SCHOOL DISTRICT

Funding Commitment Adjustment Report
Form 471 Application Number: 346373

Funding Request Number:	932622
Contract Number:	CAS1914
Services Ordered:	INTERNET ACCESS
Billing Account Number:	N/A
Original Funding Commitment:	$35,685.00
Commitment Adjustment Amount:	$35,685.00
Adjusted Funding Commitment:	$0.00
Funds Disbursed to Date:	$35,685.00
Funds to be Recovered from Service Provider:	$35,685.00

Funding Commitment Adjustment Explanation:

After a thorough investigation, it has been determined that this funding commitment must be rescinded 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 entitys 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 been rescinded in full and USAC will seek recovery of any funds disbursed in violation of the programs competitive bidding rules from the applicant and the service provider.

Schools & Libraries Program

Notification of Commitment Adjustment Letter

Funding Year 2004: July 1, 2004 - June 30, 2005

June 2, 2017

Steve Meinhardt
Crystal Automation Systems Inc
617 E. Lake St.
Stanton, MI 48888

Re:	**SPIN:**	**143004346**
	Service Provider Name:	**Crystal Automation Systems Inc**
	Form 471 Application Number:	**396010**
	Funding Year:	**2004**
	FCC Registration Number:	
	Applicant Name	**ASHLEY COMMUNITY SCHOOL DIST**
	Billed Entity Number:	**131177**
	Applicant Contact Person:	**Roger Keck**

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

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Schools and Libraries Program
Universal Services Administrative Company

cc: Jeffrey Rohrer
ASHLEY COMMUNITY SCHOOL DIST

Funding Commitment Adjustment Report
Form 471 Application Number: 396010

Funding Request Number:	1082434
Contract Number:	CAS2573
Services Ordered:	INTERNET ACCESS
Billing Account Number:	
Original Funding Commitment:	$12,621.02
Commitment Adjustment Amount:	$12,621.02
Adjusted Funding Commitment:	$0.00
Funds Disbursed to Date:	$12,621.00
Funds to be Recovered from Service Provider:	$12,621.00

Funding Commitment Adjustment Explanation:

After a thorough investigation, it has been determined that this funding commitment must be rescinded 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 entitys 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 been rescinded in full and USAC will seek recovery of any funds disbursed in violation of the programs competitive bidding rules from the applicant and service provider.

Schools & Libraries Program

Notification of Commitment Adjustment Letter

Funding Year 2003: July 1, 2003 - June 30, 2004

June 2, 2017

Steve Meinhardt
Crystal Automation Systems Inc
617 E. Lake St.
Stanton, MI 48888

Re:	**SPIN:**	**143004346**
	Service Provider Name:	**Crystal Automation Systems Inc**
	Form 471 Application Number:	**344498**
	Funding Year:	**2003**
	FCC Registration Number:	
	Applicant Name	**ASHLEY COMMUNITY SCHOOL DIST**
	Billed Entity Number:	**131177**
	Applicant Contact Person:	**ROGER KECK**

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Schools and Libraries Program
Universal Services Administrative Company

cc: Jeffrey Rohrer
ASHLEY COMMUNITY SCHOOL DIST

Funding Commitment Adjustment Report
Form 471 Application Number: 344498

Funding Request Number:	933596
Contract Number:	CAS2160
Services Ordered:	INTERNET ACCESS
Billing Account Number:	N/A
Original Funding Commitment:	$12,621.02
Commitment Adjustment Amount:	$12,621.02
Adjusted Funding Commitment:	$0.00
Funds Disbursed to Date:	$12,621.00
Funds to be Recovered from Service Provider:	$12,621.00

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Schools & Libraries Program

Notification of Commitment Adjustment Letter

Funding Year 2004: July 1, 2004 - June 30, 2005

June 2, 2017

Steve Meinhardt
Crystal Automation Systems Inc
617 E. Lake St.
Stanton, MI 48888

Re:	**SPIN:**	**143004346**
	Service Provider Name:	**Crystal Automation Systems Inc**
	Form 471 Application Number:	**420735**
	Funding Year:	**2004**
	FCC Registration Number:	
	Applicant Name	**CLARE-GLADWIN RESD**
	Billed Entity Number:	**131099**
	Applicant Contact Person:	**Ken Chinavare**

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Schools and Libraries Program
Universal Services Administrative Company

cc: Ken Chinavare
CLARE-GLADWIN RESD

Funding Commitment Adjustment Report
Form 471 Application Number: 420735

Funding Request Number:	1159681
Contract Number:	N/A
Services Ordered:	INTERNET ACCESS
Billing Account Number:	
Original Funding Commitment:	$452,264.40
Commitment Adjustment Amount:	$452,264.40
Adjusted Funding Commitment:	$0.00
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Schools & Libraries Program

Notification of Commitment Adjustment Letter

Funding Year 2003: July 1, 2003 - June 30, 2004

June 2, 2017

Steve Meinhardt
Crystal Automation Systems Inc
617 E. Lake St.
Stanton, MI 48888

Re:	**SPIN:**	**143004346**
	Service Provider Name:	**Crystal Automation Systems Inc**
	Form 471 Application Number:	**369768**
	Funding Year:	**2003**
	FCC Registration Number:	
	Applicant Name	**CLARE-GLADWIN RESD**
	Billed Entity Number:	**131099**
	Applicant Contact Person:	**Ken Chinavare**

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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

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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 the applicant(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 the 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 service provider is responsible for repaying.

Schools and Libraries Program
Universal Services Administrative Company

cc: Ken Chinavare
CLARE-GLADWIN RESD

Funding Commitment Adjustment Report
Form 471 Application Number: 369768

Funding Request Number:	1008157
Contract Number:	CAS-Q2163
Services Ordered:	INTERNET ACCESS
Billing Account Number:	N/A
Original Funding Commitment:	$458,341.42
Commitment Adjustment Amount:	$458,341.42
Adjusted Funding Commitment:	$0.00
Funds Disbursed to Date:	$458,341.42
Funds to be Recovered from Service Provider:	$458,341.42

Funding Commitment Adjustment Explanation:

After a thorough investigation, it has been determined that this funding commitment must be rescinded 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 entitys 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 been rescinded in full and USAC will seek recovery of any funds disbursed in violation of the programs competitive bidding rules from the applicant and the service provider.

USAC
Universal Service Administrative Company

Schools and Libraries Program

Notification of Commitment Adjustment Letter

Funding Year 2004: July 1, 2004 - June 30, 2005

June 21, 2017

Patty Rockafellow
WHITE PINE LIBRARY
106 E WALNUT ST
STANTON, MI 48888

Re: Form 471 Application Number:	413273
Funding Year:	2004
Applicant's Form Identifier:	Internet
Billed Entity Number:	131264
FCC Registration Number:	0011993268
SPIN:	143004346
Service Provider Name:	Crystal Automation Systems Inc
Service Provider Contact Person:	Steve Meinhardt

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.

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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: Steve Meinhardt
Crystal Automation Systems Inc

Funding Commitment Adjustment Report for
Form 471 Application Number: 413273

Funding Request Number:	1134631
Services Ordered:	INTERNET ACCESS
SPIN:	143004346
Service Provider Name:	Crystal Automation Systems Inc
Contract Number:	N/A
Billing Account Number:	
Site Identifier:	131264
Original Funding Commitment:	$7,198.10
Commitment Adjustment Amount:	$7,198.10
Adjusted Funding Commitment:	$0.00
Funds Disbursed to Date	$7,198.08
Funds to be Recovered from Applicant:	$7,198.08

Funding Commitment Adjustment Explanation:

After a thorough investigation, it has been determined that this funding commitment must be rescinded 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 bo 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 entitys 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 been rescinded in full and USAC will seek recovery of any funds disbursed in violation of the programs competitive bidding rules.

Steve Meinhardt
Crystal Automation Systems Inc
617 E. Lake St.
Stanton, MI 48888

Schools & Libraries Program

Notification of Commitment Adjustment Letter

Funding Year 2004: July 1, 2004 - June 30, 2005

June 16, 2017

Steve Meinhardt
Crystal Automation Systems Inc
617 E. Lake St.
Stanton, MI 48888

Re:	**SPIN:**	**143004346**
	Service Provider Name:	**Crystal Automation Systems Inc**
	Form 471 Application Number:	**396545**
	Funding Year:	**2004**
	FCC Registration Number:	
	Applicant Name	**MONTCALM AREA INTER SCH DIST**
	Billed Entity Number:	**131263**
	Applicant Contact Person:	**Tom Staten**

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 the overall funding commitment. The purpose of this letter is to make the required adjustments to the funding commitment, and to give you an opportunity to appeal this decision. USAC has determined the service provider is responsible for all or some of the program rule violations. Therefore, the service provider is responsible to repay all or some of the funds disbursed in error (if any).

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Schools and Libraries Program
Universal Services Administrative Company

cc: Thomas Staten
MONTCALM AREA INTER SCH DIST

Funding Commitment Adjustment Report
Form 471 Application Number: 396545

Funding Request Number:	1083967
Contract Number:	CAS-Q2552
Services Ordered:	INTERNET ACCESS
Billing Account Number:	
Original Funding Commitment:	$383,761.44
Commitment Adjustment Amount:	$383,761.44
Adjusted Funding Commitment:	$0.00
Funds Disbursed to Date:	$383,761.44
Funds to be Recovered from Service Provider:	$383,761.44

Funding Commitment Adjustment Explanation:

After a thorough investigation, it has been determined that this funding commitment must be rescinded 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 entitys 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 been rescinded in full and USAC will seek recovery of any funds disbursed in violation of the programs competitive bidding rules from the applicant and service provider.

Thomas Staten
MONTCALM AREA INTER SCH DIST
P.O. Box 367
STANTON, MI 48888-0367

Schools & Libraries Program

Notification of Commitment Adjustment Letter

Funding Year 2004: July 1, 2004 - June 30, 2005

June 16, 2017

Steve Meinhardt
Crystal Automation Systems Inc
617 E. Lake St.
Stanton, MI 48888

Re:	**SPIN:**	**143004346**
	Service Provider Name:	**Crystal Automation Systems Inc**
	Form 471 Application Number:	**396545**
	Funding Year:	**2004**
	FCC Registration Number:	
	Applicant Name	**MONTCALM AREA INTER SCH DIST**
	Billed Entity Number:	**131263**
	Applicant Contact Person:	**Tom Staten**

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Schools and Libraries Program
Universal Services Administrative Company

cc: Thomas Staten
MONTCALM AREA INTER SCH DIST

Funding Commitment Adjustment Report
Form 471 Application Number: 396545

Funding Request Number:	1083967
Contract Number:	CAS-Q2552
Services Ordered:	INTERNET ACCESS
Billing Account Number:	
Original Funding Commitment:	$383,761.44
Commitment Adjustment Amount:	$383,761.44
Adjusted Funding Commitment:	$0.00
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Funds to be Recovered from Service Provider:	$383,761.44

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Davis Wright Tremaine LLP

Suite 800
1919 Pennsylvania Avenue NW
Washington, DC 2006-3401

Danielle Frappier
202.973.4242 tel

daniellefrappier@dwt.com

Suite 2400
1300 SW Fifth Avenue
Portland, OR 97201-5630

Alan J. Galloway
503.778.5219 tel

alangalloway@dwt.com

August 1, 2017

VIA E-MAIL
Appeals@sl.universalservice.org

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

Re: Appeal by Crystal Automation Systems, Inc. of Commitment Adjustment Decisions regarding E-rate Funding for FY 2003 and FY 2004

Dear Madam/Sir:

Crystal Automation Systems, Inc. d/b/a Casair, Inc. (SPIN 143004346, hereinafter "CAS"), by counsel, hereby appeals eleven Commitment Adjustment Decisions ("COMADs") by the Universal Service Administrative Company ("USAC"), which rescind a total of $1,785,074.37 in funds awarded by the Schools and Library Program ("E-rate") for Funding Years ("FY") 2003 and 2004. Details of the COMADs appealed herein are listed in the chart below.

COMAD Date	Funding Year	School District	Form 471 Number	Funding Request Number ("FRN)"	Amount USAC Seeks to Recover
June 16, 2017	2003	Montcalm Area Intermediate School District	354876	956609	$392,557.20

4837-5269-6396v.5 0109747-000001

COMAD Date	Funding Year	School District	Form 471 Number	Funding Request Number ("FRN)"	Amount USAC Seeks to Recover
June 16, 2017	2004	Montcalm Area Intermediate School District	396545	1083967	$383,761.44
June 9, 2017	2003	Harrison Comm. School District	347432	935432 935450	$7,506.00 $2,320.77
June 9, 2017	2003	Ithaca Public School District	346373	932622	$35,685.00
June 9, 2017	2004	Ithaca Public School District	395738	1081674	$12,999.96
June 2, 2017	2003	Ashley Community School District	344498	933596	$12,621.00
June 2, 2017	2004	Ashley Community School District	396010	1082434	$12,621.00
June 2, 2017	2003	Clare-Gladwin RESD	369768	1008157	$458,341.42
June 2, 2017	2004	Clare-Gladwin RESD	420735	1159681	$452,264.40
June 21, 2017	2003	White Pine Library	364773	990303	$7,198.10
June 21, 2017	2004	White Pine Library	413273	1134631	$7,198.08

I. BASIS FOR THE APPEAL

The COMADs are all based on an erroneous conclusion: that CAS, the service provider, and Elite Fund, Inc. ("Elite"), an E-rate consultant, were a single entity. Although the two entities were commonly owned before Elite was sold on July 1, 2006, CAS and Elite were distinct corporate entities that conducted business separately. USAC is not free to disregard the

fact that CAS was not Elite. USAC also incorrectly assumed that the school districts "surrendered control" to CAS during the bidding process, when in fact the alleged assistance was permissible under E-rate rules during the relevant time period. The decisions are also untimely. USAC commenced its investigations more than *five years* after CAS had delivered the services for the funding years in question, in violation of the Federal Communications Commission ("Commission") policy that USAC audits and investigations should be initiated (and completed) within five years. Finally, any action to recover the funding here is time-barred by 28 U.S.C. § 1658(a).

II. BACKGROUND

CAS was incorporated in Michigan in 1999.[1] Since its formation, Steven Meinhardt has owned 100% of the shares of CAS.[2] Originally a supplier of computer hardware, CAS grew into an Internet service provider ("ISP") that also provided a wide range of services to customers including structured cabling, technical support, and technology consulting.[3] One such service was assistance preparing applications for technology funding, which CAS performed at standard hourly rates or on a fixed-rate, fee-for-service basis.[4] In response to increasing demand for technology consulting services and to ensure ongoing compliance in light of evolving E-rate

[1] Declaration of Steven Meinhardt ("Meinhardt Decl."),¶ 3. *See also* the Michigan Dept. of Licensing and Regulatory Affairs record for CAS at http://www.dleg.state.mi.us/bcs_corp/dt_corp.asp?id_nbr=19970A&name_entity=CRYSTAL%20AUTOMATION%20SYSTEMS,%20INC.

[2] Meinhardt Decl. ¶ 4.

[3] *Id.* ¶ 5.

[4] *Id.* ¶ 6.

program guidance, in September of 2003, Mr. Meinhardt formed an independent business devoted exclusively to such consulting services – Elite Fund, Inc. Thereafter CAS ceased its involvement in preparing applications for technology funding.[5]

Elite is also a Michigan corporation.[6] Mr. Meinhardt was never an officer of Elite, and although he was initially its sole shareholder, he did not participate in its day-to-day operations, which were carried out by Elite's employees.[7] One of these Elite employees was George Winchell, a former school teacher and administrator, who had worked for CAS before departing at the end of 2003 and joining Elite.[8] Since Elite's formation, it has been, and was always operated as, a separate business from CAS.[9] Elite originally leased office space in a multi-tenant building that was also occupied by Elite, CAS and Area Wide Accounting and Tax Service.[10] Elite relocated its operations to its current address in June 2006.[11] Elite's status as a legally distinct business is reflected in the fact that Mr. Meinhardt sold Elite – but not CAS – to Roger

[5] *Id*. at ¶ 7.

[6] *Id*. at ¶ 8. *See also* the Michigan Dept. of Licensing and Regulatory Affairs record for Elite at http://www.dleg.state.mi.us/bcs_corp/dt_corp.asp?id_nbr=05846D&name_entity=ELITE%20FUND,%20INC.

[7] Meinhardt Decl. at ¶ 11-12; Declaration of George Winchell ("Winchell Decl.") ¶ 5.

[8] Meinhardt Decl. at ¶ 16; Winchell Decl., ¶ 14.

[9] Meinhardt Decl. at ¶ 10; Winchell Decl., ¶¶ 3, 5-6.

[10] Meinhardt Decl. at ¶ 13; Winchell Decl., ¶ 6.

[11] Meinhardt Decl. at ¶ 13; Winchell Decl., ¶ 6.

Hoezee, in a stock purchase agreement effective July 1, 2006.[12] Just as it has throughout its history, Elite continued to operate as a separate business.[13]

During FY 2003 and 2004, CAS was awarded contracts to provide Internet access services using E-rate funds to several school districts and one library in Michigan (collectively, the "Districts"). In keeping with the Commission's record-keeping rules in effect for the funding years at issue, CAS retained records concerning the E-rate funding awards it received for FY 2003 and 2004 for five years.[14] Although records of this period are now incomplete, it appears that CAS provided assistance to certain Districts that were preparing FY 2003 applications. Any such assistance was "vendor-neutral," and did not favor CAS over other potential vendors. All such assistance was also provided at standard hourly or flat rates, so CAS' compensation for did not depend on whether CAS competed for, or was awarded, E-rate contracts.[15] CAS did not make determinations as to what services the Districts needed, and the information on the FCC Form 470s was provided and certified by District personnel. No CAS employee or representative was listed as the contact person on the 470. CAS prevailed in a competitive bidding process for each FY 2003 contract.[16]

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[12] Meinhardt Decl. at ¶ 14.

[13] Meinhardt Decl. at ¶ 14; Winchell Decl., ¶ 3. Mr. Winchell was erroneously listed as an officer of CAS for a time following the creation of Elite. In fact, however, he played no operational role at CAS since 2003. Meinhardt Decl., ¶ 17; Winchell Decl. ¶ 19.

[14] Meinhardt Decl., ¶ 28

[15] Meinhardt Decl., ¶ 20-21.

[16] *Id*. ¶ 22.

For FY 2004, CAS did not assist the Districts in preparing E-rate applications.[17] Instead, it appears that certain Districts consulted with Elite in preparing their applications.[18] CAS did not coordinate with Elite or receive any information from Elite concerning contracts or the FCC Forms 470 and 471.[19] As it did for FY 2003, CAS participated in a competitive bidding process for each FY 2004 contract. The results of the competitive processes underscore the lack of collusion between Elite and CAS. The five Districts that awarded contracts to CAS for the funding that is at issue here are among 36 school districts and libraries that Elite appears to have assisted for FY 2004, and most of those entities did not award contracts to CAS.[20]

On January 25, 2011, long after the five-year record retention period applicable to FY 2003 and 2004 had expired, USAC sent CAS a letter announcing a review of Funding Years 2004-2010, and seeking information about CAS' relationship with Elite.[21] CAS responded on February 3, 2011.[22] USAC sent a follow-up inquiry on March 7, 2011, to which CAS responded on March 17, 2011.[23] On May 16, 2011, USAC sent CAS a letter denying an appeal CAS had filed in April 2006.[24] On June 1, 2011, USAC sent another letter, this time limiting the inquiry

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[17] *Id*. ¶ 23.

[18] *Id*. ¶ 24; Winchell Decl., ¶¶ 12-13.

[19] *Id*. at 25.

[20] Meinhardt Decl., ¶ 26-27; Winchell Decl., ¶ 13.

[21] Meinhardt Decl., ¶ 30. The Commission adopted the five-year record retention period in the *Fifth Report and Order*, issued on August 13, 2004. The final amended rules became effective on November 12, 2004. 70 FR 55300. The record retention period was extended to 10 years in 2014, and became effective on August 19, 2014. 79 FR 49160.

[22] *Id*. ¶ 31.

[23] *Id*. ¶ 32.

[24] *Id*. ¶ 33.

to Funding Years 2008-2010.[25] On June 14, 2011, CAS responded to *that* USAC inquiry.[26] In August 2011, USAC notified CAS that it was rescinding three E-rate awards for Funding Years 2008-2010, a total amount of $526,688.20.[27] Although CAS believed that USAC's decisions to rescind funding were in error, it did not pursue further action or appeal USAC's decision. Instead, CAS considered the matter closed and moved on with its business.[28]

CAS received no further correspondence from USAC concerning past E-rate funding for *more than five years*, until 2017. Then, beginning on June 2, 2017, CAS received a series of letters from USAC that rescinded funding for FY 2003 and 2004 – *more than a decade in the past*.

This was a shock, to put it mildly. USAC had not inquired about Funding Year 2003 at all during the 2011 correspondence. Indeed, until the 2017 letters, USAC had provided CAS with *no notice at all* that the 2003 funding was under review. Although USAC had initially inquired about Funding Year 2004 in its January 25, 2011 letter, the June 1, 2011 letter had narrowed the inquiry to just Funding Years 2008-2010. Given that the five-year record-retention period had expired long before, CAS no longer had complete records concerning these E-rate awards, which had been expended long before in providing Internet access to the school districts and library. Making matters more confusing, the 2017 COMADs do not give any indication that anything had changed, or that USAC had even conducted a specific investigation of the FY 2003

[25] *Id.* ¶ 34.
[26] *Id.* ¶ 35.
[27] *Id.* ¶ 36.
[28] *Id.* ¶ 37.

and 2004 awards. To the contrary, USAC's explanation for rescinding the awards in the 2017 letter is simply copied from USAC's May 16, 2011 denial of CAS' appeal for FY 2005-2006. Specifically, each of the COMAD letters CAS received contain the following explanation:

> After a thorough investigation, it has been determined that this funding commitment must be rescinded 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, CAS 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 entitys [sic] 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 been rescinded in full and USAC will seek recovery of any funds disbursed in violation of the programs competitive bidding rules from the applicant and service provider.

USAC has added no new information to this factually inaccurate explanation.

As explained below, because CAS and Elite were never the same entity, the explanation is simply factually incorrect – as it was when USAC first offered it in 2011. Moreover, USAC offers no explanation as to why it is appropriate to rescind funds dating back to 2003 and 2004 based on an inquiry that did not start until 2011. Moreover, the 2017 letters do not provide any explanation for why USAC waited an additional five years after the 2011 inquiry before suddenly seeking recovery of funds that were spent on Internet access services over a decade ago.

As explained in detail below, USAC should reverse the decision to rescind funding because (1) the decision rests on the false assumption that CAS and Elite were a "single entity," (2) the decision violates the Commission rule that investigations must be initiated within five years, and (3) the educational entities never surrendered control of the bidding process to CAS.

III. ARGUMENT

A. USAC Disregarded FCC Rules and Precedent by Improperly Jumping to the False Conclusion that CAS and Elite were the Same Entity.

1. Elite and CAS were not the "same entity."

The explanation for rescinding funding starts with a factual premise, but then jumps to an erroneous conclusion. Specifically, from the fact that Mr. Meinhardt sold Elite to Mr. Hoezee effective July 1, 2006, USAC jumps to the false conclusion that "[t]his purchase demonstrates that the two companies, CAS and Elite, were a single entity prior to July 1, 2006." That is simply not the case. As explained above, although Mr. Meinhardt originally owned the stock in both companies, from the time CAS and Elite were formed those two distinct entities have not only been separate Michigan corporations, but have been separate businesses that have operated

independently – with Mr. Meinhardt having no day-to-day involvement in Elite.[29] Although Mr. Winchell worked for CAS before he became President of Elite, that obviously does not make Elite the same company. Nor does the fact that Mr. Winchell chose to leave his old company, CAS, and take the helm of the new organization, Elite, even imply, much less establish, that the two separate corporations were really "a single entity."

The fact that Elite was an independent business is reinforced by the fact that its operations have continued through a change in ownership and a change in location.[30] That success reinforces the fact that Elite simply is not, and never was, CAS. From the time that Elite was formed, the companies played (and continue to play) distinct roles concerning E-rate. CAS, as an ISP, provided Internet access service and competed for contracts in response to E-rate proposals.[31] Elite, as a consultant, performed vendor-neutral E-rate consulting on an hourly or flat-rate basis. [32] CAS competed for, and obtained, E-rate-funded contracts in which Elite had no role, and Elite assisted many school districts with RFPs that CAS either did not bid on, or was not awarded.[33]

As a result, the COMADs' assertions about "the time when Elite Fund, Inc. was a part of Casair, Inc." are simply false. Only by falsely viewing the two companies as one could the activities that USAC claims to have been violations of the E-rate rules be seen as violations.

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[29] Meinhardt Decl., ¶¶ 10-14; Winchell Decl. ¶¶ 3, 56.
[30] Meinhardt Decl., ¶¶ 13-14; Winchell Decl. ¶¶ 6.
[31] Meinhardt Decl. ¶ 5
[32] *See* Winchell Decl. ¶¶ 8-11; Meinhardt Decl. ¶ 8, 22-23.
[33] *See* Meinhardt Decl. ¶ 27; Winchell Decl. ¶ 13.

Because the two companies are separate, USAC had no valid basis for asserting that Elite was a service provider, or that CAS had "inside" information, or that Elite could not have acted as an independent consultant.[34] Because Elite never was a service provider, USAC's objection that Elite was not allowed to complete or certify the FCC Form 470 is off the mark. The only service provider here – both for FY 2003 and FY 2004 – was CAS.[35] Moreover, the information on the FCC Form 470 was provided and certified by, the Districts – not CAS or Elite.[36] Because the erroneous conclusion that Elite and CAS were the "same entity" is the *sole basis* for USAC's conclusion that the E-rate funding commitments should be rescinded, the actual facts – *e.g.*, that Elite and CAS were separate corporate entities both prior to and after the sale to Mr. Hoezee – requires a reversal of the decision to rescind the funds.

2. The FCC's test for "piercing the corporate veil," which was not and cannot be applied by USAC here, rebuts USAC's determination.

Although the Commission or the courts may, in rare cases, choose to disregard the separate corporate existence of entities by "piercing the corporate veil," USAC plainly cannot do so on the facts presented here. In 2012, the FCC established three elements that must all be present in order to pierce the corporate veil:

> The Commission may "pierce the corporate veil" and hold one entity or individual liable for the acts or omissions of a different, related entity when: (1) there is a common identity of officers, directors or shareholders; (2) there is common control between the

[34] *See*, e.g. Letter from USAC to Steven Meinhardt regarding FY 2003 funding for Ashley Community School District (June 2, 2017).

[35] *See* Winchell Decl. ¶ 11.

[36] *See* Winchell Decl. ¶ 16.

> entities; and (3) it is necessary to preserve the integrity of the Communications Act and to prevent the entities from defeating the purpose and provisions of statutory provisions.[37]

The Commission's test provides no support for rescinding the E-rate funds here, for three reasons. First, USAC's discussion in the COMADs simply does not apply the FCC's test. Instead, it assumes – falsely – that common ownership or control, standing alone, suffices to make two corporate entities into a single entity. Second, there is no indication that Mr. Meinhardt exercised *any* actual control over the day-to-day operations of Elite – including its activities as an E-rate consultant – during the relevant time frame. Rather, the factual record shows the opposite: Mr. Meinhardt exercised no day-to-day control over Elite, participating only in occasional, organizational decisions.[38]

The facts show, therefore, that looking only at the first two elements of the FCC's test, there is no basis for piercing the veil here. But even if there were, USAC is not authorized to analyze or apply the third element of the test, which necessarily involves interpreting the relevant "statutory provisions" in order to determine their "purpose," and to determine that application of the doctrine is "necessary" to avoid defeating that "purpose." The Commission has expressly forbidden USAC from engaging in this type of statutory interpretation, and from the policy judgments that would inevitably arise in determining whether piercing the veil were "necessary"

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[37] *In re Telseven, LLC*, 27 FCC Rcd 6636, 6649-6650, 2012 FCC LEXIS 2528, *42-48, 56 Comm. Reg. (P & F) 234 ¶ 29 (FCC June 14, 2012) (citing *Capital Tel. Co. v. FCC*, 498 F.2d 734, 737 (D.C. Cir 1974) and *Mansfield Journal Co. (FM) v. FCC*, 180 F.2d 28, 37 (D.C. Cir. 1950) (piercing corporate veil where one family not owned all of the stock in two entities but the owners took an active part in the control of both entities)); *see also In re Network Servs. Solutions, LLC*, 31 FCC Rcd 12238, 12278-12282, 2016 FCC LEXIS 3697, *133-144, 65 Comm. Reg. (P & F) 1483 (FCC Nov. 4, 2016).

[38] Meinhardt Decl. ¶ 12; Winchell Decl. ¶ 2, ¶ 5.

to achieve the purpose of the Communications Act's provisions. Under 47 C.F.R. § 54.702(c), USAC may not make policy, interpret unclear provisions of the statute or rules, or interpret the intent of Congress."[39]

B. Any Application Assistance Provided Here Was Vendor-Neutral, and Was Therefore Allowed Under the E-rate Rules Applicable to FY 2003 and 2004.

USAC not only leapt to the conclusion that Elite was CAS; it then leapt to the further conclusion that "the service provider [was] engaged in the preparation and submission of its Form 470, the applicant [thereby] surrendered control of the competitive bidding process to the service provider who participated in the competitive bidding process as a bidder." As already explained, USAC incorrectly assumed that CAS and Elite, together, constituted a single entity that both participated as a bidder and helped the applicants prepare the FCC Form 470s. But even if the distinction between CAS and Elite is set aside, the decision to rescind funds must be reversed because Commission rules and precedent *expressly permitted* service providers to provide the type of neutral assistance at issue here. The conduct that the COMAD describes is consistent with the E-rate rules in place for FY 2003 and 2004, and does not amount to "surrendering control" to the service provider. The E-rate rules allowed service providers to assist in preparing applicants' bidding materials, so long as the service provider provided only "vendor-neutral assistance." In fact, each of the 2003 and 2004 FCC Form 470s directed potential bidders to a document on USAC's website entitled "Service Provider Role in Assisting

[39] In any case, there is no basis to think that treating these two businesses, CAS and Elite, as a single entity would be "necessary" to preserve the integrity of the Communications Act or to prevent defeat of the purpose of statutory provisions concerning universal service.

Customers,"[40] which expressly recognized that the Commission deemed vendor-neutral assistance "permissible":

> The FCC understands that applicants sometimes need to seek assistance from service providers in developing RFPs. *Such assistance is permissible even if the service provider plans to submit a bid in response to that RFP as long as the service provider's assistance is neutral*.[41]

This guidance confirms that the FCC *expressly permitted* vendor-neutral assistance, and distinguishes such permissible assistance from impermissible, non-neutral conduct – *e.g.*, causing an RFP to be written such that only the service provider that assisted could win the bid.[42]

The distinction between permissible neutral assistance and impermissibly surrendering control of the bidding process is illustrated by the Commission's decisions. In the 2008 *SEND* case, for example, the service provider, SEND, provided varying levels of assistance to different customers.[43] In most cases, SEND provided some mailing assistance to the customers submitting their FCC Form 470 and may have been the source of similar content that appeared in multiple applications, but stopped short of actually filling in or certifying the Form 470 or

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[40] *See* Exhibit A (copies of FCC Form 470 forms).

[41] *Service Provider Role in Assisting Customers* (Ch. 5 of *The SLD Guide to Service Provider Participation in the E-Rate*), 13 April. 2005, at 2. http://www.sl.universalservice.org/vendor/manual/chapter5.doc; Internet Archive, https://web.archive.org/web/20050401000000*/http://www.sl.universalservice.org/vendor/manual/chapter5.doc.

[42] *Id*.

[43] *In the Matter of Requests for Review of Decisions of the Universal Serv. Adm'r by Caldwell Par. Sch. Dist., et al.* Columbia, Louisiana Sch. & Libraries Universal Serv. Support Mechanism ("*SEND*"), 23 FCC Rcd. 2784, 2790 (FCC 2008).

determining what services were needed.[44] For those customers, the Commission found no violation of the competitive bidding process.[45]

For another customer, the Jackson district, the Commission reached a different conclusion. Because SEND had advised Jackson district personnel as to what services were needed, and had "performed many of the competitive bidding tasks that would ordinarily have been performed by [the district]," including "prepar[ing] a list of services to bid out, fill[ing] out the FCC Form 470," and "submit[ting] the FCC Form 470 to USAC," the Commission found that the SEND had violated the E-rate competitive bidding rules with respect to that district.[46] Here, in contrast, nothing in the COMAD letters provides any evidence that either Elite or CAS determined what services the Districts needed. Similarly, the COMADs do not indicate that the only service provider here – CAS – performed "many … competitive bidding tasks" that would mirror SEND's improper role with the Jackson district. Here, the Districts – not CAS or Elite – provided and certified the information on the FCC Form 470.[47]

Similarly, in *Mastermind Internet Services, Inc*., the Commission held that where the contact person on the FCC Form 470 is an employee or representative of a bidding service provider, the FCC Form 470 is defective.[48] At the same time, however, *Mastermind* also held

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[44] *Id.*

[45] *Id*.

[46] *Id.* at 2790–91.

[47] Meinhardt Decl. ¶¶ 20-21; Winchell Decl. ¶¶ 9, 12, 16.

[48] *Request for Review by Mastermind Internet Services, Inc.*, Federal-State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc., SPIN-143006149, CC Docket No. 96-45, FCC 00-167, para. 9 (2000) (Mastermind).

that where a vendor neither signs the Form 470 nor is listed as the contact, there is no violation of the E-rate competitive bidding rules.[49] These holdings in *Mastermind* are applicable to the timeframe here, because Mastermind was decided in 2000 and was again relied upon by the Commission in the 2007 *SEND* decision.[50] Here, nothing in the COMAD letters indicates that either Elite or CAS actually signed any FCC Form 470 or was the contact person. Indeed, each of the relevant FCC Form 470s plainly lists a District representative as the contract person.[51]

Together, *SEND* and *Mastermind* make clear that service providers were allowed to assist in preparing an applicant's bids so long as certain lines were not crossed – *e.g.*, certifying the Form 470, being listed as the contact person, determining what services were needed. Here, there is no indication that any of those lines were crossed. No such lines were crossed in FY 2003, where any assistance that CAS provided was vendor neutral, CAS did not determine the Districts' technology needs, the Districts provided and certified the information in the FCC Form 470. No such lines were crossed in 2004, where Elite – a separate entity – similarly provided vendor-neutral assistance, did not determine what the Districts needs were, and the Districts again provided and certified the information in the FCC Form 470. There is simply no indication here that the Districts "surrendered control" of the bid process, and USAC erred by

[49] *Id.* at 4034-35 ("To the extent that the applications at issue here were denied by SLD in instances that the Applicant did not name a MasterMind employee as the contact person and a MasterMind employee did not sign the associated Forms 470 or 471, we do not believe that there has been a violation of the competitive bidding process.").

[50] *SEND*, 23 FCC Rcd at 2791.

[51] See Exhibit A (copies of the FCC Form 470 forms).

leaping to the conclusion that *any* service provider assistance would have violated the E-rate rules applicable for FY 2003 or FY 2004. For this independent reason, USAC must reverse its decision.

C. USAC's Action Violates FCC Policy that Requires Fund Recovery Actions to Be Initiated within Five Years and Requires Best Efforts to Complete Investigations within the Five-Year Period.

In its *Fifth Report and Order*, the Commission announced a five-year administrative limitations period applicable to USAC audits and investigations of E-rate funding:

> "***We believe that some limitation on the timeframe for audits or other investigations is desirable in order to provide beneficiaries with certainty and closure*** in the E-rate applications and funding processes. For administrative efficiency, ***the time frame for such inquiry should match the record retention requirements*** and, similarly, should go into effect for Funding Year 2004. Accordingly, ***we announce our policy that we will initiate and complete any inquiries to determine whether or not statutory or rule violations exist within a five year period after final delivery of service for a specific funding year***. We note that USAC and the Commission have several means of determining whether a violation has occurred, including reviewing the application, post application year auditing, invoice review and investigations. ***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.*** … [C]onducting 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.***[52]

[52] *In the Matter of Sch. & Libraries Universal Serv. Support Mechanism*, Fifth Report and Order and Order, 19 FCC Rcd 15808, 15818–19, ¶¶ 32-33 (FCC 2004) (*Fifth Report and Order*) (emphasis added).

Later in the *Fifth Report and Order*, the Commission referred to the limitations period as a "rule" with respect to the initiation of fund recovery actions:

> **[T]he rule adopted in this *Fifth Report and Order*, adopting a five year administrative limitations period for initiation of fund recovery actions**, does not involve additional reporting, recordkeeping, or compliance requirements for small entities.[53]

In its 2005 Notice of Proposed Rulemaking, the Commission also offered an additional rationale for imposing a limitations period on investigations of E-rate funding, specifically:

> Many E-rate beneficiaries are public institutions. In these cases, the money needed to comply with audits and to maintain services when funds are unexpectedly delayed or denied comes from taxpayers and is part of a lengthy and complex budgeting process**. *If schools and libraries must account for the fact that an unintentional clerical error many years in the past may require them to disgorge E-rate funds, the system will work very inefficiently. For this reason we believe that we must balance our duty to investigate fraud with E-rate beneficiaries' legitimate need for finality***, which they have with other government programs.[54]

The Commission reiterated the importance of providing certainty to Universal Service Fund ("USF") recipients in 2007 when it extended the five-year administrative limitations period to all USF programs:

> The administrative limitations period sets forth the time frame for audits and investigations. In the *Schools and Libraries Fifth Report and Order*, we adopted a policy that any inquiries to determine whether statutory or rule violations occurred will be initiated and

[53] *Id.*, 19 FCC Rcd at 15841–42 ¶ 102 (emphasis added).

[54] *In the Matter of Comprehensive Review of the Universal Serv. Fund Mgmt., Admin., & Oversight, et al.*, Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking, 20 FCC Rcd 11308, 11343–44 (FCC 2005) (seeking comments on the adoption of an administrative limitations period for all USF programs, which was adopted in the 2007 Order) (emphasis added).

> completed within a five-year period after final delivery of service for that funding year. ***A general policy in this area for all USF programs would provide these participants with some certainty of the time within which an audit or further review of funding may occur.*** We emphasize that the administrative limitations period discussed here is not a statute of limitations for pursuing enforcement action or prosecuting a service provider or beneficiary.
>
> * * * We are not convinced that the administrative limitations period for these programs should be less than the period for the schools and libraries program. ***We are therefore adopting a five-year standard for the other USF programs. This time period appropriately balances the beneficiary's need for finality and our need to safeguard the USF programs from waste, fraud, and abuse.***[55]

The Commission has been clear that the administrative limitations period is a policy, not a formal statute of limitations.[56] Nonetheless, USAC is not free to discard or waive this policy. Doing so would violate 47 C.F.R. § 54.702(c), which expressly forbids USAC from making policy, which logically extends to waiving any Commission policy. Although the Commission itself has, on occasion, departed from requiring that investigations be initiated *and completed* within the five-year record-retention period, its authority to interpret, clarify, or even waive its own policies does not grant any similar authority to USAC. Moreover, the cases where the Commission did depart from its five-year rule are distinguishable from the situation here.

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[55] *In the Matter of Comprehensive Review of the Universal Serv. Fund Mgmt., Admin., & Oversight, et al.*, Report and Order, 22 FCC Rcd 16372, 16385–86 (FCC 2007).

[56] *See id.; In the Matter of Sandwich Isles Commc'ns, Inc.*, 31 FCC Rcd 12999 (FCC 2016) (*Sandwich Isles*) (citing *In the Matter of Request for Waiver of Review of a Decision of the Universal Service Administrator by Premio Computer, Inc. et al.*, Order, 29 FCC Rcd 8185, 8186, para. 6 (WCB 2014) (*Premio*)). In explaining the distinction, the Commission has explained that "only Congress may impose such absolute limitations on debt recovery," and identified "constitutional constraints on an agency's ability to waive collection of legitimate Government debts in the absence of express statutory authority." *Id.*

The Commission's *Sandwich Isles* decision, for instance, concerned High Cost funding, rather than E-rate. There, the Commission specifically noted the longer "ten-year retention requirements for high-cost program recipients,"[57] and explained that "[t]he fact that the Commission adopted a rule in 2007 requiring all high-cost recipients to maintain specific forms of documentation for at least five years from the receipt of funding does not exonerate recipients from all other applicable retention requirements."[58] Moreover, in *Sandwich Isles*, USAC clawed back funding going all the way back to 2002 based on Wireline Competition Bureau decisions issued in 2010 and 2011[59] – within the ten-year record retention period applicable to high-cost recipients.[60] It was in that specific context – totally different than the one here – that the Commission signaled flexibility on the *completion* of the investigation and clawback process, stating that "the Commission's direction to USAC to initiate and complete investigations within five years is a policy preference, not an absolute bar to recovery."[61] That being said, even in the case of egregious conduct as that investigated in *Sandwich Isles*, the Bureau's investigation was initiated within the document retention period.

In the context of E-rate, the Commission has indicated that it (not USAC) may create an exception in certain contexts to the requirement that an audit/investigation be *completed* within

[57] *Sandwich Isles*, 31 FCC Rcd at 13028.

[58] *Id*. at 13027.

[59] *Id*. at 13008-09.

[60] 31 FCC Rcd. at 13009-10. The investigation into Sandwich Isles ultimately resulted in a federal indictment in 2014 and ultimately a criminal tax fraud conviction in 2016.

[61] *Id.* at 13027.

the record-retention period. [62] In *Net56*, the Commission refers to its "policy directive that USAC finish its investigations and seek recovery within five years of the final delivery of service for a specific funding year," and ultimately concluded that "USAC finished its inquiries within five years of the funding year 2006 disbursements." But the Commission cautioned that "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, unlike a statutory limitations period that Congress may establish."[63] The Commission pointed to another occasion where the Commission had proceeded with recovery when the investigation was not concluded within the five year policy.[64] But the Commission emphasized that "[i]n this [*Net56*] case, upon determining that it had provided E-rate support for funding for both ineligible services and services that were awarded in violation of the Commission's competitive bidding rules, USAC promptly took action, which was both appropriate and consistent with Commission precedent."[65]

With CAS, the opposite is true. Both USAC's investigation and its determination to rescind funding reflect delays that are inconsistent with the Commission's policy.

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[62] *See In the Matter of Application for Review of A Decision of the Wireline Competition Bureau by Net56, Inc. Palatine, Illinois*, Memorandum Op. and Order, 2017 WL 211539, at *2 (FCC Jan. 17, 2017).

[63] *Id.*

[64] *Id*. at *3.

[65] *Id*.

1. USAC failed to initiate its investigation within the FCC's five-year policy window.

First, USAC failed even to initiate its investigation within the five-year period. USAC sent CAS its initial inquiry in January 2011, which is more than five years after FY 2004 (which ran from July 1, 2004 to June 30, 2005) had concluded. And USAC never sent an inquiry concerning FY 2003 at all. USAC never indicated that FY 2003 was at issue until it sent COMAD letters in 2017. Even if the precedents above suggest that the Commission would allow USAC to *complete* an investigation after the record-retention period had elapsed, the Commission has never condoned USAC's *initiation* of an audit/investigation long after the record retention period has run. That makes policy sense. So long as an audit is initiated within the record-keeping period, the audited entity would still be able to provide USAC with the relevant records, even if the audit takes longer to complete. In contrast, if USAC were allowed to wait until the record-keeping period had ended (and the records were potentially discarded), and only *then* initiate an investigation – as occurred here – then it is likely that important records would be gone – hurting both funded entities' need for certainty *and* the goal of identifying and eliminating waste, fraud, and abuse. Policies aside, it makes no sense to permit USAC to commence an audit *after* the obligation to retain relevant records expires. Yet that is just what USAC has done here.

USAC's action – or inaction – directly contravenes the FCC's policy that audits and other investigations be initiated within the record-retention period. Such a delay makes a mockery of the FCC's five-year policy, which requires that "whenever possible," USAC should complete its

investigations "and seek recovery of funds" within the five-year period "whenever possible."[66] Even if the five-year period is characterized as "policy," rather than a "rule," USAC has no discretion to determine whether to create an exception in this case. *See* 47 C.F.R. § 54.702(c).

Public policy considerations that the Commission has emphasized strongly counsel against creating new exceptions to the Commission's limitations policy. The Commission's express goal in adopting the policy was to provide certainty and finality to funding recipients. Declining to apply the policy in a clear case like this – where USAC did not even commence its investigation until after the records-retention period expired (and, indeed, after many records no longer exist) – would undermine the Commission's goal of providing such certainty. Because USAC's investigation here was not even *initiated* within five years of the funding years in question, the Commission's policy applies with full force, and *requires* USAC to reverse its decision to rescind the funding amounts. USAC has no discretion to ignore the Commission's policy/rule concerning the initiation and completion of audits, and doing so affirmatively undermines the very policies of certainty and closure that the policy was created to promote.

2. USAC's unexplained additional five-year delay in issuing a decision *after* its investigation is inconsistent with the FCC's five-year policy, and undermines the policy's express goals of certainty and finality for USF program beneficiaries.

After USAC's 2011 inquiries to CAS, there was an additional – and unexplained – five-year delay before USAC issued a decision in 2017. This is not the type of delay in completing investigations that the FCC has excused under its five-year policy, and is at odds with the

[66] *See Net56*, 2017 WL 211539, at *2 (FCC Jan. 17, 2017) ("We continue to believe that the best course is for USAC to aim to complete its investigations and seek recovery of funds within five years, whenever possible.").

policy's goals of certainty and finality for USF program beneficiaries. In *Net56*, the Commission emphasized that "[i]n this case, upon determining that it had provided E-rate support for funding for both ineligible services and services that were awarded in violation of the Commission's competitive bidding rules, USAC promptly took action, which was both appropriate and consistent with Commission precedent."[67] Just the opposite appears to have occurred here. USAC's 2017 COMADs rely entirely on an explanation that USAC had written in 2011, reflect no investigation beyond that conducted in 2011, and cite no new or additional facts. Therefore, it appears that after (incorrectly) determining that it had provided E-rate support to an ineligible recipient, instead of taking prompt action, USAC did nothing for an additional five years with respect to the funding years at issue in this appeal. The Commission has never authorized such delays in completing an investigation, and *Net56* indicates that it would not do so. And, again because of 47 C.F.R. § 54.702(c), USAC cannot carve-out a new exception to the Commission's policy.

3. Revoking the E-rate funds at issue here, over a decade after they were awarded, would cause CAS to suffer grave financial hardship.

Adhering to the Commission's five-year policy is particularly important here because revoking the $1,785,074.37 in E-rate funds would impose grave financial hardship on CAS.[68] Even if the five-year rule were set aside, this constitutes an independent ground for reversing the decision. It is now over a decade after the funds were awarded, and the funds are not simply

[67] *Id*.

[68] Meinhardt Decl. ¶ 42.

sitting in CAS's bank account.[69] All the FY 2003 and FY 2004 funds that CAS received were used long ago for their intended purpose.[70] Specifically, CAS used those funds to provide Internet access to the Districts. CAS is a relatively small company, with limited financial resources.[71] There is a substantial risk that forcing CAS to pay $1,785,074.37 would put CAS in default with respect to its loans including a substantial loan with the United States Department of Agriculture's Rural Utilities Service program, and even force CAS into bankruptcy, resulting in the loss of many jobs in the small town where CAS is based.[72]

Not only would those outcomes be devastating for CAS, but they would prevent CAS from continuing to have a positive impact on the communities it serves. The proceeds of CAS's USDA RUS loan have been used to expand the network originally built for the schools by adding 400 miles of fiber and 16 cell towers, resulting in the connection of over 10,000 homes, businesses, hospitals, libraries, schools, ISDs, 911 centers, and colleges.[73] CAS's results on this project have made it one of the most successful BIP-funded projects in the nation, and CAS's efforts were recognized during an onsite visit from the director of the USDA RUS, who referred to CAS as one of the "shining stars" of their program.[74] Accordingly, rescinding the decade-old E-rate awards here threatens not only CAS, but would harm the goals of the E-rate program and

[69] *Id*. at 43.
[70] *Id.*
[71] *Id.* at 44.
[72] *Id.* at 45.
[73] *Id.* at 46.
[74] *Id.* at 47.

the federal Universal Service Fund generally by impeding CAS's ongoing work assisting rural schools, libraries, and hospitals. For that additional reason, the COMADs should be reversed.

D. Recoupment of the Funds Here is Barred by the Statute of Limitations

Finally, recoupment here is barred by the four-year limitations period in 28 U.S.C. § 1658(a), which applies to civil actions arising under Acts of Congress enacted after Dec. 1, 1990. The statute applies here because the E-rate program was created after 1990, as part of the Telecommunications Act of 1996, and because any causes of action to recoup the FY 2003 and FY 2004 funding awards sought here accrued when the funds for each award were disbursed – more than four years before USAC issued the COMADs here. In *Sandwich Isles*, the Commission noted that the four-year limitations period set forth in 28 U.S.C. § 1658(a) may bar the Commission from recovering E-rate overpayments in the courts.[75] Although the Commission held that § 1658(a) did not bar the Commission's administrative remedies, the authority cited by the Commission establishes only that agencies may use administrative *offsets* to recover debts time-barred under a *different* statute – 28 U.S.C. § 2415(a).[76] In any case, Congress surely never intended to allow USAC (or the Commission) to circumvent the limitations period in § 1658(a)

[75] *Sandwich Isles*, 31 FCC Rcd. at 13026.

[76] *See Sandwich Isles*, 31 FCC Rcd at 13026 (citing *BP Am. Prod. Co. v. Burton*, 549 U.S. 84, 96-97, 127 S. Ct. 638, 646-47 (2006) (holding that 28 U.S.C. § 2415(a) does not bar administrative offsets, concluding that "action," as used in the statute, is limited to judicial proceedings)).

by initiating an administrative action to *recover* already disbursed funds when a court action would be plainly time-barred. Accordingly, such recovery is barred by 28 U.S.C. § 1658(a).

E. The Districts, not CAS, should pay the bulk of any amount owed as a result of violations here.

A fundamental purpose of the E-rate program is to provide schools and libraries with Internet access services. CAS should not be required to bear the cost of providing Internet access to the Districts. The Districts have already obtained the benefits of the E-rate funding by receiving the Internet access for which the funds were intended. Forcing CAS, the service provider, rather than the Districts, to repay funds that have already been spent for the Districts' benefit would leave the Districts with all the benefits while leaving the service provider, CAS, to shoulder the burden. Clawing the funds back from CAS would, in effect, retroactively force CAS (a private entity) rather than the E-rate fund to subsidize the District's Internet access. That is neither just nor equitable.

IV. REQUESTED RELIEF

For the reasons detailed above, USAC should reverse its erroneous decision to rescind E-rate funding to CAS and the Districts for Funding Years 2003 and 2004. USAC's decision is based on the faulty assumption that CAS and Elite were a single entity, when in fact they were distinct businesses that were simply under common ownership. Moreover, USAC's decision violates the Commission's five-year policy because it did not initiate its inquiry regarding FY 2003 and 2004 until more than a decade later, and then delayed making a determination for

another five years. Accordingly, CAS and the Districts should not have to return any funds as a result of USAC's erroneous determination.

V. CONTACT INFORMATION

Please contact the counsel identified below to discuss this appeal in detail, and concerning any questions regarding this appeal.

Alan Galloway
Davis Wright Tremaine LLP
1300 SW Fifth Ave, Suite 2300
Portland, OR 97201
Email: alangalloway@dwt.com
Tel: (503) 778 - 5219

Danielle Frappier
Davis Wright Tremaine LLP
1919 Pennsylvania Avenue, N.W., Suite 800
Washington, D.C. 20006-3401
Email: daniellefrappier@dwt.com
Tel: (202) 973 - 4242

Very truly yours,

Davis Wright Tremaine LLP

Danielle Frappier
Alan J. Galloway

Enclosures: Exhibit A – Copies of FCC Form 470 forms
Declaration of Steven Meinhardt and Exhibits
Declaration of George Winchell

Exhibit A

Attachment 3

FCC Form

Approval by OMB
3060-0806

470

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

Estimated Average Burden Hours Per Response: 4.0 hours

This form is designed to help you describe the eligible telecommunications-related services you seek so that this data can be posted on the Fund Administrator website and interested service providers can identify you as a potential customer and compete to serve you.

Please read instructions before beginning this application. (To be completed by entity that will negotiate with providers.)

Block 1: Applicant Address and Identifications

Form 470 Application Number: 146510000421595

Applicant's Form Identifier: Internet

Application Status: CERTIFIED

Posting Date: 10/23/2002

Allowable Contract Date: 11/20/2002

Certification Received Date: 10/25/2002

1. Name of Applicant:
ASHLEY COMMUNITY SCHOOL DIST

2. Funding Year:
07/01/2003 - 06/30/2004

3. Your Entity Number
131177

4a. Applicant's Street Address, P.O.Box, or Route Number
104 NEW ST

PO Box 6

City	State	Zip Code
ASHLEY	MI	48806

b. Telephone number ext.
(989) 847- 4000

c. Fax number
(989) 847- 3500

d. E-mail Address
rkeck@bearnet.net

5. Type Of Applicant

- ○ Individual School (individual public or non-public school)
- ◉ School District (LEA;public or non-public[e.g., diocesan] local district representing multiple schools)
- ○ Library (including library system, library branch, or library consortium applying as a library)
- ○ Consortium (intermediate service agencies, states, state networks, special consortia)

6a. Contact Person's Name: Roger Keck

*First, fill in **every** item of the Contact Person's information below **that is different from Item 4, above**. **Then** check the box next to the preferred mode of contact. (At least one box **MUST** be checked.)*

6b. Street Address, P.O.Box, or Route Number
104 NEW ST

PO Box 6

City	State	Zip Code
ASHLEY	MI	48806

Attachment 3

6c. Telephone Number	(989) 847- 4000
6d. Fax Number	(989) 847- 3500
6e. E-mail Address	rkeck@bearnet.net

Block 2: Summary Description of Needs or Services Requested

7 This Form 470 describes (check all that apply):

a. ☑ Tariffed services - telecommunications services, purchased at regulated prices, for which the applicant has no signed, written contract. A new Form 470 must be filed for tariffed services for each funding year.

b. ☐ Month-to-month services for which the applicant has no signed, written contract. A new Form 470 must be filed for these services for each funding year.

c. ☑ Services for which a new written contract is sought for the funding year in Item 2.

d. ☐ A multi-year contract signed on or before 7/10/97 but for which no Form 470 has been filed in a previous program year.

NOTE: Services that are covered by a signed, written contract executed pursuant to posting of a Form 470 in a previous program year OR a contract signed on/before 7/10/97 and reported on a Form 470 in a previous year as an existing contract do NOT require filing of a Form 470.

What kinds of service are you seeking: Telecommunications Services, Internet Access, or Internal Connections? Refer to the Eligible Services List at www.sl.universalservice.org for examples. Check the relevant category or categories (8, 9, and/or 10 below), and answer the questions in each category you select.

8 ☑ **Telecommunications Services**
Do you have a Request for Proposal (RFP) that specifies the services you are seeking ?

a ◉ **YES**, I have an RFP. It is available on the Web at **usf.crystalauto.com/ashley.htm** or via (check one):
☐ the Contact Person in Item 6 or ☐ the contact listed in Item 11.

b ○ **NO** , I do not have an RFP for these services.

If you answered NO, you must list below the Telecommunications Services you seek. Specify each **service or function** (e.g., local voice service) and quantity and/or capacity(e.g., 20 existing lines plus 10 new ones). See the Eligible Services List at www.sl.universalservice.org for examples of eligible Telecommunications Services. Remember that only eligible telecommunications providers can provide these services under the universal service support mechanism. Add additional lines if needed.

9 ☑ **Internet Access**
Do you have a Request for Proposal (RFP) that specifies the services you are seeking ?

a ◉ **YES**, I have an RFP. It is available on the Web at **usf.crystalauto.com/ashley.htm** or via (check one):
☐ the Contact Person in Item 6 or ☐ the contact listed in Item 11.

b ○ **NO** , I do not have an RFP for these services.

If you answered NO, you must list below the Internet Access Services you seek. Specify each **service or function** (e.g., monthly Internet service) and quantity and/or capacity(e.g., for 500 users). See the Eligible Services List at www.sl.universalservice.org for examples of eligible Internet Access services. Add additional lines if needed.

10 ☐ **Internal Connections**
Do you have a Request for Proposal (RFP) that specifies the services you are seeking ?

a ○ **YES**, I have an RFP. It is available on the Web at or via (check one):
☐ the Contact Person in Item 6 or ☐ the contact listed in Item 11.

Attachment 3

b ☐ **NO** , I do not have an RFP for these services.

If you answered NO, you must list below the Internal Connections Services you seek. Specify each **service or function** (e.g., local area network) and quantity and/or capacity(e.g., connecting 10 rooms and 300 computers at 56kbps or better). See the Eligible Services List at www.sl.universalservice.org for examples of eligible Internal Connections services. Add additional lines if needed.

11 (Optional) Please name the person on your staff or project who can provide additional technical details or answer specific questions from service providers about the services you are seeking. This need not be the contact person listed in Item 6 nor the signer of this form.

Name:	Title:
Dave Grollimund	**Technology Coordinator**

Telephone number
(989) 847 - 4000

Fax number
(989) 847 - 3500

E-mail Address
dave@bearnet.net

12. ☐ Check here if there are any restrictions imposed by state or local laws or regulations on how or when providers may contact you or on other bidding procedures. Please describe below any such restrictions or procedures, and/or provide Web address where they are posted and a contact name and telephone number for service providers without Internet access.

13. If you intend to enter into a multi-year contract based on this posting or a contract featuring an option for voluntary extensions you may provide that information below. If you have plans to purchase additional services in future years, or expect to seek new contracts for existing services, summarize below (including the likely timeframes).

Block 3: Technology Assessment

14. ☐ **Basic telephone service only:** If your application is for basic local and long distance telephone service (wireline or wireless) only, check this box and skip to Item 16.

15. Although the following services and facilities are ineligible for support, they are usually necessary to make effective use of the eligible services requested in this application. Unless you indicated in Item 14 that your application is ONLY for basic telephone service, you must check at least one box in (a) through (e). You may provide details for purchases being sought.

a. Desktop communications software: Software required ☑ has been purchased; and/or ☐ is being sought.

b. Electrical systems: ☑ adequate electrical capacity is in place or has already been arranged; and/or ☐ upgrading for additional electrical capacity is being sought.

c. Computers: a sufficient quantity of computers ☑ has been purchased; and/or ☐ is being sought.

d. Computer hardware maintenance: adequate arrangements ☑ have been made; and/or ☐ are being sought.

e. Staff development: ☑ all staff have had an appropriate level of training /additional training has already been scheduled; and/or ☐ training is being sought.

f. Additional details: Use this space to provide additional details to help providers to identify the services you desire.

Block 4: Recipients of Service

Attachment 3

16. Eligible Entities That Will Receive Services:

Check the ONE choice (a,b or c) that best describes this application and the eligible entities that will receive the services described in this application.You will then list in Item 17 the entity/entities that will pay the bills for these services.

a. Individual school or single-site library.

b. Statewide application for (enter 2-letter state code) representing (check all that apply):

- All public schools/districts in the state:
- All non-public schools in the state:
- All libraries in the state:

If your statewide application includes INELIGIBLE entities, check here. **If checked, complete Item 18**.

c. School district, library system, or consortium application to serve multiple eligible entities:

Number of eligible entities	**3**
For these eligible sites, please provide the following	
Area Codes (list each unique area code)	**Prefixes associated with each area code (first 3 digits of phone number) separate with commas, leave no spaces**
989	847
If your application includes INELIGIBLE entities, check here. **If checked, complete Item 18.**	

17. Billed Entities
List the entity/entities that will be paying the bills directly to the provider for the services requested in this application. These are known as Billed Entities. At least one line of this item must be completed. Attach additional sheets if necessary.

Entity Number	Entity
131177	ASHLEY COMMUNITY SCHOOL DIST

18. Ineligible Participating Entities
Does your application also seek bids on services to entities that are not eligible for the Universal Service Program? If so, list those entities here (attach pages if needed):

Ineligible Participating Entity	Area Code	Prefix

Block 5: Certification

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 technology plan 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. ☐ no technology plan needed; application requests basic local and long distance telephone service only. .

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: ☑

26. Date (mm/dd/yyyy): **10/23/2002**

27. Printed name of authorized person: **Roger Keck**

28. Title or position of authorized person: **Superintendent**

29a. Address of authorized person:
City: State: Zip:

29b. Telephone number of authorized person: **(989) 847 - 4000**

29c. Fax number of authorized person: ()

29d. E-mail address number of authorized person:

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 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 the 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.

Public reporting burden for this collection of information is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, completing, and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the reporting burden to the Federal Communications Commission, Performance Evaluation and Records Management, Washington, DC 20554.

Please submit this form to:

SLD-Form 470
P.O. Box 7026
Lawrence, Kansas 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, Kansas 66046
1-888-203-8100

Attachment 3

FCC Form 470
April 2002

New Search | Return To Search Results

Attachment 3

FCC Form

Approval by OMB
3060-0806

470

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

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Please read instructions before beginning this application. (To be completed by entity that will negotiate with providers.)

Block 1: Applicant Address and Identifications

Form 470 Application Number: 820830000479557

Applicant's Form Identifier: Tel/Int

Application Status: CERTIFIED

Posting Date: 12/09/2003

Allowable Contract Date: 01/06/2004

Certification Received Date: 12/09/2003

1. Name of Applicant:
ASHLEY COMMUNITY SCHOOL DIST

2. Funding Year:
07/01/2004 - 06/30/2005

3. Your Entity Number
131177

4a. Applicant's Street Address, P.O.Box, or Route Number
104 NEW ST

City	State	Zip Code
ASHLEY	MI	48806

b. Telephone number ext.
(517) 847- 4000

c. Fax number
(517) 847- 3500

d. E-mail Address

5. Type Of Applicant

- ○ Individual School (individual public or non-public school)
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6a. Contact Person's Name: Roger Keck

*First, fill in **every** item of the Contact Person's information below **that is different from Item 4, above**. **Then** check the box next to the preferred mode of contact. (At least one box **MUST** be checked.)*

6b. Street Address, P.O.Box, or Route Number
104 New St.
PO Box 6

City	State	Zip Code
Ashley	MI	48806

○ **6c. Telephone Number** (989) 847- 4000

○ **6d. Fax Number** (989) 847- 3500

Attachment 3

6e. E-mail Address rkeck@bearnet.net

Block 2: Summary Description of Needs or Services Requested

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b. ☐ Month-to-month services for which the applicant has no signed, written contract. A new Form 470 must be filed for these services for each funding year.

c. ☑ Services for which a new written contract is sought for the funding year in Item 2.

d. ☐ A multi-year contract signed on or before 7/10/97 but for which no Form 470 has been filed in a previous program year.

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Do you have a Request for Proposal (RFP) that specifies the services you are seeking ?

a ○ **YES**, I have an RFP. It is available on the Web at **www.elitefund.com/usf/ashley.htm** or via (check one):
☐ the Contact Person in Item 6 or ☐ the contact listed in Item 11.

b ○ **NO** , I do not have an RFP for these services.

If you answered NO, you must list below the Telecommunications Services you seek. Specify each **service or function** (e.g., local voice service) and quantity and/or capacity(e.g., 20 existing lines plus 10 new ones). See the Eligible Services List at www.sl.universalservice.org for examples of eligible Telecommunications Services. Remember that only eligible telecommunications providers can provide these services under the universal service support mechanism. Add additional lines if needed.

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Do you have a Request for Proposal (RFP) that specifies the services you are seeking ?

a ○ **YES**, I have an RFP. It is available on the Web at or via (check one):
☐ the Contact Person in Item 6 or ☐ the contact listed in Item 11.

b ○ **NO** , I do not have an RFP for these services.

If you answered NO, you must list below the Internal Connections Services you seek. Specify each **service or function** (e.g., local area network) and quantity and/or capacity(e.g., connecting 10 rooms

and 300 computers at 56kbps or better). See the Eligible Services List at www.sl.universalservice.org for examples of eligible Internal Connections services. Add additional lines if needed.

11 (Optional) Please name the person on your staff or project who can provide additional technical details or answer specific questions from service providers about the services you are seeking. This need not be the contact person listed in Item 6 nor the signer of this form.

Name:	Title:
Telephone number () -	
Fax number () -	
E-mail Address	

12. ☐ Check here if there are any restrictions imposed by state or local laws or regulations on how or when providers may contact you or on other bidding procedures. Please describe below any such restrictions or procedures, and/or provide Web address where they are posted and a contact name and telephone number for service providers without Internet access.

13. If you intend to enter into a multi-year contract based on this posting or a contract featuring an option for voluntary extensions you may provide that information below. If you have plans to purchase additional services in future years, or expect to seek new contracts for existing services, summarize below (including the likely timeframes).

Block 3: Technology Assessment

14. ☐ **Basic telephone service only:** If your application is for basic local and long distance telephone service (wireline or wireless) only, check this box and skip to Item 16.

15. Although the following services and facilities are ineligible for support, they are usually necessary to make effective use of the eligible services requested in this application. Unless you indicated in Item 14 that your application is ONLY for basic telephone service, you must check at least one box in (a) through (e). You may provide details for purchases being sought.

a. Desktop communications software: Software required ☑ has been purchased; and/or ☐ is being sought.

b. Electrical systems: ☑ adequate electrical capacity is in place or has already been arranged; and/or ☐ upgrading for additional electrical capacity is being sought.

c. Computers: a sufficient quantity of computers ☑ has been purchased; and/or ☐ is being sought.

d. Computer hardware maintenance: adequate arrangements ☑ have been made; and/or ☐ are being sought.

e. Staff development: ☑ all staff have had an appropriate level of training /additional training has already been scheduled; and/or ☐ training is being sought.

f. Additional details: Use this space to provide additional details to help providers to identify the services you desire.

Block 4: Recipients of Service

16. Eligible Entities That Will Receive Services:

Attachment 3

Check the ONE choice (a,b or c) that best describes this application and the eligible entities that will receive the services described in this application.You will then list in Item 17 the entity/entities that will pay the bills for these services.

a. Individual school or single-site library.

b. Statewide application for (enter 2-letter state code) representing (check all that apply):

- All public schools/districts in the state:
- All non-public schools in the state:
- All libraries in the state:

If your statewide application includes INELIGIBLE entities, check here. **If checked, complete Item 18**.

c. School district, library system, or consortium application to serve multiple eligible entities:

Number of eligible entities	**3**
For these eligible sites, please provide the following	
Area Codes (list each unique area code)	**Prefixes associated with each area code (first 3 digits of phone number) separate with commas, leave no spaces**
989	847
If your application includes INELIGIBLE entities, check here. **If checked, complete Item 18.**	

17. Billed Entities
List the entity/entities that will be paying the bills directly to the provider for the services requested in this application. These are known as Billed Entities. At least one line of this item must be completed. Attach additional sheets if necessary.

Entity Number	Entity
131177	ASHLEY COMMUNITY SCHOOL DIST

18. Ineligible Participating Entities
Does your application also seek bids on services to entities that are not eligible for the Universal Service Program? If so, list those entities here (attach pages if needed):

Ineligible Participating Entity	Area Code	Prefix

Block 5: Certification

Attachment 3

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 technology plan 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. ☐ no technology plan needed; application requests basic local and long distance telephone service only. .

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: ☑

26. Date (mm/dd/yyyy): **12/09/2003**

27. Printed name of authorized person: **Roger Keck**

28. Title or position of authorized person: **Superintendent**

29a. Address of authorized person: **104 New St.**
PO Box 6
City: **Ashley** State: **MI** Zip: **48806**

29b. Telephone number of authorized person: **(989) 847 - 4000**

29c. Fax number of authorized person: **(989) 8473500**

29d. E-mail address number of authorized person: **rkeck@bearnet.net**

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 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 the 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.

Public reporting burden for this collection of information is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, completing, and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the reporting burden to the Federal Communications Commission, Performance Evaluation and Records Management, Washington, DC 20554.

Please submit this form to:

SLD-Form 470
P.O. Box 7026
Lawrence, Kansas 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, Kansas 66046
1-888-203-8100

FCC Form 470
April 2002

Attachment 3

New Search | Return To Search Results

Attachment 3

FCC Form

Approval by OMB
3060-0806

470

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

Estimated Average Burden Hours Per Response: 4.0 hours

This form is designed to help you describe the eligible telecommunications-related services you seek so that this data can be posted on the Fund Administrator website and interested service providers can identify you as a potential customer and compete to serve you.

Please read instructions before beginning this application. (To be completed by entity that will negotiate with providers.)

Block 1: Applicant Address and Identifications

Form 470 Application Number: 635920000418193

Applicant's Form Identifier: Internet

Application Status: CERTIFIED

Posting Date: 10/07/2002

Allowable Contract Date: 11/04/2002

Certification Received Date: 10/18/2002

1. Name of Applicant:
CLARE-GLADWIN RESD

2. Funding Year:
07/01/2003 - 06/30/2004

3. Your Entity Number
131099

4a. Applicant's Street Address, P.O.Box, or Route Number
4041 E MANNSIDING RD

City	State	Zip Code
CLARE	MI	48617 - 9753

b. Telephone number (989) 386- 3851 ext.

c. Fax number (989) 386- 3238

d. E-mail Address
kchinavare@cgresd.net

5. Type Of Applicant

- ○ Individual School (individual public or non-public school)
- ○ School District (LEA;public or non-public[e.g., diocesan] local district representing multiple schools)
- ○ Library (including library system, library branch, or library consortium applying as a library)
- ◉ Consortium (intermediate service agencies, states, state networks, special consortia)

6a. Contact Person's Name: Ken Chinavare

*First, fill in **every** item of the Contact Person's information below **that is different from Item 4, above**. **Then** check the box next to the preferred mode of contact. (At least one box **MUST** be checked.)*

6b. Street Address, P.O.Box, or Route Number
4041 E MANNSIDING RD

City	State	Zip Code
CLARE	MI	48617 - 9753

○ **6c. Telephone Number** (989) 386- 3851

○ **6d. Fax Number** (989) 386- 3238

Attachment 3

6e. E-mail Address kchinavare@cgresd.net

Block 2: Summary Description of Needs or Services Requested

7 This Form 470 describes (check all that apply):

a. Tariffed services - telecommunications services, purchased at regulated prices, for which the applicant has no signed, written contract. A new Form 470 must be filed for tariffed services for each funding year.

b. Month-to-month services for which the applicant has no signed, written contract. A new Form 470 must be filed for these services for each funding year.

c. Services for which a new written contract is sought for the funding year in Item 2.

d. A multi-year contract signed on or before 7/10/97 but for which no Form 470 has been filed in a previous program year.

NOTE: Services that are covered by a signed, written contract executed pursuant to posting of a Form 470 in a previous program year OR a contract signed on/before 7/10/97 and reported on a Form 470 in a previous year as an existing contract do NOT require filing of a Form 470.

What kinds of service are you seeking: Telecommunications Services, Internet Access, or Internal Connections? Refer to the Eligible Services List at www.sl.universalservice.org for examples. Check the relevant category or categories (8, 9, and/or 10 below), and answer the questions in each category you select.

8 Telecommunications Services
Do you have a Request for Proposal (RFP) that specifies the services you are seeking ?

a **YES**, I have an RFP. It is available on the Web at **usf.crystalauto.com/cgresd.htm** or via (check one):
the Contact Person in Item 6 or the contact listed in Item 11.

b **NO** , I do not have an RFP for these services.

If you answered NO, you must list below the Telecommunications Services you seek. Specify each **service or function** (e.g., local voice service) and quantity and/or capacity(e.g., 20 existing lines plus 10 new ones). See the Eligible Services List at www.sl.universalservice.org for examples of eligible Telecommunications Services. Remember that only eligible telecommunications providers can provide these services under the universal service support mechanism. Add additional lines if needed.

9 Internet Access
Do you have a Request for Proposal (RFP) that specifies the services you are seeking ?

a **YES**, I have an RFP. It is available on the Web at **usf.crystalauto.com/cgresd.htm** or via (check one):
the Contact Person in Item 6 or the contact listed in Item 11.

b **NO** , I do not have an RFP for these services.

If you answered NO, you must list below the Internet Access Services you seek. Specify each **service or function** (e.g., monthly Internet service) and quantity and/or capacity(e.g., for 500 users). See the Eligible Services List at www.sl.universalservice.org for examples of eligible Internet Access services. Add additional lines if needed.

10 Internal Connections
Do you have a Request for Proposal (RFP) that specifies the services you are seeking ?

a **YES**, I have an RFP. It is available on the Web at or via (check one):
the Contact Person in Item 6 or the contact listed in Item 11.

b **NO** , I do not have an RFP for these services.

If you answered NO, you must list below the Internal Connections Services you seek. Specify each **service or function** (e.g., local area network) and quantity and/or capacity(e.g., connecting 10 rooms

and 300 computers at 56kbps or better). See the Eligible Services List at www.sl.universalservice.org for examples of eligible Internal Connections services. Add additional lines if needed.

11 (Optional) Please name the person on your staff or project who can provide additional technical details or answer specific questions from service providers about the services you are seeking. This need not be the contact person listed in Item 6 nor the signer of this form.

Name:	Title:
Telephone number () -	
Fax number () -	
E-mail Address	

12. ☐ Check here if there are any restrictions imposed by state or local laws or regulations on how or when providers may contact you or on other bidding procedures. Please describe below any such restrictions or procedures, and/or provide Web address where they are posted and a contact name and telephone number for service providers without Internet access.

13. If you intend to enter into a multi-year contract based on this posting or a contract featuring an option for voluntary extensions you may provide that information below. If you have plans to purchase additional services in future years, or expect to seek new contracts for existing services, summarize below (including the likely timeframes).

Block 3: Technology Assessment

14. ☐ **Basic telephone service only:** If your application is for basic local and long distance telephone service (wireline or wireless) only, check this box and skip to Item 16.

15. Although the following services and facilities are ineligible for support, they are usually necessary to make effective use of the eligible services requested in this application. Unless you indicated in Item 14 that your application is ONLY for basic telephone service, you must check at least one box in (a) through (e). You may provide details for purchases being sought.

a. Desktop communications software: Software required ☑ has been purchased; and/or ☐ is being sought.

b. Electrical systems: ☑ adequate electrical capacity is in place or has already been arranged; and/or ☐ upgrading for additional electrical capacity is being sought.

c. Computers: a sufficient quantity of computers ☑ has been purchased; and/or ☐ is being sought.

d. Computer hardware maintenance: adequate arrangements ☑ have been made; and/or ☐ are being sought.

e. Staff development: ☑ all staff have had an appropriate level of training /additional training has already been scheduled; and/or ☐ training is being sought.

f. Additional details: Use this space to provide additional details to help providers to identify the services you desire.

Block 4: Recipients of Service

16. Eligible Entities That Will Receive Services:

Attachment 3

Check the ONE choice (a,b or c) that best describes this application and the eligible entities that will receive the services described in this application.You will then list in Item 17 the entity/entities that will pay the bills for these services.

a. Individual school or single-site library.

b. Statewide application for (enter 2-letter state code) representing (check all that apply):

- All public schools/districts in the state:
- All non-public schools in the state:
- All libraries in the state:

If your statewide application includes INELIGIBLE entities, check here. **If checked, complete Item 18**.

c. School district, library system, or consortium application to serve multiple eligible entities:

Number of eligible entities	**32**
For these eligible sites, please provide the following	
Area Codes (list each unique area code)	**Prefixes associated with each area code (first 3 digits of phone number) separate with commas, leave no spaces**
989	246
989	386
989	426
989	435
989	539
989	588
If your application includes INELIGIBLE entities, check here. **If checked, complete Item 18.**	

17. Billed Entities
List the entity/entities that will be paying the bills directly to the provider for the services requested in this application. These are known as Billed Entities. At least one line of this item must be completed. Attach additional sheets if necessary.

Entity Number	Entity
131099	CLARE-GLADWIN RESD

Attachment 3

18. Ineligible Participating Entities
Does your application also seek bids on services to entities that are not eligible for the Universal Service Program? If so, list those entities here (attach pages if needed):

Ineligible Participating Entity	Area Code	Prefix

Block 5: Certification

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 technology plan 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. ☐ no technology plan needed; application requests basic local and long distance telephone service only. .

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: ☑

26. Date (mm/dd/yyyy): **10/08/2002**

27. Printed name of authorized person: **Ken Chinavare**

28. Title or position of authorized person: **Technology Coordinator**

Attachment 3

29a. Address of authorized person:
City: State: Zip:

29b. Telephone number of authorized person: **(989) 386 - 3851**

29c. Fax number of authorized person: **()**

29d. E-mail address number of authorized person:

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 or call the Client Service Bureau at 1-888-203-8100.

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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 the 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.

Public reporting burden for this collection of information is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, completing, and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the reporting burden to the Federal Communications Commission, Performance Evaluation and Records Management, Washington, DC 20554.

Please submit this form to:

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

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

Attachment 3

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

FCC Form 470
April 2002

New Search | Return To Search Results

Attachment 3

FCC Form

Approval by OMB
3060-0806

470

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

Estimated Average Burden Hours Per Response: 4.0 hours

This form is designed to help you describe the eligible telecommunications-related services you seek so that this data can be posted on the Fund Administrator website and interested service providers can identify you as a potential customer and compete to serve you.

Please read instructions before beginning this application. (To be completed by entity that will negotiate with providers.)

Block 1: Applicant Address and Identifications

Form 470 Application Number: 648900000481004

Applicant's Form Identifier: Tel/Int/IC

Application Status: CERTIFIED

Posting Date: 12/11/2003

Allowable Contract Date: 01/08/2004

Certification Received Date: 12/11/2003

1. Name of Applicant:
CLARE-GLADWIN RESD

2. Funding Year:
07/01/2004 - 06/30/2005

3. Your Entity Number
131099

4a. Applicant's Street Address, P.O.Box, or Route Number
4041 E MANNSIDING RD

City	State	Zip Code
CLARE	MI	48617 - 9753

b. Telephone number ext.
(517) 386- 3851

c. Fax number
() -

d. E-mail Address

5. Type Of Applicant

- ○ Individual School (individual public or non-public school)
- ○ School District (LEA;public or non-public[e.g., diocesan] local district representing multiple schools)
- ○ Library (including library system, library branch, or library consortium applying as a library)
- ◉ Consortium (intermediate service agencies, states, state networks, special consortia)

6a. Contact Person's Name: Ken Chinavare

*First, fill in **every** item of the Contact Person's information below **that is different from Item 4, above**. **Then** check the box next to the preferred mode of contact. (At least one box **MUST** be checked.)*

6b. Street Address, P.O.Box, or Route Number
4041 E. Mannsiding Rd.

City	State	Zip Code
Clare	MI	48617

○ **6c. Telephone Number** (989) 386- 3851

○ **6d. Fax Number** (989) 386- 3238

◉ **6e. E-mail Address** kchinavare@cgresd.net

Attachment 3

Block 2: Summary Description of Needs or Services Requested

7 This Form 470 describes (check all that apply):

a. ☑ Tariffed services - telecommunications services, purchased at regulated prices, for which the applicant has no signed, written contract. A new Form 470 must be filed for tariffed services for each funding year.

b. ☐ Month-to-month services for which the applicant has no signed, written contract. A new Form 470 must be filed for these services for each funding year.

c. ☑ Services for which a new written contract is sought for the funding year in Item 2.

d. ☐ A multi-year contract signed on or before 7/10/97 but for which no Form 470 has been filed in a previous program year.

NOTE: Services that are covered by a signed, written contract executed pursuant to posting of a Form 470 in a previous program year OR a contract signed on/before 7/10/97 and reported on a Form 470 in a previous year as an existing contract do NOT require filing of a Form 470.

What kinds of service are you seeking: Telecommunications Services, Internet Access, or Internal Connections? Refer to the Eligible Services List at www.sl.universalservice.org for examples. Check the relevant category or categories (8, 9, and/or 10 below), and answer the questions in each category you select.

8 ☑ **Telecommunications Services**
Do you have a Request for Proposal (RFP) that specifies the services you are seeking ?

a ○ **YES**, I have an RFP. It is available on the Web at **www.elitefund.com/usf/cgresd.net** or via (check one):
☐ the Contact Person in Item 6 or ☐ the contact listed in Item 11.

b ○ **NO** , I do not have an RFP for these services.

If you answered NO, you must list below the Telecommunications Services you seek. Specify each **service or function** (e.g., local voice service) and quantity and/or capacity(e.g., 20 existing lines plus 10 new ones). See the Eligible Services List at www.sl.universalservice.org for examples of eligible Telecommunications Services. Remember that only eligible telecommunications providers can provide these services under the universal service support mechanism. Add additional lines if needed.

9 ☑ **Internet Access**
Do you have a Request for Proposal (RFP) that specifies the services you are seeking ?

a ○ **YES**, I have an RFP. It is available on the Web at **www.elitefund.com/usf/cgresd.net** or via (check one):
☐ the Contact Person in Item 6 or ☐ the contact listed in Item 11.

b ○ **NO** , I do not have an RFP for these services.

If you answered NO, you must list below the Internet Access Services you seek. Specify each **service or function** (e.g., monthly Internet service) and quantity and/or capacity(e.g., for 500 users). See the Eligible Services List at www.sl.universalservice.org for examples of eligible Internet Access services. Add additional lines if needed.

10 ☑ **Internal Connections**
Do you have a Request for Proposal (RFP) that specifies the services you are seeking ?

a ○ **YES**, I have an RFP. It is available on the Web at **www.elitefund.com/usf/cgresd.htm** or via (check one):
☐ the Contact Person in Item 6 or ☐ the contact listed in Item 11.

b ○ **NO** , I do not have an RFP for these services.

If you answered NO, you must list below the Internal Connections Services you seek. Specify each **service or function** (e.g., local area network) and quantity and/or capacity(e.g., connecting 10 rooms

and 300 computers at 56kbps or better). See the Eligible Services List at www.sl.universalservice.org for examples of eligible Internal Connections services. Add additional lines if needed.

11 (Optional) Please name the person on your staff or project who can provide additional technical details or answer specific questions from service providers about the services you are seeking. This need not be the contact person listed in Item 6 nor the signer of this form.

Name:	Title:
Telephone number () -	
Fax number () -	
E-mail Address	

12. ☐ Check here if there are any restrictions imposed by state or local laws or regulations on how or when providers may contact you or on other bidding procedures. Please describe below any such restrictions or procedures, and/or provide Web address where they are posted and a contact name and telephone number for service providers without Internet access.

13. If you intend to enter into a multi-year contract based on this posting or a contract featuring an option for voluntary extensions you may provide that information below. If you have plans to purchase additional services in future years, or expect to seek new contracts for existing services, summarize below (including the likely timeframes).

Block 3: Technology Assessment

14. ☐ **Basic telephone service only:** If your application is for basic local and long distance telephone service (wireline or wireless) only, check this box and skip to Item 16.

15. Although the following services and facilities are ineligible for support, they are usually necessary to make effective use of the eligible services requested in this application. Unless you indicated in Item 14 that your application is ONLY for basic telephone service, you must check at least one box in (a) through (e). You may provide details for purchases being sought.

a. Desktop communications software: Software required ☑ has been purchased; and/or ☐ is being sought.

b. Electrical systems: ☑ adequate electrical capacity is in place or has already been arranged; and/or ☐ upgrading for additional electrical capacity is being sought.

c. Computers: a sufficient quantity of computers ☑ has been purchased; and/or ☐ is being sought.

d. Computer hardware maintenance: adequate arrangements ☑ have been made; and/or ☐ are being sought.

e. Staff development: ☑ all staff have had an appropriate level of training /additional training has already been scheduled; and/or ☐ training is being sought.

f. Additional details: Use this space to provide additional details to help providers to identify the services you desire.

Block 4: Recipients of Service

16. Eligible Entities That Will Receive Services:

Attachment 3

Check the ONE choice (a,b or c) that best describes this application and the eligible entities that will receive the services described in this application.You will then list in Item 17 the entity/entities that will pay the bills for these services.

a. Individual school or single-site library.

b. Statewide application for (enter 2-letter state code) representing (check all that apply):

- All public schools/districts in the state:
- All non-public schools in the state:
- All libraries in the state:

If your statewide application includes INELIGIBLE entities, check here. **If checked, complete Item 18**.

c. School district, library system, or consortium application to serve multiple eligible entities:

Number of eligible entities	**32**
For these eligible sites, please provide the following	
Area Codes (list each unique area code)	**Prefixes associated with each area code (first 3 digits of phone number) separate with commas, leave no spaces**
989	246
989	386
989	426
989	435
989	539
989	588
If your application includes INELIGIBLE entities, check here. **If checked, complete Item 18.**	

17. Billed Entities
List the entity/entities that will be paying the bills directly to the provider for the services requested in this application. These are known as Billed Entities. At least one line of this item must be completed. Attach additional sheets if necessary.

Entity Number	Entity
131099	CLARE-GLADWIN RESD

Attachment 3

18. Ineligible Participating Entities
Does your application also seek bids on services to entities that are not eligible for the Universal Service Program? If so, list those entities here (attach pages if needed):

Ineligible Participating Entity	Area Code	Prefix

Block 5: Certification

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 technology plan 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. ☐ no technology plan needed; application requests basic local and long distance telephone service only. .

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: ☑

26. Date (mm/dd/yyyy): **12/11/2003**

27. Printed name of authorized person: **Ken Chinavare**

28. Title or position of authorized person: **Technology Coordinator**

Attachment 3

29a. Address of authorized person: **4041 E. Mannsiding Rd.**
City: **Clare** State: **MI** Zip: **48617**

29b. Telephone number of authorized person: **(989) 386 - 3851**

29c. Fax number of authorized person: **(989) 3863238**

29d. E-mail address number of authorized person: **kchinavare@cgresd.net**

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 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 the 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.

Public reporting burden for this collection of information is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, completing, and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the reporting burden to the Federal Communications Commission, Performance Evaluation and Records Management, Washington, DC 20554.

Please submit this form to:

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

Attachment 3

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, Kansas 66046
1-888-203-8100

FCC Form 470
April 2002

New Search | Return To Search Results

Attachment 3

FCC Form

Approval by OMB
3060-0806

470

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

Estimated Average Burden Hours Per Response: 4.0 hours

This form is designed to help you describe the eligible telecommunications-related services you seek so that this data can be posted on the Fund Administrator website and interested service providers can identify you as a potential customer and compete to serve you.

Please read instructions before beginning this application. (To be completed by entity that will negotiate with providers.)

Block 1: Applicant Address and Identifications

Form 470 Application Number: 696290000418228

Applicant's Form Identifier: Telco/Internal

Application Status: CERTIFIED

Posting Date: 10/07/2002

Allowable Contract Date: 11/04/2002

Certification Received Date: 10/18/2002

1. Name of Applicant:
HARRISON COMM SCHOOL DISTRICT

2. Funding Year:
07/01/2003 - 06/30/2004

3. Your Entity Number
131109

4a. Applicant's Street Address, P.O.Box, or Route Number
224 S MAIN ST

City	State	Zip Code
HARRISON	MI	48625

b. Telephone number (989) 539- 7871 ext.

c. Fax number (989) 539- 7491

d. E-mail Address
khileman@hcs.cgresd.net

5. Type Of Applicant

- ○ Individual School (individual public or non-public school)
- ◉ School District (LEA;public or non-public[e.g., diocesan] local district representing multiple schools)
- ○ Library (including library system, library branch, or library consortium applying as a library)
- ○ Consortium (intermediate service agencies, states, state networks, special consortia)

6a. Contact Person's Name: Kelly Hileman

*First, fill in **every** item of the Contact Person's information below **that is different from Item 4, above**. **Then** check the box next to the preferred mode of contact. (At least one box **MUST** be checked.)*

6b. Street Address, P.O.Box, or Route Number
224 S MAIN ST

City	State	Zip Code
HARRISON	MI	48625

○ **6c. Telephone Number** (989) 539- 7871

○ **6d. Fax Number** (989) 539- 7491

Attachment 3

6e. E-mail Address khileman@hcs.cgresd.net

Block 2: Summary Description of Needs or Services Requested

7 This Form 470 describes (check all that apply):

a. ☑ Tariffed services - telecommunications services, purchased at regulated prices, for which the applicant has no signed, written contract. A new Form 470 must be filed for tariffed services for each funding year.

b. ☐ Month-to-month services for which the applicant has no signed, written contract. A new Form 470 must be filed for these services for each funding year.

c. ☑ Services for which a new written contract is sought for the funding year in Item 2.

d. ☐ A multi-year contract signed on or before 7/10/97 but for which no Form 470 has been filed in a previous program year.

NOTE: Services that are covered by a signed, written contract executed pursuant to posting of a Form 470 in a previous program year OR a contract signed on/before 7/10/97 and reported on a Form 470 in a previous year as an existing contract do NOT require filing of a Form 470.

What kinds of service are you seeking: Telecommunications Services, Internet Access, or Internal Connections? Refer to the Eligible Services List at www.sl.universalservice.org for examples. Check the relevant category or categories (8, 9, and/or 10 below), and answer the questions in each category you select.

8 ☑ **Telecommunications Services**
Do you have a Request for Proposal (RFP) that specifies the services you are seeking ?

a ○ **YES**, I have an RFP. It is available on the Web at **usf.crystalauto.com/harrison.htm** or via (check one):
☐ the Contact Person in Item 6 or ☐ the contact listed in Item 11.

b ○ **NO** , I do not have an RFP for these services.

If you answered NO, you must list below the Telecommunications Services you seek. Specify each **service or function** (e.g., local voice service) and quantity and/or capacity(e.g., 20 existing lines plus 10 new ones). See the Eligible Services List at www.sl.universalservice.org for examples of eligible Telecommunications Services. Remember that only eligible telecommunications providers can provide these services under the universal service support mechanism. Add additional lines if needed.

9 ☐ **Internet Access**
Do you have a Request for Proposal (RFP) that specifies the services you are seeking ?

a ○ **YES**, I have an RFP. It is available on the Web at or via (check one):
☐ the Contact Person in Item 6 or ☐ the contact listed in Item 11.

b ○ **NO** , I do not have an RFP for these services.

If you answered NO, you must list below the Internet Access Services you seek. Specify each **service or function** (e.g., monthly Internet service) and quantity and/or capacity(e.g., for 500 users). See the Eligible Services List at www.sl.universalservice.org for examples of eligible Internet Access services. Add additional lines if needed.

10 ☑ **Internal Connections**
Do you have a Request for Proposal (RFP) that specifies the services you are seeking ?

a ○ **YES**, I have an RFP. It is available on the Web at **usf.crystalauto.com/harrison.htm** or via (check one):
☐ the Contact Person in Item 6 or ☐ the contact listed in Item 11.

b ○ **NO** , I do not have an RFP for these services.

If you answered NO, you must list below the Internal Connections Services you seek. Specify each **service or function** (e.g., local area network) and quantity and/or capacity(e.g., connecting 10 rooms

and 300 computers at 56kbps or better). See the Eligible Services List at www.sl.universalservice.org for examples of eligible Internal Connections services. Add additional lines if needed.

11 (Optional) Please name the person on your staff or project who can provide additional technical details or answer specific questions from service providers about the services you are seeking. This need not be the contact person listed in Item 6 nor the signer of this form.

Name:	Title:
Ben	**Muscott**

Telephone number
(989) 539 - 7871

Fax number
(989) 539 - 7491

E-mail Address
bfmuscot@hcs.cgresd.net

12. ☐ Check here if there are any restrictions imposed by state or local laws or regulations on how or when providers may contact you or on other bidding procedures. Please describe below any such restrictions or procedures, and/or provide Web address where they are posted and a contact name and telephone number for service providers without Internet access.

13. If you intend to enter into a multi-year contract based on this posting or a contract featuring an option for voluntary extensions you may provide that information below. If you have plans to purchase additional services in future years, or expect to seek new contracts for existing services, summarize below (including the likely timeframes).

Block 3: Technology Assessment

14. ☐ **Basic telephone service only:** If your application is for basic local and long distance telephone service (wireline or wireless) only, check this box and skip to Item 16.

15. Although the following services and facilities are ineligible for support, they are usually necessary to make effective use of the eligible services requested in this application. Unless you indicated in Item 14 that your application is ONLY for basic telephone service, you must check at least one box in (a) through (e). You may provide details for purchases being sought.

a. Desktop communications software: Software required ☑ has been purchased; and/or ☐ is being sought.

b. Electrical systems: ☑ adequate electrical capacity is in place or has already been arranged; and/or ☐ upgrading for additional electrical capacity is being sought.

c. Computers: a sufficient quantity of computers ☑ has been purchased; and/or ☐ is being sought.

d. Computer hardware maintenance: adequate arrangements ☑ have been made; and/or ☐ are being sought.

e. Staff development: ☑ all staff have had an appropriate level of training /additional training has already been scheduled; and/or ☐ training is being sought.

f. Additional details: Use this space to provide additional details to help providers to identify the services you desire.

Block 4: Recipients of Service

Attachment 3

16. Eligible Entities That Will Receive Services:

Check the ONE choice (a,b or c) that best describes this application and the eligible entities that will receive the services described in this application.You will then list in Item 17 the entity/entities that will pay the bills for these services.

a. Individual school or single-site library.

b. Statewide application for (enter 2-letter state code) representing (check all that apply):

- All public schools/districts in the state:
- All non-public schools in the state:
- All libraries in the state:

If your statewide application includes INELIGIBLE entities, check here. **If checked, complete Item 18**.

c. School district, library system, or consortium application to serve multiple eligible entities:

Number of eligible entities	**5**
For these eligible sites, please provide the following	
Area Codes (list each unique area code)	**Prefixes associated with each area code (first 3 digits of phone number) separate with commas, leave no spaces**
989	539
If your application includes INELIGIBLE entities, check here. **If checked, complete Item 18.**	

17. Billed Entities
List the entity/entities that will be paying the bills directly to the provider for the services requested in this application. These are known as Billed Entities. At least one line of this item must be completed. Attach additional sheets if necessary.

Entity Number	Entity
202018	HARRISON ALTERNATIVE EDUCATION
56155	HILLSIDE ELEMENTARY SCHOOL
56152	HARRISON HIGH SCHOOL
56153	HARRISON MIDDLE SCHOOL
56156	AMBLE ELEMENTARY SCHOOL
161301	ADULT BASIC ED
56151	COMMUNITY EDUCATION CENTER
131109	HARRISON COMM SCHOOL DISTRICT

Attachment 3

56154	LARSON ELEMENTARY SCHOOL

18. Ineligible Participating Entities
Does your application also seek bids on services to entities that are not eligible for the Universal Service Program? If so, list those entities here (attach pages if needed):

Ineligible Participating Entity	Area Code	Prefix

Block 5: Certification

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 technology plan 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. ☐ no technology plan needed; application requests basic local and long distance telephone service only. .

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: ☑

26. Date (mm/dd/yyyy): **10/08/2002**

Attachment 3

27. Printed name of authorized person: **Kelly Hileman**

28. Title or position of authorized person: **Business Manager**

29a. Address of authorized person:
City: State: Zip:

29b. Telephone number of authorized person: **(989) 539 - 7871**

29c. Fax number of authorized person: **()**

29d. E-mail address number of authorized person:

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 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 the information to these agencies through the matching of computer records when authorized.

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Public reporting burden for this collection of information is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, completing, and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the reporting burden to the Federal Communications Commission, Performance Evaluation and Records Management, Washington, DC 20554.

Please submit this form to:

SLD-Form 470
P.O. Box 7026

Attachment 3

Lawrence, Kansas 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, Kansas 66046
1-888-203-8100

FCC Form 470
April 2002

New Search | Return To Search Results

Attachment 3

FCC Form

Approval by OMB
3060-0806

470

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

Estimated Average Burden Hours Per Response: 4.0 hours

This form is designed to help you describe the eligible telecommunications-related services you seek so that this data can be posted on the Fund Administrator website and interested service providers can identify you as a potential customer and compete to serve you.

Please read instructions before beginning this application. (To be completed by entity that will negotiate with providers.)

Block 1: Applicant Address and Identifications

Form 470 Application Number: 422190000420196

Applicant's Form Identifier: Internet

Application Status: CERTIFIED

Posting Date: 10/16/2002

Allowable Contract Date: 11/13/2002

Certification Received Date: 10/18/2002

1. Name of Applicant:
ITHACA PUBLIC SCHOOL DISTRICT

2. Funding Year:
07/01/2003 - 06/30/2004

3. Your Entity Number
131221

4a. Applicant's Street Address, P.O.Box, or Route Number
710 UNION ST

City	State	Zip Code
ITHACA	MI	48847 - 1314

b. Telephone number (989) 875- 3700 ext.

c. Fax number (989) 875- 4538

d. E-mail Address
steven@ithacaschools.net

5. Type Of Applicant

- ○ Individual School (individual public or non-public school)
- ◉ School District (LEA;public or non-public[e.g., diocesan] local district representing multiple schools)
- ○ Library (including library system, library branch, or library consortium applying as a library)
- ○ Consortium (intermediate service agencies, states, state networks, special consortia)

6a. Contact Person's Name: Steve Netzley

*First, fill in **every** item of the Contact Person's information below **that is different from Item 4, above**. **Then** check the box next to the preferred mode of contact. (At least one box **MUST** be checked.)*

6b. Street Address, P.O.Box, or Route Number
710 UNION ST

City	State	Zip Code
ITHACA	MI	48847 - 1314

○ **6c. Telephone Number** (989) 875- 3700

○ **6d. Fax Number** (989) 875- 4538

Attachment 3

6e. E-mail Address steven@ithacaschools.net

Block 2: Summary Description of Needs or Services Requested

7 This Form 470 describes (check all that apply):

a. ☑ Tariffed services - telecommunications services, purchased at regulated prices, for which the applicant has no signed, written contract. A new Form 470 must be filed for tariffed services for each funding year.

b. ☐ Month-to-month services for which the applicant has no signed, written contract. A new Form 470 must be filed for these services for each funding year.

c. ☑ Services for which a new written contract is sought for the funding year in Item 2.

d. ☐ A multi-year contract signed on or before 7/10/97 but for which no Form 470 has been filed in a previous program year.

NOTE: Services that are covered by a signed, written contract executed pursuant to posting of a Form 470 in a previous program year OR a contract signed on/before 7/10/97 and reported on a Form 470 in a previous year as an existing contract do NOT require filing of a Form 470.

What kinds of service are you seeking: Telecommunications Services, Internet Access, or Internal Connections? Refer to the Eligible Services List at www.sl.universalservice.org for examples. Check the relevant category or categories (8, 9, and/or 10 below), and answer the questions in each category you select.

8 ☑ **Telecommunications Services**
Do you have a Request for Proposal (RFP) that specifies the services you are seeking ?

a ○ **YES**, I have an RFP. It is available on the Web at **usf.crystalauto.com/ithaca.htm** or via (check one):
☐ the Contact Person in Item 6 or ☐ the contact listed in Item 11.

b ○ **NO** , I do not have an RFP for these services.

If you answered NO, you must list below the Telecommunications Services you seek. Specify each **service or function** (e.g., local voice service) and quantity and/or capacity(e.g., 20 existing lines plus 10 new ones). See the Eligible Services List at www.sl.universalservice.org for examples of eligible Telecommunications Services. Remember that only eligible telecommunications providers can provide these services under the universal service support mechanism. Add additional lines if needed.

9 ☑ **Internet Access**
Do you have a Request for Proposal (RFP) that specifies the services you are seeking ?

a ○ **YES**, I have an RFP. It is available on the Web at **usf.crystalauto.com/ithaca.htm** or via (check one):
☐ the Contact Person in Item 6 or ☐ the contact listed in Item 11.

b ○ **NO** , I do not have an RFP for these services.

If you answered NO, you must list below the Internet Access Services you seek. Specify each **service or function** (e.g., monthly Internet service) and quantity and/or capacity(e.g., for 500 users). See the Eligible Services List at www.sl.universalservice.org for examples of eligible Internet Access services. Add additional lines if needed.

10 ☐ **Internal Connections**
Do you have a Request for Proposal (RFP) that specifies the services you are seeking ?

a ○ **YES**, I have an RFP. It is available on the Web at or via (check one):
☐ the Contact Person in Item 6 or ☐ the contact listed in Item 11.

b ○ **NO** , I do not have an RFP for these services.

If you answered NO, you must list below the Internal Connections Services you seek. Specify each **service or function** (e.g., local area network) and quantity and/or capacity(e.g., connecting 10 rooms

and 300 computers at 56kbps or better). See the Eligible Services List at www.sl.universalservice.org for examples of eligible Internal Connections services. Add additional lines if needed.

11 (Optional) Please name the person on your staff or project who can provide additional technical details or answer specific questions from service providers about the services you are seeking. This need not be the contact person listed in Item 6 nor the signer of this form.

Name:	Title:
Telephone number () -	
Fax number () -	
E-mail Address	

12. ☐ Check here if there are any restrictions imposed by state or local laws or regulations on how or when providers may contact you or on other bidding procedures. Please describe below any such restrictions or procedures, and/or provide Web address where they are posted and a contact name and telephone number for service providers without Internet access.

13. If you intend to enter into a multi-year contract based on this posting or a contract featuring an option for voluntary extensions you may provide that information below. If you have plans to purchase additional services in future years, or expect to seek new contracts for existing services, summarize below (including the likely timeframes).

Block 3: Technology Assessment

14. ☐ **Basic telephone service only:** If your application is for basic local and long distance telephone service (wireline or wireless) only, check this box and skip to Item 16.

15. Although the following services and facilities are ineligible for support, they are usually necessary to make effective use of the eligible services requested in this application. Unless you indicated in Item 14 that your application is ONLY for basic telephone service, you must check at least one box in (a) through (e). You may provide details for purchases being sought.

a. Desktop communications software: Software required ☑ has been purchased; and/or ☐ is being sought.

b. Electrical systems: ☑ adequate electrical capacity is in place or has already been arranged; and/or ☐ upgrading for additional electrical capacity is being sought.

c. Computers: a sufficient quantity of computers ☑ has been purchased; and/or ☐ is being sought.

d. Computer hardware maintenance: adequate arrangements ☑ have been made; and/or ☐ are being sought.

e. Staff development: ☑ all staff have had an appropriate level of training /additional training has already been scheduled; and/or ☐ training is being sought.

f. Additional details: Use this space to provide additional details to help providers to identify the services you desire.

Block 4: Recipients of Service

16. Eligible Entities That Will Receive Services:

Attachment 3

Check the ONE choice (a,b or c) that best describes this application and the eligible entities that will receive the services described in this application.You will then list in Item 17 the entity/entities that will pay the bills for these services.

a. Individual school or single-site library.

b. Statewide application for (enter 2-letter state code) representing (check all that apply):

- All public schools/districts in the state:
- All non-public schools in the state:
- All libraries in the state:

If your statewide application includes INELIGIBLE entities, check here. **If checked, complete Item 18**.

c. School district, library system, or consortium application to serve multiple eligible entities:

Number of eligible entities	**5**
For these eligible sites, please provide the following	
Area Codes (list each unique area code)	**Prefixes associated with each area code (first 3 digits of phone number) separate with commas, leave no spaces**
989	875
If your application includes INELIGIBLE entities, check here. **If checked, complete Item 18.**	

17. Billed Entities
List the entity/entities that will be paying the bills directly to the provider for the services requested in this application. These are known as Billed Entities. At least one line of this item must be completed. Attach additional sheets if necessary.

Entity Number	Entity
56571	ITHACA JR/SR HIGH SCHOOL
131221	ITHACA PUBLIC SCHOOL DISTRICT
56570	NORTH ELEMENTARY SCHOOL
56573	SOUTH ELEMENTARY SCHOOL
56572	ITHACA JR/ SR HIGH SCHOOL

18. Ineligible Participating Entities
Does your application also seek bids on services to entities that are not eligible for the Universal Service Program? If so, list those entities here (attach pages if needed):

	Area Code	Prefix

Ineligible Participating Entity		

Block 5: Certification

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 technology plan 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. ☐ no technology plan needed; application requests basic local and long distance telephone service only. .

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: ☑

26. Date (mm/dd/yyyy): **10/17/2002**

27. Printed name of authorized person: **Steve Netzley**

28. Title or position of authorized person: **Assistant Superintendent**

29a. Address of authorized person:
City: State: Zip:

29b. Telephone number of authorized person: **(989) 875 - 3700**

29c. Fax number of authorized person: **()**

29d. E-mail address number of authorized person:

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 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 the 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.

Public reporting burden for this collection of information is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, completing, and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the reporting burden to the Federal Communications Commission, Performance Evaluation and Records Management, Washington, DC 20554.

Please submit this form to:

SLD-Form 470
P.O. Box 7026
Lawrence, Kansas 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

Attachment 3

Lawrence, Kansas 66046
1-888-203-8100

FCC Form 470
April 2002

New Search | Return To Search Results

Attachment 3

FCC Form

Approval by OMB
3060-0806

470

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

Estimated Average Burden Hours Per Response: 4.0 hours

This form is designed to help you describe the eligible telecommunications-related services you seek so that this data can be posted on the Fund Administrator website and interested service providers can identify you as a potential customer and compete to serve you.

Please read instructions before beginning this application. (To be completed by entity that will negotiate with providers.)

Block 1: Applicant Address and Identifications

Form 470 Application Number: 863640000479627

Applicant's Form Identifier: Tel/Int

Application Status: CERTIFIED

Posting Date: 12/09/2003

Allowable Contract Date: 01/06/2004

Certification Received Date: 12/17/2003

1. Name of Applicant:
ITHACA PUBLIC SCHOOL DISTRICT

2. Funding Year:
07/01/2004 - 06/30/2005

3. Your Entity Number
131221

4a. Applicant's Street Address, P.O.Box, or Route Number
710 UNION ST

City	State	Zip Code
ITHACA	MI	48847 - 1314

b. Telephone number (517) 875- 3700 ext.

c. Fax number (517) 875- 4538

d. E-mail Address

5. Type Of Applicant

- ○ Individual School (individual public or non-public school)
- ◉ School District (LEA;public or non-public[e.g., diocesan] local district representing multiple schools)
- ○ Library (including library system, library branch, or library consortium applying as a library)
- ○ Consortium (intermediate service agencies, states, state networks, special consortia)

6a. Contact Person's Name: Steve Netzley

*First, fill in **every** item of the Contact Person's information below **that is different from Item 4, above**. **Then** check the box next to the preferred mode of contact. (At least one box **MUST** be checked.)*

6b. Street Address, P.O.Box, or Route Number
710 Union St.

City	State	Zip Code
Ithaca	MI	48847

○ **6c. Telephone Number** (989) 875- 3700

○ **6d. Fax Number** (989) 875- 4538

◉ **6e. E-mail Address** steven@ithacaschools.net

Attachment 3

Block 2: Summary Description of Needs or Services Requested

7 This Form 470 describes (check all that apply):

a. ☑ Tariffed services - telecommunications services, purchased at regulated prices, for which the applicant has no signed, written contract. A new Form 470 must be filed for tariffed services for each funding year.

b. ☐ Month-to-month services for which the applicant has no signed, written contract. A new Form 470 must be filed for these services for each funding year.

c. ☑ Services for which a new written contract is sought for the funding year in Item 2.

d. ☐ A multi-year contract signed on or before 7/10/97 but for which no Form 470 has been filed in a previous program year.

NOTE: Services that are covered by a signed, written contract executed pursuant to posting of a Form 470 in a previous program year OR a contract signed on/before 7/10/97 and reported on a Form 470 in a previous year as an existing contract do NOT require filing of a Form 470.

What kinds of service are you seeking: Telecommunications Services, Internet Access, or Internal Connections? Refer to the Eligible Services List at www.sl.universalservice.org for examples. Check the relevant category or categories (8, 9, and/or 10 below), and answer the questions in each category you select.

8 ☑ **Telecommunications Services**
Do you have a Request for Proposal (RFP) that specifies the services you are seeking ?

a ◉ **YES**, I have an RFP. It is available on the Web at **www.elitefund.com/usf/ithaca.htm** or via (check one):
☐ the Contact Person in Item 6 or ☐ the contact listed in Item 11.

b ○ **NO** , I do not have an RFP for these services.

If you answered NO, you must list below the Telecommunications Services you seek. Specify each **service or function** (e.g., local voice service) and quantity and/or capacity(e.g., 20 existing lines plus 10 new ones). See the Eligible Services List at www.sl.universalservice.org for examples of eligible Telecommunications Services. Remember that only eligible telecommunications providers can provide these services under the universal service support mechanism. Add additional lines if needed.

9 ☑ **Internet Access**
Do you have a Request for Proposal (RFP) that specifies the services you are seeking ?

a ◉ **YES**, I have an RFP. It is available on the Web at **www.elitefund.com/usf/ithaca.htm** or via (check one):
☐ the Contact Person in Item 6 or ☐ the contact listed in Item 11.

b ○ **NO** , I do not have an RFP for these services.

If you answered NO, you must list below the Internet Access Services you seek. Specify each **service or function** (e.g., monthly Internet service) and quantity and/or capacity(e.g., for 500 users). See the Eligible Services List at www.sl.universalservice.org for examples of eligible Internet Access services. Add additional lines if needed.

10 ☐ **Internal Connections**
Do you have a Request for Proposal (RFP) that specifies the services you are seeking ?

a ○ **YES**, I have an RFP. It is available on the Web at or via (check one):
☐ the Contact Person in Item 6 or ☐ the contact listed in Item 11.

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If you answered NO, you must list below the Internal Connections Services you seek. Specify each **service or function** (e.g., local area network) and quantity and/or capacity(e.g., connecting 10 rooms

and 300 computers at 56kbps or better). See the Eligible Services List at www.sl.universalservice.org for examples of eligible Internal Connections services. Add additional lines if needed.

11 (Optional) Please name the person on your staff or project who can provide additional technical details or answer specific questions from service providers about the services you are seeking. This need not be the contact person listed in Item 6 nor the signer of this form.

Name:	Title:
Telephone number () -	
Fax number () -	
E-mail Address	

12. ☐ Check here if there are any restrictions imposed by state or local laws or regulations on how or when providers may contact you or on other bidding procedures. Please describe below any such restrictions or procedures, and/or provide Web address where they are posted and a contact name and telephone number for service providers without Internet access.

13. If you intend to enter into a multi-year contract based on this posting or a contract featuring an option for voluntary extensions you may provide that information below. If you have plans to purchase additional services in future years, or expect to seek new contracts for existing services, summarize below (including the likely timeframes).

Block 3: Technology Assessment

14. ☐ **Basic telephone service only:** If your application is for basic local and long distance telephone service (wireline or wireless) only, check this box and skip to Item 16.

15. Although the following services and facilities are ineligible for support, they are usually necessary to make effective use of the eligible services requested in this application. Unless you indicated in Item 14 that your application is ONLY for basic telephone service, you must check at least one box in (a) through (e). You may provide details for purchases being sought.

a. Desktop communications software: Software required ☑ has been purchased; and/or ☐ is being sought.

b. Electrical systems: ☑ adequate electrical capacity is in place or has already been arranged; and/or ☐ upgrading for additional electrical capacity is being sought.

c. Computers: a sufficient quantity of computers ☑ has been purchased; and/or ☐ is being sought.

d. Computer hardware maintenance: adequate arrangements ☑ have been made; and/or ☐ are being sought.

e. Staff development: ☑ all staff have had an appropriate level of training /additional training has already been scheduled; and/or ☐ training is being sought.

f. Additional details: Use this space to provide additional details to help providers to identify the services you desire.

Block 4: Recipients of Service

16. Eligible Entities That Will Receive Services:

Attachment 3

Check the ONE choice (a,b or c) that best describes this application and the eligible entities that will receive the services described in this application.You will then list in Item 17 the entity/entities that will pay the bills for these services.

a. Individual school or single-site library.

b. Statewide application for (enter 2-letter state code) representing (check all that apply):

- All public schools/districts in the state:
- All non-public schools in the state:
- All libraries in the state:

If your statewide application includes INELIGIBLE entities, check here. **If checked, complete Item 18**.

c. School district, library system, or consortium application to serve multiple eligible entities:

Number of eligible entities	**4**
For these eligible sites, please provide the following	
Area Codes (list each unique area code)	**Prefixes associated with each area code (first 3 digits of phone number) separate with commas, leave no spaces**
989	875
If your application includes INELIGIBLE entities, check here. **If checked, complete Item 18.**	

17. Billed Entities
List the entity/entities that will be paying the bills directly to the provider for the services requested in this application. These are known as Billed Entities. At least one line of this item must be completed. Attach additional sheets if necessary.

Entity Number	Entity
131221	ITHACA PUBLIC SCHOOL DISTRICT

18. Ineligible Participating Entities
Does your application also seek bids on services to entities that are not eligible for the Universal Service Program? If so, list those entities here (attach pages if needed):

Ineligible Participating Entity	Area Code	Prefix

Block 5: Certification

Attachment 3

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 technology plan 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. ☐ no technology plan needed; application requests basic local and long distance telephone service only. .

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: ☑

26. Date (mm/dd/yyyy): **12/12/2003**

27. Printed name of authorized person: **STEVE NETZLEY**

28. Title or position of authorized person: **ASSISTANT SUPERINTENDENT**

29a. Address of authorized person: **710 Union St.**
City: **Ithaca** State: **MI** Zip: **48847**

29b. Telephone number of authorized person: **(989) 875 - 3700**

29c. Fax number of authorized person: **(989) 8754538**

29d. E-mail address number of authorized person: **steven@ithacaschools.net**

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 or call the Client Service Bureau at 1-888-203-8100.

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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 the 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.

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Public reporting burden for this collection of information is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, completing, and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the reporting burden to the Federal Communications Commission, Performance Evaluation and Records Management, Washington, DC 20554.

Please submit this form to:

SLD-Form 470
P.O. Box 7026
Lawrence, Kansas 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, Kansas 66046
1-888-203-8100

FCC Form 470
April 2002

New Search | Return To Search Results

Attachment 3

FCC Form

Approval by OMB
3060-0806

470

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

Estimated Average Burden Hours Per Response: 4.0 hours

This form is designed to help you describe the eligible telecommunications-related services you seek so that this data can be posted on the Fund Administrator website and interested service providers can identify you as a potential customer and compete to serve you.

Please read instructions before beginning this application. (To be completed by entity that will negotiate with providers.)

Block 1: Applicant Address and Identifications

Form 470 Application Number: 315280000419357

Applicant's Form Identifier: Internet

Application Status: CERTIFIED

Posting Date: 10/15/2002

Allowable Contract Date: 11/12/2002

Certification Received Date: 10/25/2002

1. Name of Applicant:
MONTCALM AREA INTER SCH DIST

2. Funding Year:
07/01/2003 - 06/30/2004

3. Your Entity Number
131263

4a. Applicant's Street Address, P.O.Box, or Route Number
621 NEW ST

City	State	Zip Code
STANTON	MI	48888

b. Telephone number ext.
(989) 831- 5261

c. Fax number
(989) 831- 8727

d. E-mail Address
tstaten@maisd.com

5. Type Of Applicant

- ○ Individual School (individual public or non-public school)
- ○ School District (LEA;public or non-public[e.g., diocesan] local district representing multiple schools)
- ○ Library (including library system, library branch, or library consortium applying as a library)
- ◉ Consortium (intermediate service agencies, states, state networks, special consortia)

6a. Contact Person's Name: Tom Staten

*First, fill in **every** item of the Contact Person's information below **that is different from Item 4, above**. **Then** check the box next to the preferred mode of contact. (At least one box **MUST** be checked.)*

6b. Street Address, P.O.Box, or Route Number
621 NEW ST

City	State	Zip Code
STANTON	MI	48888

○ **6c. Telephone Number** (989) 831- 5261

○ **6d. Fax Number** (989) 831- 8727

Attachment 3

6e. E-mail Address tstaten@maisd.com

Block 2: Summary Description of Needs or Services Requested

7 This Form 470 describes (check all that apply):

a. ☑ Tariffed services - telecommunications services, purchased at regulated prices, for which the applicant has no signed, written contract. A new Form 470 must be filed for tariffed services for each funding year.

b. ☐ Month-to-month services for which the applicant has no signed, written contract. A new Form 470 must be filed for these services for each funding year.

c. ☑ Services for which a new written contract is sought for the funding year in Item 2.

d. ☐ A multi-year contract signed on or before 7/10/97 but for which no Form 470 has been filed in a previous program year.

NOTE: Services that are covered by a signed, written contract executed pursuant to posting of a Form 470 in a previous program year OR a contract signed on/before 7/10/97 and reported on a Form 470 in a previous year as an existing contract do NOT require filing of a Form 470.

What kinds of service are you seeking: Telecommunications Services, Internet Access, or Internal Connections? Refer to the Eligible Services List at www.sl.universalservice.org for examples. Check the relevant category or categories (8, 9, and/or 10 below), and answer the questions in each category you select.

8 ☑ **Telecommunications Services**
Do you have a Request for Proposal (RFP) that specifies the services you are seeking ?

a ○ **YES**, I have an RFP. It is available on the Web at **usf.crystalauto.com/maisd.htm** or via (check one):
☐ the Contact Person in Item 6 or ☐ the contact listed in Item 11.

b ○ **NO** , I do not have an RFP for these services.

If you answered NO, you must list below the Telecommunications Services you seek. Specify each **service or function** (e.g., local voice service) and quantity and/or capacity(e.g., 20 existing lines plus 10 new ones). See the Eligible Services List at www.sl.universalservice.org for examples of eligible Telecommunications Services. Remember that only eligible telecommunications providers can provide these services under the universal service support mechanism. Add additional lines if needed.

9 ☑ **Internet Access**
Do you have a Request for Proposal (RFP) that specifies the services you are seeking ?

a ○ **YES**, I have an RFP. It is available on the Web at **usf.crystalauto.com/maisd.htm** or via (check one):
☐ the Contact Person in Item 6 or ☐ the contact listed in Item 11.

b ○ **NO** , I do not have an RFP for these services.

If you answered NO, you must list below the Internet Access Services you seek. Specify each **service or function** (e.g., monthly Internet service) and quantity and/or capacity(e.g., for 500 users). See the Eligible Services List at www.sl.universalservice.org for examples of eligible Internet Access services. Add additional lines if needed.

10 ☐ **Internal Connections**
Do you have a Request for Proposal (RFP) that specifies the services you are seeking ?

a ○ **YES**, I have an RFP. It is available on the Web at or via (check one):
☐ the Contact Person in Item 6 or ☐ the contact listed in Item 11.

b ○ **NO** , I do not have an RFP for these services.

If you answered NO, you must list below the Internal Connections Services you seek. Specify each **service or function** (e.g., local area network) and quantity and/or capacity(e.g., connecting 10 rooms

and 300 computers at 56kbps or better). See the Eligible Services List at www.sl.universalservice.org for examples of eligible Internal Connections services. Add additional lines if needed.

11 (Optional) Please name the person on your staff or project who can provide additional technical details or answer specific questions from service providers about the services you are seeking. This need not be the contact person listed in Item 6 nor the signer of this form.

Name:	Title:
Telephone number () -	
Fax number () -	
E-mail Address	

12. ☐ Check here if there are any restrictions imposed by state or local laws or regulations on how or when providers may contact you or on other bidding procedures. Please describe below any such restrictions or procedures, and/or provide Web address where they are posted and a contact name and telephone number for service providers without Internet access.

13. If you intend to enter into a multi-year contract based on this posting or a contract featuring an option for voluntary extensions you may provide that information below. If you have plans to purchase additional services in future years, or expect to seek new contracts for existing services, summarize below (including the likely timeframes).

Block 3: Technology Assessment

14. ☐ **Basic telephone service only:** If your application is for basic local and long distance telephone service (wireline or wireless) only, check this box and skip to Item 16.

15. Although the following services and facilities are ineligible for support, they are usually necessary to make effective use of the eligible services requested in this application. Unless you indicated in Item 14 that your application is ONLY for basic telephone service, you must check at least one box in (a) through (e). You may provide details for purchases being sought.

a. Desktop communications software: Software required ☑ has been purchased; and/or ☐ is being sought.

b. Electrical systems: ☑ adequate electrical capacity is in place or has already been arranged; and/or ☐ upgrading for additional electrical capacity is being sought.

c. Computers: a sufficient quantity of computers ☑ has been purchased; and/or ☐ is being sought.

d. Computer hardware maintenance: adequate arrangements ☑ have been made; and/or ☐ are being sought.

e. Staff development: ☑ all staff have had an appropriate level of training /additional training has already been scheduled; and/or ☐ training is being sought.

f. Additional details: Use this space to provide additional details to help providers to identify the services you desire.

Block 4: Recipients of Service

16. Eligible Entities That Will Receive Services:

Attachment 3

Check the ONE choice (a,b or c) that best describes this application and the eligible entities that will receive the services described in this application.You will then list in Item 17 the entity/entities that will pay the bills for these services.

a. Individual school or single-site library.

b. Statewide application for (enter 2-letter state code) representing (check all that apply):

- All public schools/districts in the state:
- All non-public schools in the state:
- All libraries in the state:

If your statewide application includes INELIGIBLE entities, check here. **If checked, complete Item 18**.

c. School district, library system, or consortium application to serve multiple eligible entities:

Number of eligible entities	**9**
For these eligible sites, please provide the following	
Area Codes (list each unique area code)	**Prefixes associated with each area code (first 3 digits of phone number) separate with commas, leave no spaces**
231	937
231	
616	
989	352
989	427
989	584
989	831
If your application includes INELIGIBLE entities, check here. **If checked, complete Item 18.**	

17. Billed Entities
List the entity/entities that will be paying the bills directly to the provider for the services requested in this application. These are known as Billed Entities. At least one line of this item must be completed. Attach additional sheets if necessary.

Entity Number	Entity
131263	MONTCALM AREA INTER SCH DIST

18. Ineligible Participating Entities
Does your application also seek bids on services to entities that are not eligible for the Universal Service Program? If so, list those entities here (attach pages if needed):

Ineligible Participating Entity	Area Code	Prefix

Block 5: Certification

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 technology plan 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. ☐ no technology plan needed; application requests basic local and long distance telephone service only. .

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: ☑

26. Date (mm/dd/yyyy): **10/21/2002**

27. Printed name of authorized person: **Tom Staten**

Attachment 3

28. Title or position of authorized person: **Technology Coordinator**

29a. Address of authorized person:
City: State: Zip:

29b. Telephone number of authorized person: **(989) 831 - 5261**

29c. Fax number of authorized person: **()**

29d. E-mail address number of authorized person:

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 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 the 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.

Public reporting burden for this collection of information is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, completing, and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the reporting burden to the Federal Communications Commission, Performance Evaluation and Records Management, Washington, DC 20554.

Please submit this form to:

SLD-Form 470
P.O. Box 7026
Lawrence, Kansas 66044-7026

Attachment 3

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, Kansas 66046
1-888-203-8100

FCC Form 470
April 2002

New Search | Return To Search Results

Attachment 3

FCC Form

Approval by OMB
3060-0806

470

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

Estimated Average Burden Hours Per Response: 4.0 hours

This form is designed to help you describe the eligible telecommunications-related services you seek so that this data can be posted on the Fund Administrator website and interested service providers can identify you as a potential customer and compete to serve you.

Please read instructions before beginning this application. (To be completed by entity that will negotiate with providers.)

Block 1: Applicant Address and Identifications

Form 470 Application Number: 814170000477476

Applicant's Form Identifier: Tel/Int

Application Status: CERTIFIED

Posting Date: 12/05/2003

Allowable Contract Date: 01/02/2004

Certification Received Date: 12/08/2003

1. Name of Applicant:
MONTCALM AREA INTER SCH DIST

2. Funding Year:
07/01/2004 - 06/30/2005

3. Your Entity Number
131263

4a. Applicant's Street Address, P.O.Box, or Route Number
621 NEW ST

City	State	Zip Code
STANTON	MI	48888

b. Telephone number ext.
(517) 831- 5261

c. Fax number
(517) 831- 8727

d. E-mail Address

5. Type Of Applicant

- ○ Individual School (individual public or non-public school)
- ○ School District (LEA;public or non-public[e.g., diocesan] local district representing multiple schools)
- ○ Library (including library system, library branch, or library consortium applying as a library)
- ◉ Consortium (intermediate service agencies, states, state networks, special consortia)

6a. Contact Person's Name: Tom Staten

*First, fill in **every** item of the Contact Person's information below **that is different from Item 4, above**. **Then** check the box next to the preferred mode of contact. (At least one box **MUST** be checked.)*

6b. Street Address, P.O.Box, or Route Number
621 New St, PO Box 367

City	State	Zip Code
Stanton	MI	48888

○ **6c. Telephone Number** (989) 831- 5261

○ **6d. Fax Number** (989) 831- 8727

◉ **6e. E-mail Address** tstaten@maisd.com

Attachment 3

Block 2: Summary Description of Needs or Services Requested

7 This Form 470 describes (check all that apply):

a. ☑ Tariffed services - telecommunications services, purchased at regulated prices, for which the applicant has no signed, written contract. A new Form 470 must be filed for tariffed services for each funding year.

b. ☐ Month-to-month services for which the applicant has no signed, written contract. A new Form 470 must be filed for these services for each funding year.

c. ☑ Services for which a new written contract is sought for the funding year in Item 2.

d. ☐ A multi-year contract signed on or before 7/10/97 but for which no Form 470 has been filed in a previous program year.

NOTE: Services that are covered by a signed, written contract executed pursuant to posting of a Form 470 in a previous program year OR a contract signed on/before 7/10/97 and reported on a Form 470 in a previous year as an existing contract do NOT require filing of a Form 470.

What kinds of service are you seeking: Telecommunications Services, Internet Access, or Internal Connections? Refer to the Eligible Services List at www.sl.universalservice.org for examples. Check the relevant category or categories (8, 9, and/or 10 below), and answer the questions in each category you select.

8 ☑ **Telecommunications Services**
Do you have a Request for Proposal (RFP) that specifies the services you are seeking ?

a ◉ **YES**, I have an RFP. It is available on the Web at **www.elitefund.com/usf/maisd.htm** or via (check one):
☐ the Contact Person in Item 6 or ☐ the contact listed in Item 11.

b ○ **NO** , I do not have an RFP for these services.

If you answered NO, you must list below the Telecommunications Services you seek. Specify each **service or function** (e.g., local voice service) and quantity and/or capacity(e.g., 20 existing lines plus 10 new ones). See the Eligible Services List at www.sl.universalservice.org for examples of eligible Telecommunications Services. Remember that only eligible telecommunications providers can provide these services under the universal service support mechanism. Add additional lines if needed.

9 ☑ **Internet Access**
Do you have a Request for Proposal (RFP) that specifies the services you are seeking ?

a ◉ **YES**, I have an RFP. It is available on the Web at **www.elitefund.com/usf/maisd.htm** or via (check one):
☐ the Contact Person in Item 6 or ☐ the contact listed in Item 11.

b ○ **NO** , I do not have an RFP for these services.

If you answered NO, you must list below the Internet Access Services you seek. Specify each **service or function** (e.g., monthly Internet service) and quantity and/or capacity(e.g., for 500 users). See the Eligible Services List at www.sl.universalservice.org for examples of eligible Internet Access services. Add additional lines if needed.

10 ☐ **Internal Connections**
Do you have a Request for Proposal (RFP) that specifies the services you are seeking ?

a ○ **YES**, I have an RFP. It is available on the Web at or via (check one):
☐ the Contact Person in Item 6 or ☐ the contact listed in Item 11.

b ○ **NO** , I do not have an RFP for these services.

If you answered NO, you must list below the Internal Connections Services you seek. Specify each **service or function** (e.g., local area network) and quantity and/or capacity(e.g., connecting 10 rooms

and 300 computers at 56kbps or better). See the Eligible Services List at www.sl.universalservice.org for examples of eligible Internal Connections services. Add additional lines if needed.

11 (Optional) Please name the person on your staff or project who can provide additional technical details or answer specific questions from service providers about the services you are seeking. This need not be the contact person listed in Item 6 nor the signer of this form.

Name:	Title:
Lynne Hernandez	**Career Technical Education Director**

Telephone number
(989) 831 - 5261

Fax number
(989) 831 - 8727

E-mail Address
lhernandez@maisd.com

12. ☐ Check here if there are any restrictions imposed by state or local laws or regulations on how or when providers may contact you or on other bidding procedures. Please describe below any such restrictions or procedures, and/or provide Web address where they are posted and a contact name and telephone number for service providers without Internet access.

13. If you intend to enter into a multi-year contract based on this posting or a contract featuring an option for voluntary extensions you may provide that information below. If you have plans to purchase additional services in future years, or expect to seek new contracts for existing services, summarize below (including the likely timeframes).

Block 3: Technology Assessment

14. ☐ **Basic telephone service only:** If your application is for basic local and long distance telephone service (wireline or wireless) only, check this box and skip to Item 16.

15. Although the following services and facilities are ineligible for support, they are usually necessary to make effective use of the eligible services requested in this application. Unless you indicated in Item 14 that your application is ONLY for basic telephone service, you must check at least one box in (a) through (e). You may provide details for purchases being sought.

a. Desktop communications software: Software required ☑ has been purchased; and/or ☐ is being sought.

b. Electrical systems: ☑ adequate electrical capacity is in place or has already been arranged; and/or ☐ upgrading for additional electrical capacity is being sought.

c. Computers: a sufficient quantity of computers ☑ has been purchased; and/or ☐ is being sought.

d. Computer hardware maintenance: adequate arrangements ☑ have been made; and/or ☐ are being sought.

e. Staff development: ☑ all staff have had an appropriate level of training /additional training has already been scheduled; and/or ☑ training is being sought.

f. Additional details: Use this space to provide additional details to help providers to identify the services you desire.

Block 4: Recipients of Service

Attachment 3

16. Eligible Entities That Will Receive Services:

Check the ONE choice (a,b or c) that best describes this application and the eligible entities that will receive the services described in this application.You will then list in Item 17 the entity/entities that will pay the bills for these services.

a. Individual school or single-site library.

b. Statewide application for (enter 2-letter state code) representing (check all that apply):

All public schools/districts in the state:

All non-public schools in the state:

All libraries in the state:

If your statewide application includes INELIGIBLE entities, check here. **If checked, complete Item 18**.

c. School district, library system, or consortium application to serve multiple eligible entities:

Number of eligible entities	**9**
For these eligible sites, please provide the following	
Area Codes (list each unique area code)	**Prefixes associated with each area code (first 3 digits of phone number) separate with commas, leave no spaces**
231	937
231	
616	
989	352
989	427
989	584
989	831
If your application includes INELIGIBLE entities, check here. **If checked, complete Item 18.**	

17. Billed Entities

List the entity/entities that will be paying the bills directly to the provider for the services requested in this application. These are known as Billed Entities. At least one line of this item must be completed. Attach additional sheets if necessary.

Attachment 3

Entity Number	Entity
131263	MONTCALM AREA INTER SCH DIST

18. Ineligible Participating Entities
Does your application also seek bids on services to entities that are not eligible for the Universal Service Program? If so, list those entities here (attach pages if needed):

Ineligible Participating Entity	Area Code	Prefix

Block 5: Certification

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 technology plan 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. ☐ no technology plan needed; application requests basic local and long distance telephone service only. .

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: ☑

26. Date (mm/dd/yyyy): **12/05/2003**

Attachment 3

27. Printed name of authorized person: **TOM STATEN**

28. Title or position of authorized person: **TECHNOLOGY COORDINATOR**

29a. Address of authorized person: **621 New St, PO Box 367**
City: **Stanton** State: **MI** Zip: **48888**

29b. Telephone number of authorized person: **(989) 831 - 5261**

29c. Fax number of authorized person: **(989) 8318727**

29d. E-mail address number of authorized person: **tstaten@maisd.com**

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.

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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 the 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.

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Public reporting burden for this collection of information is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, completing, and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the reporting burden to the Federal Communications Commission, Performance Evaluation and Records Management, Washington, DC 20554.

Please submit this form to:

Attachment 3

SLD-Form 470
P.O. Box 7026
Lawrence, Kansas 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, Kansas 66046
1-888-203-8100

FCC Form 470
April 2002

New Search | Return To Search Results

Attachment 3

FCC Form

Approval by OMB
3060-0806

470

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

Estimated Average Burden Hours Per Response: 4.0 hours

This form is designed to help you describe the eligible telecommunications-related services you seek so that this data can be posted on the Fund Administrator website and interested service providers can identify you as a potential customer and compete to serve you.

Please read instructions before beginning this application. (To be completed by entity that will negotiate with providers.)

Block 1: Applicant Address and Identifications

Form 470 Application Number: 780700000427395

Applicant's Form Identifier: Internet

Application Status: CERTIFIED

Posting Date: 11/08/2002

Allowable Contract Date: 12/06/2002

Certification Received Date: 11/08/2002

1. Name of Applicant:
WHITE PINE LIBRARY

2. Funding Year:
07/01/2003 - 06/30/2004

3. Your Entity Number
131264

4a. Applicant's Street Address, P.O.Box, or Route Number
106 E WALNUT ST

City	State	Zip Code
STANTON	MI	48888

b. Telephone number ext.
(989) 831- 4327

c. Fax number
(989) 831- 4976

d. E-mail Address
bobosgal@hotmail.com

5. Type Of Applicant

- ○ Individual School (individual public or non-public school)
- ○ School District (LEA;public or non-public[e.g., diocesan] local district representing multiple schools)
- ◉ Library (including library system, library branch, or library consortium applying as a library)
- ○ Consortium (intermediate service agencies, states, state networks, special consortia)

6a. Contact Person's Name: Katie Arwood

*First, fill in **every** item of the Contact Person's information below **that is different from Item 4, above**. **Then** check the box next to the preferred mode of contact. (At least one box **MUST** be checked.)*

6b. Street Address, P.O.Box, or Route Number
106 E WALNUT ST

City	State	Zip Code
STANTON	MI	48888

○ **6c. Telephone Number** (989) 831- 4327

○ **6d. Fax Number** (989) 831- 4976

Attachment 3

6e. E-mail Address bobosgal@hotmail.com

Block 2: Summary Description of Needs or Services Requested

7 This Form 470 describes (check all that apply):

a. ☑ Tariffed services - telecommunications services, purchased at regulated prices, for which the applicant has no signed, written contract. A new Form 470 must be filed for tariffed services for each funding year.

b. ☐ Month-to-month services for which the applicant has no signed, written contract. A new Form 470 must be filed for these services for each funding year.

c. ☑ Services for which a new written contract is sought for the funding year in Item 2.

d. ☐ A multi-year contract signed on or before 7/10/97 but for which no Form 470 has been filed in a previous program year.

NOTE: Services that are covered by a signed, written contract executed pursuant to posting of a Form 470 in a previous program year OR a contract signed on/before 7/10/97 and reported on a Form 470 in a previous year as an existing contract do NOT require filing of a Form 470.

What kinds of service are you seeking: Telecommunications Services, Internet Access, or Internal Connections? Refer to the Eligible Services List at www.sl.universalservice.org for examples. Check the relevant category or categories (8, 9, and/or 10 below), and answer the questions in each category you select.

8 ☑ **Telecommunications Services**

Do you have a Request for Proposal (RFP) that specifies the services you are seeking ?

a ○ **YES**, I have an RFP. It is available on the Web at **usf.crystalauto.com/whitepinelib.htm** or via (check one):
☐ the Contact Person in Item 6 or ☐ the contact listed in Item 11.

b ○ **NO** , I do not have an RFP for these services.

If you answered NO, you must list below the Telecommunications Services you seek. Specify each **service or function** (e.g., local voice service) and quantity and/or capacity(e.g., 20 existing lines plus 10 new ones). See the Eligible Services List at www.sl.universalservice.org for examples of eligible Telecommunications Services. Remember that only eligible telecommunications providers can provide these services under the universal service support mechanism. Add additional lines if needed.

9 ☑ **Internet Access**

Do you have a Request for Proposal (RFP) that specifies the services you are seeking ?

a ○ **YES**, I have an RFP. It is available on the Web at **usf.crystalauto.com/whitepinelib.htm** or via (check one):
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If you answered NO, you must list below the Internet Access Services you seek. Specify each **service or function** (e.g., monthly Internet service) and quantity and/or capacity(e.g., for 500 users). See the Eligible Services List at www.sl.universalservice.org for examples of eligible Internet Access services. Add additional lines if needed.

10 ☐ **Internal Connections**

Do you have a Request for Proposal (RFP) that specifies the services you are seeking ?

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☐ the Contact Person in Item 6 or ☐ the contact listed in Item 11.

b ○ **NO** , I do not have an RFP for these services.

Attachment 3

If you answered NO, you must list below the Internal Connections Services you seek. Specify each **service or function** (e.g., local area network) and quantity and/or capacity(e.g., connecting 10 rooms and 300 computers at 56kbps or better). See the Eligible Services List at www.sl.universalservice.org for examples of eligible Internal Connections services. Add additional lines if needed.

11 (Optional) Please name the person on your staff or project who can provide additional technical details or answer specific questions from service providers about the services you are seeking. This need not be the contact person listed in Item 6 nor the signer of this form.

Name:	Title:
Telephone number () -	
Fax number () -	
E-mail Address	

12. ☐ Check here if there are any restrictions imposed by state or local laws or regulations on how or when providers may contact you or on other bidding procedures. Please describe below any such restrictions or procedures, and/or provide Web address where they are posted and a contact name and telephone number for service providers without Internet access.

13. If you intend to enter into a multi-year contract based on this posting or a contract featuring an option for voluntary extensions you may provide that information below. If you have plans to purchase additional services in future years, or expect to seek new contracts for existing services, summarize below (including the likely timeframes).

Block 3: Technology Assessment

14. ☐ **Basic telephone service only:** If your application is for basic local and long distance telephone service (wireline or wireless) only, check this box and skip to Item 16.

15. Although the following services and facilities are ineligible for support, they are usually necessary to make effective use of the eligible services requested in this application. Unless you indicated in Item 14 that your application is ONLY for basic telephone service, you must check at least one box in (a) through (e). You may provide details for purchases being sought.

a. Desktop communications software: Software required ☑ has been purchased; and/or ☐ is being sought.

b. Electrical systems: ☑ adequate electrical capacity is in place or has already been arranged; and/or ☐ upgrading for additional electrical capacity is being sought.

c. Computers: a sufficient quantity of computers ☑ has been purchased; and/or ☐ is being sought.

d. Computer hardware maintenance: adequate arrangements ☑ have been made; and/or ☐ are being sought.

e. Staff development: ☑ all staff have had an appropriate level of training /additional training has already been scheduled; and/or ☐ training is being sought.

f. Additional details: Use this space to provide additional details to help providers to identify the services you desire.

Block 4: Recipients of Service

Attachment 3

16. Eligible Entities That Will Receive Services:

Check the ONE choice (a,b or c) that best describes this application and the eligible entities that will receive the services described in this application.You will then list in Item 17 the entity/entities that will pay the bills for these services.

a. Individual school or single-site library.

b. Statewide application for (enter 2-letter state code) representing (check all that apply):

- All public schools/districts in the state:
- All non-public schools in the state:
- All libraries in the state:

If your statewide application includes INELIGIBLE entities, check here. **If checked, complete Item 18**.

c. School district, library system, or consortium application to serve multiple eligible entities:

Number of eligible entities	
For these eligible sites, please provide the following	
Area Codes (list each unique area code)	**Prefixes associated with each area code (first 3 digits of phone number) separate with commas, leave no spaces**
If your application includes INELIGIBLE entities, check here. **If checked, complete Item 18.**	

17. Billed Entities
List the entity/entities that will be paying the bills directly to the provider for the services requested in this application. These are known as Billed Entities. At least one line of this item must be completed. Attach additional sheets if necessary.

Entity Number	Entity
131264	WHITE PINE LIBRARY

18. Ineligible Participating Entities
Does your application also seek bids on services to entities that are not eligible for the Universal Service Program? If so, list those entities here (attach pages if needed):

Ineligible Participating Entity	Area Code	Prefix

Block 5: Certification

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 technology plan 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. ☐ no technology plan needed; application requests basic local and long distance telephone service only. .

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: ☑

26. Date (mm/dd/yyyy): **11/08/2002**

27. Printed name of authorized person: **Katie Arwood**

28. Title or position of authorized person: **Director**

29a. Address of authorized person:
City: State: Zip:

29b. Telephone number of authorized person: **(989) 831 - 4327**

29c. Fax number of authorized person: **()**

29d. E-mail address number of authorized person:

Attachment 3

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 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 the 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.

Public reporting burden for this collection of information is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, completing, and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the reporting burden to the Federal Communications Commission, Performance Evaluation and Records Management, Washington, DC 20554.

Please submit this form to:

SLD-Form 470
P.O. Box 7026
Lawrence, Kansas 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, Kansas 66046
1-888-203-8100

FCC Form 470
April 2002

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Attachment 3

FCC Form

Approval by OMB
3060-0806

470

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

Estimated Average Burden Hours Per Response: 4.0 hours

This form is designed to help you describe the eligible telecommunications-related services you seek so that this data can be posted on the Fund Administrator website and interested service providers can identify you as a potential customer and compete to serve you.

Please read instructions before beginning this application. (To be completed by entity that will negotiate with providers.)

Block 1: Applicant Address and Identifications

Form 470 Application Number: 476200000485442

Applicant's Form Identifier: Telco/Int

Application Status: CERTIFIED

Posting Date: 12/18/2003

Allowable Contract Date: 01/15/2004

Certification Received Date: 12/19/2003

1. Name of Applicant:
WHITE PINE LIBRARY

2. Funding Year:
07/01/2004 - 06/30/2005

3. Your Entity Number
131264

4a. Applicant's Street Address, P.O.Box, or Route Number
106 E WALNUT ST

City	State	Zip Code
STANTON	MI	48888

b. Telephone number ext.
(517) 831- 4327

c. Fax number
(517) 831- 4976

d. E-mail Address

5. Type Of Applicant

- ○ Individual School (individual public or non-public school)
- ○ School District (LEA;public or non-public[e.g., diocesan] local district representing multiple schools)
- ◉ Library (including library system, library branch, or library consortium applying as a library)
- ○ Consortium (intermediate service agencies, states, state networks, special consortia)

6a. Contact Person's Name: Katie Arwood

*First, fill in **every** item of the Contact Person's information below **that is different from Item 4, above**. **Then** check the box next to the preferred mode of contact. (At least one box **MUST** be checked.)*

6b. Street Address, P.O.Box, or Route Number
106 E. Walnut St.

City	State	Zip Code
Stanton	MI	48888

○ **6c. Telephone Number** (989) 831- 4327

○ **6d. Fax Number** (989) 831- 4976

◉ **6e. E-mail Address** bobosgal@hotmail.com

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Name:	Title:
Telephone number () -	
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Attachment 3

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- All non-public schools in the state:
- All libraries in the state:

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For these eligible sites, please provide the following	
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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: ☑

26. Date (mm/dd/yyyy): **12/18/2003**

27. Printed name of authorized person: **KATIE ARWOOD**

28. Title or position of authorized person: **LIBRARIAN**

29a. Address of authorized person: **106 E. Walnut St.**
City: **Stanton** State: **MI** Zip: **48888**

29b. Telephone number of authorized person: **(989) 831 - 4327**

29c. Fax number of authorized person: **(989) 8314976**

29d. E-mail address number of authorized person: **bobosgal@hotmail.com**

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Please submit this form to:

SLD-Form 470
P.O. Box 7026
Lawrence, Kansas 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, Kansas 66046
1-888-203-8100

FCC Form 470
April 2002

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DECLARATION OF STEVEN R. MEINHARDT IN SUPPORT OF APPEAL BY CRYSTAL AUTOMATION SYSTEMS, INC. D/B/A CASAIR OF COMMITMENT ADJUSTMENT DECISIONS REGARDING E-RATE FUNDING FOR FY 2003 AND 2004

I, Steven R. Meinhardt, under penalty of perjury, declare:

1. I am over the age of 18 years.

2. I am the founder of Crystal Automation Systems, Inc. d/b/a Casair, Inc. ("CAS") and its sole officer, serving as its President and Secretary/Treasurer.

3. CAS is a Michigan corporation, incorporated in 1999.

4. I have owned 100% of the shares in CAS from its formation and incorporation in 1999 to the present.

5. CAS began as a supplier of computer hardware, and grew into an Internet service provider ("ISP") that also provided a wide range of services to customers including structured cabling, technical support, and technology consulting.

6. One technology consulting service that CAS provided early on in its existence was assistance with preparing applications for technology funding. CAS provided these services at standard rates, either (1) performing the work for standard hourly rates, or (2) charging standard fixed prices for the specific services performed.

7. CAS ceased further involvement in preparing applications for technology funding, including applications for E-rate funding, in September of 2003.

8. I founded Elite Fund, Inc. ("Elite"), a Michigan for-profit corporation, in September of 2003. Elite was founded based on increasing market demand for technology consulting services, and to ensure ongoing compliance in light of evolving E-rate program guidance. Elite was devoted exclusively to such consulting services.

9. I was Elite's sole shareholder from the time of its incorporation until July 1, 2006.

10. Since Elite's formation, it has been operated as a separate business from CAS.

11. I was never an officer of Elite.

12. I never participated in day-to-day management of Elite, and was involved only in

high-level, strategic decisions (e.g., whether to terminate an employee for misconduct).

13. Elite originally leased office space in a multi-tenant building that was also occupied by Elite, CAS and Area Wide Accounting & Tax Service. Elite moved its operations to its current address in June 2006.

14. I sold 100% of the stock in Elite to Roger Hoezee in a stock purchase agreement effective July 1, 2006. Since that time, to the best of my knowledge, Roger Hoezee has been the sole shareholder of Elite, and Elite has continued to operate as a separate business – as it had prior to the stock purchase. Mr. Hoezee did not purchase any stock of CAS, and I continued to own 100% of the shares in CAS.

15. I am acquainted with George Winchell. Mr. Winchell is a former school teacher and administrator who worked for CAS for a number of years.

16. At the end of 2003, Mr. Winchell left CAS. At the beginning of 2004, Mr. Winchell joined Elite as its President.

17. In 2011, I became aware that Mr. Winchell had been erroneously listed as an officer of CAS in certain filings made with the Michigan Secretary of State's office on CAS's behalf. In fact, however, George left CAS at the end of 2003, and he has not been an officer, director, or played any operational role at CAS since that time.

18. Since 2000, CAS has participated in the Federal Communications Commission's Schools and Libraries Program, commonly known as "E-rate."

19. During E-rate Funding Year ("FY") 2003 (July 1, 2003 to June 30, 2004) and FY 2004 (July 1, 2004 to June 30, 2005), CAS was awarded several contracts to provide Internet Access services using E-rate funds to several school districts and one library in Michigan (collectively, the "Districts"), including those for which USAC intends to rescind funding.

20. During the time that CAS provided assistance to educational entities in preparing E-rate applications, all assistance that CAS provided to educational entities was provided in exchange only for direct monetary compensation, either at standard hourly rates or at standard flat rates for the particular services performed. All such assistance was also vendor-neutral – i.e.,

it did not favor CAS over other potential service providers. In particular, CAS did not determine what services educational entities needed, or certify the FCC Form 470.

21. For Funding Year 2003, it appears that CAS may have provided assistance to the Districts. If CAS did provide such assistance to the Districts for Funding Year 2003, any such assistance was provided at standard rates and was vendor-neutral. Moreover, in providing such assistance, CAS did not determine what services the Districts needed, and never certified any FCC Form 470 for the Districts. All of the information on the FCC Form 470 came from, and was certified by, the educational entities.

22. CAS participated in a competitive bidding process with respect to each E-rate contract that it was awarded for Funding Years 2003 and 2004.

23. For FY 2004, CAS did not assist the Districts, or any other educational entities, in preparing E-rate applications

24. Because I was not involved in the day-to-day operations of Elite, I did not keep track of which educational entities were utilizing Elite as an E-rate consultant. CAS competed for E-rate grants for Funding Year 2004, and it is quite possible that some of the Districts consulted with Elite in preparing their applications.

25. Throughout its participation in the competitive bidding process for FY 2004 E-rate contracts, CAS never coordinated with Elite or received any information from Elite concerning bids, contracts, the FCC Form 470, or the FCC Form 471.

26. For FY 2004, CAS received E-rate funding for contracts issued by five educational entities that, on information and belief, consulted with Elite in preparing their E-rate applications.

27. On information and belief, Elite assisted dozens of other educational entities that awarded FY 2004 E-rate contracts to competing service providers.

28. CAS retained records concerning the E-rate funding awards it received for FY 2003 and 2004 for at least five years. Consistent with the termination of the required retention period, CAS no longer has complete records concerning E-rate awards for FY 2003 and FY

2004.

29. The E-rate awards that CAS received for Funding Year 2003 and 2004 were expended over a decade ago. In each case, the awards were used for their intended purposes (e.g., providing Internet Access to the school districts and library for which the E-rate grants were awarded).

30. CAS received a letter from USAC, dated January 25, 2011, announcing a review of Funding Years 2004-2010 and seeking information about CAS's relationship with Elite. A true and correct copy of that letter is attached hereto as Exhibit 1.

31. On February 3, 2011, CAS responded to USAC's letter dated January 25, 2011. A true and correct copy of that letter is attached hereto as Exhibit 2.

32. USAC sent a follow-up inquiry on March 7, 2011, to which CAS responded on March 17, 2011. A true and correct copy of that inquiry is attached hereto as Exhibit 3, and a true and correct copy of CAS's response is attached hereto as Exhibit 4.

33. On May 16, 2011, USAC sent CAS a letter denying an appeal CAS had filed in April 2006. A true and correct copy of that letter is attached hereto as Exhibit 5.

34. On June 1, 2011, USAC sent another letter, this time limiting the inquiry to Funding Years 2008-2010. A true and correct copy of that letter is attached hereto as Exhibit 6.

35. On June 14, 2011, CAS responded to that USAC inquiry. A true and correct copy of that response is attached hereto as Exhibit 7.

36. In August 2011, USAC notified CAS that it was rescinding three E-rate awards for Funding Years 2008-2010, a total amount of $526,688.20. True and correct copies of those notices are attached hereto as Exhibit 8.

37. CAS believed that USAC's decisions to rescind funding were in error. However, CAS did not appeal USAC's decision. Instead, CAS considered the matter closed and moved on with building its business.

38. CAS received no further correspondence from USAC concerning past E-rate funding until June of 2017.

39. From June 2, 2017 to June 21, 2017, CAS received a series of letters from USAC that rescinded all the funding that had been awarded for E-rate projects for FY 2003 and 2004 in which CAS had been involved as the service provider.

40. CAS was shocked to receive the letters rescinding funding that had been awarded over a decade earlier.

41. CAS did not ever receive any notice from USAC that the funding for E-rate projects for FY 2003 was under review until 2017.

42. CAS will suffer grave financial hardship if the E-rate funds are rescinded now, over a decade after the funds were awarded.

43. CAS spent all of the FY 2003 and FY 2004 funds for their intended purposes. In particular, CAS used the funds to provide Internet access service to the Districts many years ago.

44. CAS is a relatively small company, with limited financial resources.

45. There is a substantial risk that forcing CAS to pay $1,785,074.37 would put CAS in default with respect to its loans, including a substantial loan with the United States Department of Agriculture ("USDA") Rural Utilities Service ("RUS"), and even force CAS into bankruptcy, resulting in the loss of many jobs in the small town where CAS is based.

46. The proceeds of the USDA RUS loan have been used to expand the network originally built for the schools by adding 400 miles of fiber and 16 cell towers, resulting in the connection of over 10,000 homes, businesses, hospitals, libraries, schools, ISDs, 911 centers, and colleges.

47. CAS's results on this project have made it one of the most successful Broadband Initiatives Program-funded projects in the nation, and CAS's efforts were recognized during an onsite visit from the director of the USDA RUS, who referred to CAS as one of the "shining stars" of their program.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct, and that this Declaration was executed on this 1st day of August, 2017 at Crystal, Michigan.

By _____
Steven R. Meinhardt,
President, Crystal Automation Systems, Inc.

4828-3662-3436v.9 0109747-000001

Exhibit 1

Schools and Libraries Division

Date: 01.25.11

Casair Inc.
Steve r Meinhardt
(989) 831-8800

Response Due Date: 02.09.11

We are in the process of reviewing Funding Year(s) **2004-2010** Form 471 Applications for schools and libraries discounts to ensure that they are in compliance with the rules of the Universal Service program. To complete our review, we need some additional information. The information needed to complete the review is listed below.

USAC has evidence that the VP of the service provider, Casair Inc., SPIN 143004346, is also an agent of Elite Fund Inc., the consulting company. Many applicants for which Casair Inc. appears as the service provider also have indication of using Elite Fund Inc.

- Do you have personal relationships with any employees of Elite Funds Inc? If so, please describe the relationships.
- Please indicate the specific nature of your involvement with Elite Fund Inc.
- How did you come to form relationships with the applicants? For example, did you form relationships with applicants as a partner or employee of Elite Fund Inc.]?
- Please provide further specifics regarding your relationship with this consulting firm as well as your relationship with applicants.
- Are you paid by Elite Fund Inc.as its "independent contractor?"
- If a conflict of interest was present, please provide documentation showing how that conflict was mitigated.

In addition, information provided to USAC indicated the VP of the service provider Casair Inc. is also an agent of Elite Fund Inc. We are providing you with an opportunity to submit further documentation and/or any special circumstances that we should consider during the review.

Lastly, please complete, sign, and date the attached certification and return with your response.

Please fax or email the requested information to my attention. If you have any questions or you do not understand what we are requesting, please feel free to contact me.

It is important that we receive all of the information requested **within 15 calendar days** so we can complete our review. **Failure to respond may result in a reduction, denial, or rescinding of funding. If you need additional time to prepare your response, please let me know as soon as possible.**

Should you wish to cancel your Form 471 application(s), or any of your individual funding requests, please clearly indicate in your response that it is your intention to cancel an application or funding request(s). Include in any cancellation request the Form 471 application number(s) and/or funding request number(s), and the complete name, title and signature of the authorized individual.

Thank you for your cooperation and continued support of the Universal Service Program.

Courtney Santiago
USAC, Schools and Libraries Division
Phone: 973-581-7596
Fax: 973-581-7596
E-mail: CSantia@sl.universalservice.org

Exhibit 2

24465.0002

PARMENTER O'TOOLE
Attorneys at Law
601 Terrace Street ■ P.O. Box 786 ■ Muskegon, Michigan 49443-0786
Phone 231.722.1621 ■ Fax 231.722.7866 or 231.728.2206
www.Parmenterlaw.com

February 3, 2011

USAC/Universal Service Administrative Company
30 Lanidex Plaza West, PO Box 685
Parsippany, NJ 07054-0685

Personal and Confidential

Re: Casair, Inc.

To whom it may concern:

In May 2005, our law firm was retained as corporate counsel for Casair, Inc. ("Casair"). We have been asked to assist Casair in responding to the questions posed in your letter dated January 25, 2011, a copy of which is attached as **Exhibit A**. Our answers are as follows:

- **Is VP of Casair an agent of Elite Fund?**

  Answer: No officer of Casair is an agent of Elite Fund. Steve Meinhardt is the sole shareholder of Casair, Inc. – being the holder of 100% of all issued and outstanding shares of common stock in said corporation, represented by Certificate No. 1 for 1,000 shares, which were issued on October 1, 1999. Steve Meinhardt is also the sole director and the sole officer (President and Secretary/Treasurer) of Casair, Inc.

  In our review of Casair's corporate records, including those that predate our firm's representation of the corporation, we discovered that certain Profit Corporation Information Update forms prepared and filed annually by Casair with the Department of Labor & Economic Growth for the State of Michigan incorrectly identifies the then-current officers of the corporation.

  There is a simple explanation for this oversight. In 2004, the Information Update listed the then-current officers of Casair. Mr. Meinhardt signed the Information Update in his capacity of Chief Executive Officer. A copy of the filed form is attached as **Exhibit B**. Beginning in 2005, Mr. Meinhardt became the sole director and officer of the corporation. Beginning in 2005, and in all subsequent years, Mr. Meinhardt simply signed the Information Update in his capacity as President, and he paid the annual filing fee. He neglected to complete Section 5, in which he was supposed to identify any changes in officer positions during the preceding year. Our law firm began conducting annual meetings for Casair in 2006. We have advised Mr. Meinhardt of this oversight, and he intends on making the appropriate changes on the Information Update in 2011.

- **Do you have any personal relationships with any employees of Elite Funds, Inc.?**

  Answer: Mr. Meinhardt does not know the names of all persons employed by Elite Fund. As further referenced below, Mr. Meinhardt does know George Winchell. In addition to being a former employee of Casair, Mr. Winchell is a family friend that Mr. Meinhardt met several years ago through his wife. George owns the house next door to Mr. Meinhardt's wife's parents, however, he currently lives out of state and only visits occasionally. On the few occasions that George does return to Michigan, Mr. Meinhardt's wife will attempt to coordinate a dinner with George, Mr. Meinhardt's wife and her parents. When available, Mr. Meinhardt will attend. Mr. Meinhardt regards George as a very good friend.

  Janelle Morgan is also employed with Elite Fund. She lives locally, and the children of Mr. Meinhardt and Janelle attend the same school. They exchange pleasantries whenever they cross paths. Another employee of whom he is aware is Michon Wiesen, although the two have not seen each other in over one year. She likely works at one of Elite Fund's out-of-town offices. Finally, Roger Hoezee, the person to whom Mr. Meinhardt sold Elite Fund is a long-time friend and professional acquaintance. Mr. Hoezee will stop in his office to say hello about once per year.

- **Please indicate the specific nature of your involvement with Elite Fund Inc.**

  Answer: In addition to being an ISP, Casair has historically provided a broad spectrum of services to its customers – e.g. assistance in the preparation of tech plans used by schools for a variety of purposes, technical support training, participation on tech committees, hosting seminars in connection with school district employee's fulfillment of professional development requirements, cabling services, computer training and maintenance, etc. Assistance with application preparation was another of the myriad of product services provided by Casair. All such services were billed and invoiced at a standard hourly rate. Over time, it became evident that there was a sufficient demand for the services of specialists in the process of applying for technology funding. This need led to the creation of Elite Fund, a company that provides typical E-rate consultant services such as document preparation, application review, and other assistance.

  Mr. Meinhardt was the initial and sole shareholder of Elite Fund on the date of its incorporation on September 17, 2003. George Winchell, who had provided many of the product services offered by Casair, terminated his employment with Casair on December 31, 2003, and he went to work for Elite Fund, focusing exclusively on providing E-rate consultant services. Having had several years of experience working for and with school districts in various capacities, he was uniquely qualified to manage the operations of the business. Mr. Winchell was the sole officer of the corporation from 2004 to July 1, 2006, the date on which Mr. Meinhardt sold Elite Fund to Roger Hoezee. Mr. Meinhardt never participated in the day-to-day operations of Elite Fund during his period of ownership. His involvement with Elite Fund was limited to personnel matters – e.g. the decision to hire or terminate an employee.

Following the sale of Elite Fund, the only interactions that Casair has with Elite Fund are as follows:

a. Elite Fund is a customer of Casair, which provides the company Web and Email Hosting services; and
b. As the only computer repair shop in Stanton, Michigan, from time to time, Elite Fund retains the services of Casair to maintain its computers. This work is billed on an hourly basis.

- **How did you come to form relationships with the applicants? For example, did you form relationships with applicants as a partner or employee of Elite Fund, Inc.?**

  Answer: As referenced above, in addition to being an ISP, Casair has provided a myriad of services to school districts since its inception in 1998. As a result of its extensive interaction and involvement with local schools, Casair developed a strong presence and developed an excellent reputation within the educational community. The formation of Elite Fund as an entity that offered E-rate consultant services in no way impacted the existing relationships that Casair had established with the local schools. Casair continued to provide local schools all of other product services that were available prior to the creation of Elite Fund. The only difference was that Casair no longer had any involvement with the schools in the application process. Casair has not formed a single relationship with any applicant as a partner or employee of Elite Fund.

- **Please provide further specifics regarding your relationship with this consulting firm as well as your relationship with applicants.**

  Answer: It is common for an ISP to contact Elite Fund whenever it has E-rate related questions. Casair is no different. Except for the fact that Elite Fund has contracted with Casair to provide Web and Email Hosting services, Casair's relationship with Elite Fund is no different than that of any other ISP.

- **Are you paid by Elite Fund as its independent contractor?**

  Answer: No.

- **If a conflict of interest was present, please provide documentation showing how that conflict was mitigated?**

  Answer: As a preliminary matter, Casair does not believe that there was ever a conflict of interest with Casair offering ISP services, and also providing other product services to schools, including those related to applications for technology funding through the E-rate Program. Casair was always mindful of and compliant with the policy of vendor neutrality in a school district's selection of its service provider. One of the primary reasons that Casair was able to strictly adhere to USAC rules and regulations was the professional experience and expertise of its employees. George Winchell is a former elementary, middle and high school teacher, administrator, school technical coordinator,

and an ISD technology director. He was intimately familiar with USAC, the E-rate Program, and all applicable educational, state and federal requirements. Mr. Winchell successfully completed USF paperwork and obtained funding for the school district where he had been previously employed.

No one was more mindful of compliance with USAC requirements than Mr. Winchell. Over the years, there was a very high turnover rate amongst USAC regulators. At times, Mr. Winchell would offer counsel to new regulators about the USAC rules and regulations, and changes thereto. Annually, Mr. Winchell would review any amendments, changes or modifications to the funding rules for the ensuing year, and he would make corresponding changes to Casair's program to ensure continued compliance.

Casair has always been fully cognizant that that bidding procedures implemented by USAC were designed to ensure "vendor neutrality" in the selection of an ISP by an applicant. For this reason, the services that Casair made available for purchase by applicants at an hourly rate were limited to assisting the applicant in completing, assembling and submitting applications – all ***prior*** to an applicant's selection of its service provider. Once these services had been delivered, the applicant was left to independently select its service provider. Casair's strict adherence to the established bidding procedures ensured that this was always the case.

Over time, E-rate rules changed and ISPs were no longer permitted to sell consulting assistance services to school district applicants. As a result, Casair ceased to provide this service to local schools. Thereafter, Mr. Meinhardt incorporated Elite Fund. Mr. Winchell left his employment with Casair to become the President of Elite Fund, where he brought with him the same philosophy and attitude he maintained at Casair. Although Mr. Meinhardt was the sole shareholder of Elite Fund, he was not an officer and he was not involved in any of the day-to-day operations of Elite Fund.

Notwithstanding Casair's discontinuation of providing preparation and filing consulting services to applicants, and the creation of a separate corporation managed by George Winchell that would exclusively provide these services, the physical location of Elite Fund as a co-tenant with Casair within a building owned by Mr. Meinhardt coupled with the shared use of certain utility services (phone lines, internet service provider, and firewall) apparently became a source of concern to USAC. As a result, in 2003, certain Elite Fund customers were initially denied funding. It is our understanding that following an explanation of the relationship between Casair and Elite Fund, funding was re-instated.

Following the denial of funding, Elite Fund's internet services were placed behind a separate firewall and on a completely separate network. Unfortunately, funding to Casair's customers abruptly ceased in 2004. Several years passed with no explanation being offered by USAC. Absent any explanation from USAC or any notice that Casair or Elite Fund had committed an E-rate rule violation, Casair and the non-funded applicants were left to guess as to the reason for the denial of funding. Clearly, this was a significant financial blow to all parties involved. In response, school districts took various actions in an attempt to receive funding. Some districts terminated Casair as their ISP provider.

Others maintained their relationship with Casair, but discontinued their relationship with Elite Fund.

Casair retained the professional consulting services of E-Rate Success Strategies in an attempt to gain a definitive explanation for the continual denial of funding. E-Rate Success Strategies undertook to conduct an analysis of the facts surrounding the relationship between Casair and Elite Fund. Casair forwarded this summary report to USAC, but it never received a response.

In a final attempt to eliminate even the appearance of any impropriety, Elite Fund terminated its tenancy in the building. and moved to a separate location. This action did not result in the reinstatement of funding for the affected applicants. Ultimately, because some applicants speculated that the lack of funding was due to the common ownership of Casair and Elite Fund, in 2006, Mr. Meinhardt sold Elite Fund to Roger Hoezee, a business broker located in Holland Michigan.

- **In addition, information provided to USAC indicated the VP of the service provider Casair Inc. is also an agent of Elite Fund Inc. We are providing you with an opportunity to submit further documentation and/or any special circumstances that we should consider during the review.**

Answer: Casair has long been a provider of Internet services to local and surrounding schools. In fact, Casair provided fifty-eight (58) school buildings in Montcalm County with their very first Internet connection. USF funding then became available to help schools defray the high cost of Internet access. Casair observed first-hand the difficulty a number of these schools had understanding and completing the requisite paperwork. Certain schools lost out on funding due to missed deadlines, document errors, and the inability to maintain compliance with ever-changing eligibility rules. Thus, Casair created an E-rate division within its company.

This E-rate division assisted school districts in completing, assembling, and submitting applications. Once these services had been delivered, the applicant was left to independently select its service provider. Many applicants were successful in obtaining the funding necessary for several rural schools to provide its students with a better learning environment. Casair was proud of the role it played in this.

The number of customers served by Casair relative to those served by Elite Fund highlights the fact that the two companies operated independently. At the time Mr. Meinhardt sold the company, Elite Fund had 47 customers, and Casair was the ISP for only 2 of them. If Elite Fund and Casair were in fact "working together", one would certainly have expected a greater number of Elite Fund customers using Casair as its ISP.

Casair's USF funding stopped flowing in 2004. As you might guess, this caused severe financial hardship – the network Casair had constructed was designed to support school capacity needs. Through perseverance, Casair has transitioned to residential Internet service. Casair is proud of the fact that 2500+ households now have Internet, whereas before they had no option. Casair has slowly and steadily whittled down its debt load.

Even though Casair's involvement in the E-rate program almost caused the company to go out of business, Casair believes that the E-rate program remains an important part of local school funding, and provides an opportunity for schools to create a better learning environment. Mr. Meinhardt has witnessed these benefits – he and his wife currently have a 5th grade and a 7th grade student in the school system.

Mr. Meinhardt is proud of each and every project Casair has ever undertaken. He sees the benefits to the community in which he works and lives. Mr. Meinhardt is also proud to be the founder of both Casair and Elite Fund. He is pleased that Elite Fund is thriving and continues to provide beneficial services to schools and libraries. Casair is located in Montcalm County – which has the dubious distinction of having the highest unemployment rate in the state at 18.5%. Given the limited resources in the County, he is proud of the way Casair has conducted its business and of the accomplishments made to date.

We trust that the information provided herein adequately responds to your inquiries, and we hope that we have allayed any concerns you may have regarding the operation of Casair and its relationship with Elite Fund. It is our hope and expectation that you will permit applicants that desire to use Casair as its ISP to receive USF funding in the future. Casair is uniquely positioned to be able to substantially increase school districts' bandwidth. If you have any other questions please feel free to contact us at any time.

Finally, Mr. Meinhardt has reviewed the contents of this letter. His signature on the attached Certification is intended to ratify and adopt all statements and assertions contained in this letter, as if expressly set forth by him.

Very truly yours,

Keith L. McEvoy
PARMENTER O'TOOLE
Attorneys at Law

Direct Dial & Fax: (231) 722-5413
E-mail: klm@parmenterlaw.com

Attachments

cc: Casair, Inc. (By Email)

Exhibit A

January 25, 2011 Letter from USAC

Exhibit B

2004 Profit Corporation Information Update

BCS/CD-2500 (12/03)

MICHIGAN DEPARTMENT OF LABOR & ECONOMIC GROWTH
BUREAU OF COMMERCIAL SERVICES, CORPORATION DIVISION
2004 PROFIT CORPORATION INFORMATION UPDATE

☒ To certify there are no changes from your previous filing check this box and proceed to Item 6. If the resident agent and/or registered office has changed complete Items 1-6. If only officer and director information has changed complete Items 4-6.

FOR BUREAU USE ONLY

Identification Number	Corporation name
19970A	CRYSTAL AUTOMATION SYSTEMS, INC.

FILED BY DEPARTMENT
2004 SEP 24 AM 8:19

Resident agent name and mailing address of the registered office
STEVEN R MEINHARDT
1801 N SHORE DR
CRYSTAL MI 488189723

RECEIVED
$25 MAY 17 2004
Dept. of LEG

The address of the registered office
1801 N SHORE DR
CRYSTAL MI 488189723

1. Mailing address of registered office in Michigan (may be a P.O. Box)

2. Resident Agent

3. The address of the registered office in Michigan (a P.O. Box may not be designated as the address of the registered office)

4. Describe the general nature and kind of business in which the corporation is engaged:

5.	NAME	BUSINESS OR RESIDENCE ADDRESS	
	President (Required) Jerry Weissberg	617 E Lake St	Stanton, MI 48888
If different than President	Secretary (Required) Amy Meinhardt	617 E Lake St	Stanton, MI 48888
	Treasurer (Required) Steven R Meinhardt	617 E Lake St	Stanton, MI 48888
	Vice - President Amy Meinhardt	617 E Lake St	Stanton, MI 48888
If different than Officers	Director		
	Director		
	Director		

6. Signature of authorized officer or agent	Title	Date	Phone (Optional)
X Steven R. Meinhardt	CEO/CTO	5/14/2004	989 831-8800

This report must be filed on or before May 15, 2004.
Filing fee is $25.00.
If submitted after September 30, 2004, total fee is $75.00.
($25 filing fee, plus $50 late penalty)

Please make your check or money order payable to the State of Michigan.
Return to: Michigan Department of Labor & Economic Growth
Bureau of Commercial Services, Corporation Division
P.O. Box 30481
Lansing, MI 48909-7981
(517) 241-6470

If more space is needed additional pages may be included. Do not staple any items to report. This report is required by Section 911, Act 284, Public Acts of 1972, as amended.

I certify that I am authorized to make the representations set forth in the responses to the inquiry on behalf of **Casair, Inc.** the entity represented on and responding to the inquiry, and am the most knowledgeable person with regard to the information set forth therein. I certify that the responses and supporting documentation to the inquiry are true and correct to the best of my knowledge, information and belief. I acknowledge that FCC rules provide that persons who have been convicted of criminal violations or held civilly liable for certain acts arising from their participation in the schools and libraries support mechanism are subject to suspension and debarment from the program. I acknowledge that false statements can be punished by fine or forfeiture under the Communications Act, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001 and civil violations of the False Claims Act.

I declare under penalty of perjury that the foregoing is true and correct. Executed on 4TH day of FEB, 2011 at Stanton, Michigan.

Signature	Date 2-4-11
Print Name Steven R. Meinhardt	Title President
Employer Casair, Inc.	
Telephone Number 989-831-8800 x101	Fax Number 989-831-5555
Email Address steve@casair.net	
Address 617 E. Lake St Stanton, MI, 48888	

Exhibit 3

EXHIBIT
A

USAC
Universal Service Administrative Company

Schools and Libraries Division

Date: 03.07.11

Steve Meinhardt
Casair Inc.

Response Due Date: 03.22.11

We are in the process of reviewing Funding Year(s) **2004-2010** Form 471 Applications for schools and libraries discounts to ensure that they are in compliance with the rules of the Universal Service program. To complete our review, we need some additional information. The information needed to complete the review is listed below.

Supporting documentation:
Your response dated February 3rd, 2011 indicates the following, "*In a final attempt to eliminate even the appearance of any impropriety, Elite Fund terminated its tenancy in the building and moved to a separate location. This action did not result in the reinstatement of funding for the affected applicants. Ultimately, because some applicants speculated that the lack of funding was due to the common ownership of Casair and Elite Fund, in 2006, Mr. Meinhardt sold Elite Fund to Roger Hoezee.*"

Please provide supporting documentation verifying Elite Fund terminated its tenancy and the company was sold to Roger Hoezee.

Additional Questions:
Based on WWW.Casair.net/previous_news/ this webpage indicates that services and time was donated to Central Montcalm Public Schools please equate these donations and services into a dollar amount. To the extent you do not have responsive information, specify that in your response.

- March 27, 2008 – Casair volunteers time, expertise, equipment and data transport to Central Montcalm Public School's (CMPS) Educational Showcase. Casair's Steve Meinhardt provided the equipment, setup, configuration and operation of the complete sound system for the events shows and fed a live 320kbs stereo stream through Casair's data center and over Casair's data network to WDLP 93.1FM for a live broadcast.

- Wednesday May 28th, 2008
  Live Broadcast from Fifth Third Ballpark Wednesday May 21st, 2008 at 6pm Central Montcalm Vs. Tri-County Varsity. Will also available locally on WDLP FM 93.1.

- Sheridan Elementary Christmas Program
  Tuesday January 6th, 2009
  Casair donated equipment and time to broadcast the 2008 Sheridan Elementary Christmas Program live on Ustream.tv here. The program was recorded for later viewing also available on Ustream.tv here.
  DVDs of the program are available for $5.00. You may call 989-831-8800, email sales@casair.net, or stop in at Casair's office in Stanton. You may also have it mailed in a DVD package for an additional $3.00. We accept all major credit cards. The money is to cover DVD supplies and any extra money goes towards additional audio equipment.
  Casair donated PA equipment and anouncer for CMPS Central Montcalm Public School's Middle School Invitational Event.
  Casair donated PA equipment and anouncer for CMPS Central Montcalm Public School's HornetRun Cross Country Invitational Event. The results are available here.

- Tuesday October 21st, 2008
  Central Montcalm High School cross country results are now online.

- Friday October 10th, 2008
  Central Montcalm Middle School cross country results are now online.

- CMPS Parent Forum 3
  Wednesday February 25th, 2009
  Casair will be broadcasting the Central Montcalm School Sheridan Elementry Parent Forum at 6:30PM live on Ustream.tv here. A low bandwidth audio only stream will be available here. The program will be recorded for later viewing also available on Casair's Ustream.tv page here.

- CMPS Parent Forum 2
  Monday February 23rd, 2009
  Casair will be broadcasting the Central Montcalm School Upper Elementry Parent Forum at 6:30PM live on Ustream.tv here. A low bandwidth audio only stream will be available here. The program will be recorded for later viewing also available on Casair's Ustream.tv page here.

- Monday February 16th, 2009
  Casair will be broadcasting the Central Montcalm School Parent Forum at 6PM live on Ustream.tv here. The program will be recorded for later viewing also available on Casair's Ustream.tv page here.

- CMUE 6th Grade Camp Fundraiser
  Thursday April 30th, 2009
  Casair will be recording at the Central Montcalm Elementary School 6th Grade Camp Fundraiser at the CMUE in Stanton on May 1st. Admission is $2.00 or $1.00 for students. Concessions open at 5:30PM. Participate for $10 per person per act. Groups of 5 or more are $50. Casair will provide full sound system and video recording. DVDs of the event will be available for $15 with 100% of the sales going to the camp effort.

- CMPS Educational Showcase
  Tuesday April 7th, 2009
  Then Central Montcalm Schools Educational Showcase was held at 6:00PM on April 2nd, 2009. Casair provided the complete sound system for the event located in the gym. All of the events were streamed live on internet TV and on WLDP 93.1FM. DVDs of the event will be available at the Casair office around April 16th for a $5 processing fee.

  The event was also covered by the Daily News.

- CMPS Educational Showcase
  Thursday April 2nd, 2009
  Casair will be broadcasting the Central Montcalm School Educational Showcase at 6:00PM live on Ustream.tv here. An audio only stream will be available from WDLP 93.1 FM and online here. The program will be recorded for later viewing also available on Casair's Ustream.tv page here.

- CMPS High School and Middle Choir
  Thursday May 7th, 2009
  Casair donated the time and equipment for the full sound system with mics and backing music of the Central Montcalm High School and Middle School Choir in the Middle School Cafeteria. It was

aired on WDLP FM 93.1 on Saturday May 9th at approximately 1PM following the Band Concert (see below) that starts at noon. DVDs are available for a small $5 processing fee at Casair.

- CMPS High School and Middle School Band
  Wednesday May 6th, 2009
  Casair recorded the Central Montcalm High School and Middle School Band Concert in the High School Gym. It was aired on WDLP FM 93.1 on Saturday May 9th at Noon. We didn't plan on recording video but since we've had several requests, DVDs are now available for a small $5 processing free at Casair.

- Central Montcalm High School and Middle School Spring Choir Concert
  Sunday May 30th, 2010
  The CMPS High School and Middle Schools Choirs preformed their Spring Concerts on May 6th. Live audio mixing and video recording was provided by Casair. DVDs of the event are available at the Casair office for $5.

- Central Montcalm High School Spring Band Concert
  Thursday May 13th, 2010
  The CMPS High School Band preformed their Spring Concert on April 30th. Live audio mixing and video recording was provided by Casair. DVDs of the event are available at the Casair office for $5.

- CMPS Educational Showcase Live
  Thursday March 25th, 2010
  We are broadcasting the 2010 Central Montcalm Public Schools Education Showcase live on ustream.tv. DVDs of the recording will be for sale at the Casair office in 1 week.

- Sheridan Elementary Christmas Program
  Wednesday December 15th, 2010
  Casair donated use of its sound equipment and time for the Sheridan Elementary Christmas Program. DVDs are available for a $5.00 processing fee.

- Central Montcalm Choir Concert
  Wednesday December 15th, 2010
  Casair donated use of its sound equipment and time for the Central Montcalm Middle School and High School Choir Concert. DVDs are available for a $5.00 processing fee.

- Central Montcalm Band Concert
  Wednesday December 8th, 2010
  Casair recorded the Central Montcalm Band Concert. DVDs are available for a $5.00 processing fee.

For each of the Funding Request Number(s) (FRN) associated with CMPS please answer the questions and provide the documentation listed below.

1. List of all gifts – including monetary gifts – offered or provided to CMPS employees to any staff member, including a description of the gift, to whom it was offered/provided, when it was offered/provided, and its value. To the extent you do not have responsive information, specify that in your response.

2. List of all meals, entertainment and/or trips offered or provided to CMPS employees to any staff member including a description of the meals, entertainment and/or trips, to whom it was offered/provided, when it was offered/provided, and its value. To the extent you do not have responsive information, specify that in your response.

Lastly, please complete, sign, and date the attached certification and return with your response.

Please fax or email the requested information to my attention. If you have any questions or you do not understand what we are requesting, please feel free to contact me.

It is important that we receive all of the information requested **within 15 calendar days** so we can complete our review. **Failure to respond may result in a reduction, denial, or rescinding of funding. If you need additional time to prepare your response, please let me know as soon as possible.**

Should you wish to cancel your Form 471 application(s), or any of your individual funding requests, please clearly indicate in your response that it is your intention to cancel an application or funding request(s). Include in any cancellation request the Form 471 application number(s) and/or funding request number(s), and the complete name, title and signature of the authorized individual.

Thank you for your cooperation and continued support of the Universal Service Program.

Courtney Santiago
USAC, Schools and Libraries Division
Phone: 973-581-7596
Fax: 973-599-6522
E-mail: Csantia@sl.universalservice.org

Exhibit 4

PARMENTER O'TOOLE
Attorneys at Law
601 Terrace Street ▪ P.O. Box 786 ▪ Muskegon, Michigan 49443-0786
Phone 231.722.1621 ▪ Fax 231.722.7866 or 231.728.2206
www.Parmenterlaw.com

March 17, 2011

USAC/Universal Service Administrative Company
Attn: Courtney Santiago
30 Lanidex Plaza West, PO Box 685
Parsippany, NJ 07054-0685

Sent via Email: Csantia@sl.universalservice.org
Personal and Confidential

Re: Casair, Inc.

Dear Ms. Santiago:

As indicated in our earlier correspondence to you dated February 3, 2011, our law firm is corporate counsel for Casair, Inc. ("Casair"). Again, we have been asked to assist Casair in producing certain documentation requested and responding to certain questions posed in your recent letter dated March 7, 2011, a copy of which is attached as **Exhibit A**. Our responses are as follows:

Supporting documentation:

- **Please provide supporting documentation verifying Elite Fund terminated its tenancy and the company was sold to Roger Hoezee.**

Answer:

1. Elite Fund terminated its tenancy of the corporate premises located at 717 E. Lake Street, Stanton, MI on June 1, 2006, and it relocated to 406 N. State Street, Suite C, Stanton, MI. After retrieving various corporate records in our firm's storage facility, we were able to find several documents related to the termination of the lease and the sale of the business to Roger Hoezee. Attached as **Exhibit B** is a corporate resolution of Elite Fund that authorizes the termination of the former tenancy and the relocation of the business. Attached as **Exhibit C** is a copy of the lease entered into between Elite Fund and Greg Clem for the 406 N. State Street lease.

2. Elite Fund was sold to Roger Hoezee on July 1, 2006. Attached as **Exhibit D** are copies of Steve Meinhardt's canceled stock certificate No. 1, and the stock certificate No. 2 that was issued to Roger Hoezee on July 1, 2006. Also attached as Exhibit D is a copy of the 2006 State of Michigan Profit Corporation Information Update that identifies Roger as the sole director, secretary/treasurer and resident agent for Elite Fund.

- **Based on WWW.Casair.net/previous_news/ this webpage indicates that services and time was donated to Central Montcalm Public Schools please equate these donations and services into a dollar amount. To the extent you do not have responsive information, specify that in your response.**

Answer: As a preliminary comment, Casair is unable to quantify the value of the time its employees donated or the use of various equipment it has provided to Central Montcalm Public School (CMPS). Casair has viewed as a "civic duty' its role in providing students with real world experience, and making various media sources available to a community which would be otherwise underserved. Casair employees were not paid for the time they volunteered their time to this program outside of work.

Casair's owner, Steve Meinhardt, has had a longtime personal interest in Audio Video. Many years ago, while attending his oldest daughter's guitar recital at the Central Montcalm Educational Showcase, from his seat in the audience, Steve could barely hear the kids' performance. He then approached the school's guitar teacher (and the then principal of Stanton Elementary) and offered his assistance.

Steve operates the sound system at his local church on Sunday's. He asked and received permission to borrow the church's sound system and use it at CMPS. He knew this would greatly improve the quality and volume of the sound at school functions. With equipment borrowed from the Church, Steve provided assistance with the initial set-up. Later, in conjunction of those participating in the pilot program, Steve enhanced the microphone and sound system for many school-related events. Utilizing his internet connection to a local radio station, he was able to broadcast these events live on FM radio and online streaming. Students were extremely excited to participate in this process.

During the 2007-2008 academic school year, Casair, in conjunction with CMPS, established a pilot program to broadcast and/or record school-related events. These events were either pre-recorded or broadcast live via Internet Audio/Radio, Internet Video/TV, FM radio, or combinations thereof. Casair permitted CMPS to borrow certain equipment when necessary, and it also provided data transport and technical expertise. Casair used the services of two "school-to-work" employees: Michael Ruggles, Jr. managed technical aspects of production and Chelsea Smith was an event coordinator. Michael and Chelsea were assisted by students from a Multimedia class taught by Kevin Wagenmaker. Together, these persons were responsible for interacting with media and for conducting pre-recorded interviews. Students in an English class taught by Sheena Sander were responsible for scripting and selecting interview questions.

During 2009 and 2010, Casair continued to provide its expertise, and make equipment available to CMPS for use in connection with CMPS- related events. Live TV via Internet was added. Casair also assisted in the recording and production of DVDs for later purchase.

Casair continues to provide the above-referenced services in connection with numerous school-related events. All of the services provided by Casair have been provided on a volunteer basis. Often, DVDs that have been recorded are made available for purchase for the nominal amount of $5.00, the proceeds of which are used to cover production and processing costs, and additional equipment for use by the school. Aside from the satisfaction of improving sound quality and providing educational opportunities to CMPS, the only other benefit to Casair was that it engendered goodwill. Casair charges a fixed fee for its services in connection with non-student related events (e.g. the parent forum and teacher professional development). Revenue generated from these services would be reinvested in the company, and was used to purchase upgraded equipment that would later be made available for use by CMPS to further enhance the quality of student events.

As mentioned above, Casair worked on various projects with two "school-to-work" students who earned academic credits. Casair's originally intended to hire these students after graduation. They were to be employed within what was then a newly-formed Broadcasting Department at Casair. The Department would be responsible to install sound systems and produce local events for a fee, providing these students a career in audio/video. Unfortunately, the regional economic downturn prevented this concept from becoming a reality.

Casair no longer has a Broadcasting Department; however, it continues to donate time and offers the use of certain of its equipment at school functions and events. Steve's daughter continues to participate in the school choir. Steve announces cross-country events - his wife is the middle school cross-country coach and his father in-law was the high school coach until retiring last year after twenty five years. Initially, Steve used Casair's audio equipment for cross-country events. Today, he utilizes the school's upgraded football field sound system.

Steve and Casair are very proud of its role in the pilot program. Steve has a passion for audio and video. He anticipates continuing to donate his expertise, time and use of equipment to CMPS, as he continues to do at his local church. As a result of the involvement of Steve and Casair, the quality of sound at events and the recording capabilities have been greatly improved. Casair believes that the community is both aware and appreciative of its efforts. Please feel free to listen to any of the recorded events available online in the broadcasting link. You can watch his every Sunday church events both live and recorded at http://www.crystalbrethren.org.

- **List of all gifts – including monetary gifts – offered or provided to CMPS employees to any staff member, including a description of the gift, to whom it was offered/provided, when it was offered/provided, and its value. To the extent you do not have responsive information, specify that in your response.**

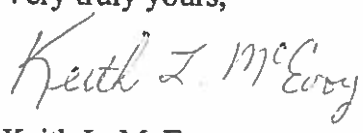
Answer: To the best of Casair's knowledge, there have been no gifts offered or provided to CMPS employees or staff members.

- **List of all meals, entertainment and/or trips offered or provided to CMPS employees to any staff member including a description of the meals, entertainment and/or trips, to whom it was offered/provided, when it was offered/provided, and its value. To the extent you do not have responsive information, specify that in your response.**

  Answer: Over the past seventeen (17) years of working with CMPS, Steve has developed a personal relationship with Technology Director, Harvey Shick. While he has no specific recollection of having done so, Steve believes there may have been one or two occasions when he bought lunch for Harvey. Similarly, there were likely a couple of occasions when it was Harvey's turn to "pick up the tab". In any event, the cost of any given lunch would have been approximately $10.

  Mr. Meinhardt has reviewed the contents of this letter. His signature on the attached Certification is intended to ratify and adopt all statements and assertions contained in this letter, as if expressly set forth by him.

Very truly yours,



Keith L. McEvoy
PARMENTER O'TOOLE
Attorneys at Law

Direct Dial & Fax: (231) 722-5413
E-mail: klm@parmenterlaw.com

Attachments

cc: Casair, Inc. (By Email)

Exhibit A

March 7, 2011 Letter from USAC

Exhibit B

Elite Fund Corporate Resolution Regarding Lease

EXHIBIT
B

ELITE FUND, INC.

CONSENT RESOLUTION
OF
SOLE DIRECTOR

The undersigned, being the sole Director of **Elite Fund, Inc.**, takes the following actions pursuant to the Michigan Business Corporation Act:

Resolved, that that it is in the best interest of the Corporation to establish its own firewall and IP address space (SWIP'd). The cost to purchase necessary computer hardware shall be approximately $1,000, and the cost to lease/license applicable software from Astaro shall be approximately $250.00 per year. All actions taken by the President in effectuating this resolution are ratified and approved;

Resolved, that it is in the best interest of the Corporation to terminate its current lease of the corporate premises at 617 E. Lake Street, Stanton, Michigan effective on June 1, 2006, and to relocate to 406 N. State St., Suite C, Stanton, Michigan 48888. The President of the Corporation is authorized to negotiate the terms of and execute on behalf of the Corporation a lease for the new location providing for monthly rent in the amount of $450, and such other terms and conditions as the President, in his sole discretion, deems reasonable. All actions taken by the President related to effectuating this resolution are ratified and approved;

Resolved, that it is in the best interest of the Corporation to purchase various furniture, equipment, and fixtures for use in the operation of the business at its new location at the purchase price of $2,786.14. The President is authorized to select and purchase said items. All actions taken by the President of the Corporation related to said purchases are ratified and approved; and

Resolved, that this consent be filed with the minutes of the proceedings of the sole Shareholder and sole Director of the Corporation.

Dated: June 1 2006

Sole Director

George W. Winchell

G:\EDS\FILES\24465\0002\CONSENT_\CV0822.DOC

Exhibit C

Elite Fund Lease For 406 N. State Street

EXHIBIT C

REAL ESTATE LEASE

This Lease Agreement (this "Lease") is made effective as of June 20th. 2006, by and between Greg A. Clem ("Landlord"), Jane E. Clem ("Landlord"), and Elite Fund Inc. George Winchell. ("Tenant"). The parties agree as follows:

PREMISES. Landlord, in consideration of the lease payments provided in this Agreement, leases to Tenant Suite C. (the "Premises") located at 406 N. State St., Stanton Mi. 48888, .

TERM. The lease term shall commence on July 1st 2006 and shall terminate on June 30th 2007.

RENEWAL TERMS. This Lease shall automatically renew for an additional period of ONE YEAR per renewal term on the same terms as this Lease, unless either party gives written notice of the termination no later than SIXTY days prior to the end of the term or renewal term.

LEASE PAYMENTS. Tenant shall pay to Landlord lease payments of $450.00 payable in advance, on the first day of each month. Such payments shall be made to the Landlord at 406 N. STATE ST., P.O. BOX, 247, STANTON MI. 48888, as may be changed from time to time by Landlord.

LATE PAYMENTS. Tenant shall also pay a late charge equal to $45.00 for each payment that is not paid within 10 days after the due date for such late payment

POSSESSION. Tenant shall be entitled to possession on the first day of the term of this Lease, and shall yield possession to Landlord on the last day of the term of this Lease, unless otherwise agreed by both parties in writing.

MAINTENANCE. Landlord shall have the responsibility to maintain the Premises in good repair at all times.

ACCESS BY LANDLORD TO PREMISES. Subject to Tenant's consent (which shall not be unreasonably withheld), Landlord shall have the right to enter the Premises to make inspections, provide necessary services, or show the unit to prospective buyers, mortgagees, tenants or workmen. As provided by law, in the case of an emergency, Landlord may enter the Premises without Tenant's consent.

UTILITIES AND SERVICES. Tenant shall be responsible for the following utilities and services in connection with the Premises:

- electricity
- gas
- heating
- garbage and trash disposal
- janitorial services
- telephone service

Tenant acknowledges that Landlord has fully explained to Tenant the utility rates, charges and services for which Tenant will be required to pay (if any), other than those to be paid directly to the utility company furnishing the service.

Landlord shall be responsible for the following utilities and services in connection with the Premises:

- water and sewer
- snow removal

PROPERTY INSURANCE. Landlord and Tenant shall each be responsible to maintain appropriate insurance for their respective interests in the Premises and property located on the Premises.

TAXES. Taxes attributable to the Premises or the use of the Premises shall be allocated as follows:

Real Estate Taxes - Landlord shall pay all real estate taxes and assessments for the Premises.

Personal Taxes - Tenant shall pay all personal taxes and any other charges which may be levied against the Premises and which are attributable to Tenant's use of the Premises.

MECHANICS LIENS. Neither the Tenant nor anyone claiming through the Tenant shall have the right to file mechanics liens or any other kind of lien on the Premises and the filing of this Lease constitutes notice that such liens are invalid. Further, Tenant agrees to give actual advance notice to any contractors, subcontractors or suppliers of goods, labor, or services that such liens will not be valid.

DEFAULTS. Tenant shall be in default of this Lease, if Tenant fails to fulfill any lease obligation or term by which Tenant is bound. Subject to any governing provisions of law to the contrary, if Tenant fails to cure any financial obligation within thirty day(s) (or any other obligation within seven day(s)) after written notice of such default is provided by Landlord to Tenant, Landlord may take possession of the Premises without further notice, and without prejudicing Landlord's rights to damages. In the alternative, Landlord may elect to cure any default and the cost of such action shall be added to Tenant's financial obligations under this Lease. Tenant shall pay all costs, damages, and expenses suffered by Landlord by reason of Tenant's defaults.

CUMULATIVE RIGHTS. The rights of the parties under this Lease are cumulative, and shall not be construed as exclusive unless otherwise required by law.

GOVERNING LAWS. This Lease shall be construed in accordance with the laws of the state of Michigan.

ASSIGNABILITY/SUBLETTING. Tenant may not assign or sublease any interest in the Premises.

NOTICE. Notices under this Lease shall not be deemed valid unless given or served in writing and forwarded by mail, postage prepaid, addressed as follows:

LANDLORD:

Greg A. Clem
406 N. State St.
Box 247
Stanton Mi. 48888

Other Landlord:

Jane E. Clem
406 N. State St.
Box 247
Stanton Mi. 48888

TENANT:

George Winchell
575 E. Pakes
Stanton Mi. 48888

Such addresses may be changed from time to time by either party by providing notice as set forth above.

ENTIRE AGREEMENT/AMENDMENT. This Lease Agreement contains the entire agreement of the parties and there are no other promises or conditions in any other agreement whether oral or written. This Lease may be modified or amended in writing, if the writing is signed by the party obligated under the amendment.

SEVERABILITY. If any portion of this Lease shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Lease is invalid or unenforceable, but that by limiting such provision, it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

WAIVER. The failure of either party to enforce any provisions of this Lease shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Lease.

SUBORDINATION OF LEASE. This Lease is subordinate to any mortgage that now exists, or may be given later by Landlord, with respect to the Premises.

LANDLORD:

By: Greg A. Clem
Greg A. Clem

By: Jane E. Clem
Jane E. Clem

TENANT:

By: _____
George Winchell

Exhibit D

Elite Fund Stock Certificates

© DWIGHT & M. H. JACKSON
CORPORATION SUPPLY CO.
205 W. RANDOLPH ST.
CHICAGO, ILLINOIS 60606

EXHIBIT D

INCORPORATED UNDER THE LAWS OF THE STATE OF
MICHIGAN

NUMBER

SHARES

ELITE FUND, INC.

CANCELLED

AUTHORIZED CAPITAL 60,000 SHARES _____ PAR VALUE

This Certifies That STEVEN R. MEINHARDT is the owner of
One Hundred (100) ---------- full paid and non-assessable
SHARES OF THE CAPITAL STOCK OF ELITE FUND, INC.
transferable on the books of the Corporation in person or by duly authorized Attorney upon surrender of this Certificate properly endorsed.

In Witness Whereof, the said Corporation has caused this Certificate to be signed by its duly authorized officers and sealed with the Seal of the Corporation,
this 19th day of September, A.D. 2003

Robert Meinhardt
Robert Meinhardt SECRETARY

George W. Wi[illegible]
George W. Wi[illegible] PRESIDENT

DWIGHT & M. H. JACKSON
205 W. RANDOLPH STREET
CORPORATION SUPPLY CO.
CHICAGO, ILLINOIS 60606

Attachment 3

COPYRIGHT, 1930, BY
DWIGHT & N. H. JACKSON
CHICAGO
PATENT PENDING

JT 1334
S-4

INCORPORATED UNDER THE LAWS OF THE STATE OF
MICHIGAN

NUMBER
2

SHARES
100

ELITE FUND, INC.

AUTHORIZED CAPITAL 60,000 SHARES _____ PAR VALUE

This Certifies That ROGER HOEZEE is the owner of
One Hundred (100) ---------- full paid and non-assessable
SHARES OF THE CAPITAL STOCK OF ELITE FUND, INC.
transferable on the books of the Corporation in person or by duly authorized Attorney upon surrender of this Certificate properly endorsed.

In Witness Whereof, the said Corporation has caused this Certificate to be signed by its duly authorized officers and sealed with the Seal of the Corporation,
this 1st day of July A.D. 2006

George Winchell SECRETARY

George Winchell PRESIDENT

THE SHARES OF STOCK EVIDENCED BY THE WITHIN CERTIFICATE ARE SUBJECT TO THE GRANT OF A STOCK PLEDGE PURSUANT TO A STOCK PLEDGE AGREEMENT, A COPY OF WHICH STOCK PLEDGE AGREEMENT IS ON FILE AT THE LAW OFFICE OF PARMENTER O'TOOLE LOCATED AT 601 TERRACE STREET, MUSKEGON, MICHIGAN.

DWIGHT & N. H. JACKSON
205 W. RANDOLPH STREET

CORPORATION SUPPLY CO.
CHICAGO, ILLINOIS 60606

Attachment 3

© DWIGHT & M. H. JACKSON
CORPORATION SUPPLY CO.
205 W. RANDOLPH ST.
CHICAGO, ILLINOIS 60606

(RESERVE THIS SPACE TO PASTE BACK CANCELLED STOCK CERTIFICATE)

Certificate No. 2 For 100 Shares

Dated July 1, 2006

Issued to ROGER HOEZEE

IF NOT AN ORIGINAL ISSUE SHOW DETAILS OF TRANSFER BELOW

Transferred from	Original Certificate No.	Original Certificate Date	No. of Orig'l. Shares	No. of Shrs. Trans'd.
Steven R. Meinhardt	1		100	100

Received this Certificate July 1, 2006 (DATE)

Roger Hoezee 8-25-06 (SIGNATURE)

Surrendered this Certificate _____ (DATE)

_____ (SIGNATURE)

IF THIS CERTIFICATE IS SURRENDERED FOR TRANSFER SHOW DETAILS

New Certificate Issued to	No. of New Certificate	No. of Shares Transferred

Attachment 3

DEPARTMENT OF LABOR & ECONOMIC GROWTH
BUREAU OF COMMERCIAL SERVICES, CORPORATION DIVISION
PROFIT CORPORATION INFORMATION UPDATE

2006

Entity Information

Identification Number	Corporation Name
05846D	ELITE FUND, INC.

Resident agent name and mailing address of the registered office

ROGER L HOEZEE

P.O. Box 125
STANTON MI 48888

The address of the registered office

P.O. BOX 125

STANTON MI 48888

Describe the purpose and activities of the corporation during the year covered by this report:

USF FUNDING

Officer/Director Information

NAME	TITLE	BUSINESS OR RESIDENCE ADDRESS
GEORGE W WINCHELL	PRESIDENT	575 E. PAKES ROAD STANTON MI 48888
ROGER L HOEZEE	SECRETARY	983 LINCOLN AVE SUITE 200 HOLLAND MI 49423
ROGER L HOEZEE	TREASURER	983 LINCOLN AVE SUITE 200 HOLLAND MI 49423
ROGER L HOEZEE	DIRECTOR	983 LINCOLN AVE SUITE 200 HOLLAND MI 49423

Electronic Signature

Filed By	Title	Phone
ROGER L HOEZEE	AUTHORIZED OFFICER OR AGENT	616-886-6254

[X] I certify that this filing is submitted without fraudulent intent and that I am authorized by the business entity to make any changes reported herein.

Payment Information

Payment Amount	Payment Date/Time	Reference Nbr
$ 25.00	09/06/06 10:24:52	71315 6801 05846D

I certify that I am authorized to make the representations set forth in the responses to the inquiry on behalf of **Casair Inc.** the entity represented on and responding to the inquiry, and am the most knowledgeable person with regard to the information set forth therein. I certify that the responses and supporting documentation to the inquiry are true and correct to the best of my knowledge, information and belief. I acknowledge that FCC rules provide that persons who have been convicted of criminal violations or held civilly liable for certain acts arising from their participation in the schools and libraries support mechanism are subject to suspension and debarment from the program. I acknowledge that false statements can be punished by fine or forfeiture under the Communications Act, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001 and civil violations of the False Claims Act.

I declare under penalty of perjury that the foregoing is true and correct. Executed on 17th day of March, 2011 at 617 E. Lake Street, Stanton, MI

Signature Steven R. Meinhardt	Date 3-17-11
Print Name Steven R. Meinhardt	Title President
Employer Casair, Inc.	
Telephone Number 989-831-8800 x101	Fax Number 989-831-5555
Email Address steve@casair.net	
Address 617 E. Lake St. Stanton, MI 48888	

Exhibit 5

Denial on Appeal
Funding Year 2005

24465.0002

Universal Service Administrative Company
Schools & Libraries Division

Administrator's Decision on Appeal – Funding Year 2005-2006

May 16, 2011

Steven Meinhardt
Casair, Inc.
617 East Lake Street
Stanton, MI 48888

Re:	Applicant Name:	CLARE-GLADWIN RESD
	Billed Entity Number:	131099
	Form 471 Application Number:	442918
	Funding Request Number(s):	1270850
	Your Correspondence Received:	April 07, 2006

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 2005 Funding Commitment Decision 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 to the Federal Communications Commission (FCC). 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): 1270850
Decision on Appeal: **Denied**
Explanation:

- 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. Therefore, FCC Form 471 Application # 442918 FRN 1270850 will be denied.

- FCC rules require applicants to seek competitive bids, and in selecting a service provider to carefully consider all bids. 47 C.F.R. §§ 54.504(a), 54.511(a). FCC rules further require applicants to comply with all applicable state and local competitive bidding requirements. 47 C.F.R. § 54.504(a), (b)(2)(vi). In the May 23, 2000 *MasterMind Internet Services, Inc. (MasterMind)* appeal decision, the FCC upheld SLD's decision to deny funding where a MasterMind employee was listed as the contact person on the FCC Form 470, and MasterMind participated in the competitive bidding process initiated by the FCC Form 470. *Request for Review by Mastermind Internet Services, Inc, Federal-State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc.*, CC Docket Nos. 96-45 and 97-21, Order, 16 FCC Rcd 4028, FCC 00-167, ¶ 9 (rel. May 23, 2000). The FCC reasoned that under those circumstances, the Forms 470 were defective and violated the Commission's competitive bidding requirements, and that in the absence of valid Forms 470, the funding requests were properly denied. *Id.* Pursuant to FCC guidance, this principle applies to any service provider contact information on an FCC Form 470 including address, telephone, fax numbers, and e-mail address.

- Conflict of interest principles that apply in competitive bidding situations include preventing the existence of conflicting roles that could bias a contractor's judgment and preventing an unfair competitive advantage. *See, e.g.,* 48 C.F.R. § 9.505(a), (b). A competitive bidding violation and conflict of interest exist when an applicant's consultant, who is involved in determining the products sought by the applicant and who is involved in the selection of the applicant's service providers, is associated with the service provider that was selected.

If your appeal has been approved, but funding has been reduced or denied, you may appeal these decisions to either USAC or the FCC. For appeals that have been denied in full, partially approved, dismissed, or canceled, you may file an appeal with the FCC. You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received or postmarked within 60 days of the date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. 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 in the "Appeals Procedure" posted in the Reference Area 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: Ken Chinavare

Exhibit 6

Steven Meinhardt
Casair, Inc.
617 East Lake Street
Stanton, MI 48888

Billed Entity Number: 131099
Form 471 Application Number: 442918
Form 486 Application Number:

Schools and Libraries Division

Date: 06.01.11

Casair, Inc.
Steven Meinhardt

Response Due Date: 06.16.11

We are in the process of reviewing Funding Year(s) **2008-2010** Form 471 Applications for schools and libraries discounts to ensure that they are in compliance with the rules of the Universal Service program. To complete our review, we need some additional information. The information needed to complete the review is listed below.

Donations listed on Casair, Incs website:
In you last response you stated the following:

> **Answer:** As a preliminary comment, Casair is unable to quantify the value of the time its employees donated or the use of various equipment it has provided to Central Montcalm Public School (CMPS). Casair has viewed as a "civic duty' its role in providing students with real world experience, and making various media sources available to a community which would be otherwise underserved. Casair employees were not paid for the time they volunteered their time to this program outside of work.

Based on your response there are a few outstanding questions:

- What is the value of the person's time that was used to tape the events?
- How much would that service cost on the open market?
- Was there an agreement between Casair and Central Montcalm regarding the revenue generated from the DVD's?
- You previously indicated that these funds would go to Casair and then be used to fund Casair own equipment. How much profit was made per DVD that was then reinvested in Casair?
- What was the total value of the profits reinvested in Casair from all the DVD's?

Lastly, please complete, sign, and date the attached certification and return with your response.

Please fax or email the requested information to my attention. If you have any questions or you do not understand what we are requesting, please feel free to contact me.

It is important that we receive all of the information requested **within 15 calendar days** so we can complete our review. **Failure to respond may result in a reduction, denial, or rescinding of funding. If you need additional time to prepare your response, please let me know as soon as possible.**

Should you wish to cancel your Form 471 application(s), or any of your individual funding requests, please clearly indicate in your response that it is your intention to cancel an application or funding request(s). Include in any cancellation request the Form 471 application number(s) and/or funding request number(s), and the complete name, title and signature of the authorized individual.

Thank you for your cooperation and continued support of the Universal Service Program.

Courtney Santiago
USAC, Schools and Libraries Division

Schools and Libraries Division

Date: 06.01.11

Casair, Inc.
Steven Meinhardt

Response Due Date: 06.16.11

We are in the process of reviewing Funding Year(s) **2008-2010** Form 471 Applications for schools and libraries discounts to ensure that they are in compliance with the rules of the Universal Service program. To complete our review, we need some additional information. The information needed to complete the review is listed below.

Donations listed on Casair, Incs website:
In you last response you stated the following:

> **Answer:** As a preliminary comment, Casair is unable to quantify the value of the time its employees donated or the use of various equipment it has provided to Central Montcalm Public School (CMPS). Casair has viewed as a "civic duty' its role in providing students with real world experience, and making various media sources available to a community which would be otherwise underserved. Casair employees were not paid for the time they volunteered their time to this program outside of work.

Based on your response there are a few outstanding questions:

- What is the value of the person's time that was used to tape the events? Priceless
- How much would that service cost on the open market? No idea
- Was there an agreement between Casair and Central Montcalm regarding the revenue generated from the DVD's? Verbal, we provide sound equipment and operation, we charge parents a $5 processing fee for the DVD
- You previously indicated that these funds would go to Casair and then be used to fund Casair own equipment. How much profit was made per DVD that was then reinvested in Casair? Not tracked
- What was the total value of the profits reinvested in Casair from all the DVD's? No idea what profits, if any, there were.

Lastly, please complete, sign, and date the attached certification and return with your response.

Please fax or email the requested information to my attention. If you have any questions or you do not understand what we are requesting, please feel free to contact me.

It is important that we receive all of the information requested **within 15 calendar days** so we can complete our review. **Failure to respond may result in a reduction, denial, or rescinding of funding. If you need additional time to prepare your response, please let me know as soon as possible.**

Should you wish to cancel your Form 471 application(s), or any of your individual funding requests, please clearly indicate in your response that it is your intention to cancel an application or funding request(s). Include in any cancellation request the Form 471 application number(s) and/or funding request number(s), and the complete name, title and signature of the authorized individual.

Thank you for your cooperation and continued support of the Universal Service Program.

Courtney Santiago
USAC, Schools and Libraries Division
Phone: 973-581-7596
Fax: 973-599-6522
E-mail: Csantia@sl.universalservice.org

CERTIFICATION

I certify that I am authorized to make the representations set forth in the responses to the inquiry on behalf of **Casair, Inc.** the entity represented on and responding to the inquiry, and am the most knowledgeable person with regard to the information set forth therein. I certify that the responses and supporting documentation to the inquiry are true and correct to the best of my knowledge, information and belief. I acknowledge that FCC rules provide that persons who have been convicted of criminal violations or held civilly liable for certain acts arising from their participation in the schools and libraries support mechanism are subject to suspension and debarment from the program. I acknowledge that false statements can be punished by fine or forfeiture under the Communications Act, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001 and civil violations of the False Claims Act.

I declare under penalty of perjury that the foregoing is true and correct. Executed on ___ day of _____, 2011 at _____[city], _____[state].

Signature	Date
Print Name	Title
Employer	
Telephone Number	Fax Number
Email Address	
Address	

Exhibit 7

PARMENTER O'TOOLE
Attorneys at Law
601 Terrace Street ▪ P.O. Box 786 ▪ Muskegon, Michigan 49443-0786
Phone 231.722.1621 ▪ Fax 231.722.7866 or 231.728.2206
www.Parmenterlaw.com

June 14, 2011

USAC/Universal Service Administrative Company
Attn: Courtney Santiago
30 Lanidex Plaza West
PO Box 685
Parsippany, NJ 07054-0685

Sent via Email: Csantia@sl.universalservice.org
Personal and Confidential

Re: Casair
Funding Year 2008-2010

Dear Ms. Santiago:

As indicated in our earlier correspondences and communications, our law firm is corporate counsel for Casair Automation Systems, Inc. (assumed name "Casair"). In follow-up to our telephone conference this past Friday, we are sending this letter in response to your recent correspondence, dated June 1, 2011, in which you requested that our client provide supplemental information to his initial response letter dated March 17, 2011. A copy of your June 1st letter is attached as **Exhibit A.**

You posed the following question, an excerpt of our response to which is set forth below: our Donations listed on Casair, Inc.'s website:

- **Based on www.Casair.net/previous_news/ this webpage indicates that services and time was donated to Central Montcalm Public Schools; please equate these donations and services into a dollar amount. To the extent you do not have responsive information, specify that in your response.**

  Answer: As a preliminary comment, Casair is unable to quantify the value of the time its employees donated or the use of various equipment it has provided to Central Montcalm Public School (CMPS). Casair has viewed, as a "civic duty", its role in providing students with real world experience, and making various media sources available to a community which would be otherwise underserved. Casair employees were not paid for the time they volunteered their time to this program outside of work.

You have asked us to provide answers to the following questions:

- **What is the value of the person's time that was used to tape the events?**

  Answer: During our telephone conversation, it became apparent that we need to better clarify our answer to your general question regarding "services and time donated to CMPS". As mentioned in our initial response, Casair "charges a fixed fee for its services in connection with "non-student related" events (e.g. the parent forum and teacher professional development)". These types of services are offered at the prevailing rate. The "services and time" donated by Casair has nothing to do with these events. Rather, there are approximately 5-6 "student-related activities" each year (e.g. Ed Showcase, Christmas Program, WLAP, Choir, Band Concerts, and WLAP We Love America Parade) for which Casair allows CMPS to use its equipment with Casair's professional assistance.

Specifically, for such student-related events, Casair permits the school to use certain of Casair's sound equipment, and offers technical assistance related to the operation of this equipment. Each event typically requires 1 - 2 people spending between 4 - 5 hours – i.e., approximately 8 - 10 man hours per event. If there are five (5) events each year, the total man hours provided to CMPS is approximately 45 hours per year. The average hourly rate for someone providing technical assistance is between $9.00 and $10.00 per hour. Therefore, the aggregate value of the time committed to these student-related events each year is only approximately $425.

It is important to understand that CMPS would *not* otherwise hire an outside company to work on these programs. They would simply use equipment they already own, and do the best they could with it. The persons who provided these services in large part "volunteered" their time *after* work hours, not as part of their job with Casair. As indicated previously, Steve and other volunteers were usually attending these events because they had children or relatives participating in the event. It was simply a matter of Casair contributing their equipment and expertise in order to enhance everyone's experience.

- **How much would that service cost on the open market?**

Answer: Casair has never offered services to any other schools for "student-related events". Therefore, it has no idea what the prevailing rate might be. Frankly, there is no "market" for this type of service. Schools would not typically be interested in allocating funds to simply "enhance" sound when they already have equipment that is functional – albeit inferior. Again, the idea of allowing CMPS to use its equipment initially arose when Casair employees attended certain student-related events in which their children and relatives were participating and they realized that the sound quality was poor. Thereafter, Casair permitted CMPS to borrow its equipment for special events, but only when Casair was able to be present to assist in operating the equipment.

To the best of Casair's knowledge, there are no other companies in the area that could or would be willing to provide adequate media resources and related operational assistance – even at a cost. Finally, it is worth noting that the equipment that Casair allowed CMPS to use at its student-related events was pretty rudimentary by industry standards – two (2) speakers, a microphone and a mixer. This equipment simply enhances the sound quality. It is not equipment that would be used at professionally produced events.

- **Was there an agreement between Casair and Central Montcalm regarding the revenue generated from the DVDs?**

Answer: There was no formal, written agreement. Essentially, the arrangement according to which the parties operated was that Casair would be permitted to retain proceeds from the sale of DVD's at student-related events that Casair helped produce. DVDs from student-related events would be made available for sale to the public for $5.00 (the WLAP event DVD's were sold for $10.00 each).

- **You previously indicated that these funds would go to Casair and then be used to fund Casair owned equipment. How much profit was made per DVD that was then reinvested in Casair?**

  Answer: Casair does not directly track the sales of DVDs for each individual student-related show; however, in 2010, Casair had total revenues of $1,120 from the sale of DVDs – a very nominal amount. These revenues were used to cover production and processing costs. Any remaining funds would be contributed to the purchase of equipment that might later be used by the school. By no means was this ever intended to be a money-maker.

- **What was the total value of the profits reinvested in Casair from all the DVDs?**

  Answer: See answer above. The amount of profit from the sale of DVDs is nominal.

We hope that this letter provides you with the information you are seeking. To the extent you were given the impression that DVD sales were a significant source of revenue to Casair, and that they did this for economic gain, this is simply not the case. The sole motivation for Casair's involvement with the student-related events was to improve the quality of the performances and to provide students, families and friends with the opportunity to have DVDs as a keepsake to preserve the memories of the performances. Casair has received the gratitude of parents and loved ones who were not able to attend various student performances – particularly from those that are elderly and unable to attend and persons enlisted and stationed in Iraq and Afghanistan. Casair derives great satisfaction from its participation and assistance with student-related events. In addition, the "airtime" advertising enhances the sale of other Casair products and services.

Mr. Meinhardt has reviewed the contents of this letter. His signature on the attached Certification is intended to ratify and adopt all statements and assertions contained in this letter, as if expressly set forth by him.

Very truly yours,

Keith L. McEvoy
PARMENTER O'TOOLE
Attorneys at Law

Direct Dial & Fax: (231) 722-5413
E-mail: klm@parmenterlaw.com

Attachment

cc: Casair (By email only)

CERTIFICATION

I certify that I am authorized to make the representations set forth in the responses to the inquiry on behalf of **Casair, Inc.** the entity represented on and responding to the inquiry, and am the most knowledgeable person with regard to the information set forth therein. I certify that the responses and supporting documentation to the inquiry are true and correct to the best of my knowledge, information and belief. I acknowledge that FCC rules provide that persons who have been convicted of criminal violations or held civilly liable for certain acts arising from their participation in the schools and libraries support mechanism are subject to suspension and debarment from the program. I acknowledge that false statements can be punished by fine or forfeiture under the Communications Act, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001 and civil violations of the False Claims Act.

I declare under penalty of perjury that the foregoing is true and correct. Executed on 10th day of June, 2011 at 617 E. Lake Street, Stanton, Michigan.

Signature	Date 6-10-11
Print Name Steven R. Meinhardt	Title President
Employer Casair, Inc.	
Telephone Number 989-831-8800 x101	Fax Number 989-831-5555
Email Address steve@casair.net	
Address 617 E. Lake Street Stanton, Michigan	

Exhibit A

June 1, 2011 Letter from USAC

CERTIFICATION

I certify that I am authorized to make the representations set forth in the responses to the inquiry on behalf of **Casair, Inc.** the entity represented on and responding to the inquiry, and am the most knowledgeable person with regard to the information set forth therein. I certify that the responses and supporting documentation to the inquiry are true and correct to the best of my knowledge, information and belief. I acknowledge that FCC rules provide that persons who have been convicted of criminal violations or held civilly liable for certain acts arising from their participation in the schools and libraries support mechanism are subject to suspension and debarment from the program. I acknowledge that false statements can be punished by fine or forfeiture under the Communications Act, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001 and civil violations of the False Claims Act.

I declare under penalty of perjury that the foregoing is true and correct. Executed on 10th day of June, 2011 at 617 E. Lake Street, Stanton, Michigan.

Signature	Date 6-10-11
Print Name Steven R. Meinhardt	Title President
Employer Casair, Inc.	
Telephone Number 989-831-8800 x101	Fax Number 989-831-5555
Email Address steve@casair.net	
Address 617 E. Lake Street Stanton, Michigan	

Exhibit A

June 1, 2011 Letter from USAC

Exhibit 8

USAC DENIAL OF 2008 FUNDING

USAC
Universal Service Administrative Company
Schools and Libraries Division
Correspondence Unit
30 Lanidex Plaza West
PO Box 685
Parsippany, NJ 07054-0685

TIME SENSITIVE MATERIAL

00004
Steve Meinhardt
Crystal Automation Systems Inc
617 E. Lake St.
Stanton, MI 48888

2E900100003 -000030103P0400

USAC
Universal Service Administrative Company

Schools and Libraries Division

FUNDING COMMITMENT DECISION LETTER
(Funding Year 2008: 07/01/2008 - 06/30/2009)

August 1, 2011

Steve Meinhardt
Crystal Automation Systems Inc
617 E. Lake St.
Stanton, MI 48888

Re: Service Provider Name: Crystal Automation Systems Inc
Service Provider Identification Number: 143004346

Thank you for participating in the Schools and Libraries Program (Program) for Funding Year 2008. This letter is your notification of our decision(s) regarding application funding requests that listed your company's Service Provider Identification Number (SPIN).

NEXT STEPS

- File Form 498, Service Provider Information Form, if appropriate
- File Form 473, Service Provider Annual Certification Form (SPAC), for the above Funding Year
- Work with your customer to provide appropriate invoicing to USAC
- Service Provider Invoice (Form 474) or Billed Entity Applicant Reimbursement (Form 472)

Please refer to the Funding Commitment Report(s) (Report) following this letter for specific funding request decisions and explanations. Each Report contains detailed information extracted from the applicant's Form 471. A guide that provides a definition for each line of the Report is available in the Reference Area of our website.

Once you have reviewed this letter, we urge you to contact your customers to establish any necessary arrangements regarding start of services, billing of discounts, and any other administrative details for implementation of discount services. As a reminder, only eligible services delivered in accordance with Federal Communications Commission (FCC) rules are eligible for these discounts.

TO APPEAL THIS DECISION:

You have the option of filing an appeal with the SLD or directly with the FCC.

If you wish to appeal a decision in this letter to USAC, your appeal must be received by USAC 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 (if available) email address for the person who can most readily discuss this appeal with us.

2. State outright that your letter is an appeal. Include the following to identify the decision letter and the decision you are appealing:
   - Appellant name,
   - Applicant or service provider name, if different from appellant,
   - Applicant Billed Entity Number (BEN) and Service Provider Identification Number (SPIN),
   - Form 471 Application Number as assigned by USAC,
   - "Funding Commitment Decision Letter for Funding Year 2008," AND
   - The exact text or the decision that you are appealing.

3. 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 the applicant, please provide a copy of your appeal to the service provider(s) affected by the decision. If you are the 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.

To submit your appeal to USAC by email, email to appeals@sl.universalservice.org. 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 Division - Correspondence Unit
100 S. Jefferson Road
P.O. Box 902
Whippany, NJ 07981

If you wish to appeal a decision in this letter to the FCC, you should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received by the FCC or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. We strongly recommend that you use the electronic filing options described in the "Appeals Procedure" posted on our website. 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.

NOTICE ON RULES AND FUNDS AVAILABILITY

Applicants' receipt of funding commitments is contingent on their compliance with all statutory, regulatory, and procedural requirements of the Schools and Libraries Program. Applicants who have received funding commitments continue to be subject to audits and other reviews that USAC and/or the FCC may undertake periodically to assure that funds that have been committed are being used in accordance with all such requirements. USAC may be required to reduce or cancel funding commitments that were not issued in accordance with such requirements, whether due to action or inaction, including but not limited to that by USAC, the applicant, or the service provider. USAC, and other appropriate authorities (including but not limited to the FCC), may pursue enforcement actions and other means of recourse to collect improperly disbursed funds. The timing of payment of invoices may also be affected by the availability of funds based on the amount of funds collected from contributing telecommunications companies.

Schools and Libraries Division
Universal Service Administrative Company

FUNDING COMMITMENT REPORT
Service Provider Name: Crystal Automation Systems Inc
SPIN: 143004346
Funding Year: 2008

Name of Billed Entity: CENTRAL MONTCALM PUB SCH DIST
Billed Entity Address: 621 NEW ST
Billed Entity City: STANTON
Billed Entity State: MI
Billed Entity Zip Code: 48888
Billed Entity Number: 131262
Contact Person's Name: Marty Combs
Preferred Mode of Contact: EMAIL
Contact Information: mcombs@cms.maisd.com
Form 471 Application Number: 597140
Funding Request Number: 1647535
Funding Status: Not Funded
Category of Service: Internet Access
Form 470 Application Number: 844250000548560
Contract Number: N/A
Billing Account Number: N/A
Service Start Date: 07/01/2008
Contract Expiration Date: 07/01/2009
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-Discount Amount for Eligible Recurring Charges: $11,675.04
Annual Pre-Discount Amount for Eligible Non-Recurring Charges: $.00
Pre-Discount Amount: $11,675.04
Applicant's Discount Percentage Approved by SLD: 75%
Funding Commitment Decision: $.00 - Selective - Contract Violation
Funding Commitment Decision Explanation: 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 the 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 participates 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. FY 2007 FCC Form 471 Application # Application 597140 FRN 1647535 is denied because the establishing FCC Form 470 Application 844250000548560 was filed on November 28, 2005. During this time Elite Fund, Inc. and Casair, Inc. were still a single entity.

FCDL Date: 08/01/2011
Wave Number: 81C
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2012

FUNDING COMMITMENT REPORT
Service Provider Name: Crystal Automation Systems Inc
SPIN: 143004346
Funding Year: 2008

Name of Billed Entity: CENTRAL MONTCALM PUB SCH DIST
Billed Entity Address: 621 NEW ST
Billed Entity City: STANTON
Billed Entity State: MI
Billed Entity Zip Code: 48888
Billed Entity Number: 131262
Contact Person's Name: Marty Combs
Preferred Mode of Contact: EMAIL
Contact Information: mcombs@cms.maisd.com
Form 471 Application Number: 597140
Funding Request Number: 1647537
Funding Status: Not Funded
Category of Service: Internet Access
Site Identifier: 26 08640 0945
Form 470 Application Number: 844250000548560
Contract Number: N/A
Billing Account Number: N/A
Service Start Date: 07/01/2008
Contract Expiration Date: 06/30/2009
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-Discount Amount for Eligible Recurring Charges: $4,800.00
Annual Pre-Discount Amount for Eligible Non-Recurring Charges: $.00
Pre-Discount Amount: $4,800.00
Applicant's Discount Percentage Approved by SLD: 80%
Funding Commitment Decision: $.00 - Selective - Contract Violation
Funding Commitment Decision Explanation: 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 the 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 participates 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. FY 2007 FCC Form 471 Application # Application 597140 FRN 1647537 is denied because the establishing FCC Form 470 Application 844250000548560 was filed on November 28, 2005. During this time Elite Fund, Inc. and Casair, Inc. were still a single entity.

FCDL Date: 08/01/2011
Wave Number: 81C
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2012

USAC DENIAL OF 2009 Funding

USAC
Universal Service Administrative Company
Schools and Libraries Division
Correspondence Unit
30 Lanidex Plaza West
PO Box 685
Parsippany, NJ 07054-0685

TIME SENSITIVE MATERIAL

00003
Steve Meinhardt
Crystal Automation Systems Inc
617 E. Lake St.
Stanton, MI 48888

P1M5CY00101463 01463010360400

USAC
Universal Service Administrative Company

Schools and Libraries Division

FUNDING COMMITMENT DECISION LETTER
(Funding Year 2007: 07/01/2007 - 06/30/2008)

August 3, 2011

Steve Meinhardt
Crystal Automation Systems Inc
617 E. Lake St.
Stanton, MI 48888

Re: Service Provider Name: Crystal Automation Systems Inc
Service Provider Identification Number: 143004346

Thank you for participating in the Schools and Libraries Program (Program) for Funding Year 2007. This letter is your notification of our decision(s) regarding applications that listed your company's Service Provider Identification Number (SPIN) as providing service(s) for which discounts are being sought.

NEXT STEPS

- File Form 473, Service Provider Annual Certification Form (SPAC), for the current Funding Year
- Work with your customer to provide appropriate invoicing to USAC
- File Form 498, Service Provider Information Form, if appropriate
- Invoice the SLD - Service Provider Invoice (Form 474) or Billed Entity Applicant Reimbursement (Form 472)

Please refer to the Funding Commitment Report(s) (Report) following this letter for specific funding request decisions and explanations. Each Report contains detailed information extracted from the applicant's Form 471. A guide that provides a definition for each line of the Report is available in the Reference Area of our website.

Once you have reviewed this letter, we urge you to contact your customers to establish any necessary arrangements regarding start of services, billing of discounts, and any other administrative details for implementation of discount services. As a reminder, only eligible services delivered in accordance with Federal Communications Commission (FCC) rules are eligible for these discounts.

TO APPEAL THIS DECISION:

If you wish to appeal a decision in this letter, your appeal must be received by USAC 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 (if available) email address for the person who can most readily discuss this appeal with us.

2. State outright that your letter is an appeal. Include the following to identify the decision letter and the decision you are appealing:
   - Appellant name,
   - Applicant or service provider name, if different from appellant,
   - Applicant Billed Entity Number (BEN) and Service Provider Identification Number (SPIN),
   - Form 471 Application Number as assigned by USAC,
   - "Funding Commitment Decision Letter for Funding Year 2007," AND
   - The exact text or the decision that you are appealing.

3. 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 the applicant, please provide a copy of your appeal to the service provider(s) affected by the decision. If you are the 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.

To submit your appeal to USAC by email, email to appeals@sl.universalservice.org. 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 Division - Correspondence Unit
100 South Jefferson Road
P.O. Box 902
Whippany, New Jersey 07981

You have the option of filing an appeal with the SLD or directly with the FCC. You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received by the FCC or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. We strongly recommend that you use the electronic filing options described in the "Appeals Procedure" posted on our website. 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.

NOTICE ON RULES AND FUNDS AVAILABILITY

Applicants' receipt of funding commitments is contingent on their compliance with all statutory, regulatory, and procedural requirements of the Schools and Libraries Program. Applicants who have received funding commitments continue to be subject to audits and other reviews that USAC and/or the FCC may undertake periodically to assure that funds that have been committed are being used in accordance with all such requirements. USAC may be required to reduce or cancel funding commitments that were not issued in accordance with such requirements, whether due to action or inaction, including but not limited to that by USAC, the applicant, or the service provider. USAC, and other appropriate authorities (including but not limited to the FCC), may pursue enforcement actions and other means of recourse to collect improperly disbursed funds. The timing of payment of invoices may also be affected by the availability of funds based on the amount of funds collected from contributing telecommunications companies.

Schools and Libraries Division
Universal Service Administrative Company

FUNDING COMMITMENT REPORT
Service Provider Name: Crystal Automation Systems Inc
SPIN: 143004346
Funding Year: 2007

Name of Billed Entity: CENTRAL MONTCALM PUB SCH DIST
Billed Entity Address: 621 NEW ST
Billed Entity City: STANTON
Billed Entity State: MI
Billed Entity Zip Code: 48888
Billed Entity Number: 131262
Contact Person's Name: Michele Videtich
Preferred Mode of Contact: EMAIL
Contact Information: mvidetich@qualityschool.org
Form 471 Application Number: 572376
Funding Request Number: 1580771
Funding Status: Not Funded
Category of Service: Internet Access
Form 470 Application Number: 844250000548560
Contract Number: N/A
Billing Account Number: N/A
Service Start Date: 07/01/2007
Contract Expiration Date: 06/30/2009
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-Discount Amount for Eligible Recurring Charges: $11,675.04
Annual Pre-Discount Amount for Eligible Non-Recurring Charges: $95.00
Pre-Discount Amount: $11,770.04
Applicant's Discount Percentage Approved by SLD: 75%
Funding Commitment Decision: $.00 - Selective - Contract Violation
Funding Commitment Decision Explanation: MR1: The Contract Expiration Date was changed from 07/01/2009 to 06/30/2009 to agree with the applicant documentation. <><><><><> DR1: 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 the 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 participates 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. FY 2007 FCC Form 471 Application # Application 572376 FRN 1580771 is denied because the establishing FCC Form 470 Application 844250000548560 was filed on November 28, 2005. During this time Elite Fund, Inc. and Casair, Inc. were still a single entity.

FCDL Date: 08/03/2011
Wave Number: 81A
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2012

FUNDING COMMITMENT REPORT
Service Provider Name: Crystal Automation Systems Inc
SPIN: 143004346
Funding Year: 2007

Name of Billed Entity: CENTRAL MONTCALM PUB SCH DIST
Billed Entity Address: 621 NEW ST
Billed Entity City: STANTON
Billed Entity State: MI
Billed Entity Zip Code: 48888
Billed Entity Number: 131262
Contact Person's Name: Michele Videtich
Preferred Mode of Contact: EMAIL
Contact Information: mvidetich@qualityschool.org
Form 471 Application Number: 572376
Funding Request Number: 1580805
Funding Status: Not Funded
Category of Service: Internet Access
Site Identifier: 26 08640 0945
Form 470 Application Number: 844250000548560
Contract Number: N/A
Billing Account Number: N/A
Service Start Date: 07/01/2007
Contract Expiration Date: 06/30/2009
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-Discount Amount for Eligible Recurring Charges: $4,800.00
Annual Pre-Discount Amount for Eligible Non-Recurring Charges: $.00
Pre-Discount Amount: $4,800.00
Applicant's Discount Percentage Approved by SLD: 80%
Funding Commitment Decision: $.00 - Selective - Contract Violation
Funding Commitment Decision Explanation: 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 the 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 participates 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. FY 2007 FCC Form 471 Application # Application 572376 FRN 1580805 is denied because the establishing FCC Form 470 Application 844250000548560 was filed on November 28, 2005. During this time Elite Fund, Inc. and Casair, Inc. were still a single entity.

FCDL Date: 08/03/2011
Wave Number: 81A
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2012

USAC Denial of 2006 Funding

USAC
Universal Service Administrative Company
Schools and Libraries Division
Correspondence Unit
30 Lanidex Plaza West
PO Box 685
Parsippany, NJ 07054-0685

TIME SENSITIVE MATERIAL

00002
Steve Meinhardt
Crystal Automation Systems Inc
617 E. Lake St.
Stanton, MI 48888

1MSJL00100127 -001270108F0400

USAC
Universal Service Administrative Company

Schools and Libraries Division

IMPORTANT REMINDERS & DEADLINES

DATE: August 16, 2011
SPIN: 143004346
Service Provider Name: Crystal Automation Systems Inc

YOUR NEXT STEPS IN THE PROCESS: Following are steps to assist you through the application process. Follow the links to USAC's website for additional information.

FORM 473 - File your Form 473 for Funding Year 2006 now, if you have not already done so. See "File Annual Certification" at http://www.usac.org/sl/providers/step08/.

FORM 498 - USAC must have current, complete and accurate contact and address information in order to properly communicate with and make payments to service providers. If USAC determines that the contact or address information listed is not current, we will be unable to process payments. See "Obtain Service Provider Identification Number (Submit Form 498)" on our website at http://www.usac.org/sl/providers/step01/.

FORM 486 DEADLINE - The Form 486 must be postmarked no later than 120 days after the Service Start Date featured in the Form 486 Notification Letter or no later than 120 days after the date of the Funding Commitment Decision Letter, whichever is later. Use our "Deadlines" calculation tool at http://www.usac.org/sl/tools/deadlines to calculate the Form 486 deadline.

INVOICE DEADLINE - Invoices must be postmarked no later than 120 days after the last date to receive service - including extensions - or 120 days after the date of the Form 486 Notification Letter, whichever is later. Use our "Deadlines" calculation tool at http://www.usac.org/sl/tools/deadlines to calculate the invoice deadline. For more information, see "Invoice USAC" on our website at http://www.usac.org/sl/providers/step09/.

DOCUMENT RETENTION - Documents related to the receipt of discounts must be retained for at least five years after the last day of service delivered. See "Document Retention Requirements" on our website at http://www.usac.org/sl/about/document-retention-requirements/default.aspx for more information.

OBLIGATION TO PAY NON-DISCOUNT PORTION - Applicants are required to pay the non-discount portion of the cost of the products and/or services. Service providers are required to bill applicants for the non-discount portion. See "Obligation to Pay Non-Discount Portion" on our website at http://www.usac.org/sl/applicants/step11/obligation-to-pay.aspx.

FREE SERVICES ADVISORY - Applicants and service providers are prohibited from using the Schools and Libraries Program to subsidize the procurement of ineligible or unrequested products and services, or from participating in arrangements that have the effect of providing a discount level to applicants greater than that to which applicants are entitled. See "Free Services Advisory" at http://www.usac.org/sl/applicants/step06/free-services-advisory.aspx.

SUSPENSION AND DEBARMENT - Persons who have been convicted of criminal violations or held civilly liable for certain acts arising from their participation in the Schools and Libraries Program are subject to suspension and debarment from the program. More information and a current list of persons who have been suspended or debarred is posted in "Suspensions and Debarments" on our website at http://www.usac.org/sl/about/suspensions-debarments.aspx.

Complete program information - including more information on these reminders - is posted to the Schools and Libraries area of USAC's website at www.usac.org\sl. You may also contact our Client Service Bureau by using the "Submit a Question" link on our website, toll-free by fax at 1-888-276-8736 or toll-free by phone at 1-888-203-8100.

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

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FUNDING COMMITMENT DECISION LETTER
(Funding Year 2006: 07/01/2006 - 06/30/2007)

August 16, 2011

Steve Meinhardt
Crystal Automation Systems Inc
617 E. Lake St.
Stanton, MI 48888

Re: Service Provider Name: Crystal Automation Systems Inc
Service Provider Identification Number: 143004346

Thank you for participating in the Schools and Libraries Program (Program) for Funding Year 2006. This letter is your notification of our decision(s) regarding applications that listed your company's Service Provider Identification Number (SPIN) as providing service(s) for which discounts are being sought.

The Important Reminders and Deadlines included with this letter are provided to assist you and your customers throughout the application process.

NEXT STEPS

- File Form 473, Service Provider Annual Certification Form (SPAC), for the current Funding Year
- Work with your customer to provide appropriate invoicing to USAC
- File Form 498, Service Provider Invoice Form, if appropriate
- Invoice the SLD - Service Provider Invoice (Form 474) or Billed Entity Applicant Reimbursement (Form 472)

ADDRESS INFORMATION

USAC must have current, complete and accurate contact and address information in order to properly make payments to service providers. The Form 498, Service Provider Information Form, is the official record of service provider contact and address information. If USAC determines that the contact or address information listed is not current, we will be unable to process payments. Form 498 and its instructions are posted under USAC Forms on our website. You may submit a Form 498 to revise contact and/or address information online or toll-free by fax at 1-888-637-6226. Label your fax cover sheet "FORM 498 REVISION."

Please refer to the Funding Commitment Report(s) (Report) following this letter for specific funding request decisions and explanations. Each Report contains detailed information extracted from the applicant's Form 471.

Once you have reviewed this letter, we urge you to contact your customers to establish any necessary arrangements regarding start of services, billing of discounts, and any other administrative details for implementation of discount services. As a reminder, only eligible services delivered in accordance with Federal Communications Commission (FCC) rules are eligible for these discounts.

TO APPEAL THIS DECISION:

If you wish to appeal a decision in this letter, your appeal must be received by USAC 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 (if available) email address for the person who can most readily discuss this appeal with us.

2. State outright that your letter is an appeal. Include the following to identify the decision letter and the decision you are appealing:
   - Appellant name,
   - Applicant or service provider name, if different from appellant,
   - Applicant Billed Entity Number (BEN) and Service Provider Identification Number (SPIN),
   - Form 471 Application Number as assigned by USAC,
   - "Funding Commitment Decision Letter for Funding Year 2006," AND
   - The exact text or the decision that you are appealing.

3. 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 the applicant, please provide a copy of your appeal to the service provider(s) affected by the decision. If you are the 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.

To submit your appeal to USAC by email, email to appeals@sl.universalservice.org. 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 Division - Correspondence Unit
100 South Jefferson Road
P.O. Box 902
Whippany, New Jersey 07981

While we encourage you to resolve your appeal with USAC first, you have the option of filing an appeal directly with the FCC. You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received by the FCC or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. We strongly recommend that you use the electronic filing options described in the "Appeals Procedure" posted on our website. 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.

NOTICE ON RULES AND FUNDS AVAILABILITY

An applicants' receipt of funding commitments is contingent on their compliance with all statutory, regulatory, and procedural requirements of the Schools and Libraries Program. Applicants who have received funding commitments continue to be subject to audits and other reviews that USAC and/or the FCC may undertake periodically to assure that funds that have been committed are being used in accordance with all such requirements. USAC may be required to reduce or cancel funding commitments that were not issued in accordance with such requirements, whether due to action or inaction, including but not limited to that by USAC, the applicant, or the service provider. USAC, and other appropriate authorities (including but not limited to the FCC), may pursue enforcement actions and other means of recourse to collect improperly disbursed funds. The timing of payment of invoices may also be affected by the availability of funds based on the amount of funds collected from contributing telecommunications companies.

Schools and Libraries Division
Universal Service Administrative Company

A report for each funding request featuring your SPIN is attached to this letter. We are providing the following definitions for the items in that report.

NAME OF BILLED ENTITY: Name of entity from the Form 471.

BILLED ENTITY ADDRESS: Address of Billed Entity from the Form 471, including street address, city, state, and zip code.

BILLED ENTITY NUMBER: A unique identifier assigned by USAC to the Billed Entity.

CONTACT PERSON'S NAME: The name of the contact person listed on the Form 471.

PREFERRED MODE OF CONTACT: The preferred mode of contact stated on the Form 471, i.e., telephone, fax, or email.

CONTACT INFORMATION: The telephone number, fax number, or email address based on preferred mode of contact.

FUNDING REQUEST NUMBER (FRN): A Funding Request Number is assigned by USAC to each Block 5 of the applicant's Form 471. The FRN is used to report to applicants and service providers the status of individual funding requests submitted.

FORM 471 APPLICATION NUMBER: The unique identifier assigned to a Form 471 application by USAC.

FUNDING STATUS: Each FRN will have one of the following statuses:

1. "Funded" - the FRN is approved for support. The funding level will generally be the level requested unless USAC determined during its review that some adjustment is appropriate.

2. "Not Funded" - the FRN is one for which no funds were committed. The reason for the decision will be briefly explained in the "Funding Commitment Decision Explanation." An FRN may be "Not Funded" because the request does not comply with program rules, or because the total amount of funding available for the Funding Year was insufficient to fund all requests.

CATEGORY OF SERVICE: The type of service ordered from you, as shown on the Form 471.

SITE IDENTIFIER: The Entity Number listed for this FRN on the Form 471, for "site specific" FRNs only.

FORM 470 APPLICATION NUMBER: The Form 470 associated with this FRN from Block 5, Item 12 of the Form 471.

CONTRACT NUMBER: The number of the contract between you and your customer, if a contract number was provided on the Form 471.

BILLING ACCOUNT NUMBER: The account number that you have established with your customer for billing purposes, if a Billing Account Number was provided on the Form 471.

SERVICE START DATE: The Service Start Date for this FRN from Block 5, Item 19 of the Form 471.

CONTRACT EXPIRATION DATE: The Contract Expiration Date for this FRN from Block 5, Item 20b of the Form 471, if a contract expiration date was provided on the Form 471.

NUMBER OF MONTHS RECURRING SERVICE PROVIDED IN FUNDING YEAR: The number of months the service has been approved for the funding year. This will only be present for recurring services.

ANNUAL PRE-DISCOUNT AMOUNT FOR ELIGIBLE RECURRING CHARGES: Eligible monthly pre-discount amount for recurring charges multiplied by number of months recurring service approved for the funding year.

ANNUAL PRE-DISCOUNT AMOUNT FOR ELIGIBLE NON-RECURRING CHARGES: Annual eligible non-recurring charges approved for the funding year.

PRE-DISCOUNT AMOUNT: The total eligible recurring and non-recurring charges under the program for the funding year.

APPLICANT'S DISCOUNT PERCENTAGE APPROVED BY USAC: The discount rate that USAC has approved for this service.

FUNDING COMMITMENT DECISION: The total amount of funding that USAC has reserved to reimburse you for the approved discounts for this service for this funding year. It is important that both you and your customer recognize that USAC should be invoiced and that disbursement of funds will be made only for eligible, approved services actually rendered.

FUNDING COMMITMENT DECISION EXPLANATION: This entry provides an explanation of the amount in the "Funding Commitment Decision" area.

FCDL DATE: The date on the applicant's Funding Commitment Decision Letter (FCDL).

WAVE NUMBER: The wave number assigned to FCDLs issued on this date.

LAST ALLOWABLE DATE FOR DELIVERY AND INSTALLATION FOR NON-RECURRING SERVICES: The last date approved by the FCC for delivery and installation of eligible non-recurring services (e.g., equipment). (The last allowable date for delivery and installation of recurring services is always the last day of the fund year, that is, June 30, 2007 for Funding Year 2006.)

FUNDING COMMITMENT REPORT
Service Provider Name: Crystal Automation Systems Inc
SPIN: 143004346
Funding Year: 2006

Name of Billed Entity: CENTRAL MONTCALM PUB SCH DIST
Billed Entity Address: 621 NEW ST
Billed Entity City: STANTON
Billed Entity State: MI
Billed Entity Zip Code: 48888
Billed Entity Number: 131262
Contact Person's Name: Michele Videtich
Preferred Mode of Contact: EMAIL
Contact Information: mvidetich@qualityschool.org
Form 471 Application Number: 495449
Funding Request Number: 1370832
Funding Status: Not Funded
Category of Service: Internet Access
Form 470 Application Number: 844250000548560
Contract Number: N/A
Billing Account Number: N/A
Service Start Date: 07/01/2006
Contract Expiration Date: 07/01/2009
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-Discount Amount for Eligible Recurring Charges: $11,675.04
Annual Pre-Discount Amount for Eligible Non-Recurring Charges: $95.00
Pre-Discount Amount: $11,770.04
Applicant's Discount Percentage Approved by SLD: N/A
Funding Commitment Decision: $.00 - Bidding Violation- SRC
Funding Commitment Decision Explanation: 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 the 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 participates 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. Therefore, FCC Form 471 Application # 495449 FRN 1370832 will be denied.

FCDL Date: 08/16/2011
Wave Number: 61N
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2012

FUNDING COMMITMENT REPORT
Service Provider Name: Crystal Automation Systems Inc
SPIN: 143004346
Funding Year: 2006

Name of Billed Entity: HARRISON COMM SCHOOL DISTRICT
Billed Entity Address: 224 WEST MAIN ST
Billed Entity City: HARRISON
Billed Entity State: MI
Billed Entity Zip Code: 48625
Billed Entity Number: 131109
Contact Person's Name: Kelly Hileman
Preferred Mode of Contact: EMAIL
Contact Information: khileman@harrisonschools.com
Form 471 Application Number: 495628
Funding Request Number: 1365400
Funding Status: Not Funded
Category of Service: Internet Access
Form 470 Application Number: 942950000554982
Contract Number: CAS-Q3188
Billing Account Number: N/A
Service Start Date: 07/01/2006
Contract Expiration Date: 06/30/2008
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-Discount Amount for Eligible Recurring Charges: $94,167.00
Annual Pre-Discount Amount for Eligible Non-Recurring Charges: $.00
Pre-Discount Amount: $94,167.00
Applicant's Discount Percentage Approved by SLD: N/A
Funding Commitment Decision: $.00 - Bidding Violation- SRC
Funding Commitment Decision Explanation: 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 the 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 participates 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. Therefore, FCC Form 471 Application # 495628 FRN 1365400 is denied.

FCDL Date: 08/16/2011
Wave Number: 61N
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2012

FUNDING COMMITMENT REPORT
Service Provider Name: Crystal Automation Systems Inc
SPIN: 143004346
Funding Year: 2006

Name of Billed Entity: CLARE PUBLIC SCHOOL DISTRICT
Billed Entity Address: 201 E STATE ST
Billed Entity City: CLARE
Billed Entity State: MI
Billed Entity Zip Code: 48617-1317
Billed Entity Number: 131097
Contact Person's Name: Lynn Graham
Preferred Mode of Contact: EMAIL
Contact Information: lgraham@clare.k12.mi.us
Form 471 Application Number: 495636
Funding Request Number: 1365454
Funding Status: Not Funded
Category of Service: Internet Access
Form 470 Application Number: 266700000550059
Contract Number: CAS-03186
Billing Account Number: N/A
Service Start Date: 07/01/2006
Contract Expiration Date: 06/30/2007
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-Discount Amount for Eligible Recurring Charges: $94,167.00
Annual Pre-Discount Amount for Eligible Non-Recurring Charges: $.00
Pre-Discount Amount: $94,167.00
Applicant's Discount Percentage Approved by SLD: N/A
Funding Commitment Decision: $.00 - Selective - Contract Violation
Funding Commitment Decision Explanation: 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 the 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 participates 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. Therefore, FY 2006 FCC Form 471 Application # 495636 FRN 1365454 will be denied.

FCDL Date: 08/16/2011
Wave Number: 61N
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2012

FUNDING COMMITMENT REPORT
Service Provider Name: Crystal Automation Systems Inc
SPIN: 143004346
Funding Year: 2006

Name of Billed Entity: FARWELL AREA SCHOOL DISTRICT
Billed Entity Address: 371 MAIN ST
Billed Entity City: FARWELL
Billed Entity State: MI
Billed Entity Zip Code: 48622
Billed Entity Number: 131103
Contact Person's Name: Carl Seiter
Preferred Mode of Contact: EMAIL
Contact Information: cseiter@farwellschools.net
Form 471 Application Number: 495758
Funding Request Number: 1365587
Funding Status: Not Funded
Category of Service: Internet Access
Form 470 Application Number: 951360000549685
Contract Number: CAS-03189
Billing Account Number: N/A
Service Start Date: 07/01/2006
Contract Expiration Date: 06/30/2008
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-Discount Amount for Eligible Recurring Charges: $94,167.00
Annual Pre-Discount Amount for Eligible Non-Recurring Charges: $.00
Pre-Discount Amount: $94,167.00
Applicant's Discount Percentage Approved by SLD: N/A
Funding Commitment Decision: $.00 - Selective - Program Violation
Funding Commitment Decision Explanation: 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 the 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 participates 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. Therefore, FCC Form 471 Application # 495758 FRN 1365587 is denied.

FCDL Date: 08/16/2011
Wave Number: 61N
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2012

FUNDING COMMITMENT REPORT
Service Provider Name: Crystal Automation Systems Inc
SPIN: 143004346
Funding Year: 2006

Name of Billed Entity: CENTRAL MONTCALM PUB SCH DIST
Billed Entity Address: 621 NEW ST
Billed Entity City: STANTON
Billed Entity State: MI
Billed Entity Zip Code: 48888
Billed Entity Number: 131262
Contact Person's Name: Michele Videtich
Preferred Mode of Contact: EMAIL
Contact Information: mvidetich@qualityschool.org
Form 471 Application Number: 499655
Funding Request Number: 1375085
Funding Status: Not Funded
Category of Service: Internet Access
Site Identifier: 26 08640 0945
Form 470 Application Number: 844250000548560
Contract Number: N/A
Billing Account Number: N/A
Service Start Date: 07/01/2006
Contract Expiration Date: 06/30/2009
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-Discount Amount for Eligible Recurring Charges: $4,800.00
Annual Pre-Discount Amount for Eligible Non-Recurring Charges: $.00
Pre-Discount Amount: $4,800.00
Applicant's Discount Percentage Approved by SLD: N/A
Funding Commitment Decision: $.00 - Selective- Insuff Support Res
Funding Commitment Decision Explanation: 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 the 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 participates 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. Therefore, FCC Form 471 Application # 499655 FRN 1375085 is denied.

FCDL Date: 08/16/2011
Wave Number: 61N
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2012

FUNDING COMMITMENT REPORT
Service Provider Name: Crystal Automation Systems Inc
SPIN: 143004346
Funding Year: 2006

Name of Billed Entity: BANGOR PUBLIC SCHOOL DISTRICT
Billed Entity Address: 801 W ARLINGTON ST
Billed Entity City: BANGOR
Billed Entity State: MI
Billed Entity Zip Code: 49013-1108
Billed Entity Number: 131291
Contact Person's Name: Roger Ransom
Preferred Mode of Contact: EMAIL
Contact Information: ransom@bangorvikings.org
Form 471 Application Number: 502778
Funding Request Number: 1382196
Funding Status: Not Funded
Category of Service: Internal Connections
Site Identifier: 26 03870 04074
Form 470 Application Number: 942090000548546
Contract Number: 3534
Billing Account Number: N/A
Service Start Date: 07/01/2006
Contract Expiration Date: 06/30/2008
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-Discount Amount for Eligible Recurring Charges: $.00
Annual Pre-Discount Amount for Eligible Non-Recurring Charges: $6,533.00
Pre-Discount Amount: $6,533.00
Applicant's Discount Percentage Approved by SLD: N/A
Funding Commitment Decision: $.00 - Applicant request
Funding Commitment Decision Explanation: FRN canceled in consultation with the applicant.

FCDL Date: 08/16/2011
Wave Number: 61N
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2012

FUNDING COMMITMENT REPORT
Service Provider Name: Crystal Automation Systems Inc
SPIN: 143004346
Funding Year: 2006

Name of Billed Entity: CLARE-GLADWIN RESD
Billed Entity Address: 4041 E MANNSIDING RD
Billed Entity City: CLARE
Billed Entity State: MI
Billed Entity Zip Code: 48617-9753
Billed Entity Number: 131099
Contact Person's Name: Ken Chinavare
Preferred Mode of Contact: EMAIL
Contact Information: kchinavare@cgresd.net
Form 471 Application Number: 506607
Funding Request Number: 1392303
Funding Status: Not Funded
Category of Service: Internet Access
Site Identifier: 131099
Form 470 Application Number: 754860000565074
Contract Number: N/A
Billing Account Number: N/A
Service Start Date: 07/01/2006
Contract Expiration Date: 06/30/2008
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-Discount Amount for Eligible Recurring Charges: $93,967.08
Annual Pre-Discount Amount for Eligible Non-Recurring Charges: $.00
Pre-Discount Amount: $93,967.08
Applicant's Discount Percentage Approved by SLD: N/A
Funding Commitment Decision: $.00 - Selective - Program Violation
Funding Commitment Decision Explanation: 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 the 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 participates 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. Therefore, FCC Form 471 Application # 506607 FRN 1392303 is denied.

FCDL Date: 08/16/2011
Wave Number: 61N
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2012

FUNDING COMMITMENT REPORT
Service Provider Name: Crystal Automation Systems Inc
SPIN: 143004346
Funding Year: 2006

Name of Billed Entity: BEAVERTON RURAL SCHOOL DIST
Billed Entity Address: 468 ROSS ST
Billed Entity City: BEAVERTON
Billed Entity State: MI
Billed Entity Zip Code: 48612
Billed Entity Number: 131092
Contact Person's Name: Barb Woodruff
Preferred Mode of Contact: EMAIL
Contact Information: bwoodruff@brs.cgresd.net
Form 471 Application Number: 511619
Funding Request Number: 1407258
Funding Status: Not Funded
Category of Service: Internet Access
Form 470 Application Number: 545300000548558
Contract Number: CAS-Q3184
Billing Account Number: N/A
Service Start Date: 07/01/2006
Contract Expiration Date: 06/30/2008
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-Discount Amount for Eligible Recurring Charges: $94,167.00
Annual Pre-Discount Amount for Eligible Non-Recurring Charges: $.00
Pre-Discount Amount: $94,167.00
Applicant's Discount Percentage Approved by SLD: N/A
Funding Commitment Decision: $.00 - Bidding Violation- SRC
Funding Commitment Decision Explanation: 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 the 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 participates 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. Therefore, FCC Form 471 Application # 511619 FRN 1407258 is denied.

FCDL Date: 08/16/2011
Wave Number: 61N
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2012

DECLARATION OF GEORGE WINCHELL IN SUPPORT OF APPEAL BY CRYSTAL AUTOMATION SYSTEMS, INC. D/B/A CASAIR OF COMMITMENT ADJUSTMENT DECISIONS REGARDING E-RATE FUNDING FOR FY 2003 AND 2004

I, George Winchell, under penalty of perjury, declare:

1. I am over the age of 18 years.

2. I served as President of Elite Fund, Inc. ("Elite") from January 1, 2004 until 2007. Throughout that time, I was responsible for day-to-day management of Elite. Prior to joining Elite, I worked for Crystal Automation Systems, Inc. ("CAS"). Before that, I worked in education for many years as an elementary, intermediate and high school teacher, and gained technology experience as a school administrator, technical coordinator, and as the director of technology for a school district.

3. Throughout my tenure as President, Elite always was, always operated as, a separate business from CAS.

4. I am acquainted with Steven Meinhardt, the founder and prior owner of Elite, and with Roger Hoezee, who purchased Elite from Mr. Meinhardt in mid-2006.

5. Elite operated as an independent business during the time when Elite was owned by Steven Meinhardt, and continued to operate independently from CAS after Elite was purchased by Roger Hoezee, who now owns Elite. Mr. Meinhardt never played a role in the day-to-day operations of Elite.

6. Elite operated as an independent business when it occupied offices in the same commercial office building as CAS, and it continued to do so after June 2006 when Elite moved to its current address.

7. Throughout my tenure as President, Elite's business was providing consulting services to school districts and libraries, and in particular, providing assistance in preparing applications for the Federal Communications Commission's Schools and Libraries Program, known as "E-Rate."

8. Throughout my time at Elite, Elite focused on providing E-rate consulting

services to school districts and libraries at affordable fixed or hourly rates, with the goal of helping the school district or library prepare a successful E-rate application in accordance with E-rate rules.

9. In providing services to its customers, Elite did not decide what technology services its customers require, but leaves such decisions to its customers. In addition, Elite did not determine what information to include in the FCC Form 470, and does not certify the FCC Form 470. Elite left those tasks to the districts or libraries and their own personnel.

10. Since it began business, Elite always provided only vendor-neutral services. This means, for example, that Elite did not recommend specific service providers to its customers, and did not tailor E-rate applications or RFPs towards specific service providers.

11. Throughout my tenure as President, Elite was never an E-rate service provider. Elite never bid on E-rate contracts. In addition, Elite never provided any service provider – including CAS – with any information about an applicant that would give the service provider an advantage in bidding on an E-rate project.

12. Elite provided assistance to at least 36 different school districts and/or libraries in preparing for Funding Year ("FY") 2004 E-rate contracts. For each FY 2004 application, the consulting services that Elite provided were entirely vendor-neutral. Elite did not provide a contact person for the RFPs, and Elite did not certify any FCC Form 470 for FY 2004.

13. Five of the customers that Elite assisted with FY 2004 E rate applications awarded FY 2004 E-rate contracts to CAS, namely Ashley Community School District, Clare-Gladwin RESD, Ithaca Public School District, Montcalm Area Intermediate School District and White Pine Library. My recollection is that at least 31 other school districts and/or libraries that consulted with Elite in preparing their FY 2004 E-rate applications either awarded E-rate contracts to other service providers or did not award contracts.

14. Before I joined Elite, I worked for CAS for about four years.

15. During my time at CAS, I performed work involving E-rate. This work began around 2000. At that time, CAS offered consultation services to help school districts or libraries prepare applications for E-rate funding. These services were provided on an hourly-rate basis or at a flat rate for a given service package.

16. CAS played a limited role in providing E-rate consulting. The school districts or libraries themselves, not CAS, determined what technology services they needed. The school districts and libraries themselves provided the information for the FCC Form 470. Personnel from the district or library served as the contact person and certified the FCC Form 470. CAS did not try to steer districts or libraries towards using CAS itself as a service provider, and CAS's assistance in preparing E-rate applications did not favor any particular vendor or vendors.

17. During my tenure at CAS, I played the leading role in providing consulting services to the CAS customers preparing applications for E-rate funding for FY 2003. This assistance was provided at standard rates, and did not favor any particular vendor. When providing such assistance, CAS did not determine what services any of its customers needed, did not serve as the contact person for any RFP, and did not certify any FCC Form 470.

18. I left CAS at the end of 2003. Since that time, I have not played any role in the operations of CAS. Nor did I perform any other official role at CAS since that time.

19. I understand that for a time, I was erroneously listed as an officer of CAS in certain state filings. That is not correct, and I understand that this listing was the result of an oversight. Notwithstanding the erroneous filings, I have not been an officer or had any operational role at CAS since the end of 2003.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct, and that this Declaration was executed on this __29___ day of July, 2017 at __Huntington_____, ____West Virginia___.

By _____
George Winchell

4817-6544-6988v.2 0109747-000001

SUPPLEMENTAL DECLARATION OF STEVEN R. MEINHARDT IN SUPPORT OF REQUEST FOR REVIEW BY CRYSTAL AUTOMATION SERVICES, INC. OF USAC DENIAL OF APPEALS

I, Steven R. Meinhardt, under penalty of perjury, declare:

1. I am over the age of 18 years.

2. I am the same Steven R. Meinhardt that executed the Declaration of Steven R. Meinhardt in Support of Appeal by Crystal Automation Systems d/b/a/ Casair of Commitment Adjustment Decisions Regarding E-rate Funding for FY 2003 and 2004.

3. My statements in that declaration, and in this supplemental declaration, are true to the best of my knowledge and belief, and are based on my personal knowledge acquired as the owner and sole officer of Crystal Automation Systems, Inc. d/b/a Casair, Inc. ("CAS").

4. Since CAS's incorporation in 1999, it has continuously maintained its principal place of business within the United States, and has maintained registered agents in the United States in order to accept service.

5. During the time that CAS leased space in the same building as Elite Funds, Inc. ("Elite"), and Area Wide Accounting, CAS provided Internet access service to the entire building, protected behind a secure firewall that had a single Internet-facing IP address. Specifically, the networks of CAS, Elite, and Area Wide Accounting all sat protected behind a single Astaro Firewall. Astaro, now called Sophos is a leading manufacturer of network equipment, and the firewall is a product that CAS continues to use, sell and support. It made simple, efficient use of scarce IPV4 IP addresses by using Network Address Translation ("NAT"), a technology that allows many computers using private IP addresses operate behind a single external-facing IP address. As a result, computers behind the firewall had their own local non-routable address, but to the outside world every computer in the building appeared to share single IP address.

6. I have never owned Area Wide Accounting, which was a distinct and separately-operated business throughout the time that CAS and Elite leased space in the same building.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct, and that this Declaration was executed on this 22nd day of September, 2017 at617 E. Lake St. Stanton, Michigan.

By _____

Steven R. Meinhardt,
President, Crystal Automation Systems, Inc.

4828-5000-7376v.1 0109747-000001

CERTIFICATE OF SERVICE

I hereby certify that I served a copy of the foregoing **REQUEST FOR REVIEW BY CRYSTAL AUTOMATION SERVICES, INC. OF USAC DENIAL OF APPEALS** on:

Universal Services Administrative Company
Schools and Libraries Program – Correspondence Unit
30 Lanidex Plaza West
Parsippany, NJ 07054-0685

with a copy to:

Schools and Libraries (E-rate) Program
Universal Service Administrative Co.
Schools and Libraries Program
PO Box 7026
Lawrence, KS 66044-7026

by causing to be mailed a copy thereof in a sealed, first class postage prepaid envelope, addressed to the address above, and deposited in the U.S. mail at Portland, Oregon on the date set forth below.

Dated this 22nd day of September, 2017.

DAVIS WRIGHT TREMAINE LLP

By _____

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