



K



**EXHIBIT K**

**Letter of Inquiry (March 1, 1998)**

# WESTERN HEIGHTS SCHOOL DISTRICT NO. I-41

8401 S.W. 44th  
Phone (405) 745-6300

Oklahoma City, OK 73179  
FAX (405) 745-6322

Office of the Superintendent

March 1, 1999

Letter of Inquiry  
Schools and Libraries Division  
Box 125-Correspondence Unit  
100 South Jefferson Road  
Whippany, NJ 07981

**Applicant Name:** Western Heights School District  
**Billed Entity Number:** 139844

**Problem:** The funding request for an eligible product has been reduced for an unknown reason.

**Application Number:** 42040  
**FRN:** 0000041568  
**Service Provider:** Integrative Solutions, Inc.  
**SPIN:** 143006821  
**Services Ordered:** Internal Connections (shared)  
**Effective date of Discount:** 9/10/1998  
**Contract Expiration Date:** 12/31/1998  
**Est. Annual Pre-Discount Cost:** \$122,732.50  
**Discount Percentage Approved:** 78%  
**Funding Commitment Decision:** \$95,731.35 - 471 approved; modified by SLC

In Form 471 Application Number 54054, our school district requested E-rate funding for a communications server that would act as both a PBX system and an Internet communications server. The total original estimated cost for this server was \$223,884.00; however, only \$122,732.50 was approved by the SLD as an E-rate eligible item.

Accordingly, we respectfully request that the SLD take the following actions:

- (1) Provide documentation as to the reason that the funding request was reduced.

If you have any questions or need additional information, please contact John Harrington at the address and telephone number below.

Sincerely,



**Joe Kitchens**  
**Superintendent**

cc: **John D. Harrington**  
**Funds For Learning, LLC**  
**2709 Lancaster Court (Suite 1100)**  
**Edmond, OK 73003**  
**405-341-7003**  
**[jharrington@fundsforlearning.com](mailto:jharrington@fundsforlearning.com)**

**JOE KITCHENS**  
**WESTERN HEIGHTS SCHOOLN DISTRICT # I-41**  
**8401 S.W 44<sup>TH</sup>**  
**OKLAHOMA CITY, OK 73179**

**MAR 5 1999**

**RE: APPLICATION 42040 & 54054**

The Schools and Libraries Division of the Universal Service Administrative Company (formally the Schools and Libraries Corporation) has received your correspondence regarding the 1998-99 funding decision on your application.

When the Schools and Libraries Division (SLD) receives your correspondence, it is reviewed and the specific concern, inquiry or dispute is identified. In either case -- an appeal or an inquiry -- the program integrity assurance records for the application and all supporting documentation submitted by the applicant are consulted. Throughout this process the SLD will seek to determine whether the program rules were administered appropriately in processing your application. In the case of an appeal, once this process is completed, the SLD will respond in writing and state whether your appeal is approved, denied or approved in part. Responses to inquiries may also be in the form of a telephone call, e-mail or written letter.

Whether your letter is an inquiry or an appeal, it is our goal to conclude this process and respond to you within 45 days. Funds have been set aside to implement funding decisions for those appeals which are approved by the SLD and which may be ultimately approved by the Federal Communications Commission.

The volume of letters we are receiving is higher than expected, which may cause our response time to be longer than initially anticipated. Our goal is to provide a timely, accurate and complete response to each applicant. We regret any inconvenience that you may experience with respect to this process and wish to thank you in advance for your patience.

Schools and Libraries Division  
Universal Service Administrative Company

L

**EXHIBIT L**

**Response to Administrator (April 23, 1999)**



April 23, 1999

**VIA FACSIMILE 973-581-6759 (6 pages total)**

Richard Nyquist  
SLD  
100 South Jefferson Rd  
Whippany, NJ 07981

**RE: FRN #0000156635**

Mr. Nyquist:

I am writing this letter in response to our conversation earlier today. As I mentioned to you on the phone, Western Heights School District originally contracted with Lucent Technologies for the installation of a Multimedia Communications Exchange Unit ("MCU"). A MCU is basically a combination PBX and network switch that allows data and phone calls to be switched over a common network. For your convenience I have attached a schematic that shows how a MCU interacts with the rest of a school's computer and phone network.

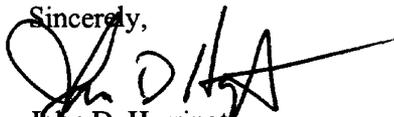
Western Heights originally awarded a \$301,924 contract for the MCU to Lucent Technologies. I have included the original proposal by Lucent Technologies to install the MCU. Note that \$78,040 of this contract was determined by Western Heights to be ineligible for E-rate support. Therefore, only \$223,884 was submitted to the SLD for E-rate support. (See the attached spreadsheet.)

Unfortunately, Lucent was unable to deliver a product that worked with Western Heights' data and voice network and the contract was subsequently reassigned to Integrative Solutions. During last fall, Integrative Solutions began work on the first phase of the MCU's deployment. Two invoices totaling \$122,732.50 have been submitted to the SLD for this work; however, the remaining balance of the work, \$101,151.50, has not been completed due to the confusion surrounding the funding request.

Western Heights requests that you reinstate the total approved cost for FRN 0000156635 to its original amount of \$223,884.

If you require further clarification please feel free to call me. My phone number is (405) 341-7003.

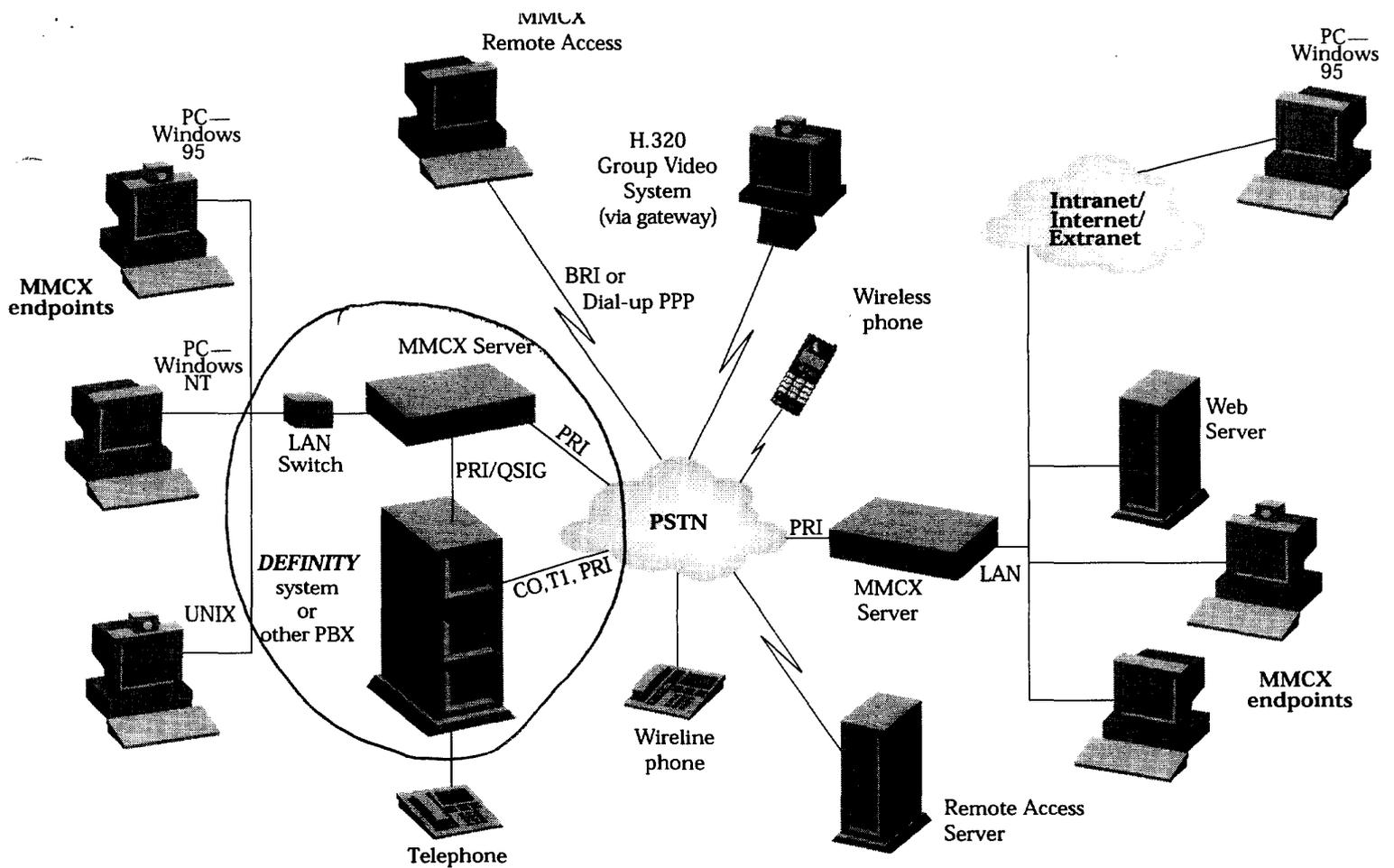
Sincerely,



John D. Harrington

cc: Joe Kitchens (Western Heights)  
Orin Heend (Funds For Learning)

attachments



*example of an MMCX networking configuration. Interserver traffic can be routed over a PRI or IP network. Your actual implementation would be customized based on your embedded networking infrastructure, applications, and media requirements. Lucent Technologies offers an array of services to help in the design, engineering, configuration, and installation of your MMCX solution.*

MMCX enhances the mixed media calling experience for all call participants.

The MMCX offers system administrators and network managers a means to control resources effectively. It is designed to utilize LAN/WAN bandwidth efficiently, protecting the network from performance degradation that may arise from excessive H.323 mixed media traffic. With its dynamic bandwidth allocation capabilities, the MMCX uses only the bandwidth required to support the active media at any point during a mixed media call, and frees the bandwidth when it is no longer needed.

To further minimize bandwidth usage during a video-enabled, multilocation, mixed media conference, a single video stream is sent across the WAN. The remote MMCX receives this stream and "multicasts" it to all the remote MMCX endpoints—so you're assured that the MMCX uses your bandwidth resources efficiently and cost-effectively.

The MMCX also supports Simple Network Management Protocol (SNMP) and remote maintenance capabilities to ensure high functionality and maximum reliability for your mixed media calling. The *OneVision™* MMCX Network Manager is a GUI-based tool that assists with the monitoring and maintenance of the MMCX server network. In addition, log-in password protection for administration and maintenance helps protect the security of your communications system.

## Backed by outstanding service and support

Whenever a need arises for support, rely on the expertise and commitment of the Lucent Technologies professional, nationwide support team, *NetCare®* Services. Lucent *NetCare* Services provides design, engineering, surveillance, maintenance, and remote operation for more than 5,000 companies and service providers who depend on Lucent Technologies for end-to-end management of multivendor data, voice, and video networks.

An array of professional and consulting services provide specialized support tailored to your needs:

- Maintenance Services are based on the response time you need to support mission-critical operations.
- Network Technology Consulting Services help you plan and manage your company's transition to high-performance, high-availability networks.
- Integration Services provide flexible options to assist in the design, engineering, configuration, and installation of your MMCX solution.
- Network Management Services provide a single point of contact for fault isolation, progress updates, and trouble resolution.

Bottom line, Lucent Technologies has a full portfolio of professional services to support your mixed media solution—from engineering your software, to network integration and installation, through helpline support and ongoing management.

Summary of Original Lucent  
MultiMedia Communications Exchange  
Server Contract

Item	Cost
MMCE	\$ 161,884.00
IVR	\$ 106,790.00
Definity Prologic System	\$ 33,250.00
Total	\$ 301,924.00

*Less Ineligible Services*      \$ 78,040.00

**Total E-rate Eligible Cost**    **\$ 223,884.00**

# Multi-Media Communications Exchange

The award winning Lucent Technologies MultiMedia Communications Exchange Server links voice, video, and data applications in a powerful new way by extending familiar business telephone calling features to multimedia desktop computers over a Local Area Network or Wide Area Network. Our solution meets and exceeds all your specifications listed in the bid.

Our solution will require 3 MMCX Platforms to meet your requirements us up to 300 devices. The components are as follows:

- 3 MMCX Servers
- 3 VGA Cards
- 3 ISDN PRI Gateways
- 3 Port Security Device Locks
- 3 MMCX R2 TRU Server 1-100 Users
- 3 MMCX R2 Server Software
- 12 MMCX - R2 Client RTU - 25 Users
- 3 MMCX R2 Client Software
- 3 Software Engineering - MMCX
- 9 Software Engineering - add'l devices
- 3 Software Engineering - PBX
- 3 Network Integration

Investment	\$200,430
Education Promo	<u>- 38,546</u>
Net Investment	\$161,884

# Interactive Voice Response (IVR) Solution

## Hardware

Lucent Technologies will provide the Multi-Applications Processor (MAP) Model 5 with 18 Ports. The specifications include:

- 1 MAP 5
- 3 6 Port Voice Boards (18 Ports)
- 1 Enhanced Basic IVR Software
- 1 V6 Oracle Software
- 1 Script Builder Software
- 1 6306 Parallel Interface
- 1 Conversant Software
- 1 Parallel Printer
- 1 Version 6 Document Set

## Software Applications

Homework Hotline Application - A 24 Hour Hotline for Homework Assignments

Student Absentee Reporting System - Calls homes of students who are absent on a given day.

Substitute Teacher Locator - Tracks down replacements for absent teachers.

Integration Package with Host Computer

Application Installation - On-Site installation and Training by Accuvoice.

## Investment

MAP 5	\$ 28,750 ✓
Homework Hotline	\$ 19,500
Student Absentee Reporting	\$ 18,500
Substitute Teacher Locator	\$ 26,200
Host Integration	\$ 8,000
4 Day Installation & Training	<u>\$ 5,840</u>
Investment	\$106,790

## Definity Prologic System

The Definity Prologic Communication System will provide the foundation necessary for Western Heights to communicate through the MMCX to the outside world. It is provisioned as follows:

- 1 Definity Prologic Cabinet
- 1 Definity Prologic System Software
- 1 8 Port CO Trunk Card
- 2 16 Port Analog Cards
- 1 24 Port Digital Station Circuit Card
- 3 ISDN PRI T1 Interfaces
- 1 System Administration Terminal
  
- 1 Attendant Position
- 3 Multiline Digital Telephones
- 25 Single Line Telephones
  
- 29 Reused Wire Runs
- 1 Installation & Shipping
  
- Investment \$33,250



M



**EXHIBIT M**

**Administrator Correspondence (May 1, 1999)**

SCHOOLS AND LIBRARIES DIVISION

PROGRAM INTEGRITY ASSURANCE

FACSIMILE TRANSMITTAL

To: JOHN HARRINGTON

Fax: 405.971.7685

FFL - EDMOND, OK

Location/Organization

From: RICK NYQUIST

Date: 5-1-99

SLC-Program Integrity  
Assurance

Phone # 973.884.7237

Fax#: 973.581.6759

Re: \_\_\_\_\_

#of Pages 2

CC: \_\_\_\_\_

Comments: PLEASE RESPOND ASAP

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

May 1, 1999

John Harrington  
Funds for Learning

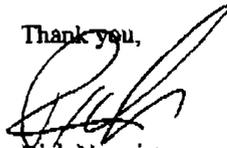
John:

Received your fax and have several questions:

- ① - "...\$78,040 of this contract was determined by Western Heights to be ineligible for E-rate support" [(\$301,924 - \$78,040) = \$223,884]. Please identify ineligible items and costs from the lists on pages 4-6 of your 4-30-99 fax.
- ② - How does the MultiMedia Communications Exchange Server work with the entire Western Heights school district phone system?
- ③ - The 1998 Form 471 requested \$9926.56 for Integrative Solutions services. What are these?

Please respond as quickly as possible. We are trying to wrap up the appeals soon.

Thank you,



Rich Nyquist

A

**EXHIBIT N**

**Response to Administrator (May 3, 1999)**



May 3, 1999

**VIA FACSIMILE 973-581-6759 (2 pages total)**

Richard Nyquist  
SLD  
100 South Jefferson Rd  
Whippany, NJ 07981

**RE: Western Heights Schools, Oklahoma City, OK**

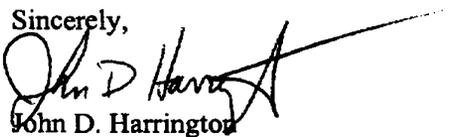
Mr. Nyquist:

I received your three additional questions and I will respond to them below. For your convenience, I have included a copy of your questions with this correspondence.

- 1) The ineligible services are listed on the bottom of page 5 of the April 30 fax. The ineligible items consist of four software programs: homework hotline, student absentee reporting, substitute teacher locator, and host integration. Additionally the installation and training were not submitted for reimbursement.
- 2) The MCU acts as an interface between the school district's computer network and PBX. The MCU allows the district to use its existing computer network to place phone calls using the PBX. Therefore it saves the district the additional expense of installing new telephone wiring to all of its classrooms. (The district already has networked computers in each classroom.)
- 3) The \$9,926.56 for Integrative Solutions on the 1998 Form 471 is a request to install fiber optic wiring in the school district's central file server room. This server room handles all e-mail and Internet access for the school district. The request is for approximately 960 feet of fiber optic used for connections within the server room.

Thanks for all of your help and understanding. If you require further clarification please feel free to call me. My phone number is (405) 341-7003.

Sincerely,

  
John D. Harrington

cc: Joe Kitchens (Western Heights)  
Orin Heend (Funds For Learning)

attachments

May 1, 1999

John Harrington  
Funds for Learning

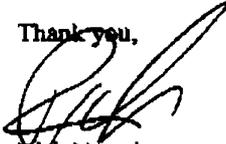
John:

Received your fax and have several questions:

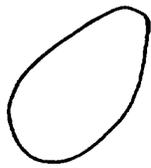
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- ② - How does the MultiMedia Communications Exchange Server work with the entire Western Heights school district phone system?
- ③ - The 1998 Form 471 requested \$9926.56 for Integrative Solutions services. What are these?

Please respond as quickly as possible. We are trying to wrap up the appeals soon.

Thank you,



Rich Nyquist



**EXHIBIT O**

**Decision on Appeal (May 26, 1999)**

**USAC**UNIVERSAL SERVICE  
ADMINISTRATIVE CO.Box 125 - Correspondence Unit  
100 South Jefferson Road  
Whippany, New Jersey 07981

SCHOOLS AND LIBRARIES DIVISION

**Administrator's Decision on Appeal**

May 26, 1999

Joe Kitchens  
Western Heights School  
8401 SW 44<sup>TH</sup> Street  
Oklahoma City, OK 73179

JUN 01 1999

Re: Billed Entity Number: 139844  
Application Number: 54054  
Funding Request Number(s): 156635  
Your Correspondence Dated: March 1, 1999

After thorough review and investigation of your appeal, the Schools and Libraries Division (SLD) of the Universal Service Administrative Company has resolved your appeal which seeks approval of additional discounts for the first program year. This letter addresses our decision concerning each Funding Request Number that was included in your letter of appeal for the above referenced Application Number. If your letter of appeal addressed more than one Application Number, a separate letter will be issued to inform you of our decision on the appeal of each Application Number included in your appeal.

Funding Request Number: 156635  
Decision on Appeal: Denied in Full.

The following explanation is provided to inform you of the reason for our decision on appeal of this Funding Request Number, for those appeals that are denied in full.

**Denial Reason:**

- The service funding requested on your Form 471 was changed per your August 28, 1998 Correction Request for Form 471. In this document you requested we cancel the \$223,884 Lucent Technologies service and replace it with a \$122,732.50 Integrative Solutions, Inc. service. This was done and included as Funding Request Number 156635. During our current review of this service, we determined the majority of the services are ineligible (Video Server, Inc Net Server Dual PRI and Net Gate, Dual PRI & IMUX), and the Funding Request Number is now denied.

If you feel further examination of your application is in order, you may file an appeal with the Federal Communications Commission, Office of the Secretary, 445 12<sup>TH</sup> Street, SW, Room TW-A325, Washington, DC 20554. Before preparing and submitting your appeal, please be sure to review the FCC rules concerning the filing of an appeal of an Administrator's Decision, which are posted to the

SLD Web Site at <[www.sl.universalservice.org](http://www.sl.universalservice.org)>. You must file your appeal with the FCC no later than 30 days from the date of the issuance of this letter, in order for your appeal to be timely filed.

Once this appeal decision letter is issued to you, we can and will process invoices that may be submitted for Funding Request Numbers approved for discounts in the Funding Commitment Decisions Letter that was originally issued to you.

We thank you for your continued support, patience, and cooperation during the appeal process.

Schools and Libraries Division  
Universal Service Administrative Company