



June 15, 2018

# Funding Commitment Decision Letter

**Funding Year 2018****Contact Information:**

Randy Averill  
PUYALLUP SCHOOL DISTRICT 3  
1501 39TH AVENUE SW  
PUYALLUP, WA 98373  
[averillre@puyallup.k12.wa.us](mailto:averillre@puyallup.k12.wa.us)

**FCC Form 471:** 181004279**BEN:** 145268**Wave:** 10**Application Nickname:** Puyallup 2018-C1 Equipment

## Totals

|                        |               |
|------------------------|---------------|
| <b>Total Committed</b> | <b>\$0.00</b> |
|------------------------|---------------|

## What is in this letter?

**Thank you for submitting your application for Funding Year 2018 Schools and Libraries Program (E-rate) funding.** Attached to this letter, you will find the funding statuses for the FCC Form(s) 471, Services Ordered and Certification Form, that you submitted and referenced above.

The Universal Service Administrative Company (USAC) is providing this information to both the applicant(s) and the service provider(s) so that all parties are aware of the post-commitment changes related to their funding requests and can work together to complete the funding process for these requests.

## Next Steps

1. Work with your service provider(s) to determine if your bills will be discounted or if you will request reimbursement from USAC after paying the full cost for the services you receive.
2. Review the [Children's Internet Protection Act \(CIPA\)](#) requirements and file the [FCC Form 486](#) (Service Confirmation and CIPA Certification Form). **The deadline to submit this form is 120 days from the date of this letter or from the service start date (whichever is later).**



**BEN Name:** PUYALLUP SCHOOL DISTRICT 3  
**BEN:** 145268

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### 3. Invoice USAC

- **If you (the applicant) are invoicing USAC:** You must pay your service provider(s) the full cost for the services you receive and file the [FCC Form 472](#), the Billed Entity Applicant Reimbursement (BEAR) Form, to invoice USAC for reimbursement of the discounted amount.
- **If your service provider(s) is invoicing USAC:** The service provider(s) must provide services, bill the applicant for the non-discounted share, and file the [FCC Form 474](#), the Service Provider Invoice (SPI) form, to invoice USAC for reimbursement for the discounted portion of costs. Every funding year, service providers must file an [FCC Form 473](#), the Service Provider Annual Certification Form, to be able to submit invoices and to receive disbursements.
- **To receive an invoice deadline extension, the applicant or service provider** must request an extension on or before the last date to invoice. **If you anticipate, for any reason, that invoices cannot be filed on time**, USAC will grant a one-time, 120-day invoice deadline extension if timely requested.

## How to Appeal or Request a Waiver of a Decision

You can appeal or request a waiver of a decision in this letter **within 60 calendar days** of the date of this letter. Failure to meet this deadline will result in an automatic dismissal of your appeal or waiver request.

**Note:** The Federal Communications Commission (FCC) will not accept appeals of USAC decisions that have not first been appealed to USAC. However, if you are seeking a waiver of E-rate program rules, you must submit your request to the FCC and not to USAC. USAC is not able to waive the E-rate program rules.

- **To submit your appeal to USAC**, visit the Appeals section in the [E-rate Productivity Center \(EPC\)](#) and provide the required information. USAC will reply to your appeal submissions to confirm receipt. Visit USAC's [website](#) for additional information on submitting an appeal to USAC, including step-by-step instructions.
- **To request a waiver of the FCC's rules**, please submit it to the FCC in proceeding number CC Docket No. 02-6 using the [Electronic Comment Filing System](#) (ECFS). Include your contact information, a statement that your filing is a waiver request, identifying information, the FCC rule(s) for which you are seeking a waiver, a full description of the relevant facts that you believe support your waiver request and any related relief, and any supporting documentation.

For appeals to USAC or to the FCC, be sure to keep a copy of your entire appeal, including any correspondence and documentation, and provide a copy to the affected service provider(s).

## 1\_PUYALLUP\_181004279 C1 Equipment FCDL Denial



## Obligation to Pay Non-Discount Portion

Applicants are required to pay the non-discount portion of the cost of the eligible products and/or services to their service providers. Service providers are required to bill applicants for the non-discount portion of costs for the eligible products and/or services. The FCC stated that requiring applicants to pay the non-discounted share of costs ensures efficiency and accountability in the program. If using the BEAR invoicing method, the applicant must pay the service provider in full (the non-discount plus discount portion) **before** seeking reimbursement from USAC. If using the SPI invoicing method, the service provider must first bill the applicant **before** invoicing USAC.

## Notice on Rules and Funds Availability

The applicants' receipt of funding commitments is contingent on their compliance with all statutory, regulatory, and procedural requirements of the Schools and Libraries Program and the FCC's rules. Applicants who have received funding commitments continue to be subject to audits and other reviews that USAC and/or the FCC may undertake to assure that committed funds are being used in accordance with 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 of 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.

1\_PUYALLUP\_181004279 C1 Equipment FCDL Denial



**BEN Name:** PUYALLUP SCHOOL DISTRICT 3  
**BEN:** 145268

**FCC Form 471:** 181004279  
**Wave:** 10

# Funding Commitment Decision Overview

**Funding Year 2018**

## Application Comments for FCC Form 471: #181004279

The applicant did not submit any RAL corrections.

## Funding Commitment Decision Overview

| Funding Request Number (FRN) | Service Provider Name            | Amount Requested | Amount Committed | Status |
|------------------------------|----------------------------------|------------------|------------------|--------|
| 1899019937                   | WARRANTY PLUS SERVICE CENTER INC | \$17,188.19      | \$0.00           | Denied |

1\_PUYALLUP\_181004279 C1 Equipment FCDL Denial



**BEN Name:** PUYALLUP SCHOOL DISTRICT 3  
**BEN:** 145268

**FCC Form 471:** 181004279  
**Wave:** 10

|                          |   |                         |
|--------------------------|---|-------------------------|
| <b>FRN</b><br>1899019937 | <b>Service Type</b><br>Data Transmission and/or Internet Access | <b>Status</b><br>Denied |
|--------------------------|---|-------------------------|

| Dollars Committed                |        |                                 |             |
|----------------------------------|--------|---------------------------------|-------------|
| Monthly Cost                     |        | One-time Cost                   |             |
| Months of Service                | 12     |                                 |             |
| Total Eligible Recurring Charges | \$0.00 | Total Eligible One Time Charges | \$34,376.38 |
| Total Pre-discount Charges       |        | \$34,376.38                     |             |
| Discount Rate                    |        | 50.00%                          |             |
| Committed Amount                 |        | \$0.00                          |             |

| Dates                            |           |
|----------------------------------|-----------|
| Service Start Date               | 7/1/2018  |
| Contract Expiration Date         | 9/30/2019 |
| Contract Award Date              | 2/15/2018 |
| Service Delivery Deadline        | 9/30/2019 |
| Expiration Date (All Extensions) |           |

| Service Provider and Contract Information |                                  |
|---|----------------------------------|
| Service Provider                          | WARRANTY PLUS SERVICE CENTER INC |
| SPIN (498ID)                              | 143031837                        |
| Contract Number                           | C                                |
| Account Number                            |                                  |
| Establishing FCC Form 470                 | 180014620                        |

| Consultant Information |                    |
|------------------------|--------------------|
| Consultant Name        | Melinda Van Patten |
| Consultant's Employer  | E-Rate Central     |
| CRN                    | 16060891           |

#### Funding Commitment Decision Comments

DR1: The FCC Form 470 that established the competitive bidding process for this FRN did not include service of this type; therefore it does not meet the 28 day competitive bidding requirement.

1\_PUYALLUP\_181004279 C1 Equipment FCDL Denial

# 2\_PUYALLUP\_181004279 Denial of Funding\_Appeal\_180712



October 1, 2018

## Revised Funding Commitment Decision Letter

### Funding Year 2018

#### Contact Information:

Randy Averill  
PUYALLUP SCHOOL DISTRICT 3  
1501 39TH AVENUE SW  
PUYALLUP, WA 98373  
[averillre@puyallup.k12.wa.us](mailto:averillre@puyallup.k12.wa.us)

**BEN:** 145268

**Post Commitment Wave:** 8

## Totals

|                                  |               |
|----------------------------------|---------------|
| Original Commitment Amount       | \$0.00        |
| <b>Revised Commitment Amount</b> | <b>\$0.00</b> |

## What is in this letter?

Thank you for submitting your post-commitment request for **Funding Year 2018 Schools and Libraries Program (E-rate) funding**. Attached to this letter, you will find the revised funding statuses and/or post commitment changes to the original Funding Commitment Decision Letter (FCDL) you received. Below are the changes that were made:

- Appeals

The Universal Service Administrative Company (USAC) is providing this information to both the applicant(s) and the service provider(s) so that all parties are aware of the post-commitment changes related to their funding requests and can work together to complete the funding process for these requests.

## Next Steps

1. **File the FCC Form 486**, Service Confirmation and Children's Internet Protection Act (CIPA) Certification Form, for any FRNs included in this RFCDL, if you have not already done so. Please review the CIPA requirements and file the form(s).



**BEN Name:** PUYALLUP SCHOOL DISTRICT 3

**BEN:** 145268

**Post Commitment Wave:** 8

- o **If USAC approved funding on an FRN in your original FCDL**, the deadline to submit the FCC Form 486 is 120 days from the date of the original FCDL or from the service start date (whichever is later).
  - o **If a new FRN was created for this RFCDL or funding was not approved on an FRN in your original FCDL but is approved in this RFCDL**, the deadline to submit the FCC Form 486 is 120 days from the date of this RFCDL or from the service start date (whichever is later).
2. **Invoice USAC**, if you or your service provider have not already done so. Work with your service provider(s) to determine if your bills will be discounted or if you will request reimbursement from USAC after paying your bills in full.
- **If you (the applicant) are invoicing USAC:** You must pay your service provider(s) the full cost for the services you receive and file the [FCC Form 472](#), the Billed Entity Applicant Reimbursement (BEAR) Form, to invoice USAC for reimbursement of the discounted amount.
  - **If your service provider(s) is invoicing USAC:** The service provider(s) must provide services, bill the applicant for the non-discounted share, and file the [FCC Form 474](#), the Service Provider Invoice (SPI) form, to invoice USAC for reimbursement for the discounted portion of costs. Every funding year, service providers must file an [FCC Form 473](#), the Service Provider Annual Certification Form, to be able to submit invoices and to receive disbursements.
  - **To receive an invoice deadline extension, the applicant or service provider** must request an extension on or before the last date to invoice. **If you anticipate, for any reason, that invoices cannot be filed on time**, USAC will grant a one-time, 120-day invoice deadline extension if timely requested.

## How to Appeal or Request a Waiver of a Decision

You can appeal or request a waiver of a decision in this letter **within 60 calendar days** of the date of this letter. Failure to meet this deadline will result in an automatic dismissal of your appeal or waiver request.

**Note:** The Federal Communications Commission (FCC) will not accept appeals of USAC decisions that have not first been appealed to USAC. However, if you are seeking a waiver of E-rate program rules, you must submit your request to the FCC and not to USAC. USAC is not able to waive the E-rate program rules.

- **To submit your appeal to USAC**, visit the Appeals section in the [E-rate Productivity Center \(EPC\)](#) and provide the required information. USAC will reply to your appeal submissions to confirm receipt. Visit USAC's [website](#) for additional information on submitting an appeal to USAC, including step-by-step instructions.
- **To request a waiver of the FCC's rules or appeal USAC's appeal decision**, please submit it to the FCC in proceeding number CC Docket No. 02-6 using the [Electronic Comment Filing System](#) (ECFS). Include your contact information, a statement that your filing is a waiver request,

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Funding\_Appeal\_180712



**BEN Name:** PUYALLUP SCHOOL DISTRICT 3

**BEN:** 145268

**Post Commitment Wave:** 8

identifying information, the FCC rule(s) for which you are seeking a waiver, a full description of the relevant facts that you believe support your waiver request and any related relief, and any supporting documentation.

For appeals to USAC or to the FCC, be sure to keep a copy of your entire appeal, including any correspondence and documentation, and provide a copy to the affected service provider(s).

## **Obligation to Pay Non-Discount Portion**

Applicants are required to pay the non-discount portion of the cost of the eligible products and/or services to their service providers. Service providers are required to bill applicants for the non-discount portion of costs for the eligible products and/or services. The FCC stated that requiring applicants to pay the non-discounted share of costs ensures efficiency and accountability in the program. If using the BEAR invoicing method, the applicant must pay the service provider in full (the non-discount plus discount portion) **before** seeking reimbursement from USAC. If using the SPI invoicing method, the service provider must first bill the applicant **before** invoicing USAC.

## **Notice on Rules and Funds Availability**

The applicants' receipt of funding commitments is contingent on their compliance with all statutory, regulatory, and procedural requirements of the Schools and Libraries Program and the FCC's rules. 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 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.

**2\_PUYALLUP\_181004279 Denial of  
Funding\_Appeal\_180712**





**BEN Name:** PUYALLUP SCHOOL DISTRICT 3

**BEN:** 145268

**Post Commitment Wave:** 8

## Revised Funding Commitment Decision Overview

### Funding Year 2018

| Funding Request Number (FRN) | Service Provider Name               | Request Type | Revised Committed | Review Status |
|------------------------------|-------------------------------------|--------------|-------------------|---------------|
| 1899019937                   | WARRANTY PLUS<br>SERVICE CENTER INC | Appeals      | \$0.00            | Denied        |

2\_PUYALLUP\_181004279 Denial of  
Funding\_Appeal\_180712



**BEN Name:** PUYALLUP SCHOOL DISTRICT 3

**BEN:** 145268

**Post Commitment Wave:** 8

|  |   |  |
|--|---|--|
| <b>Post Commitment Request Number:</b><br>114997 | <b>Post Commitment Request Type:</b><br>Appeals | <b>Post Commitment Decision:</b><br>Denied |
|--|---|--|

|                                |  |                                   |                                  |
|--------------------------------|--|-----------------------------------|----------------------------------|
| <b>FRN:</b><br>1899019937      | <b>Service Type:</b><br>Data Transmission and/or Internet Access | <b>Original Status:</b><br>Denied | <b>Revised Status:</b><br>Denied |
| <b>FCC Form 471: 181004279</b> |  |                                   |                                  |

| Dollars Committed                |        |                                 |             |
|----------------------------------|--------|---------------------------------|-------------|
| Monthly Cost                     |        | One-Time Cost                   |             |
| Months of Service                | 12     |                                 |             |
| Total Eligible Recurring Charges | \$0.00 | Total Eligible One Time Charges | \$34,376.38 |
| Total Pre-Discount Charges       |        | \$34,376.38                     |             |
| Discount Rate                    |        | 50.00%                          |             |
| Revised Committed Amount         |        | \$0.00                          |             |

| Dates                            |           |
|----------------------------------|-----------|
| Service Start Date               | 7/1/2018  |
| Contract Expiration Date         | 9/30/2019 |
| Contract Award Date              | 2/15/2018 |
| Service Delivery Deadline        |           |
| Expiration Date (All Extensions) |           |

| Service Provider and Contract Information |                                  |
|---|----------------------------------|
| Service Provider                          | WARRANTY PLUS SERVICE CENTER INC |
| SPIN (498ID)                              | 143031837                        |
| Contract Number                           | C                                |
| Account Number                            |                                  |
| Establishing FCC Form 470                 | 180014620                        |

| Consultant Information |                    |
|------------------------|--------------------|
| Consultant Name        | Melinda Van Patten |
| Consultant's Employer  | E-Rate Central     |
| CRN                    | 16060891           |

|  |
|--|
| <b>Revised Funding Commitment Decision Comments:</b> |
|--|

|                                   |
|-----------------------------------|
| <b>Post Commitment Rationale:</b> |
|-----------------------------------|

The purpose of the equipment requested under FRN 1899019937 is to support the district's lit fiber service functionality. Network equipment needed to make category one service functional can be eligible in Category One-Data Transmission and/or Internet Access if the equipment and broadband service is delivered by the same service provider. The provider of lit fiber service is Unite Private Networks for FRN numbers 1899032439, 1899032743, and 1899032774, 1899020086 and 1899020068. The service provider on the equipment FRN 1899019937 is Warranty Plus Service Center (SPN 143031837). Since network equipment FRN 1899019937 and lit fiber service FRNs have different service providers, the equipment requested under FRN 1899019937 is considered Category

2\_PUYALLUP\_181004279 Denial of  
Funding\_Appeal\_180712  
Revised



**BEN Name:** PUYALLUP SCHOOL DISTRICT 3

**BEN:** 145268

**Post Commitment Wave:** 8

Two-Internal Connections service type. The funding year Form 470 provided on appeal is number 180014620. The referenced form 470 did not post for category 2 services. Consequently, the appeal is denied for failure to post for internal connections in Funding Year 2018. FCC rules require that all products and services for which an applicant requests discounts on an FCC Form 471 must be competitively bid on an FCC Form 470. The FCC Form 470 must include a complete description of the services for which discounts are sought, be posted on the website for 28 days, and applicants must carefully consider all bids received before selecting a vendor, entering into a legally binding agreement or signing a contract, and signing and submitting an FCC Form 471. See 47 C.F.R. secs. 54.503(b) and (c), 54.511(a). These competitive bidding requirements help to ensure that applicants receive the lowest pre-discount price from vendors. See Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Order on Reconsideration, 12 FCC Rcd 10095, 10098, FCC 97-246 para. 9 (rel. Jul. 10, 1997).

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## 2\_PUYALLUP\_181004279 Denial of Funding\_Appeal\_180712

Before the  
Schools and Libraries Division  
Washington, D.C.

**In the Matter of:**

|   |   |                                    |
|---|---|------------------------------------|
|   | ) |                                    |
| Request for Review of a decision        | ) |                                    |
| by the Schools and Libraries Division   | ) | Administrator Correspondence Dated |
| for Puyallup School District 3          | ) | June 15, 2018                      |
| Puyallup, WA                            | ) |                                    |
|   | ) |                                    |
|   | ) |                                    |
| Schools and Libraries Universal Service | ) | CC Docket No. 02-6                 |
| Support Mechanism                       | ) |                                    |

### **Appeal**

In accordance with Sections 54.719 through 54.721 of the Commission's Rules, Puyallup School District 3 (Puyallup) appeals a denial of funding by the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (Administrator). The Administrator issued a Funding Commitment Decision Letter for FCC Form 471 #181004279, denying funding for FRN 1899019937. In the FCDL, the Administrator stated the FCC Form 470 that established the competitive bidding process did not include service of this type and therefore did not meet the 28-day competitive bidding requirement. Puyallup argues that the equipment in question not only serves as the demarcation point for broadband connectivity, but also that it is a necessary and cost-effective way for the district elementary schools to receive 10 Gbps MAN connectivity. Based on its function, the equipment is eligible as Category One network equipment. The district also contends that it accurately filed a Form 470 for eligible Category One equipment in accordance with program rules and USAC guidance, thus the funding commitment should be approved.

## 2\_PUYALLUP\_181004279 Denial of Funding\_Appeal\_180712

**Requestor: Puyallup School District 3**  
**Billed Entity Number: 145268**  
**FCC Registration Number: 0018731943**  
**Funding Request Number: 1899019937**  
**Form 471: 181004279**

### **Introduction**

In correspondence dated June 15, 2018, The Administrator issued a Funding Commitment Decision Letter denying funding for the FRN listed in this appeal. The Administrator's decision stated, "The FCC Form 470 that established the competitive bidding process for this FRN did not include service of this type; therefore, it does not meet the 28 day competitive bidding requirement."<sup>1</sup> One could logically assume, although the FCDL Comment does not specifically state this, that the Administrator assumes the switch and expansion module are performing a Category 2 function. Puyallup contends that the equipment in question on the application, an expansion module for the district's core switch, is eligible as Category One equipment based upon 1) the function of the switch, 2) the FY 2018 Eligible Services List, 3) the Administrator's guidance in the Fiber FAQ's, and 4) the FCC's Second E-rate Modernization Order (FCC 14-189A1).

### **Background**

For Funding Year 2010, Puyallup posted FCC Form 470 # 200460000719663 and supporting RFP requesting bids for leased lit MAN service at 1 Gbps scalable up to 10 Gbps bandwidth. The RFP required, in Section 2.3, that the bidder's solution must allow the district to retain routing control of traffic between "channels."<sup>2</sup> Unite Private Networks submitted the

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<sup>1</sup> See Attachment A-USAC FCDL dated June 15, 2018

<sup>2</sup> See Attachment B-Excerpt from UPN's formal bid response, FY 2009

## 2\_PUYALLUP\_181004279 Denial of Funding\_Appeal\_180712

following response to RFP Section 2.3; “UPN is willing to work with the District to accomplish this task and simultaneously reduce overall project cost. UPN will allow the district to have full and unfettered access to those UPN switches and routers dedicated to District MAN function OR ***UPN will allow the District to use its’ own switches*** and routers as the District chooses and reduce the prices to the District listed in this RFP response by actual cost plus 21% for each District switch/router used in lieu of a UPN switch/router. ***To comply with Erate rules on eligible services UPN will still be required to provide GBIC modules.*** By doing this, at least three items are accomplished that further enhance the MAN from the District's perspective:

- 1) Reduced Price
- 2) Less Equipment Means Less Failure Points And Fewer Hops For Latency
- 3) Maximum Control Available For District That Still Complies With Erate Rules”

Through a fair and open procurement process, Unite Private Networks (UPN) was awarded the bid. The district signed a contract with Unite Private Networks in February 2009 which, in accordance with E-rate rules, allowed for the district to use its own switch and or router in lieu of a UPN switch/router while UPN would provide, in every instance, the GBIC modules.

It is agreed that this configuration is atypical from other leased lit solutions; however, it is in the district’s best interest to manage its MAN traffic and provides an added cost savings to the E-rate program. UPN would need to replace each of its existing switches in order to facilitate 10 Gbps service to the elementary schools, resulting in a minimum 21% increase to the monthly

## 2\_PUYALLUP\_181004279 Denial of Funding\_Appeal\_180712

recurring cost of the service, per UPN.<sup>3</sup> Unite Private Networks, in their letter of support of the eligibility of this funding request, confirms that the district-owned switch for which the expansion model in question will be utilized is allowable within its current contract, is necessary to provide 10 Gbps broadband connectivity to the school district, and their service remains an eligible leased lit fiber MAN solution.<sup>4</sup>

### **Discussion**

The FY 2018 ESL states, regarding leased lit fiber, leased dark fiber and self-provisioned broadband networks, “Eligible costs include monthly charges, special construction, installation and activation charges, modulating electronics and other equipment necessary to make a Category One broadband service functional (“Network Equipment”), and maintenance and operation charges. Network Equipment, and maintenance, and operation costs for existing networks are eligible. All equipment and services, including maintenance and operation, must be competitively bid.”<sup>5</sup>

The Administrator’s Fiber FAQ clearly states that “Network Equipment is limited to modulating electronics *and other equipment necessary* to make a Category One broadband service functional. Network Equipment is eligible for Category One support.”<sup>6</sup> The district certifies, in a letter signed by the Superintendent and Executive Director of Capital Technology that the function of the core switch is to serve as a demarcation point between the last mile circuit and the school LAN.<sup>7</sup> In the current configuration the core switch does interface with the

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<sup>3</sup> See Attachment B – Excerpt from UPN’s formal bid response, FY 2009

<sup>4</sup> See Attachment C – UPN Letter of Support of Appeal

<sup>5</sup> FY 2018 ESL (DA 17-973), [https://apps.fcc.gov/edocs\\_public/attachmatch/DA-17-973A1.pdf](https://apps.fcc.gov/edocs_public/attachmatch/DA-17-973A1.pdf)

<sup>6</sup> Attachment D-USAC Fiber FAQ’s

<sup>7</sup> Attachment E-Puyallup District letter

## 2\_PUYALLUP\_181004279 Denial of Funding\_Appeal\_180712

district LAN, it does NOT however route any LAN traffic. The Administrator states in its Fiber FAQ “In that case, the terminating router *or switch* would be Network Equipment eligible for Category One support, because without it, the needed broadband connectivity could not be delivered to the school (i.e., the Category One broadband service would not function).” In this chosen configuration, the district’s core switch is necessary to provide broadband connectivity to the school district.

The Administrator goes on to state in its Fiber FAQ “The mere fact that the device also interfaces with the school's LAN and ultimately enables the LAN's connectivity does not preclude the school from requesting Category One support for the cost of the device. For example, fiber to a school may terminate into a router that is then connected to the school's LAN via a series of switches. The terminating router or switch must interface with the LAN for the LAN to receive connectivity. The router (or switch) into which the Category One fiber service terminates would be Network Equipment. It is necessary so that Category One broadband service to the school can function. Note that the demarcation points for different schools and libraries may vary based on the configurations of their networks.” The district reiterates the core switch and the expansion module are necessary components for the Category One broadband service to function and it does not route any LAN traffic. The function of the core switch and expansion module indisputably performs an eligible Category One function. The district refutes USAC’s Funding Commitment Decision Comments that the Form 470 that established the competitive bidding process for this FRN did not include this type of service, Category One Network Electronics.

Administrator guidance regarding procurement for FY 2018-19 for an applicant seeking bids for eligible Category 1 equipment was to select Category One on the FCC Form 470 and



## 2\_PUYALLUP\_181004279 Denial of Funding\_Appeal\_180712

“Other” from the drop-down selection of services and to use the narrative to clearly describe the equipment being requested. Puyallup posted and certified FCC Form 470 #180014620 on January 11, 2018 according to Administrator guidance.<sup>15</sup> Bids closed after the required 28-day bidding period and an evaluation was performed. The district determined the one bid for the expansion module was cost-effective and awarded the bid to WARRANTY PLUS SERVICE CENTER INC, SPIN 143031837, dba Synchronous Technologies on February 15, 2018.<sup>17</sup> Additional cost-effectiveness is based upon a search of multiple re-sellers of the same part number reflecting that Warranty Plus is providing the module 35% cheaper than an average of three other retailers:

| Online retailer                     | MSRP Listed  | Sale Price Listed |  |
|-------------------------------------|--------------|-------------------|--|
| Direct Dial                         | \$71,505.00  | \$50,310.00       | Average cost of online retailers:<br>\$52,977.60 |
| IT Pricing                          | \$71,505.00  | \$53,623.80       |  |
| Frontier PC                         | Not provided | \$54,999.00       |  |
| WARRANTY PLUS SERVICE<br>CENTER INC | Not provided | \$34,376.38       | 35% less expensive than online<br>retailers      |

The FCC, in its Second E-rate Modernization Order, equalized its treatment of dark and lit fiber, stating “Equalizing the treatment of lit and dark fiber is also consistent with the Commission’s approach in the Healthcare Connect Order,” and “Following this recent precedent and given the broad support in the record, we will equalize the treatment of dark- and lit-fiber services within E-rate, beginning in funding year 2016.”<sup>18</sup> Self-provisioned fiber networks were also made eligible by the FCC in this Order. All of these steps to equalize the treatment of fiber solutions provide E-rate applicants the widest breadth of options for securing high bandwidth speeds in order to meet the FCC’s bandwidth target goals, in the most cost-effective manner.

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<sup>15</sup> See Attachment F – FCC Form 470 #180014620

<sup>17</sup> See Attachment G – Quotes from various IT companies (Frontier PC, IT Pricing & Direct Dial) for part # JH249A

<sup>18</sup> FCC 14-189A1, <https://docs.fcc.gov/public/attachments/FCC-14-189A1.pdf>

## 2\_PUYALLUP\_181004279 Denial of Funding\_Appeal\_180712

Puyallup School District 3 and Unite Private Networks have realized a solution that will allow the district to meet the FCC's targeted bandwidth goal and do so in a manner that will reduce the cost to the E-rate program fund, all within the rules of the program and the intent of the FCC.

### **Conclusion**

The facts that the core switch serves as the demarcation point for broadband connectivity and the district's elementary schools could not receive 10 Gbps MAN connectivity without its presence and functionality, that Puyallup's contract with UPN allows for the inclusion of a district-owned switch or router in conjunction with UPN's GBICs, that the FCC has a vision to equalize the treatment of fiber options in order to meet targeted bandwidths and be the most cost-effective means for the E-rate fund, and that the Administrator's current guidelines were followed by posting FCC Form 470 # 180014620 all support the eligibility of the requested module as Category 1 Network Equipment. Puyallup respectfully requests a reversal of USAC's original funding decision to deny FRN 1899019937 and issuance of a Revised Funding Commitment Decision letter with a favorable decision to fund the eligible request.

Respectfully submitted,

A handwritten signature in blue ink, reading "Melinda A. Van Patten".

Melinda A. Van Patten, CEMP  
Senior Consultant, E-Rate Central



# 2\_PUYALLUP\_181004279 Denial of Funding\_Appeal\_180712

June 15, 2018

Attachment A-USAC FCDL

## Funding Commitment Decision Letter

Funding Year 2018

### Contact Information:

Randy Averill  
PUYALLUP SCHOOL DISTRICT 3  
1501 39TH AVENUE SW  
PUYALLUP, WA 98373  
[averillre@puyallup.k12.wa.us](mailto:averillre@puyallup.k12.wa.us)

**FCC Form 471:** 181004279

**BEN:** 145268

**Wave:** 10

**Application Nickname:** Puyallup 2018-C1 Equipment

### Totals

|                        |               |
|------------------------|---------------|
| <b>Total Committed</b> | <b>\$0.00</b> |
|------------------------|---------------|

### What is in this letter?

Thank you for submitting your application for Funding Year 2018 Schools and Libraries Program (E-rate) funding. Attached to this letter, you will find the funding statuses for the FCC Form(s) 471, Services Ordered and Certification Form, that you submitted and referenced above.

The Universal Service Administrative Company (USAC) is providing this information to both the applicant(s) and the service provider(s) so that all parties are aware of the post-commitment changes related to their funding requests and can work together to complete the funding process for these requests.

### Next Steps

1. Work with your service provider(s) to determine if your bills will be discounted or if you will request reimbursement from USAC after paying the full cost for the services you receive.
2. Review the [Children's Internet Protection Act \(CIPA\)](#) requirements and file the [FCC Form 486](#) (Service Confirmation and CIPA Certification Form). **The deadline to submit this form is 120 days from the date of this letter or from the service start date (whichever is later).**



**BEN Name:** PUYALLUP SCHOOL DISTRICT 3  
**BEN:** 145268

**FCC Form 471:** 181004279  
**Wave:** 10

### 3. Invoice USAC

- **If you (the applicant) are invoicing USAC:** You must pay your service provider(s) the full cost for the services you receive and file the [FCC Form 472](#), the Billed Entity Applicant Reimbursement (BEAR) Form, to invoice USAC for reimbursement of the discounted amount.
- **If your service provider(s) is invoicing USAC:** The service provider(s) must provide services, bill the applicant for the non-discounted share, and file the [FCC Form 474](#), the Service Provider Invoice (SPI) form, to invoice USAC for reimbursement for the discounted portion of costs. Every funding year, service providers must file an [FCC Form 473](#), the Service Provider Annual Certification Form, to be able to submit invoices and to receive disbursements.
- **To receive an invoice deadline extension, the applicant or service provider must request an extension on or before the last date to invoice. If you anticipate, for any reason, that invoices cannot be filed on time, USAC will grant a one-time, 120-day invoice deadline extension if timely requested.**

## How to Appeal or Request a Waiver of a Decision

You can appeal or request a waiver of a decision in this letter **within 60 calendar days** of the date of this letter. Failure to meet this deadline will result in an automatic dismissal of your appeal or waiver request.

**Note:** The Federal Communications Commission (FCC) will not accept appeals of USAC decisions that have not first been appealed to USAC. However, if you are seeking a waiver of E-rate program rules, you must submit your request to the FCC and not to USAC. USAC is not able to waive the E-rate program rules.

- **To submit your appeal to USAC,** visit the Appeals section in the [E-rate Productivity Center \(EPC\)](#) and provide the required information. USAC will reply to your appeal submissions to confirm receipt. Visit USAC's [website](#) for additional information on submitting an appeal to USAC, including step-by-step instructions.
- **To request a waiver of the FCC's rules,** please submit it to the FCC in proceeding number CC Docket No. 02-6 using the [Electronic Comment Filing System](#) (ECFS). Include your contact information, a statement that your filing is a waiver request, identifying information, the FCC rule(s) for which you are seeking a waiver, a full description of the relevant facts that you believe support your waiver request and any related relief, and any supporting documentation.

For appeals to USAC or to the FCC, be sure to keep a copy of your entire appeal, including any correspondence and documentation, and provide a copy to the affected service provider(s).

2\_PUYALLUP\_181004279 Denial of  
Funding\_Appeal\_180712



**BEN Name:** PUYALLUP SCHOOL DISTRICT 3  
**BEN:** 145268

**FCC Form 471:** 181004279  
**Wave:** 10

## 2\_PUYALLUP\_181004279 Denial of Funding\_Appeal\_180712

### Obligation to Pay Non-Discount Portion

Applicants are required to pay the non-discount portion of the cost of the eligible products and/or services to their service providers. Service providers are required to bill applicants for the non-discount portion of costs for the eligible products and/or services. The FCC stated that requiring applicants to pay the non-discounted share of costs ensures efficiency and accountability in the program. If using the BEAR invoicing method, the applicant must pay the service provider in full (the non-discount plus discount portion) **before** seeking reimbursement from USAC. If using the SPI invoicing method, the service provider must first bill the applicant **before** invoicing USAC.

### Notice on Rules and Funds Availability

The applicants' receipt of funding commitments is contingent on their compliance with all statutory, regulatory, and procedural requirements of the Schools and Libraries Program and the FCC's rules. Applicants who have received funding commitments continue to be subject to audits and other reviews that USAC and/or the FCC may undertake to assure that committed funds are being used in accordance with 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 of 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.



**BEN Name:** PUYALLUP SCHOOL DISTRICT 3

**FCC Form 471:** 181004279

**BEN:** 145268

**Wave:** 10

## 2\_PUYALLUP\_181004279 Denial of Funding\_Appeal\_180712

# Funding Commitment Decision Overview

**Funding Year 2018**

## Application Comments for FCC Form 471: #181004279

The applicant did not submit any RAL corrections.

## Funding Commitment Decision Overview

| Funding Request Number (FRN) | Service Provider Name            | Amount Requested | Amount Committed | Status |
|------------------------------|----------------------------------|------------------|------------------|--------|
| 1899019937                   | WARRANTY PLUS SERVICE CENTER INC | \$17,188.19      | \$0.00           | Denied |



**BEN Name:** PUYALLUP SCHOOL DISTRICT 3  
**BEN:** 145268

**FCC Form 471:** 181004279  
**Wave:** 10

## 2\_PUYALLUP\_181004279 Denial of Funding\_Appeal\_180712

|                          |  |                         |
|--------------------------|--|-------------------------|
| <b>FRN</b><br>1899019937 | <b>Service Type</b><br>Data Transmission and/or Internet<br>Access | <b>Status</b><br>Denied |
|--------------------------|--|-------------------------|

| Dollars Committed                |        |                                 |             |
|----------------------------------|--------|---------------------------------|-------------|
| Monthly Cost                     |        | One-time Cost                   |             |
| Months of Service                | 12     |                                 |             |
| Total Eligible Recurring Charges | \$0.00 | Total Eligible One Time Charges | \$34,376.38 |
| Total Pre-discount Charges       |        | \$34,376.38                     |             |
| Discount Rate                    |        | 50.00%                          |             |
| Committed Amount                 |        | \$0.00                          |             |

| Dates                            |           |
|----------------------------------|-----------|
| Service Start Date               | 7/1/2018  |
| Contract Expiration Date         | 9/30/2019 |
| Contract Award Date              | 2/15/2018 |
| Service Delivery Deadline        | 9/30/2019 |
| Expiration Date (All Extensions) |           |

| Service Provider and Contract Information |                                     |
|---|-------------------------------------|
| Service Provider                          | WARRANTY PLUS<br>SERVICE CENTER INC |
| SPIN (498ID)                              | 143031837                           |
| Contract Number                           | C                                   |
| Account Number                            |                                     |
| Establishing FCC Form 470                 | 180014620                           |

| Consultant Information |                    |
|------------------------|--------------------|
| Consultant Name        | Melinda Van Patten |
| Consultant's Employer  | E-Rate Central     |
| CRN                    | 16060891           |

### Funding Commitment Decision Comments

DR1: The FCC Form 470 that established the competitive bidding process for this FRN did not include service of this type; therefore it does not meet the 28 day competitive bidding requirement.

2\_PUYALLUP\_181004279 Denial of  
Funding\_Appeal\_180712

UPN Responses are shown in bold blue and underlined.

REQUEST FOR PROPOSAL FOR

**High Bandwidth Intra-District  
Metropolitan Area Network (MAN)**

**Puyallup School District No. 3**

Tony Apostle, Ed. D., Superintendent

Jay A. McSweeney, Director of Information Technology

Puyallup School District No. 3, 1501 39<sup>th</sup> Ave SW  
Puyallup, Washington 98373



1.16 The Vendor should identify routes for installation of the fiber optic cable. This step may include measuring distances between sites, if necessary. Refer to item 4.1 above for more details.

UPN has provided maps of proposed routes. Actual routes may change based on final engineering and permitting provided they don't diminish UPN's ability to meet the requirements of this RFP and subsequent Agreement and do not cost the District any additional monies.

1.17 The Vendor should generate a GIS map(s) with the fiber optic cable identified by proposed ring or radial. UPN Agrees

1.18 The MAN shall be constructed primarily for District use and shall consist of standard SMF-28 (or equivalent) armored fiber optic cable. **The vendor may also include a pricing option for non-armored fiber optic cable, with rational and pros/cons for why the District should or should not select either type.** Fiber optic cable will have maximum dB loss values of .4 (1310 wavelength) and .35 (1550 wavelength) per fiber kilometer. Splices shall have maximum dB loss of .1 per splice. Fiber leaving a building to two separate destinations shall be separated into two separate fiber sheaths leaving the property line at a physical distance of no less than 30 feet. Vendors will provide lease pricing that includes building entry into all District facilities.

### Change Per Addendum 3

UPN has provided a hybrid solution of which some fiber is armored and some is all dielectric. UPN's standard construction practices which have been proven over the years generally call for armored cable when placed aerially and all dielectric when placed underground. The reason all dielectric functions well in the underground applications is because UPN always places underground fiber in conduit and it is therefore physically protected by the conduit in a similar and likely superior manor to what the armor would accomplish. UPN also places all dielectric cable as a final link into each school building where feasible to prevent an ingress route for potentially disruptive stray electrical activity and lightning. This practice also provides an added safety feature against shock or electrocution for personnel that come in contact with the fiber optic cable entering the building from outside each facility.

## **2.0 Sites** See Exhibit A Puyallup School District No. 3.

2.1 Vendor will propose a solution for connection of all sites to the District's Information Technology Center 2.2 District may, at its sole discretion, select none, one, or any combination of sites for connection.

2.3 Solution must be compatible with existing District network. The District must retain routing control of traffic between "channels".

UPN is willing to work with the District to accomplish this task and simultaneously reduce overall project cost. UPN will allow the district to have full and unfettered access to those UPN switches and routers dedicated to District MAN function OR UPN will allow the District to use it's own switches and routers as the District chooses and reduce the prices to the District listed in this RFP response by actual cost plus 21% for each District switch/router used in lieu of a UPN switch/router. To comply with Erate rules on eligible services UPN will still be required to provide GBIC modules. By doing this at least three



items are accomplished that further enhance the MAN from the District's perspective:

- 1) Reduced Price
- 2) Less Equipment Means Less Failure Points And Fewer Hops For Latency
- 3) Maximum Control Available For District That Still Complies With Erate Rules

2.4 Physical and logical topologies are to be explained in the proposal. UPN Agrees

### **3.0 Other related K-12 Network Solutions Criteria**

3.1 Vendor must have proven track record of providing networking solutions to organizations serving K- 12 with technology solutions, development and delivery. Three (3) K-12 references comparable to size and complexity of PSD are to be provided as specified in item 2.17.2.

UPN has provided a reference list as part of this response and encourages PSD to contact any of UPN's current MAN/WAN customers.

3.3 All Vendor staff assigned to provide services to the District pursuant to this RFP shall be fully qualified to perform such work.

Because UPN has such an emphasis on the K-12 MAN solutions the District can be assured of a successful and superior MAN experience from UPN.

3.4 Vendor must demonstrate a proven track record of project management expertise.

UPN has approximately 50 school district customers and has built all or substantially all of their MAN networks. UPN invites PSD to contact any of these districts to get feedback on UPN' capabilities and expertise in project management.

3.5 Vendor must be able to fully implement any recommended network solutions.

UPN will have local expertise that will have the ability to make on the spot decisions required to keep the MAN implementation online and on schedule.

UPN's local project manager will also have the ability to draw on UPN's significant knowledge base throughout the corporation.

### **4.0 Additional Information**

4.1 *The District has done a preliminary study to determine the approximate cost of construction and ownership of a dark fiber network. This study resulted in the accumulation of a large amount of valuable data which should be extremely helpful in preparing your response to this proposal. This study data is located at Exhibit C, starting on page 26.*

4.2 Proposal must include pricing for non-recurring (one-time capital) and monthly lease costs thereafter. 4.3 Proposal should include more than one payment schedule, selectable at the District's option.

4.4 Vendors must provide company history and proof of financial stability.

4.4 Pricing is to include facility and equipment installation and lease of equipment; and support and

## 2\_PUYALLUP\_181004279 Denial of Funding\_Appeal\_180712



Jeff Ingram  
Executive Vice President  
Unite Private Networks, LLC  
P.O. Box 25526  
Kansas City, MO 64119  
Phone: 913-486-6556  
Email: jeff.ingram@upnllc.com

March 25, 2009

Puyallup School District No. 3  
Attn: Jay McSweeney  
1501 39<sup>th</sup> Avenue SW  
Puyallup, Washington 98373

Dear Mr. McSweeney,

THIS IS AN AMENDMENT to the original agreement, entered into by and between the Puyallup School District No. 3 ("District"), and Unite Private Networks, LLC ("UPN") dated February 11, 2009.

The parties wish to modify section 16 (p) Board Approval Contingency of the original Agreement to change the Board approval date from April 27, 2009 to June 30, 2009. The parties agree Section 16 (p) shall read as follows:

Both parties agree this Agreement does not become binding upon either party unless and until a resolution is approved by the Board of Directors of the District authorizing the execution of this agreement which shall occur no later than June 30, 2009.

**By signing, the undersigned hereby warrant:**

- that they are authorized agents of Unite Private Networks, LLC and the Puyallup School District No. 3, respectively;
- that they have the authority to enter into this Amendment on behalf of the parties to the original Agreement and;
- that they bind the parties to this Amendment and to the terms contained in this Amendment.

We both agree that this contains the entire amendment between Unite Private Networks, LLC and Puyallup School District No. 3 about the matters covered in this document. This Amendment shall be binding upon and inure to the benefit of the heirs, successors and assigns of the parties to this Amendment.

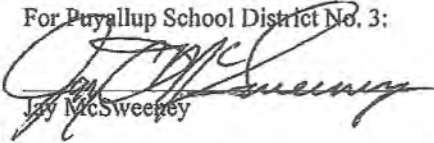
We make this Amendment under the laws of the State of Missouri. We both agree to adhere to fair business practices and to comply with all federal, state, and local laws and regulations. If any portion of this Amendment shall be held invalid or unlawful for any reason, the invalid portion shall not effect or impair the validity of the remaining portions of the original Agreement.

**Signature Page Follows**

# 2\_PUYALLUP\_181004279 Denial of Funding\_Appeal\_180712

*Signature Page for Unite Private Networks, LLC and Puyallup School District No. 3 Amendment dated 3/25/2009*

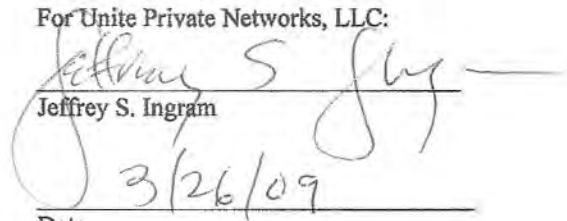
For Puyallup School District No. 3:

  
Jay McSweeney

Date

3-25-09

For Unite Private Networks, LLC:

  
Jeffrey S. Ingram

Date

3/26/09



# Attachment C-UPN Letter of Support



7200 NW 86<sup>th</sup> Street, Ste M  
Kansas City, MO 64153  
Phone: 816-903-9400  
Fax: 816-903-9401  
E-mail: matt.wiltanger@upnfiber.com  
Matt Wiltanger  
General Counsel

July 5, 2018

Schools and Libraries Universal Service Support Mechanism, CC Docket No. 02-6  
700 12th St NW #900  
Washington, DC 20005

Re: Appeal of Funding Commitment Decision (Form 471 #181004279)

To Whom It May Concern:

Please accept this letter as Unite Private Networks, LLC's ("UPN") letter in support of the Puyallup School District's ("District") appeal of its Funding Commitment Decision Letter for its Form 471 No. 181004279 ("Form 471") and associated Funding Request Number ("FRN") 1899019937.

UPN and the District entered into a Wide Area Network Leasing and Services Agreement on February 11, 2009 (the "Agreement") for the fiber and switches that the District utilizes for its Metropolitan Area Network ("MAN"). Under the Agreement, UPN deployed switches to each of the District's sites and the hub site in 2010 – eight years ago. While no significant outages have occurred yet, those switches have passed their end of life cycle and upgrades were needed.<sup>1</sup>

Because the Agreement allows for changes to be made in the MAN facilities and MAN services provided by UPN, the parties worked together to come up with the best way to meet the District's needs, replace aging equipment, and provide the services. During those meetings, it was determined that removing the UPN switches entirely at the remote locations would avoid another point of possible failure in the District's network and make it even more reliable. To accomplish the upgrade, the District would need to add a 48-port expansion module at its network routing switch at Glacier View Junior High School, the District hub location. Based on budgetary research, it appeared to the District that it could obtain the expansion module directly at a lower cost than the cost UPN would incur and pass through to the District.

**7200 NW 86<sup>th</sup> Street, Ste M, Kansas City, MO 64153**  
**Phone: 816-903-9400 Fax: 816-903-9401**

---

<sup>1</sup> Standard life cycle for these type of switches is three to eight years, depending on software upgrades and maintenance requirements.

## 2\_PUYALLUP\_181004279 Denial of Funding\_Appeal\_180712

Letter to Appeal Team  
July 5, 2018  
Page 2

As noted in the District's Appeal, the District followed all E-rate rules and requirements in its procurement process for both the Agreement and the purchase of the expansion module. Both parties believe that these purchases are in line with current E-rate guidelines and the Agreement and are in the best interest of the District's staff and students. It will also allow the District to meet the SETDA goals of connectivity ratio for 10 Gigabit/connection per 1,000 students that the FCC adopted in the E-rate Modernization Orders.

For these reasons, UPN supports the District's request for reconsideration of USAC's denial of funding for FRN 1899019937. Please do not hesitate to contact us should you have any questions or need any additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Matt Wiltanger", with a stylized flourish at the end.

Matt Wiltanger  
General Counsel  
Unite Private Networks

# Attachment D-USAC Fiber FAQ's

## 2\_PUYALLUP\_181004279 Denial of Funding\_Appeal\_180712

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Hide Answer

### Q8: What is Network Equipment?

**A8:** Network Equipment is limited to modulating electronics and other equipment necessary to make a Category One broadband service functional. Network Equipment is eligible for Category One support.

While Network Equipment is eligible for Category One support, it is a different service than special construction. Applicants that wish to request E-rate support for special construction must seek bids for Network Equipment separately on their FCC Form 470. Additionally, on the FCC Form 471, applicants must request E-rate support for Network Equipment in a funding request that is separate from a special construction funding request.

For additional information on how to seek bids and E-rate support for Network Equipment, see [Q26](#) below.

[Back to top](#)

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Hide Answer

### Q9: How do I know when on-premise equipment is Network Equipment eligible for Category One support or an internal connection eligible for Category Two support?

**A9:** In most cases, the connection providing Category One broadband connectivity to a school would terminate into one device, and that device would serve as a demarcation point between the last mile circuit and the school LAN. In that case, the terminating router or switch would be Network Equipment eligible for Category One support, because without it, the needed broadband connectivity could not be delivered to the school (i.e., the Category One broadband service would not function). The mere fact that the device also interfaces with the school's LAN and ultimately enables the LAN's connectivity does not preclude the school from requesting Category One support for the cost of the device.

For example, fiber to a school may terminate into a router that is then connected to the school's LAN via a series of switches. The terminating router or switch must interface with the LAN for the LAN to receive connectivity. The router into which the Category One fiber service terminates would be Network Equipment. It is necessary so that Category One broadband service to the school can function. That remains true even though the router is connected to the school's LAN via a series of switches. The series of switches, however, would not be Network Equipment. The purpose of those devices is to enable the functionality of the LAN. They are not necessary to deliver Category One broadband service to the school.

Note that the demarcation points for different schools and libraries may vary based on the configurations of their networks. If you have questions about whether equipment involved in a particular network configuration would constitute Network Equipment eligible for Category One support or internal connections eligible for Category Two support, please contact the Client Service Bureau to discuss the specific facts necessary to make that determination.





PUYALLUP  
SCHOOL DISTRICT

*A Tradition of Excellence*

Timothy S. Yeomans, Ed.D., Superintendent

## Attachment E-Puyallup District Letter

July 9, 2018

Schools and Libraries Universal Service Support Mechanism, CC Docket No. 02-6  
700 12th St NW #900  
Washington, DC 20005

Re: Appeal of Funding Commitment Decision (Form 471 #181004279)

Dear USAC Appeals Team:

The Puyallup School District applied for E-rate Category 1 funding to add a 48-port expansion module. The purpose of the module is to connect schools and support buildings directly to the district's core network routing switch located at Glacier View Junior High School. The connections will travel over the district's Metropolitan Area Network, which consists of fiber-optics connections leased from Unite Private Networks (UPN). As allowed for in the district's 2009 contract with UPN, we are in the process of bypassing UPN's switches and directly connecting all district locations directly to the district's core routing switches. This will allow the district to increase bandwidth provided to all students, and allow the district to better manage its network traffic.

The expansion module is a necessary component of this upgrade, since there are insufficient 10 Gbit connections in the routing switch without it. In the previous configuration (which has been in place since 2010), a single 10 Gbit connection from the routing switch to UPN's MAN switch, which then handled the connection over the fiber (typically only 1 Gbit). That configuration, however, does not meet the goals of the district as it seeks to provide additional capacity to meet the current and future needs of its students and staff.

While this might not be the "typical" UPN configuration, the district's competitive bid procurement followed all E-rate rules. We certify that the *Hewlett Packard JH249A FlexFabric 12900 48-port 1/10GbE SFP+ FE Module*, for which the district is seeking E-rate funding, is for the district's core switch and the device is used solely to terminate 10 Gbps MAN service. It is not currently, nor will it be, used to route LAN traffic.

In light of these facts, we respectfully request a reconsideration of USAC's denial of funding for E-rate Form 471 #181004279.

Sincerely,

Dr. Tim Yeomans  
Superintendent

Randy Averill  
Executive Director, Capital Technology



# Attachment F-FCC 470 #180014620

Records / FCC Forms 470

## Puyallup 2018-C1 Equip - #180014620



[Summary](#)

[Generated Documents](#)

[News](#)

[Related Actions](#)



**USAC's Internal System** PUYALLUP SCHOOL DISTRICT 3's FCC Form 470 - 180014620 for Funding Year 2018 was successfully posted to the USAC website on 1/11/2018. This posting begins the required 28 day competitive bidding process. The allowable contract date is 2/8/2018.

It is important that you review this form now to make sure the products and services you require have been correctly posted and, if necessary, take any appropriate corrective action as soon as possible. You are allowed to correct certain errors on your form but not others. For fields that allow a correction, you will be able to edit the information in the form field directly.

To determine what corrections are allowable and why, see the "List of correctable ministerial and clerical errors" on our website.

### NEXT STEPS

- Make sure that you wait 28 days before you select your service provider(s) and sign any contracts.
- Use the Form 470 Application Number shown above in any Form 471, Block 5 Funding Request that cites this Form 470. Share this number with those schools and/or libraries who may wish to cite this Form 470 in their Form(s) 471.
- Follow all applicable state and local procurement laws and be prepared to demonstrate compliance with these laws.
- Watch our website for information about the Form 471 filing window.- You can view your entire Form 470 by clicking the link below.

Puyallup 2018-C1 Equip... #145268 - PUYALLUP S...

Yesterday, 4:17 PM ☆ 🔒 [Comment](#) [Hide Info](#) ▲

**Application Number** 180014620

**Entity Number** 352030

**Allowable Contract Date** Feb 8, 2018

2\_PUYALLUP\_181004279 Denial of  
Funding\_Appeal\_180712

# 2\_PUYALLUP\_181004279 Denial of Funding\_Appeal\_180712



## FCC Form 470 – Funding Year 2018

Form 470 Application Number: 180014620

Puyallup 2018-C1 Equip

### Billed Entity

PUYALLUP SCHOOL DISTRICT 3  
1501 39TH AVENUE SW  
PUYALLUP, PIERCE, WA 98373  
253-841-8750

### Contact Information

Randy Averill  
averilre@puyallup.k12.wa.us  
253-841-8750

**Billed Entity Number:** 145268

**FCC Registration Number:** 0018731943

### Application Type

**Applicant Type:** School District

**Recipients of Services:** New Construction School; Pre-K; Public School; Public School District

**Number of Eligible Entities:** 35

### Consulting Firms

| Name                                       | Consultant Registration Number | Phone Number | Email                        |
|--|--------------------------------|--------------|------------------------------|
| E-Rate Central                             | 16060891                       | 516-801-7800 | whimsworth@e-ratecentral.com |
| Washington State E-rate Coordinator (OSPI) | 17005926                       | 971-279-5808 | erate@k12.wa.us              |

### Consultants

| Name               | Phone Number | Email                         |
|--------------------|--------------|-------------------------------|
| Andrew Eisley      | 516-801-7821 | aeisley@e-ratecentral.com     |
| Caroline Wolf      | 516-801-7822 | cwolf@e-ratecentral.com       |
| Jessica Olsen      | 516-801-7829 | jolsen@e-ratecentral.com      |
| Kyndal Chase       | 516-801-7827 | kchase@e-ratecentral.com      |
| Melinda Van Patten | 516-801-7828 | mvvanpatten@e-ratecentral.com |
| Michael Ginzburg   | 516-801-7886 | mginzburg@e-ratecentral.com   |
| Susan Tenkhoff     | 971-279-5808 | washingtonerate@gmail.com     |
| William Weippert   | 516-801-7883 | wweippert@centraled.com       |

### RFPs

| Id    | Name                                |
|-------|-------------------------------------|
| 44870 | Puyallup_470 C1 Equip 180014620_Q&A |

### Category One Service Requests

| Service Type                              | Function | Other | Minimum Capacity | Maximum Capacity | Entities | Quantity | Unit  | Installation and Initial Configuration? | Maintenance and Technical Support? | Associated RFPs |
|---|----------|-------|------------------|------------------|----------|----------|-------|---|------------------------------------|-----------------|
| Internet Access and/or Telecommunications | Other    | 1     | 1 Gbps           | 10 Gbps          | 35       | 1        | Lines | Yes                                     | Yes                                | 44870           |

## 2\_PUYALLUP\_181004279 Denial of Funding\_Appeal\_180712

### Description of Other Functions

| <b>Id</b> | <b>Name</b>      |
|-----------|------------------|
| 1         | Expansion Module |

#### **Narrative**

The District is requesting bids for the following expansion module, or equivalent and compatible: Hewlett Packard Enterprise part number JH249A, FlexFabric 12900 48-Port 1/10GbE SFP+ FE Module for network modulating electronics necessary to make a district WAN broadband service functional. Bids must be submitted via email to Randy Averill: AverilRE@puyallup.k12.wa.us and Chris Tillman: TillmanC@puyallup.k12.wa.us and carbon copied to bidsnc@e-ratecentral.com no later than 2/8/2018. The bid timeline and specifications may be adjusted by the District and will be made public through an RFP addendum to this Form 470.

### Category Two Service Requests

| <b>Service Type</b> | <b>Function</b> | <b>Manufacturer</b> | <b>Other</b> | <b>Entities</b> | <b>Quantity</b> | <b>Unit</b> | <b>Installation and Initial Configuration?</b> | <b>Associated RFPs</b> |
|---------------------|-----------------|---------------------|--------------|-----------------|-----------------|-------------|--|------------------------|
|---------------------|-----------------|---------------------|--------------|-----------------|-----------------|-------------|--|------------------------|

### Description of Other Manufacturers

| <b>Id</b> | <b>Name</b> |
|-----------|-------------|
|-----------|-------------|

#### **Narrative**

### Technical Contact

Randy Averill  
Executive Director of Technology Service  
253-841-8750  
averilre@puyallup.k12.wa.us

### State and Local Procurement Restrictions

To assure full consideration, bids and/or information requests directed to the applicant contacts provided in the Narrative of this Form 470 and should (a) reference the nine-digit Form 470 number, and (b) be copied to E-Rate Central by email (bidsnc@e-ratecentral.com). All proposed pricing should be embedded within any bid proposal. Subject to contract restrictions, services may be reevaluated for cost-effectiveness at any time during the year. As required by E-rate rules, all bids in response to this Form 470 must offer the Lowest Corresponding Price (LCP). See <http://usac.org/sl/service-providers/step02/lowest-corresponding-price.aspx>.

### Recipients of Service

| <b>Billed Entity Number</b> | <b>Billed Entity Name</b>  |
|-----------------------------|----------------------------|
| 145268                      | PUYALLUP SCHOOL DISTRICT 3 |

### Certifications

I certify that the applicant includes:

I certify that the applicant includes schools under the statutory definitions of elementary and secondary schools found in the No Child Left Behind Act of 2001, 20 U.S.C. §§ 7801 (18) and (38), that do not operate as for-profit businesses, and do not have endowments exceeding \$50 million.

Other Certifications

I certify that this FCC Form 470 and any applicable RFP will be available for review by potential bidders for at least 28 days before considering all bids received and selecting a service provider. I certify that all bids submitted will be carefully considered and the bid

## 2\_PUYALLUP\_181004279 Denial of Funding\_Appeal\_180712

selected will be for the most cost-effective service or equipment offering, with price being the primary factor, and will be the most cost-effective means of meeting educational needs and technology goals.

I certify that I have reviewed all applicable FCC, state, and local procurement/competitive bidding requirements and that I have complied with them. I acknowledge that persons willfully making false statements on this form may 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.

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 certify that I will retain required documents for a period of at least 10 years (or whatever retention period is required by the rules in effect at the time of this certification) after the later of the last day of the applicable funding year or the service delivery deadline for the associated funding request. I certify that I will retain all documents necessary to demonstrate compliance with the statute and Commission rules regarding the form for, receipt of, and delivery of services receiving schools and libraries discounts. I acknowledge that I may be audited pursuant to participation in the schools and libraries program. I certify that the services the applicant purchases at discounts provided by 47 U.S.C. § 254 will be used primarily for educational purposes, see 47 C.F.R. § 54.500, and will not be sold, resold or transferred in consideration for money or any other thing of value, except as permitted by the Commission's rules at 47 C.F.R. § 54.513. Additionally, I certify that the entity or entities listed on this form have not received anything of value or a promise of anything of value, other than services and equipment sought by means of this form, from the service provider, or any representative or agent thereof or any consultant in connection with this request for services.

I acknowledge that support under this support mechanism is conditional upon the school(s) and/or library(ies) I represent securing access, separately or through this program, to all of the resources, including computers, training, software, internal connections, maintenance, and electrical capacity necessary to use the services purchased effectively. I recognize that some of the aforementioned resources are not eligible for support. I certify that I have considered what financial resources should be available to cover these costs. I certify that I am authorized to procure eligible services for the eligible entity(ies). I certify that I am authorized to submit this request on behalf of the eligible entity(ies) listed on this form, that I have examined this request, and to the best of my knowledge, information, and belief, all statements of fact contained herein are true.

### NOTICE:

In accordance with Section 54.503 of the Federal Communications Commission's ("Commission") rules, certain schools and libraries ordering services that are eligible for and seeking universal service discounts must file this Description of Services Requested and Certification Form (FCC Form 470) with the Universal Service Administrator. 47 C.F.R. § 54.503. 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. § 54.503. Schools and libraries 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 requested in this form. We will use the information you provide to determine whether you have complied with the competitive bidding requirements applicable to requests for universal service discounts. If we believe there may be a violation or a potential violation of any applicable statute, regulation, rule or order, the information you provide in this form 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 you provide in this form 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.

## 2\_PUYALLUP\_181004279 Denial of Funding\_Appeal\_180712

If you owe a past due debt to the federal government, the information you provide in this form 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 or Universal Service Administrator may return your form without action or deny a related request for universal service discounts.

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 3.5 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. We also will accept your comments via the email if you send them to PRA@FCC.gov. DO NOT SEND COMPLETED WORKSHEETS TO THESE ADDRESSES.

### Authorized Person

Randy Averill  
PUYALLUP SCHOOL DISTRICT 3  
1501 39TH AVENUE SW  
PUYALLUP, PIERCE, WA 98373  
253-841-8750  
averilre@puyallup.k12.wa.us

### Certified Timestamp

01/11/2018 04:16 PM EST

## Attachment G-Competitive Bids

[HOME](#) / [NETWORK & COMMUNICATION](#) / [ROUTING/SWITCHING DEVICES](#) / [MODULES](#) / [EXPANSION MODULE](#) / [HP ENTERPRISE](#) / [JH249A](#)

## HPE FlexFabric 12900 48-Port 1/10GbE SFP+ FE Module

For Data Networking, Optical NetworkOptical Fiber10 Gigabit Ethernet - 10GBase-X - 10 Gbit/s - 48 x Expansion Slots - SFP+

**Need help with  
Digital Signage  
Content Management?****We do that...**  
anywhere in Canada!

MFG #: JH249A

SHIP WEIGHT: 27 LBS.

**\$50,310** CAD

Retail Price: \$71505

**Save \$21195**

ADD to CART

**Request a Quote on this Item!**  
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**IT CONSULTANT?**

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Pictures for illustration purposes only. Actual product may vary.

[More Hewlett-packard](#)[More Modules from HPE](#)[More Modules](#)

## Product Highlights

- Product Type: Expansion Module
- Network Technology: 10GBase-X
- Maximum Data Transfer Rate: 10 Gbit/s
- Media Type Supported: Optical Fiber

## Real-time Stock Availability

Warehouse Location

Available

Incoming

Total Available: 0

Total Incoming: 0

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2\_PUYALLUP\_181004279 Denial of  
Funding\_Appeal\_180712

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2\_PUYALLUP\_181004279 Denial of

Funding\_Appeal\_180712

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/ [EXPANSION MODULE \(/NETWORKING/MODULES/EXPANSION-MODULE/001011078129040-244144/\)](#)  
/ [HP \(/NETWORKING/MODULES/EXPANSION-MODULE/HPE/001011078129040-244144-11043455/\)](#)  
/ [JH249A \(HTTPS://WWW.FRONTIERPC.COM/NETWORKING/MODULES/EXPANSION-MODULE/HPE/FLEXFABRIC-12900-48-PORT-1-10GBE-SFP+-FE-MODULE-JH249A-1032113158.HTML\)](#)

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Regular Price:

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You Save:

\$17,881.20

**Our Price:**

**\$53,623.80**

1

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## 2\_PUYALLUP\_181004279 Denial of Funding\_Appeal\_180712

Currently out of stock

Or for Corporate, Government, Education, and Volume:

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Pricing in \$CAD. This product is also available to lease for an estimated \$1,698.09 per month, please call for details.

### Live Warehouse Stock

|                    |   |
|--------------------|---|
| Halifax, NS        | 0 |
| Montreal, QC       | 0 |
| Toronto, ON        | 0 |
| Calgary, AB        | 0 |
| Richmond, BC       | 0 |
| <b>Total Stock</b> | 0 |

Orders placed before Noon warehouse time normally ship on the same business day. Accurate billing and shipping information avoids delays.

## HPE FlexFabric 12900 48-Port 1/10GbE SFP+ FE Module \*\*

For Data Networking, Optical NetworkOptical Fiber10 Gigabit Ethernet - 10GBase-X - 10 Gbit/s - 48 x  
Expansion Slots - SFP+



Image(s) and product specifications may not represent actual product and are subject to change.



Save ◀ 0

## 2\_PUYALLUP\_181004279 Denial of Funding\_Appeal\_180712

**Web ID:** 1032113158    **Mfr. Part:** JH249A

48-port 1/10GbE SFP+ FE Module for the HP FlexFabric 12900 Switch

\*\* Unless defective, this product is final sale once the packaging has been opened.

More by **Category** (/search.php?keys=A001011078129040%2B244144%2B11043455)

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Overview    Bundles & Services

---

### General Information

Manufacturer:

Hewlett Packard Enterprise

Manufacturer Part Number:

JH249A

Manufacturer Website Address:

http://www.hpe.com

Brand Name:

HPE

Product Name:

FlexFabric 12900 48-Port 1/10GbE SFP+ FE Module

Product Type:

Expansion Module

Packaged Quantity:

1

### Technical Information

Application/Usage:

Data Networking

Optical Network

### Media & Performance

Media Type Supported:

Optical Fiber

Ethernet Technology:

## 2\_PUYALLUP\_181004279 Denial of Funding\_Appeal\_180712

# HP / HPE PRICE LIST 2018

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*Need help? We're happy to answer your questions.*

| #No | Product                       | List Price (USD) | Description  |
|-----|-------------------------------|------------------|--|
| 1   | JH249A<br>(/hp/jh249a.html)   | \$54999.00       | HPE 12900 48p 1/10GbE SFP+ FE Mod : HPN DC Core 129XX Switch Line Card Modules             |
| 2   | JG626A<br>(/hp/jg626a.html)   | \$45000.00       | HPE 12900 48p 10GbE SFP+ EC Mod : HPN DC Core 129XX Switch Line Card Modules               |
| 3   | JG624A<br>(/hp/jg624a.html)   | \$36000.00       | HPE 12900 48p 10GbE SFP+ EA Mod : HPN DC Core 129XX Switch Line Card Modules               |
| 4   | JH202A<br>(/hp/jh202a.html)   | \$30095.00       | HPE 10500 24p GbE/10GbE SFP+ EC TAA Mod : HPN Campus 105XX Switch Modules TAA              |
| 5   | JH194A<br>(/hp/jh194a.html)   | \$29695.00       | HPE 10500 24p 1/10GbE SFP+ EC Mod:10XXX Modular  |
| 6   | JH205A<br>(/hp/jh205a.html)   | \$29395.00       | HPE 10500 48p GbE/10GbE SFP+ SG TAA Mod : HPN Campus 105XX Switch Modules TAA              |
| 7   | JH197A<br>(/hp/jh197a.html)   | \$28995.00       | HPE 10500 48p 1/10GbE SFP+ SG Mod:10XXX Modular  |
| 8   | JC755AR<br>(/hp/jc755ar.html) | \$27749.00       | HPE 10500 32-port 10GbE SFP+ Remanufactured Module:RMKT - Aruba Switch High End 75XX/10XXX |
| 9   | JH193A<br>(/hp/jh193a.html)   | \$23995.00       | HPE 10500 16p 1/10GbE SFP+ SF Mod:10XXX Modular  |

UPN Responses are shown in bold blue and underlined.

REQUEST FOR PROPOSAL FOR

**High Bandwidth Intra-District  
Metropolitan Area Network (MAN)**

**Puyallup School District No. 3**

Tony Apostle, Ed. D., Superintendent

Jay A. McSweeney, Director of Information Technology

Puyallup School District No. 3, 1501 39<sup>th</sup> Ave SW  
Puyallup, Washington 98373



### 3\_Excerpt from UPN's formal bid response

sheath.

1.16 The Vendor should identify routes for installation of the fiber optic cable. This step may include measuring distances between sites, if necessary. Refer to item 4.1 above for more details.

UPN has provided maps of proposed routes. Actual routes may change based on final engineering and permitting provided they don't diminish UPN's ability to meet the requirements of this RFP and subsequent Agreement and do not cost the District any additional monies.

1.17 The Vendor should generate a GIS map(s) with the fiber optic cable identified by proposed ring or radial. UPN Agrees

1.18 The MAN shall be constructed primarily for District use and shall consist of standard SMF-28 (or equivalent) armored fiber optic cable. **The vendor may also include a pricing option for non-armored fiber optic cable, with rational and pros/cons for why the District should or should not select either type.** Fiber optic cable will have maximum dB loss values of .4 (1310 wavelength) and .35 (1550 wavelength) per fiber kilometer. Splices shall have maximum dB loss of .1 per splice. Fiber leaving a building to two separate destinations shall be separated into two separate fiber sheaths leaving the property line at a physical distance of no less than 30 feet. Vendors will provide lease pricing that includes building entry into all District facilities.

**Change Per Addendum 3**

UPN has provided a hybrid solution of which some fiber is armored and some is all dielectric. UPN's standard construction practices which have been proven over the years generally call for armored cable when placed aerially and all dielectric when placed underground. The reason all dielectric functions well in the underground applications is because UPN always places underground fiber in conduit and it is therefore physically protected by the conduit in a similar and likely superior manor to what the armor would accomplish. UPN also places all dielectric cable as a final link into each school building where feasible to prevent an ingress route for potentially disruptive stray electrical activity and lightning. This practice also provides an added safety feature against shock or electrocution for personnel that come in contact with the fiber optic cable entering the building from outside each facility.

**2.0 Sites** See Exhibit A Puyallup School District No. 3.

2.1 Vendor will propose a solution for connection of all sites to the District's Information Technology Center 2.2 District may, at its sole discretion, select none, one, or any combination of sites for connection.

2.3 Solution must be compatible with existing District network. The District must retain routing control of traffic between "channels".

UPN is willing to work with the District to accomplish this task and simultaneously reduce overall project cost. UPN will allow the district to have full and unfettered access to those UPN switches and routers dedicated to District MAN function OR UPN will allow the District to use it's own switches and routers as the District chooses and reduce the prices to the District listed in this RFP response by actual cost plus 21% for each District switch/router used in lieu of a UPN switch/router. To comply with Erate rules on eligible services UPN will still be required to provide GBIC modules. By doing this at least three



### 3 Excerpt from UPN's formal bid response

Puyallup School District No. 3 High Bandwidth Intra-District MAN

Page 28

items are accomplished that further enhance the MAN from the District's perspective:

- 1) Reduced Price
- 2) Less Equipment Means Less Failure Points And Fewer Hops For Latency
- 3) Maximum Control Available For District That Still Complies With Erate Rules

2.4 Physical and logical topologies are to be explained in the proposal. UPN Agrees

#### 3.0 Other related K-12 Network Solutions Criteria

3.1 Vendor must have proven track record of providing networking solutions to organizations serving K- 12 with technology solutions, development and delivery. Three (3) K-12 references comparable to size and complexity of PSD are to be provided as specified in item 2.17.2.

UPN has provided a reference list as part of this response and encourages PSD to contact any of UPN's current MAN/WAN customers.

3.3 All Vendor staff assigned to provide services to the District pursuant to this RFP shall be fully qualified to perform such work.

Because UPN has such an emphasis on the K-12 MAN solutions the District can be assured of a successful and superior MAN experience from UPN.

3.4 Vendor must demonstrate a proven track record of project management expertise.

UPN has approximately 50 school district customers and has built all or substantially all of their MAN networks. UPN invites PSD to contact any of these districts to get feedback on UPN' capabilities and expertise in project management.

3.5 Vendor must be able to fully implement any recommended network solutions.

UPN will have local expertise that will have the ability to make on the spot decisions required to keep the MAN implementation online and on schedule.

UPN's local project manager will also have the ability to draw on UPN's significant knowledge base throughout the corporation.

#### 4.0 Additional Information

4.1 *The District has done a preliminary study to determine the approximate cost of construction and ownership of a dark fiber network. This study resulted in the accumulation of a large amount of valuable data which should be extremely helpful in preparing your response to this proposal. This study data is located at Exhibit C, starting on page 26.*

4.2 Proposal must include pricing for non-recurring (one-time capital) and monthly lease costs thereafter. 4.3 Proposal should include more than one payment schedule, selectable at the District's option.

4.4 Vendors must provide company history and proof of financial stability.

4.4 Pricing is to include facility and equipment installation and lease of equipment; and support and



Jeff Ingram  
Executive Vice President  
Unite Private Networks, LLC  
P.O. Box 25526  
Kansas City, MO 64119  
Phone: 913-486-6556  
Email: jeff.ingram@upnllc.com

March 25, 2009

Puyallup School District No. 3  
Attn: Jay McSweeney  
1501 39<sup>th</sup> Avenue SW  
Puyallup, Washington 98373

Dear Mr. McSweeney,

THIS IS AN AMENDMENT to the original agreement, entered into by and between the Puyallup School District No. 3 ("District"), and Unite Private Networks, LLC ("UPN") dated February 11, 2009.

The parties wish to modify section 16 (p) Board Approval Contingency of the original Agreement to change the Board approval date from April 27, 2009 to June 30, 2009. The parties agree Section 16 (p) shall read as follows:

Both parties agree this Agreement does not become binding upon either party unless and until a resolution is approved by the Board of Directors of the District authorizing the execution of this agreement which shall occur no later than June 30, 2009.

**By signing, the undersigned hereby warrant:**

- that they are authorized agents of Unite Private Networks, LLC and the Puyallup School District No. 3, respectively;
- that they have the authority to enter into this Amendment on behalf of the parties to the original Agreement and;
- that they bind the parties to this Amendment and to the terms contained in this Amendment.

We both agree that this contains the entire amendment between Unite Private Networks, LLC and Puyallup School District No. 3 about the matters covered in this document. This Amendment shall be binding upon and inure to the benefit of the heirs, successors and assigns of the parties to this Amendment.

We make this Amendment under the laws of the State of Missouri. We both agree to adhere to fair business practices and to comply with all federal, state, and local laws and regulations. If any portion of this Amendment shall be held invalid or unlawful for any reason, the invalid portion shall not effect or impair the validity of the remaining portions of the original Agreement.

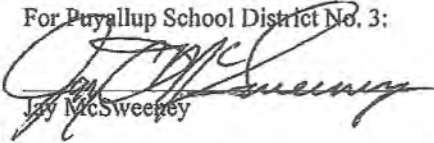
**Signature Page Follows**

3\_Excerpt from UPN's formal bid response

## 4\_UPN Letter of Support of Puyallup Appeal 2018-7-5

*Signature Page for Unite Private Networks, LLC and Puyallup School District No. 3 Amendment dated 3/25/2009*

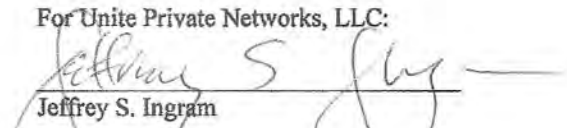
For Puyallup School District No. 3:

  
Jay McSweeney

Date

3-25-09

For Unite Private Networks, LLC:

  
Jeffrey S. Ingram

Date

3/26/09



## 4\_UPN Letter of Support of Puyallup Appeal 2018-7-5



7200 NW 86<sup>th</sup> Street, Ste M  
Kansas City, MO 64153  
Phone: 816-903-9400  
Fax: 816-903-9401  
E-mail: matt.wiltanger@upnfiber.com  
Matt Wiltanger  
General Counsel

July 5, 2018

Schools and Libraries Universal Service Support Mechanism, CC Docket No. 02-6  
700 12th St NW #900  
Washington, DC 20005

Re: Appeal of Funding Commitment Decision (Form 471 #181004279)

To Whom It May Concern:

Please accept this letter as Unite Private Networks, LLC's ("UPN") letter in support of the Puyallup School District's ("District") appeal of its Funding Commitment Decision Letter for its Form 471 No. 181004279 ("Form 471") and associated Funding Request Number ("FRN") 1899019937.

UPN and the District entered into a Wide Area Network Leasing and Services Agreement on February 11, 2009 (the "Agreement") for the fiber and switches that the District utilizes for its Metropolitan Area Network ("MAN"). Under the Agreement, UPN deployed switches to each of the District's sites and the hub site in 2010 – eight years ago. While no significant outages have occurred yet, those switches have passed their end of life cycle and upgrades were needed.<sup>1</sup>

Because the Agreement allows for changes to be made in the MAN facilities and MAN services provided by UPN, the parties worked together to come up with the best way to meet the District's needs, replace aging equipment, and provide the services. During those meetings, it was determined that removing the UPN switches entirely at the remote locations would avoid another point of possible failure in the District's network and make it even more reliable. To accomplish the upgrade, the District would need to add a 48-port expansion module at its network routing switch at Glacier View Junior High School, the District hub location. Based on budgetary research, it appeared to the District that it could obtain the expansion module directly at a lower cost than the cost UPN would incur and pass through to the District.

**7200 NW 86<sup>th</sup> Street, Ste M, Kansas City, MO 64153**  
**Phone: 816-903-9400 Fax: 816-903-9401**

---

<sup>1</sup> Standard life cycle for these type of switches is three to eight years, depending on software upgrades and maintenance requirements.



## 4\_UPN Letter of Support of Puyallup Appeal 2018-7-5

Letter to Appeal Team

July 5, 2018

Page 2

As noted in the District's Appeal, the District followed all E-rate rules and requirements in its procurement process for both the Agreement and the purchase of the expansion module. Both parties believe that these purchases are in line with current E-rate guidelines and the Agreement and are in the best interest of the District's staff and students. It will also allow the District to meet the SETDA goals of connectivity ratio for 10 Gigabit/connection per 1,000 students that the FCC adopted in the E-rate Modernization Orders.

For these reasons, UPN supports the District's request for reconsideration of USAC's denial of funding for FRN 1899019937. Please do not hesitate to contact us should you have any questions or need any additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Matt Wiltanger", with a stylized flourish at the end.

Matt Wiltanger  
General Counsel  
Unite Private Networks

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

|  |   |                      |
|--|---|----------------------|
| In the Matter of                               | ) |                      |
|  | ) |                      |
|  | ) |                      |
| Modernizing the E-rate Program for Schools and | ) | WC Docket No. 13-184 |
| Libraries                                      | ) |                      |
|  | ) |                      |

**ORDER**

**Adopted: October 5, 2017**

**Released: October 5, 2017**

By the Chief, Wireline Competition Bureau:

**I. INTRODUCTION**

1. In this Order, the Wireline Competition Bureau (Bureau) adopts the proposals we made in the *FY2018 ESL Public Notice*<sup>1</sup> and releases the eligible services list (ESL) for funding year (FY) 2018 for the schools and libraries universal service support program (more commonly referred to as the E-rate program).<sup>2</sup> We also authorize the Universal Service Administrative Company (USAC) to open the annual application filing window no earlier than 60 days after release of this Order.<sup>3</sup>

**II. BACKGROUND**

2. Sections 254(c)(1), (c)(3), (h)(1)(B), and (h)(2) of the Communications Act collectively grant the Commission authority to specify the services that will be supported for eligible schools and libraries and to design the specific mechanisms for support.<sup>4</sup> Pursuant to this authority, the Commission delegated responsibility to the Bureau to update the ESL annually.<sup>5</sup> In the *FY2018 ESL Public Notice*, we sought comment on adding language to the ESL regarding eligibility for mixed-use equipment and on the categorization of inside wiring between different schools or libraries sharing a single building.<sup>6</sup> The comment cycle closed on August 7, 2017.<sup>7</sup>

**III. DISCUSSION**

3. Having considered the record, we update the ESL for FY2018 as described herein. We adopt the first change proposed in the *FY2018 ESL Public Notice* with additional clarification to address comments received. We also find that inside wiring for a single building that houses two or more schools

<sup>1</sup> *Wireline Competition Bureau Seeks Comment on Proposed Eligible Services List for the E-rate Program*, WC Docket No. 13-184, Public Notice, 32 FCC Rcd 5025 (WCB 2017) (*FY2018 ESL Public Notice*).

<sup>2</sup> See Appendix B, *Schools and Libraries Universal Service Support Mechanism, Eligible Services List for Funding Year 2018 (FY2018 ESL)*. The ESL specifies the services and products that are eligible for E-rate discounts.

<sup>3</sup> 47 CFR § 54.502(d) (requiring the final ESL to be released at least 60 days prior to the opening of the application filing window).

<sup>4</sup> 47 U.S.C. §§ 254(c)(1), (c)(3), (h)(1)(B), (h)(2).

<sup>5</sup> See 47 CFR § 54.502(d) (detailing the procedures for seeking comment on a draft ESL).

<sup>6</sup> *FY2018 ESL Public Notice*, 32 FCC Rcd at 5025-26.

<sup>7</sup> *Id.*

is eligible for Category Two support. We decline to make further changes to the ESL, including any of the changes proposed in the comments and reply comments received in response to the notice for the reasons discussed below.

4. First, we add to the ESL the proposed clarifying note regarding the eligibility of on-premises Network Equipment with both Category One and Category Two functionalities.<sup>8</sup> This note informs stakeholders that on-premises Network Equipment that has both Category One and Category Two functionalities is eligible for Category One support if it is necessary to make a Category One broadband service functional. The State E-rate Coordinators Alliance (SECA) requests in its comments that we identify specific types of mixed-eligibility equipment or provide examples of network designs to assist applicants.<sup>9</sup> We decline to provide a list of specific equipment or examples of network designs in the *FY2018 ESL* because such a list could be unnecessarily limiting. For the same reason, we decline to require USAC to post examples. We note, however, that applicants or service providers with questions about the equipment involved in a particular network configuration may contact USAC to discuss the specific facts necessary to make a determination about the categorization.

5. Additionally, we decline requests from commenters for certain additional services to be eligible as Category One services, or requests for certain services to be declared eligible for support without specification as to the applicable service category. Some commenters argue that we should read the clause “if it is necessary to make a Category One broadband service functional” to make network security or caching equipment eligible as Category One services.<sup>10</sup> We decline to read this clause so broadly. As noted in the *FY2016 ESL Order*, “fiber optic transceivers, network switches, network routers, and other modulating and routing electronics” are all examples of “equipment necessary to make a Category One broadband service *functional*.”<sup>11</sup> Despite the value of caching and network security services, we find that these services enhance a Category One broadband service, but do not make the broadband service functional and therefore are not eligible as Network Equipment under Category One.<sup>12</sup> Other commenters seek the addition of other network security services to the ESL without discussing the applicable category of service.<sup>13</sup> Although the Commission kept the record open in this proceeding to allow for further comment on these types of services,<sup>14</sup> we again decline to add these services to the

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<sup>8</sup> *FY2018 ESL Public Notice*, 32 FCC Rcd at 5025; see SECA Reply Comments at 2; Kellogg & Sovereign Consulting, LLC Comments at 2.

<sup>9</sup> SECA Reply Comments at 2 (requesting that network design drawings illustrating eligibility be made available on USAC’s website).

<sup>10</sup> See ApplianSys Comments at 19 (seeking Category One support for caching services by stating that they are needed to make broadband service functional); iBoss Comments at 4-8 (seeking support for Secure Web Gateway networks in category one by arguing that they are “a necessary requirement to make Category One broadband service functional” by ensuring the service is not compromised); K-12 National Advisory Council on Cybersecurity Comments at 5-6 (same).

<sup>11</sup> *Modernizing the E-rate Program for Schools and Libraries*, WC Docket No. 13-184, Order, 30 FCC Rcd 9923, 9927-28, para. 13 (WCB 2015) (*FY2016 ESL Order*) (emphasis added).

<sup>12</sup> We recognize that caching services can be used to reduce or enhance the bandwidth needed for an applicant’s Category One services. However, in its 2014 order, the Commission limited the eligibility of caching services to Category Two services and changing this eligibility would require the Commission to revisit this decision. *Modernizing the E-rate Program for Schools and Libraries*, WC Docket No. 13-184, Order, 29 FCC Rcd 8870, 8920, para. 130 (2014) (*2014 E-rate Order*).

<sup>13</sup> Aruba Comments at 1-2 (seeking support for policy management systems); AT&T Reply Comments at 3 (agreeing that security services should be funded by the program).

<sup>14</sup> *2014 E-rate Order*, 29 FCC Rcd at 8918, para. 121.

*FY2018 ESL*.<sup>15</sup> We also remind applicants and service providers that firewall services other than those offered as a standard part of eligible Internet access service are eligible only under Category Two.

6. Second, we clarify that applicants should classify inside wiring between two schools sharing a single building as Category Two services.<sup>16</sup> In the *FY2018 ESL Public Notice*,<sup>17</sup> we discussed the explanation provided in the *FY2017 ESL Order*, which stated that “[c]onnections between different schools with campuses located on the same property ... are considered to be Category One digital transmission services,”<sup>18</sup> and the *February 2017 Order* waiving that Category One classification for inside wiring for different schools or libraries that share a single building.<sup>19</sup> We sought comment on the eligibility category for this inside wiring and how to reconcile the Commission’s rules on this issue.<sup>20</sup> Only two commenters addressed this issue. AdTec, Inc. supports a second Bureau waiver allowing applicants to seek support for these connections under either category of service.<sup>21</sup> SECA suggests the Commission interpret the phrase “single school campus” in the definition of internal connections as allowing for a single campus containing multiple schools.<sup>22</sup> SECA contends that the definitions have not emphasized that a single school campus could only have one school, and that its proposed interpretation would allow multiple schools to share a single campus with internal connections linking the buildings.

7. We find that SECA’s proposal cannot be reconciled with the plain language of E-rate program rules and precedent. In the *Fourth Order on Reconsideration*, the Commission distinguished between internal connections and wide area networks (WANs) by explaining that WANs “are not internal connections because they do not provide connections within a school or library.”<sup>23</sup> It went on to explain that “connections between multiple instructional buildings on a single school campus would constitute internal connections. Connections between multiple separate schools, however, would not constitute internal connections and would instead be considered part of a wide area network.”<sup>24</sup> Based on this language, we disagree that the Commission meant for a “single school campus” to include multiple schools, as there is no other reason for the use of the word “single” or to distinguish WAN connections between multiple schools from internal connections on a “single school campus.”

8. That said, we find that inside wiring should be classified as a Category Two service without changing the definition of “campus” provided in the *FY2017 ESL Order*. First, the language in the *Fourth Order on Reconsideration* and the definition of a WAN in the program rules do not explicitly discuss wiring inside a single building that houses two different schools.<sup>25</sup> Instead, the definition states

<sup>15</sup> *Id.* (declining to designate network security services as eligible); *see also FY2016 ESL Order*, 30 FCC Rcd at 9929, para. 18 (declining to expand eligibility for other network security services); *Modernizing the E-rate Program for Schools and Libraries*, WC Docket No. 13-184, Order, 31 FCC Rcd 9767, 9769-70, para. 8, n.21 (WCB 2016) (*FY2017 ESL Order*).

<sup>16</sup> *FY2018 ESL Public Notice*, 32 FCC Rcd at 5025-26.

<sup>17</sup> *Id.*

<sup>18</sup> *FY2017 ESL Order*, 31 FCC Rcd at 9780, Appendix C.

<sup>19</sup> *Modernizing the E-rate Program for Schools and Libraries*, WC Docket No. 13-184, Order, 32 FCC Rcd 1189, 1192-94, paras. 9-10 (WCB 2017) (*February 2017 Order*).

<sup>20</sup> *FY2018 ESL Public Notice*, 32 FCC Rcd at 5025-26.

<sup>21</sup> AdTec, Inc. Comments at 1.

<sup>22</sup> SECA Reply Comments at 3-4.

<sup>23</sup> *Federal-State Joint Board on Universal Service*, CC Docket Nos. 96-45, 96-262, 94-1, 91-213, 95-72, Fourth Order on Reconsideration, Report and Order, 13 FCC Rcd 5318, 5440, para. 193 (1997) (*Universal Service Fourth Order on Reconsideration*).

<sup>24</sup> *Id.* at n.583.

<sup>25</sup> *Id.*; 47 CFR § 54.500 (Wide area network).

that a WAN is a network that provides connections from within an eligible school or library to a network that is *external* to it.<sup>26</sup> We now find that for the purposes of categorizing the inside wiring in a single building containing two or more schools, this wiring is generally not a WAN because it is not external to either school in the single building.<sup>27</sup> This finding is consistent with the definition of internal connections, as the inside wiring is within an instructional building of a single school campus, even if it is also within an instructional building of a second single school campus. We add language on page six of the *FY2018 ESL* to clarify that inside wiring is a Category Two service.<sup>28</sup>

9. We make no other changes to the ESL for FY2018. Several commenters support a request that the Bureau provide clarification regarding the procedures for an applicant seeking support for two funding requests for the same service during a transition between service providers.<sup>29</sup> We decline to address this issue in the ESL. Although both separate requests may be eligible for support, this issue is outside of the scope of the eligible services list. To the extent that stakeholders seek support for duplicative services from different service providers,<sup>30</sup> such support is inconsistent with the Commission's prior decisions.<sup>31</sup> In addition, for program administration purposes, applicants may not seek reimbursement for both services during any period of overlap when transitioning from one provider to another.<sup>32</sup>

10. We decline to make further changes in response to comments requesting that we add other services to the ESL or provide additional clarifications that are contrary to the Commission's decisions in 2014.<sup>33</sup> For example, T-Mobile requests that the Bureau add several clarifications to the ESL

<sup>26</sup> 47 CFR § 54.500 (providing that a wide area network is a "network that provides connections from one or more computers within an eligible school or library to one or more computers or networks that are external to such eligible school or library....").

<sup>27</sup> It is possible that two schools in a single building could be separated by multiple floors and a service provider might use an external WAN to connect the two local area networks. In this case, the applicant could seek Category One support for this connection, but be prepared to show why it is eligible in this manner during review.

<sup>28</sup> *FY2018 ESL*, Appendix B at 6 ("Connections between different schools with campuses located on the same property (e.g., an elementary school and middle school located on the same property) are considered to be Category One digital transmission services, *unless they share the same building.*") (emphasis added).

<sup>29</sup> See Kellogg & Sovereign Consulting, LLC Comments at 2-4. See also, e.g., AT&T Reply Comments at 1-2; SECA Reply Comments at 5-6; Southeastern Public Library System of Oklahoma Comments; Workable Programs and Systems, Inc. Comments.

<sup>30</sup> SECA Reply Comments at 6 (arguing that applicants may need Internet access service from multiple vendors and should be allowed to demonstrate cost-effectiveness).

<sup>31</sup> See *Schools and Libraries Universal Support Mechanism*, CC Docket No. 02-6, Second Report and Order and Further Notice of Proposed Rulemaking, 18 FCC Rcd 9202, 9209-11, paras. 22-24 (2003) (declining to support duplicative services); *Requests for Review by Macomb Intermediate School District Technology Consortium, Schools and Libraries Universal Support Mechanism*, CC Docket No. 02-6, Order, 22 FCC Rcd 8771 (2007) (denying a request for review of the denial of support for redundant networks).

<sup>32</sup> See Kellogg & Sovereign, LLC Comments at 5 (seeking support for the period of time remaining on a contract after the disconnect notice).

<sup>33</sup> See, e.g., ETC Video Comments at 1-2 (requesting that the Commission reestablish support for video components for the purpose of digital learning, which the Commission removed from ESL in the *2014 E-rate Order*); Commenters again advocated against the phase down of support for voice services. See, e.g., Denver Public Schools Comments at 1; Don DeVine Comments; T-Mobile Reply Comments at 9-10 (seeking support for cellular voice service for certain staff members for emergency situations). The Commission adopted the phase down of support for voice services in 2014 with a requirement for a report on the effects of the first two years of the phase down due no later than by October 1, 2017. Without further action by the Commission, there will be no support for voice services beginning in funding year 2019. See *2014 E-rate Order*, 29 FCC Rcd at 8926, 2828, paras. 140, 143.



regarding the cost-effectiveness of mobile broadband services.<sup>34</sup> First, the Commission has already stated that applicants seeking funding for data plans “should compare the cost of all components necessary to deliver connectivity to the end user device....”<sup>35</sup> Second, as we stated in the *FY2016 ESL Order*, we do not agree that the absence of bids for a wireless local area network (WLAN) establishes cost effectiveness of a mobile broadband service.<sup>36</sup> Finally, we do not see a need for additional language regarding duplicative services in the *FY2018 ESL*. As stated by the Commission, “seeking support for data plans or air cards for mobile devices for use in a school or library with an existing fixed broadband connection and WLAN implicates our prohibition on requests for duplicative services.”<sup>37</sup> Duplicative services are services that deliver the same functionality to the same population in the same location during the same period of time.<sup>38</sup> When two funding requests implicate the prohibition on requests for duplicative services, USAC will seek additional information from the applicant during review of the application to determine if the services are duplicative.

11. We similarly decline several requests submitted by Aruba. Aruba requests that self-provisioned network management be added to the ESL as eligible services.<sup>39</sup> As explained in the *FY2016 ESL Order*, the Commission determined in the *2014 E-rate Order* that network management and operation services are only eligible when provided by a third party as part of eligible managed internal broadband services.<sup>40</sup> Aruba also seeks support covering the entire cost of multi-year basic maintenance of internal connections contracts in the first funding year of the contract,<sup>41</sup> which is contrary to the program’s rules.<sup>42</sup> Except for bug fixes, security patches, and technical support, we also remind applicants that the E-rate program will only provide support for actual work performed under a contract.<sup>43</sup>

#### IV. ORDERING CLAUSE

12. ACCORDINGLY, IT IS ORDERED, that pursuant to the authority contained in sections 1 through 4, 254, 303(r), and 403 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151-154, 254, 303(r), and 403, and sections 0.91 and 54.502 of the Commission’s rules, 47 CFR §§ 0.91 and

<sup>34</sup> T-Mobile Reply Comments at 7-9 (seeking additional language in the *FY2018 ESL* regarding how to demonstrate the cost-effectiveness of mobile broadband services in comparison to fixed services, whether receiving no bids for internal connections demonstrates cost-effectiveness, and consideration of language clarifying that mobile broadband services are not necessarily duplicative of a fixed broadband connection).

<sup>35</sup> See *Modernizing the E-rate Program for Schools and Libraries; Connect America Fund*, WC Docket Nos. 13-184 and 10-90, Second Report and Order and Order on Reconsideration, 29 FCC Rcd 15538, 15601, para. 158 (2014) (*2014 Second E-rate Order*) (adding that “[s]chools with existing fixed broadband connections should limit this comparison to the recurring cost of their current broadband connection plus the added cost of any upgrades to their broadband connections and any additional or updated internal connections needed to deploy a sufficiently robust WLAN with all capital investments amortized over their expected lifespan”).

<sup>36</sup> See *FY2016 ESL Order*, 30 FCC Rcd at 9928-29, n.45.

<sup>37</sup> *2014 Second E-rate Order*, 29 FCC Rcd at 15601, para. 158.

<sup>38</sup> *Schools and Libraries Universal Service Support Mechanism*, CC Docket No. 02-6, Second Report and Order and Further Notice of Proposed Rulemaking, 18 FCC Rcd 9202, 9209, para. 22 (2003).

<sup>39</sup> Aruba Comments at 2.

<sup>40</sup> *FY2016 ESL Order*, 30 FCC Rcd at 9931, para. 21.

<sup>41</sup> Aruba Comments at 2 (requesting support for multi-year basic maintenance of internal connections contracts in a single funding year).

<sup>42</sup> See 47 CFR § 54.507(e) (stating that to the extent that applicants sign multi-year contracts, the program will only “commit funds to cover the pro rata portion of such a long term contract scheduled to be delivered during the funding year for which universal service support is sought”).

<sup>43</sup> *FY2018 ESL*, Appendix B at 5.

54.502, this Order is ADOPTED.

FEDERAL COMMUNICATIONS COMMISSION

Kris Anne Monteith  
Chief  
Wireline Competition Bureau

**APPENDIX A****List of Commenters****Comments and Reply Comments in Response to the  
*FY2018 ESL Public Notice*****WC Docket No. 13-184****Commenters**

1. AdTec, Inc.
2. ApplianSys LLC
3. Aruba, a Hewlett Packard Enterprise company (Aruba)
4. Commerce Public Schools
5. Denver Public Schools District 1
6. Don DeVine
7. Duncan Public Library
8. ETCVideo
9. Frisco Independent School District
10. Greg Faris
11. Harmony School District 21
12. Hulbert Public Schools
13. iBoss Distributed Gateway Platform (iBoss)
14. John C. Fremont Library
15. Kellogg & Sovereign Consulting, LLC
16. K-12 National Advisory Council on Cybersecurity
17. Luther Public Schools
18. Moore Public Schools
19. Pryor Public Schools
20. Rhea County Department of Education
21. Sand Springs Public Schools
22. Southeastern Public Library System of Oklahoma
23. Stillwater Public Schools
24. Workable Programs and Systems, Inc.

**Reply Commenters**

1. AT&T Services, Inc. (AT&T)
2. State E-rate Coordinators' Alliance (SECA)
3. T-Mobile USA, Inc. (T-Mobile)



**APPENDIX B****Eligible Services List for Funding Year 2018  
Schools and Libraries Universal Service Support Mechanism**

(WC Docket No. 13-184)

The Federal Communications Commission's (FCC's) rules provide that all services that are eligible to receive discounts under the Schools and Libraries Universal Service Support Mechanism (otherwise known as the E-rate program or E-rate) are listed in this Eligible Services List (ESL). The E-rate program is administered by the Universal Service Administrative Company (USAC). Eligible schools and libraries may seek E-rate support for eligible Category One telecommunications services, telecommunications, and Internet access, and Category Two internal connections, basic maintenance, and managed internal broadband services as identified herein. 47 CFR §§ 54.5, 54.500, and 54.502(a).

Additional guidance from USAC about the E-rate application process and about eligible services, including a glossary of terms, is available at USAC's website at <http://www.usac.org/sl/>. The documents on USAC's website are not incorporated by reference into the ESL and do not bind the Commission. Thus, they will not be used to determine whether a service or product is eligible. Applicants and service providers are free to refer to those documents, but just for informal guidance. This ESL applies to funding requests for Funding Year 2018.

**Category One**

The first category of supported services, Category One, includes the services needed to support broadband connectivity to schools and libraries. Eligible Category One services are listed in the entries for data transmission services and Internet access and voice services. This category consists of the services that provide broadband to eligible locations including data links that connect multiple points, services used to connect eligible locations to the Internet, and services that provide basic conduit access to the Internet. With the exception of leased dark fiber and self-provisioned broadband networks, maintenance and technical support appropriate to maintain reliable operation are only eligible for support when provided as a component of these services.

**Data Transmission Services and Internet Access**

Digital transmission services and Internet access are eligible in Category One. These services include:

- Asynchronous Transfer Mode (ATM)
- Broadband over Power Lines
- Cable Modem
- Digital Subscriber Line (DSL)
- DS-1 (T-1), DS-3 (T-3), and Fractional T-1 or T-3
- Ethernet
- Integrated Services Digital Network (ISDN)
- Leased Lit Fiber
- Leased Dark Fiber (including dark fiber indefeasible rights of use (IRUs) for a set term)
- Self-Provisioned Broadband Networks
- Frame Relay
- Multi-Protocol Label Switching (MPLS)
- OC-1, OC-3, OC-12, OC-n
- Satellite Service
- Switched Multimegabit Data Service

- Telephone dial-up
- Wireless services (e.g., microwave)

*Notes:* (1) E-rate support is available for leased lit fiber, leased dark fiber, and self-provisioned broadband networks as described in the *2014 Second E-rate Order* (FCC 14-189). Eligible costs include monthly charges, special construction, installation and activation charges, modulating electronics and other equipment necessary to make a Category One broadband service functional (“Network Equipment”), and maintenance and operation charges. Network Equipment and maintenance and operation costs for existing networks are eligible. All equipment and services, including maintenance and operation, must be competitively bid.

(2) Applicants that seek bids for leased dark fiber must also seek bids for leased lit fiber service and fully consider all responsive bids. Similarly, applicants that seek bids for self-provisioned broadband networks must also seek bids for the needed connectivity via services provided over third-party networks, and fully consider all responsive bids.

(3) Applicants may seek special construction funding for the upfront, non-recurring costs for the deployment of new or upgraded facilities. The eligible components of special construction are construction of network facilities, design and engineering, and project management.

(4) Staff salaries and labor costs for personnel of the applicant or underlying beneficiary are not E-rate eligible.

#### **Eligible Voice Services**

Eligible voice services are subject to an annual 20 percentage point phase down of E-rate support that began in FY 2015, as described in the *2014 E-rate Order*. For FY 2018, the effective discount rate will be 80 percentage points less than other Category One services. The reduced discount rate for voice services will apply to all applicants and all costs for the provision of telephone services and circuit capacity dedicated to providing voice services including:

- Centrex
- Integrated Services Digital Network (ISDN)
- Interconnected voice over Internet protocol (VoIP)
- Local, long distance, and 800 (toll-free) service
- Plain old telephone service (POTS)
- Radio loop
- Satellite telephone service
- Shared telephone service (only the portion of the shared services relating to the eligible use and location may receive discounts)
- Wireless telephone service, including cellular voice and excluding data and text messaging

**Category Two**

The second category of equipment and services eligible for E-rate support, Category Two, includes the internal connections needed for broadband connectivity within schools and libraries. Support is limited to the internal connections necessary to bring broadband into, and provide it throughout, schools and libraries. These are broadband connections used for educational purposes within, between, or among instructional buildings that comprise a school campus (as defined below) or library branch, and basic maintenance of these connections, as well as services that manage and operate owned or leased broadband internal connections (e.g., managed internal broadband services or managed Wi-Fi). Category Two support is subject to per-school or per-library budgets as set forth in 47 CFR § 54.502. The eligible components and services in Category Two are:

**Eligible Broadband Internal Connections**

- Access points used in a local area network (LAN) or wireless local area network (WLAN) environment (such as wireless access points)
- Antennas, cabling, connectors, and related components used for internal broadband connections
- Caching
- Firewall services and components separate from basic firewall protection provided as a standard component of a vendor's Internet access service.
- Switches
- Routers
- Racks
- Uninterruptible Power Supply (UPS)/Battery Backup
- Wireless controller systems
- Software supporting the components on this list used to distribute high-speed broadband throughout school buildings and libraries

*Notes:* (1) Functionalities listed above that can be virtualized in the cloud, and equipment that combines eligible functionalities, like routing and switching, are also eligible.

(2) A manufacturer's multi-year warranty for a period up to three years that is provided as an integral part of an eligible component, without a separately identifiable cost, may be included in the cost of the component.

(3) Caching is defined as a method that stores recently accessed information. Caching stores information locally so that the information is accessible more quickly than if transmitted across a network from a distance. A caching service or equipment that provides caching, including servers necessary for the provision of caching, is eligible for funding.

**Eligible Managed Internal Broadband Services**

- Services provided by a third party for the operation, management, and monitoring of eligible broadband internal connections are eligible managed internal broadband services (e.g., managed Wi-Fi).
- E-rate support is limited to eligible expenses or portions of expenses that directly support and are necessary for the broadband connectivity within schools and libraries. Eligible expenses include the management and operation of the LAN/WLAN, including installation, activation and initial configuration of eligible components, and on-site training on the use of eligible equipment.
- In some eligible managed services models, the third-party manager owns and installs the equipment and school and library applicants lease the equipment as part of the managed services contract. In other cases, the school or library may own the equipment, but have a third party manage it for them.

**Basic Maintenance of Eligible Broadband Internal Connections**

E-rate support is available for basic maintenance and technical support appropriate to maintain reliable operation when provided for eligible broadband internal connections.

The following basic maintenance services are eligible:

- Repair and upkeep of eligible hardware
- Wire and cable maintenance
- Configuration changes
- Basic technical support including online and telephone based technical support
- Software upgrades and patches including bug fixes and security patches

**Eligibility Limitations for Category Two:**

**Eligibility limitations for managed internal broadband services** – The equipment eligible for support as part of a managed internal broadband service may only include equipment listed as a broadband internal connections component above. Upfront charges that are part of a managed service contract are eligible for E-rate support except to the extent that the upfront charges are for any ineligible internal connections (e.g., servers other than those that are necessary to provide caching) which, if included in the contract, must be cost allocated out of any funding request.

**Eligibility limitations for basic maintenance** – Basic maintenance is eligible for support only if it is a component of a maintenance agreement or contract for eligible broadband internal connections. The agreement or contract must specifically identify the eligible internal connections covered, including product name, model number, and location. Support for basic maintenance will be paid for the actual work performed under the agreement or contract. Support for bug fixes, security patches, and technical support is not subject to this limitation. Basic maintenance does not include:

- Services that maintain ineligible equipment
- Upfront estimates that cover the full cost of every piece of eligible equipment
- Services that enhance the utility of equipment beyond the transport of information, or diagnostic services in excess of those necessary to maintain the equipment's ability to transport information
- Network management services, including 24-hour network monitoring
- On-site technical support (i.e., contractor duty station at the applicant site) unless applicants present sufficient evidence of cost-effectiveness
- Unbundled warranties

**Eligibility Explanations for Certain Category One and Category Two Services:**

**Internet access** – Eligible Internet access may include features such as basic firewall protection, domain name service, and dynamic host configuration when these features are provided as a standard component of a vendor's Internet access service. Firewall protection that is provided by a vendor other than the Internet access provider or priced out separately will be considered a Category Two internal connections component. Examples of items that are ineligible components of Internet access include applications, content, e-mail, and end-user devices and equipment such as computers, laptops, and tablets.

**Wireless services and wireless Internet access** – As clarified in the *2014 Second E-rate Order*, data plans and air cards for mobile devices are eligible only in instances when the school or library seeking support demonstrates that the individual data plans are the most cost-effective option for providing internal broadband access for mobile devices at schools and libraries. Applicants should compare the cost of data plans or air cards for mobile devices to the total cost of all components necessary to deliver connectivity to the end user device, including the cost of Internet access and data transmission service to the school or library. Seeking support for data plans or air cards for mobile devices for use in a school or library with an existing broadband connection and wireless local area network implicates the E-rate program's prohibition on requests for duplicative services.

Off-campus use, even if used for an educational purpose, is ineligible for support and must be cost allocated out of any funding request.

Managed internal broadband services, such as managed Wi-Fi, are eligible only for Category Two support.

**Connections between buildings of a single school** – The classification of connections between multiple buildings of a single school is determined by whether the buildings are located on the same campus. A “campus” is defined as the geographically contiguous grounds where the instructional buildings of a single eligible school are located. A single school may have multiple campuses if it has instructional buildings located on grounds that are not geographically contiguous. Different schools located on the same grounds do not comprise a single campus. The portion of the grounds occupied by the instructional buildings for each school is a campus for that school.

- Connections between buildings on different campuses of a single school are considered to be Category One digital transmission services.
- Connections between different schools with campuses located on the same property (e.g., an elementary school and middle school located on the same property) are considered to be Category One digital transmission services, unless they share the same building.
- Connections between buildings of a single school on the same campus are considered to be Category Two internal connections.

**Network equipment with mixed eligibility** – On-premises equipment that connects to a Category Two-eligible LAN is eligible for Category One support if it is necessary to make a Category One broadband service functional. If the price for components that enable the LAN can be isolated from the price of the components that enable the Category One service, those costs should be cost-allocated out of the Category One funding request.

**Miscellaneous**

As described below, various miscellaneous services associated with Category One or Category Two are eligible for support. Applicants should request eligible miscellaneous services in the same category as the associated service being obtained or installed.

**Fees**

Fees and charges that are a necessary component of an eligible product or service are eligible including:

- Change fees
- Contingency fees are eligible if they are reasonable and a regular business practice of the service provider. Contingency fees will be reimbursed only if the work is performed.
- Freight assurance fees
- Lease or rental fees on eligible equipment
- Per diem and/or travel time costs are eligible only if a contract with a vendor for the eligible product or services specifically provides for these costs
- Shipping charges
- Taxes, surcharges, and other similar, reasonable charges incurred in obtaining an eligible product or service are eligible. This includes customer charges for universal service fees, but does not include additional charges for universal service administration.

**Installation, Activation, and Initial Configuration**

Installation, activation, and initial configuration of eligible components are eligible. These services may include:

- Design and engineering costs if these services are provided as an integral component of the installation of the relevant services
- Project management costs if these services are provided as an integral component of the installation of the relevant services
- On-site training is eligible as a part of installation services but only if it is basic instruction on the use of eligible equipment, directly associated with equipment installation, and is part of the contract or agreement for the equipment. Training must occur coincidentally or within a reasonable time after installation.

## 6\_Fiber FAQ's

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Hide Answer

### Q8: What is Network Equipment?

**A8:** Network Equipment is limited to modulating electronics and other equipment necessary to make a Category One broadband service functional. Network Equipment is eligible for Category One support.

While Network Equipment is eligible for Category One support, it is a different service than special construction. Applicants that wish to request E-rate support for special construction must seek bids for Network Equipment separately on their FCC Form 470. Additionally, on the FCC Form 471, applicants must request E-rate support for Network Equipment in a funding request that is separate from a special construction funding request.

For additional information on how to seek bids and E-rate support for Network Equipment, see [Q26](#) below.

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Hide Answer

### Q9: How do I know when on-premise equipment is Network Equipment eligible for Category One support or an internal connection eligible for Category Two support?

**A9:** In most cases, the connection providing Category One broadband connectivity to a school would terminate into one device, and that device would serve as a demarcation point between the last mile circuit and the school LAN. In that case, the terminating router or switch would be Network Equipment eligible for Category One support, because without it, the needed broadband connectivity could not be delivered to the school (i.e., the Category One broadband service would not function). The mere fact that the device also interfaces with the school's LAN and ultimately enables the LAN's connectivity does not preclude the school from requesting Category One support for the cost of the device.

For example, fiber to a school may terminate into a router that is then connected to the school's LAN via a series of switches. The terminating router or switch must interface with the LAN for the LAN to receive connectivity. The router into which the Category One fiber service terminates would be Network Equipment. It is necessary so that Category One broadband service to the school can function. That remains true even though the router is connected to the school's LAN via a series of switches. The series of switches, however, would not be Network Equipment. The purpose of those devices is to enable the functionality of the LAN. They are not necessary to deliver Category One broadband service to the school.

Note that the demarcation points for different schools and libraries may vary based on the configurations of their networks. If you have questions about whether equipment involved in a particular network configuration would constitute Network Equipment eligible for Category One support or internal connections eligible for Category Two support, please contact the Client Service Bureau to discuss the specific facts necessary to make that determination.



## 7\_Puyallup District Letter



PUYALLUP  
SCHOOL DISTRICT

*A Tradition of Excellence*

Timothy S. Yeomans, Ed.D., Superintendent

July 9, 2018

Schools and Libraries Universal Service Support Mechanism, CC Docket No. 02-6  
700 12th St NW #900  
Washington, DC 20005

Re: Appeal of Funding Commitment Decision (Form 471 #181004279)

Dear USAC Appeals Team:

The Puyallup School District applied for E-rate Category 1 funding to add a 48-port expansion module. The purpose of the module is to connect schools and support buildings directly to the district's core network routing switch located at Glacier View Junior High School. The connections will travel over the district's Metropolitan Area Network, which consists of fiber-optics connections leased from Unite Private Networks (UPN). As allowed for in the district's 2009 contract with UPN, we are in the process of bypassing UPN's switches and directly connecting all district locations directly to the district's core routing switches. This will allow the district to increase bandwidth provided to all students, and allow the district to better manage its network traffic.

The expansion module is a necessary component of this upgrade, since there are insufficient 10 Gbit connections in the routing switch without it. In the previous configuration (which has been in place since 2010), a single 10 Gbit connection from the routing switch to UPN's MAN switch, which then handled the connection over the fiber (typically only 1 Gbit). That configuration, however, does not meet the goals of the district as it seeks to provide additional capacity to meet the current and future needs of its students and staff.

While this might not be the "typical" UPN configuration, the district's competitive bid procurement followed all E-rate rules. We certify that the *Hewlett Packard JH249A FlexFabric 12900 48-port 1/10GbE SFP+ FE Module*, for which the district is seeking E-rate funding, is for the district's core switch and the device is used solely to terminate 10 Gbps MAN service. It is not currently, nor will it be, used to route LAN traffic.

In light of these facts, we respectfully request a reconsideration of USAC's denial of funding for E-rate Form 471 #181004279.

Sincerely,

Dr. Tim Yeomans  
Superintendent

Randy Averill  
Executive Director, Capital Technology