Company Name	Name, Title, Phone number of Company Contact	Description and Period of Service
BellSouth	State of North Carolina 3700 Wake Forest Road Raleigh, NC 27609 **Contact: Jim Broadwell, Director - State Telecommunications Services - 919-981-5210**	**Services**: 600 Fast Packet Data Circuits **Period of Service**: 24 months **Applications**: WAN connectivity
BellSouth	State of Mississippi Department of Education MS Department of Information Technology Services 301 North Lamar Street Suite 508Jackson, MS 39205 **Jimmy Webster, Data Network Manager, 601-359-2690**	**Services**: 1100 Fast Packet Data Circuits **Period of Service**: 24 months **Applications**: Education Network Internet Access SNA Connectivity
BellSouth	Cobb County Schools 440 Glover St SE Marietta, GA 30060 Contact: David McKenna 770-426-3300	**Services**: 100 Fast Packet Drops **Period of Service**: 24 months **Applications**: Internet access
ISDN-Net	Nissan Motor Manufacturing Corp. 983 Nissan Drive Smyrna, TN 37167 **Contact: Jay Arnold, Manager, Systems Engineering , 615-355-2492**	**Services**: 64K ISDN Routed Connection, Firewall installation, 15 E-mail accounts Installation, Configuration and Support to the user's desktop **Service Start Date**: July 1996
ISDN-Net	Baptist Hospital 2000 Church Street Nashville, TN 37236 **Contact: Wayne Arnold, Manager of Technical Support, 615-329-5080**	**Services**: T-1 CDS Connection, Firewall installation and maintenance, domain registration and management, Web host services, E-mail services. **Service Start Date**: June 1997 **Contractor Responsibility**: Installation, Configuration and Support to the user's desktop
ISDN-Net	Sunday School Board of the Southern Baptist Convention 127 9th Avenue North Nashville, TN 37234 **Contact: David Haywood, Manager of Information Systems, 615-251-2895**	**Services**: T-1 CDS Connection and Domain Registration and management for 18 domains **Service Start Date**: July 1996 **Contractor Responsibility**: Installation, Configuration and Support to the user's desktop
ISDN-Net	TIC Financial Systems 2530 Perimeter Place Drive Nashville, TN 37214 **Contact: Philip Perryman, Manager of Information Systems 615-885-9727**	**Services**: T-1 CDS Connection **Service Start Date**: October 1996 **Contractor Responsibility**: Installation, Configuration and Support to the user's desktop. Migrated network to new location handling both IPX and IP protocols over 2 T-1 CDS connections.

Company Name	Name, Title, Phone number of Company Contact	Description and Period of Service
ISDN-Net	Speer Communications 3201 Dickerson Pike Nashville, TN 37207 **Contact: Owen Pate, Manager of Information Systems, 615-650-6000**	**Services**: T-1 CDS Connection, Domain Registration and remote DNS administration, Firewall installation and maintenance **Service Start Date**: August 1996 **Contractor Responsibility**: Installation, Configuration and Support to the user's desktop. Installation and maintenance of Firewall, routers, web server, and mail server.
ISDN-Net	United Cities Gas, Co. 377 Riverside Drive, Suite 202 Franklin, TN 37064 **Contact: Steve Clawson, Senior Systems Analys-Telecommunications, 615-373-0104 x556**	**Services**: 384K CDS Connection and domain registration **Service Start Date**: September 1996 **Contractor Responsibility**: Installation, Configuration and Support to the user's desktop
Lucent	BOC Gases 575 Mountain Avenue Murray Hill, NJ 07074 **Contact: Greg Lake, Network Operations Management, (908)771-1566**	**Start Date**: January 1995 **Contractor Responsibility**: Provide SNMP Network Management Services, 7/24 Maintenance Support
Lucent	Georgia-Pacific Title 133 Peachtree Street, NE Atlanta, GA 30348 **Contact; Veronica Young, Director IT, (404) 652-4238**	**Start Date**: October 1993 **Contractor Responsibility**: Provide SNMP Network Management Services including 7/24 Fault and Configuration and Recovery Management; support Hubs; 8-5 & 7/24 maintenance support, installation support, staging and site surveys services for WAN.

Company Name	Name, Title, Phone number of Company Contact	Description and Period of Service
Lucent	Georgia-Pacific Title 133 Peachtree Street, NE Atlanta, GA 30348 **Contact; Veronica Young, Director IT, (404) 652-4238**	**Start Date**: October 1993 **Contractor Responsibility**: Provide SNMP Network Management Services including 7/24 Fault and Configuration and Recovery Management; support Hubs; 8-5 & 7/24 maintenance support, installation support, staging and site surveys services for WAN.
Lucent	Mercury Casualty 555 West Imperial Highway Brea, CA 92621 **Contact: Franco Diaddezio, Technical Services Manager**	**Start Date**: July 1994 NetCare Services provided installation and staging during the deployment of their Wide Area Network. Lucent manages the 250 node frame relay network. Mercury Casualty has contracted maintenance for all their equipment through NetCare.
NCR	American Red Cross suite 5A 7915 Jones Branch Drive McLean, VA 22102 **Contact: Tom Woteki, (703) 848-6106**	**Application**: Designed a network architecture to link all blood banking sites nationwide so ARC could effectively implement donor tracking system, E-mail, office automation and disaster recovery and archiving; network designed to have greater than 99.86% availability using automated redundancy at all levels of the ISO model.

ATTACHMENT 3

DON SUNDQUIST
GOVERNOR

TENNESSEE
STATE DEPARTMENT OF EDUCATION
5TH FLOOR, GATEWAY PLAZA
710 JAMES ROBERTSON PARKWAY
NASHVILLE, TN 37243-0375

JANE WALTERS, Ph.D.
COMMISSIONER

April 2, 1998

Mr. Paul C. Ney, Jr., Esq.
Doramus, Traeger & Ney
The Southern Turf Building
222 Fourth Avenue North
Nashville, Tennessee 37219

Dear Mr. Ney:

On March 30, 1998, I received your letter of protest and petition for Stay of Award based on RFS No. 97-2 Amended, based on the Notice of Intent to Award the contract to Education Networks of America, LLC (ENA) issued March 20, 1998.

I have investigated each of the allegations in your letter. As a result of my investigations, discussions, and a careful study of all the documents, I have reached the following conclusions:

1. ENA passed the required test and so did ISIS2000.
2. ENA's proposal does not misrepresent the E-rate Rules and Funding.
3. The Secretary of State has provided the department with a Certificate of Existence for Education Networks of America, LLC, which makes it a legal entity to contract with.
4. ENA has provided proper documentation of its financial resources.
5. The cost proposals were only submitted in separately sealed, marked envelopes, and remained sealed in the Commissioner's office.

Upon further review of the cost for services, I find that ISIS2000 submitted costs that were incomplete and confusing, while ENA was able to propose a plan that would maximize the state's dollars by securing Federal dollars while providing more services for the children of Tennessee.

Pursuant to T.C.A. Section 12-4-109 I have determined that there is no reason the contract should not be awarded to ENA . The protest is denied and I am recommending that the stay be lifted immediately.

Sincerely,

Jane Walters

Jane Walters

Enclosure: Report from J. Shrago

Cc: Natasha K. Metcalfe, Esq. (via facsimile and state messenger)
Patricia J. Cottrell, Esq. Wyatt, Tarrant & Combs (via facsimile and U.S. Mail)
Jeff Husted, ISIS2000 (via facsimile and U.S. Mail)
Albert F. Garner, III, Education Networks of America (via facsimile and U.S. Mail)

DON SUNDQUIST
GOVERNOR

TENNESSEE
STATE DEPARTMENT OF EDUCATION
5TH FLOOR, GATEWAY PLAZA
710 JAMES ROBERTSON PARKWAY
NASHVILLE, TN 37243-0375

JANE WALTERS, Ph.D.
COMMISSIONER

April 2, 1998

To: Jane Walters

From: Jackie Shrago

Re: Report in Response to ISIS2000 Letter of Protest and Petition for Stay of Award, RFP 97-2

1. ENA Failed to Complete the Required Tests.

Response:

1.1. The State defined two tests of proposer equipment and communications lines as defined in RFP section 5.2.4.2.3. These tests had two purposes. Purpose (1) to have proposers offer equipment and communication lines which are currently on the market and that provide equivalent functionality to the existing network (defined as "throughput" in technical terms). Purpose (2) to have proposers demonstrate that their equipment and lines will work with the existing state network backbone. Section 3.5 stated, "The use of the terms Must/Shall/Will/Should indicates a specific requirement which the State of Tennessee, Department of Education considers essential to this Request for Proposal. Failure to adhere to this definition *may* result in bidder disqualification."

The State determined that both vendors, ENA and ISIS2000, met the requirements of the RFP for the two demonstration tests. Each proposer relied on different approaches to meet the RFP requirements, therefore the tests varied because the proposals were different.

1.2. Both vendors completed the test for 30 computers at functionality equivalent to the existing network. Neither vendor completed the test for 60 computers at equivalent functionality to the existing network.

1.2.1. At the request of the State, ENA did not perform the 60-computer test because of time constraints. ENA had requested 3 hours to perform their tests; the state reduced the time to 1.5 hours because of the state's delay during the test period in establishing the benchmark for the existing network. ENA was prepared to perform the test for 60 computers, but the state determined that it would revise the tests required due to the time constraints. The state determined that it was not necessary to perform the 60-computer test given that (a) the test for 30 computers was successfully completed, and (b) the addition of an extra ISDN line to the same equipment was somewhat redundant. The state, however required that they perform the 120-computer test because it used *a different* type of communication line, i.e., a CDS line. ENA successfully performed this test.

1.2.2. ISIS2000 performed the 60-computer test but the result took 39% more time than the benchmark. This was substantially longer than the equivalent functionality of the benchmark. Again, because of the delay in starting the tests, the state determined that we would accept the results given that the test for 30 computers was successfully completed.

1.2.3. ISIS2000 never performed a throughput test of their proposed use of a frame relay circuit for a communications line.

1.3. The State determined on the day of the equivalent functionality test that both vendors met the requirement of the RFP, disregarding the test for 60-computers for both vendors. This was stated to both vendors on Saturday, March 7, 1998.

1.4. ENA successfully met all of the required tests of interoperability proving that its proposed types of lines and equipment operated successfully with the State network as required in the RFP. ISDN, CDS, and its proposed equipment were demonstrated at the Tennessee Tower test-bed. ISIS2000 argues that the dual ISDN was not demonstrated. A test of two ISDN lines is not functionally different from one ISDN line for the interoperability test.

1.5. The state determined, and specified to both vendors, that they had met the criteria of the RFP, therefore each was awarded two points in the technical evaluation. The ENA proposal was functionally responsive and ISIS2000's statement regarding ENA's proposal is untrue.

2. The ENA Cost Proposal Misrepresents the E-rate Rules and Funding.

Response to A: "The current network . . . is not eligible for E-rate funding as a capital expenditure . . .

2.1. Schools are required to obtain services through a competitive bidding process that meets state procurement rules (Exhibit 1, FCC quote #1 and #2). The RFP states (section 5.3.1) that "Any consideration of purchase of existing equipment, resale or salvage of existing equipment shall be calculated as savings to the State and Local recurring resources." Further, in Cost Proposal Format Attachment 9.2, the state allows "Other Funding offered by proposer could be an amount offered to the state as salvage value for state's existing equipment." The State will not own any equipment, and is not making a capital expenditure, it will only procure services from ENA. The State is permitted on FCC form 471 to indicate one-time fees and monthly fees.

2.2. ISIS2000's concern about the eligibility of ENA's service charges to the State for providing the services on July 1 is based on ISIS2000's lack of understanding of the nature of ENA's proposal and the State's undertaking. ENA will be selling no equipment to the State (actually, ENA will purchase the ConnecTEN network), and the State will not submit to the FCC <u>any</u> requests for reimbursement to the State after June 30.

Response to B: "The ISDN tariffs used by ENA in their cost calculations are, however, not eligible for the E-rate funding pursuant to a February 3, 1998, Tennessee Regulatory Authority ruling . . .

2.3. The State is procuring Internet access as specifically identified by the FCC as eligible for E-rate discounts. AOL, for example, or any other independent service provider is not required to disclose and have separately qualified every element of its operation (equipment purchased, personnel activities) which produces the service being purchased. Similarly, the state's purchase of services for its schools makes the eligibility of separate components of ENA's operational plans to deliver those services irrelevant since neither the schools nor the State are purchasing those separate elements (Exhibit 1, FCC quote 4)

Response to C: "The amount of time allocated to the web content belies ENA's claim that the web content that it proposes to provide is sufficiently 'minimal' and the most cost-effective means of providing the Internet service to spare that element of the ENA proposal from being characterized as non-eligible services."

2.4. The State is not purchasing web content services or any other separate components as described in the previous answer in paragraph 2.3. The State is purchasing the most cost-effective means of providing Internet access. The FCC has ruled that content must be "unbundled" from an Internet Service Provider's price, but that such pricing may include "minimal content" and "email service". (Exhibit 1, FCC quote #5). Further, the FCC has ruled that it urges schools to seek cost competitive solutions with maximum flexibility to meet school needs (Exhibit 1, FCC quote #6). The Department of Education fully expects that the costs pertaining to the services of the ENA proposal are well within the guidelines of the FCC definition of Internet access and will be approved as cost-effective.

Response to D: "ENA proposes to use an eight-person team representing 56,000 staff hours, to perform content, training and survey functions. These functions, contrary to ENA's cost proposal, are not eligible for E-rate funding, and they are beyond the scope of services requested by the State."

2.5. The State requested proposers to offer as much functionality as possible to meet school needs. The FCC has put forth hundreds of pages of rulings on the E-rate fund, but has consistently ordered that schools will decide how best to meet their requirements in order to obtain the best use of technology in the classroom (Exhibit 1, FCC quote #7). There are no specifications on what an Internet Service Provider can offer with the exception of content and the expectation that cost guidelines are met (described in "C" above). ISIS2000 quotes the FCC statement incorrectly in its letter.

The correct statement from the FCC (FCC97-157, paragraph 481) clarifies competitive bidding (see ISIS2000 appendix 2):

"First, in response to a number of commenters, we note that the Joint Board intentionally did not recommend that the Commission require schools and libraries to select the lowest bids offered but rather recommended that the Commission permit schools and libraries 'maximum flexibility' to take service quality into account and to choose the offering or offerings that meets their needs 'most effectively and efficiently,' where this is consistent with other procurement rules under which they are obligated to operate."

2.6. In terms of the State specified scope of services, following the state's procurement rules, a high priority was placed on "Responsiveness to K-12 needs" (RFP section 5.2.4.1.2.), "Variations due to Local Education Agencies" (RFP section 5.2.4.2.2), and limitations of technical capability of school personnel (RFP section1.1, Statement of Purpose). ENA describes functions that are related solely to operating the network in support of non-technical personnel in 1600 schools. The staff time of ENA personnel represents 10 hours per school per year. The State has determined that this is definitely within the scope of the services requested.

2.7. ISIS2000 states in section 5.2.4.1.1 Scalability, that two of its top priorities, items 3 and 4 (page 6) are changes in the state backbone. The state backbone is the responsibility of the State Office of Information Resources and not the Department of Education, and therefore outside the scope of the RFP 97-2.

Response to E: The State apparently intends to award a $74 million contract to ENA . . ., when ISIS2000 proposed comparable service to the State, for $23 million less.

2.8. In the RFP Statement of Purpose (section 1.1), the State stated: "As much functionality as possible is desired within the State's budgetary constraints and discounts provided through the FCC E-rate Universal Service order. . ." Further in Cost Proposal Evaluation (section 6.2.7) the State specifies: "Under no circumstance can the Total State and Local funds exceed amount specified in Cost Proposal Format ($17,783,322). The State further described that the Cost Proposal

evaluation could be "improved by "*increasing* "Total State, Local, Other Funding, Savings and associated FCC funds paid to proposer".

2.9. ISIS2000 raises a concern about ENA's costs. The State will pay either proposer the same amount of dollars. ENA demonstrated its understanding of the State's RFP requirements and maximized the opportunity of obtaining FCC E-rate funds on behalf of the State's children. The cost formula (RFP section 6.2.7) clearly showed, by comparison examples, that there was an advantage to including Other Funds in the proposer's submission (RFP section 5.4.5.1), because the State specified that it would apply such funds to increase network functionality. This was further clarified in writing in response in State's Written Clarifications Question 53, as quoted in this protest letter by ISIS2000. ISIS2000 did not raise objection during the RFP process, and therefore waived its rights to challenge the Cost Proposal evaluation.

2.10. The FCC expects that because schools or consortia are paying a portion of the costs, that they should have wide latitude in determining the services they need to meet their educational objectives and that they will use their best judgment in securing those through the competitive bidding process. (Exhibit 1, FCC Quote #3)

2.11. ISIS2000 states that ENA should be disqualified based on price being a primary factor in selecting a bid. The State specified 45 pages of requirements in its RFP as 'relevant factors other than price.' The FCC adopted rules in its 4th order with maximum flexibility for schools (Exhibit 1, FCC Quote #5) and allowed school administrators to determine the most efficient and effective means for providing educational applications (Exhibit 1, FCC quote #7). All four evaluators graded the ENA proposal as superior in technical points to the ISIS2000 proposal in meeting the needs of Tennessee schools and students, before any consideration of cost was included. The State, by its stated criteria and RFP specified point system, judged the ENA proposal to be superior and in the state's best interest. The State has met the order of the FCC in its procurement process and has evaluated proposals consistent with FCC orders and state procurement rules. It therefore awarded the contract accordingly.

3. The Legal Status of ENA to Participate in this Process is Questionable.

Response:

The legal existence of ENA has always been valid and is valid now as established in the Secretary of State's Office as required by law, per attached confirmation (Exhibit 2).

4. ENA lacks the Requisite Financial Responsibility to fulfill its Obligations under its Proposal.

Response:

Specifics, paragraph 1: "In the event that the E-rate funds are unavailable to the State for this program, ENA's financial statement shows that it will not be able to deliver even the basic services as proposed."

4.1 Section 5.2.2.10 of the State's RFP requires "documentation of financial responsibility, financial stability, and sufficient financial resources to provide the scope of services to the state in the volume projected and within the time frames required and within the constraints of receipt of discounts from the FCC E-rate fund." All of the required items were included in ENA's proposal. These included description of proposer's organization, statement of any proposer's filing of bankruptcy or receivership, other pertinent financial information including the most recent audited financial statements. All items were reviewed by the evaluators and scored accordingly. The State finds no misrepresentation in the documents provided by ENA.

5. ENA Apparently Failed to Submit Cost Data in a Sealed Envelope.

Response:

The page labeled
"Reviewer Questions for ENA Response to RFP 97-2
March 10, 1998
Deliver via email with confirmation phone call to Jackie Shrago" was the heading on the document provided to ENA. (See Exhibit 3).

In response to this question, ENA delivered the first two pages of the Protest exhibit describing services, but no cost information was provided to any evaluator when the response was delivered. All cost information was provided in a sealed envelope and only in a sealed envelope. The envelope remained sealed in the Commissioner's office until the RFP coordinator had transferred all evaluator technical scores to the Summary Sheet, signed and dated that Summary Sheet, and two additional persons had confirmed the accuracy of the scores transferred.

6. ISIS2000 has made some questionable statements in its response with respect to its understanding of the E-rate program and the state's requirement for equity among schools.

6.1 ISIS2000, in response to RFP Section 5.2.4.1.5 on Migration Plan makes a statement that describes an illegal use of E-Rate funding. "E-Rate discounts will be aggressively used to upgrade ConnecTEN in a manner that will ensure an improved quality of service, while simultaneously ensuring that the network continues to be affordable in the event of reduced or discontinued E-Rate funding. One component of this aggressive strategy will be to target school systems with the higher E-Rate discount percentages for early upgrade, with the E-Rate matching from those implementations used to continue to fund the network upgrade." It has been a requirement of the Congress in passing the law, all implementation documentation by the FCC and the submission forms themselves, which requires that "[e]ach eligible school, school district, library or library consortia will be credited with the discount to which it is entitled." (47 C.F.R. Section 54.505(d)). (Exhibit 1, FCC quotes #8 and #9)

6.2 Further, in its Migration Plan response (section 5.2.4.1.5), ISIS2000 has stated: "When a school desires to add additional computers to the network, they will be provided the option to increase their available bandwidth and pay the rate associated with the next higher category of size." This unspecified cost generates inequities among schools because of their ability or inability to pay. Therefore, it violates one of the stated requirements in the RFP Statement of Purpose (section 1.1), "The upgrade of the ConnecTEN network must provide fair and equitable access to the Internet for all public K-12 schools and their students."

7. ISIS2000 has provided limited E-rate cost information and supplemental E-rate cost information with apparent inaccuracies.

7.1. ENA has documented in very clear terms in its Cost Proposal all of the conditions that are possible under all of the E-rate scenarios, including no E-rate funding at all, no E-rate funding after 18 months, no E-rate funding after 30 months. All were found to be financially sound and reasonable within the maximum funds that the state is offering. The ENA technical proposal clearly describes all of these scenarios and the services that will be delivered, with and without E-rate funding in every period, including downsizing the network if E-rate funding is not available.

7.2. ISIS2000 only documented the scenario for full E-rate funding in its Cost Proposal. ISIS2000 provided confusing information in its technical proposal regarding E-rate scenarios. ISIS2000 did not provide cost information as specified in section 5.3.1 for the scenario of no E-rate funding after 18 months, and no E-rate funding after 30 months.

7.3. In the supplemental E-rate funding cost information, ISIS2000 failed to multiply the monthly cost by 6 to obtain the 6-month cost. The "Total 6 Month Cost Per Site" appears to be miscalculated. Refer to Exhibit 4 that notes the "Estimated Monthly Cost Per Site". The "Total 6 Month Cost Per Site" is understated because it only includes the cost for one month, not six months. The Total 6 Month Cost is actually a sum of the One-Time Cost and the Monthly Cost. It would seem that Total 6 Month Cost should be the sum of the One-Time Cost and six times the Monthly Cost. (Exhibit 4)

Exhibits:

(1) Federal Communication Commission (FCC) Quotes
(2) Confirmation of ENA legal status from Secretary of State
(3) Requested Clarifications from ENA indicating mislabeled heading
(4) ISIS2000 E-rate Cost Supplement

EXHIBIT 1

Department of Education Response
Exhibit 1: Federal Communications Commission (FCC) Quotes

Quote #1
FCC 97-420, paragraph 222
In the *Order*, the Commission concluded that any school, library or rural healthcare provider that is eligible to receive supported services will be required to seek competitive bids for all services eligible for support pursuant to section 254(h) by submitting a bona fide request for services to the Administrator that includes a description of the services that the school, library or health care provider seeks.

Quote #2
FCC 97-420, paragraph 225
"In the *Order*, the Commission explained that the universal service competitive bid process is not intended to be a substitute for state, local or other procurement processes. "

Quote #3
FCC 97-157, paragraph 432
"Because we will require schools and libraries to pay a portion of the costs of the services they select, we agree with the Joint Board that, as recognized by most commenters, allowing schools and libraries to choose the services for which they will receive discounts is most likely to maximize the value to them of universal service support [E-Rate] and to minimize inefficient uses of services."

Quote #4
FCC 97-157, paragraph 428
"According to the Joint Board, Internet access should be defined as basic conduit, i.e., non-content access from the school or library to the backbone Internet network, which would include the communications link to the Internet service provider, whether through dial-up access or via a leased line, the links to other Internet sites via the Internet backbone, generally provided by an Internet service provider for a monthly subscription fee, if applicable, and electronic mail.

Quote #5:
FCC 97-157, paragraph 445

"The Joint Board recommended that we solve the problem of bundling content and "conduit" (access) to the Internet by not permitting schools and libraries to purchase a package including content and conduit, unless the bundled package included minimal content and provided a more cost-effective means of securing non-content access to the internet than other non-content alternatives."

Quote #6
FCC 97-157, paragraph 428
"In the Recommended Decision, the Joint Board recommended that the Commission adopt rules that give schools and libraries the maximum flexibility to purchase whatever package of telecommunications services they believe will meet their telecommunications needs most effectively and efficiently."

Quote #7
FCC 97-157, paragraph 432
"As the Joint Board recognized, the establishment of a single set of priorities for all schools and libraries would substitute our judgment for that of individual school administrators throughout the nation, preventing some schools and libraries from using the services that they find to be the most efficient and effective means for providing the educational applications they seek to secure."

Quote #8
FCC 97-420, paragraph 184

"State telecommunications networks must take reasonable steps to ensure that service providers apply appropriate discount amounts on the portion of the supported telecommunications used by each eligible school or library".

Quote #9
FCC 97-420, paragraph 200
The Commission established that, for eligible schools ordering telecommunications and other supported services at the school district or state level, the individual schools with the highest percentages of economically disadvantaged students should continue to receive the higher discount for which they are eligible. ..."the state or the district shall strive to ensure that each school receives the full benefit of the discount to which it is entitled."

Secretary of State
Corporations Section
James K. Polk Building, Suite 1800
Nashville, Tennessee 37243-0306

REQUEST NUMBER: 98086130
TELEPHONE CONTACT: (615) 741-6488

CHARTER/QUALIFICATION DATE: 05/28/1996
STATUS: ACTIVE
CORPORATE EXPIRATION DATE: PERPETUAL
CONTROL NUMBER: 0312658
JURISDICTION: TENNESSEE

EXHIBIT 2

TO:
BOULT CUMMINGS CONNERS & BERRY
P.O. BOX 198062

NASHVILLE, TN 37219

REQUESTED BY:
BOULT CUMMINGS CONNERS & BERRY
P.O. BOX 198062

NASHVILLE, TN 37219

CERTIFICATE OF EXISTENCE

I, RILEY C DARNELL, SECRETARY OF STATE OF THE STATE OF TENNESSEE DO HEREBY CERTIFY THAT

"EDUCATION NETWORKS OF AMERICA, LLC"

A LIMITED LIABILITY COMPANY DULY FORMED UNDER THE LAW OF THIS STATE WITH DATE OF FORMATION AND DURATION AS GIVEN ABOVE;
THAT ALL FEES, TAXES, AND PENALTIES OWED TO THIS STATE WHICH AFFECT THE EXISTENCE OF THE LIMITED LIABILITY COMPANY HAVE BEEN PAID;
THAT THE MOST RECENT LIMITED LIABILITY ANNUAL REPORT REQUIRED HAS BEEN FILED;
THAT ARTICLES OF DISSOLUTION HAVE NOT BEEN FILED; AND
THAT ARTICLES OF TERMINATION OF THE EXISTENCE HAVE NOT BEEN FILED.

FOR: REQUEST FOR CERTIFICATE

ON DATE: 03/27/98

	FEES	
RECEIVED:	$20.00	$0.00
TOTAL PAYMENT RECEIVED:		$20.00

RECEIPT NUMBER: 00002278436
ACCOUNT NUMBER: 00000413

FROM:
BOULT, CUMMINGS, CONNERS & BERRY
P. O. BOX 198062

NASHVILLE, TN 37219-0000

Riley C Darnell

RILEY C. DARNELL
SECRETARY OF STATE

SS-4458

EXHIBIT 3

REQUESTED CLARIFICATIONS

Reviewer Questions for ENA Response to RFP 97-2
March 10, 1998 Monday Mar 16
Please provide answers by 4:00pm. CST, Friday., March 13, 1998
Deliver via email with confirmation phone call to Jackie Shrago (shragoj@ten-nash.ten.k12.tn.us), 615-532-1229.

1. **Proposer Qualifications (5.2.2.7, p 26)** Is the answer "no" or "yes, but will not impair the proposer's performance?

2. **Project Understanding (5.2.4.1, p40).** While a good idea, Content Services seems to be beyond the scope of the project. Please explain its inclusion.

3. **Scalability (5.2.4.1.1, p 46 and following re: caching).** Please explain if any caching server outage is transparent to the end user except for degraded response time.

4. **Quality of Service (5.2.4.1.4, p. 67).** ENA states that CDS service levels are expected to be at 99%. What is the reliability of achieving the published bandwidth on an actual basis? In other word, if you order T-1 capacity, what is the reliability for getting T-1 capacity?

5. **Variations due to Local Education Agencies (5.2.4.2.2, p 81).** Migrating to TCP/IP is a good strategy, it seems to be out of scope for this RFS. Please explain your rationale for including it.

6. **Management Plan (5.2.4.3.1 & 5.2.4.3.11, p 86-87)** ENA School Partners and TC Web page seem also to be out of scope functions. How much time will the 8 person team spend performing this function? How does the TC web page support ENA's responsibilities?

7. **Appendix G Site by Site changes.** Please describe how ENA would work with a school with a PC count identified (a) if the count is less than the number in Appendix G, and (b) if the count is greater than the number in Appendix G.

8. **E-Rate Form 471 filing** for the first E-Rate period requires a detailed list of services. Please provide sufficient detail for July 1-Dec 31, 1998. Costs for these items will also need to be detailed but should be provided in a separately sealed cost information package which will be opened at the time that the Cost Proposals are opened.

9. Section 5.2.2.1, Page 14,
Please elaborate and explain in more detail what was done specifically by the ENA group, in the "design, and implemented the existing ConnecTEN Network." Does this mean that ENA was responsible for the entire design and implementation from the Education County Routers to the schools? If so, please explain the role of others that were involved in the process.

10. Section 5.2.2.2, Page 18,
Please identify and explain the role that ENA was responsible for and what is meant by the statement "provided services for the overall design and implementation of the ConnecTEN project development, installation, operations - selection of vendors for entire network." Is this meant to include all vendors such as Concepts In Communications and all other multiple vendors such as NCR that were used to assist in placing the network in service and perform maintenance, analysis of network performance etc after it became operational.

EXHIBIT 4

ISIS 2000
Proposed Plan

SLC Service Provider Number	Services or Products	# of Sites	Estimated One Time Cost per Site	Estimated One Time Prediscount Cost	Estimated Monthly Cost per Site	Estimated Monthly Prediscount Cost	Estimated Total 6 Mo Cost per Site	Estimated Total 6 Mo Prediscount Cost
143005594 County	**"Shared" Services**							
	Frame Relay	95	-	-	-	-	-	-
	Router	95	10,295	978,109	-	-	10,295	978,109
	POTS	95	-	-	-	-	-	-
	Installation & Maintenance	95	375	35,625	1,552	147,400	1,927	183,025
			10,671	1,013,734	1,552	147,400	12,222	1,161,134
State	Frame Relay	1	-	-	-	-	-	-
	Internet Access	1	53,532	53,532	1,043,183	1,043,183	1,096,715	1,096,715
	E-mail	1	92,500	92,500	-	-	92,500	92,500
	Installation & Maintenance	1	1,037,446	1,037,446	-	-	1,037,446	1,037,446
			1,183,478	1,183,478	1,043,183	1,043,183	2,226,661	2,226,661
	"Site Specific" Services							
Small Schools (Sites w/ < 30 computers)	ISDN	400	-	-	360	144,000	360	144,000
	Fractionalized T1	400	-	-	-	-	-	-
	Frame Relay	400	-	-	-	-	-	-
	Internet Access	400	-	-	433	173,111	433	173,111
	Router	400	-	-	-	-	-	-
	Installation & Maintenance	400	-	-	-	-	-	-
			-	-	793	317,111	793	317,111
Medium Schools (Sites w/ 30-80 computers)	ISDN	1000	-	-	360	360,000	360	360,000
	Fractionalized T1	1000	-	-	-	-	-	-
	Frame Relay	1000	-	-	-	-	-	-
	Internet Access	1000	-	-	866	865,565	866	865,565
	Router	1000	-	-	-	-	-	-
	Installation & Maintenance	1000	-	-	-	-	-	-
			-	-	1,226	1,225,565	1,226	1,225,565
Large Schools (Sites w/ 81-120 computers)	ISDN	300	-	-	-	-	-	-
	Fractionalized T1	300	-	-	795	238,500	795	238,500
	Frame Relay	300	-	-	795	238,500	795	238,500
	Internet Access	300	-	-	1,731	519,333	1,731	519,333
	Router	300	2,067	620,052	267	80,016	2,334	700,068
	Installation & Maintenance	300	438	131,250	-	-	438	131,250
			2,504	751,302	3,588	1,076,349	6,092	1,827,651
X-Large Schools (Sites w/ > 120 computers)	ISDN	100	-	-	-	-	-	-
	Fractionalized T1	100	-	-	795	79,500	795	79,500
	Frame Relay	100	-	-	795	79,500	795	79,500
	Internet Access	100	-	-	3,462	346,222	3,462	346,222
	Router	100	5,234	523,381	804	80,403	6,038	603,784
	Installation & Maintenance	100	438	43,750	-	-	438	43,750
			5,671	567,131	5,658	565,625	11,328	1,132,756
	Total Proposed Plan		1,202,325	3,515,645	1,056,657	4,375,223	2,258,982	7,890,868

X 6 months
6,335,982 ?

(3,515,645) + (6 MONTHS OF 4,375,223) = 29,766,98 ?

ATTACHMENT 4

TENNESSEE REGULATORY AUTHORITY
DIRECTORS' CONFERENCE
Tuesday, February 3, 1998
VOLUME III

BEFORE: CHAIRMAN LYNN GREER
DIRECTOR SARA KYLE
DIRECTOR KELVIN MALONE

APPEARANCES: MR. DAVID WADDELL

COPY

Reported By:
Susan D. Delac

NASHVILLE COURT REPORTERS
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1 DIRECTOR KYLE: I vote yes.
2 DIRECTOR MALONE: Under Section 10c
3 the question is, What funding mechanism should be
4 adopted to fund Lifeline and Link-up?
5 And consistent with what we've done
6 in this proceeding to date, I move that Lifeline and
7 Link-up be funded from the Universal Service Fund.
8 DIRECTOR KYLE: Yes.
9 CHAIRMAN GREER: I agree. Issue 11,
10 What support in addition to the federal support
11 already adopted by the TRA should be provided to
12 schools and libraries? I believe there are two
13 subissues in that issue.
14 DIRECTOR MALONE: 11a states: The
15 TRA should state specifically what discounts are
16 available in Tennessee and at what levels.
17 Currently there are four services,
18 school/parent communications service, in-classroom
19 computer access service, ISDN, and distance learning
20 video transport service that are provided to schools
21 and libraries at discounted rates via tariff
22 offerings.
23 On July 15, 1997, the TRA adopted the
24 Federal Discount Matrix which specifically states the
25 discount levels available to schools and libraries in

Tennessee. These discounts are applied to tariffed business rates in determining the applicable rates. For the most part, discounted rates provided to schools and libraries will be determined by the Federal Matrix. However, some services, the four mentioned above, are already provided discounts in accordance with the state approved plans. For these services, schools and libraries will have the opportunity to choose the state or federal discount, whichever is greater.

Additionally, because it is possible that federal funding could be depleted by the time some schools and libraries apply for federal discounts and because it is possible that some Tennessee schools may only minimally qualify for federal support, the continuance of state established education plans assure schools and libraries of receiving some level of discounted telephone service. In the interest of ensuring ubiquitous and affordable access to telecommunications services for schools and libraries in Tennessee, the TRA in this docket dated September 18, 1997 and captioned, Order Establishing Intrastate Discounts for Schools and Libraries Pursuant to Section 254(h) of the Telecommunications Act of 1996 and FCC Order 97-157 to allow Tennessee

schools and libraries to receive funding. Today, every school and library in Tennessee, as a result of the order entered September 18, 1997, can apply for its share of a national $625 million Universal Service Fund first and second quarter 1998, and a $2.25 billion fund each year thereafter.

Therefore, I move that we continue to require tariffed discounts for schools and libraries for school/parent communications service, in-classroom computer access service, ISDN, and distance learning video transport service.

CHAIRMAN GREER: I agree.

DIRECTOR KYLE: I'll agree.

DIRECTOR MALONE: 11b, How does the TRA address prediscount price complaints?

I move that the existing procedures for addressing prediscount price complaints should remain in effect and continue to be used.

CHAIRMAN GREER: I agree.

DIRECTOR KYLE: I'll agree.

CHAIRMAN GREER: Issue 12, What support should be provided to healthcare providers? And there are two subissues.

DIRECTOR MALONE: Subissue 12a, Should the TRA provide support in addition to that

Declaration

I, Albert F. Ganier III, President of Education Networks of America, have read and reviewed the foregoing Opposition filed on behold of ENA.

I declare, under penalty of perjury, that the foregoing is true and correct.

Executed this 20th day of April, 1998.

Albert F. Ganier III

Albert F. Ganier, III

CERTIFICATE OF SERVICE

I hereby certify that the foregoing Opposition Of Education Networks Of America was served today, the 20th day of April, by hand delivery, on the following parties:

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