

NATHANIEL HAWTHORNE  
Attorney at Law/Consultant  
Admitted in Ohio, Illinois and the District of Columbia

email: nateh@users.qual.net

December 8, 1999

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Suite 260  
Cleveland, OH 44122  
(216) 514-3336  
fax (216) 514-3337

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DEC - 9 1999

FCC MAIL ROOM

97-21

Federal Communications Commission  
Office of the Secretary  
445 12 th Street, SW  
Room TW-A325  
Washington, DC 20554

Please file the attached Appeal, and return the enclosed copy with a time stamp in the enclosed self addressed stamped envelope.

Sincerely,



Nathaniel Hawthorne

No. of Copies rec'd 042  
List ABCDE

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DEC - 9 1999

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**Express Mail**

Before  
the  
**Federal Communications Commission**

**In the matter of:**

**Request for Review by Spring Cove School District  
of a Decision by the Universal Service Administrator**

**FCC Docket Nos. 97-21, and 96-45**

**Motion to Suspend, or waiver of rules for good cause shown.  
47 CFR Sec. 1.3**

(1) Spring Cove School District's Interest:

Spring Cove School District is a public school district located in Roaring Spring, Pennsylvania. Spring Cove timely filed the FCC Form 470; FCC Form 471 was filed within the "75 day window" established by the FCC. The Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC) denied Universal Service Funds (USF) to Spring Cove stating that Spring Cove executed contracts for new service prior to a 28 day waiting period. Spring Cove:

- (a) appeals the denial of its request for funding by the SLD; and,
- (b) motives to suspend or waive, for good cause shown, the SLD requirement that FCC Form 470 be posted for 28 days before a contract can be executed.

(2) Relevant Facts:

A. The following Funding Request Numbers are appealed;

0000214811  
0000214814  
0000214818  
0000240235  
0000240243  
0000240267  
0000240274

0000277713

0000277716

See attached funding letter from the SLD. Attachment 1.

B. SLD Letter Appealed

Form 471 Application Number: 134395  
Funding Year: 07/01/1999-06/30/2000  
Billed Entity Number: 125609

Date of Funding Denial Notice: November 9, 1999  
Post marked envelope date/  
Issuance date of the SLD letter: November 9, 1999

Date of Appeal: December 8, 1999

(C) Spring Cove Contact Information

Peggy R. Shaffer  
1100 E. Main St.  
Roaring Spring, PA 16673-1633

Tel. (814)224-5124  
Fax. (814)224-5516

(3) Question for Review

A. The SLD denied funding because:

“A contract for a new service was signed prior to the required 28-day waiting period computed from the date of the posting of the Form 470 to the SLD Web Site.”

**B. The bases of this Appeal:**

a). Facts:

1. The FCC Form was posted by the SLD on February 17, 1999.
2. Spring Cove was advised by the SLD that contracts could be executed “on or after 03/17/1999.” See attachment 2.
3. Spring Cove executed a Supplemental Agreement with Sprint on March 16, 1999. **This was one day before the SLD authorized execution date.** See attachment 3.

4. Team Telecom Inc. presented Spring Cove with an Agreement on March 16, 1999. **This was one day before the SLD authorized execution date.** See attachment 4.
5. EduSource presented Spring Cove with an Agreement on March 15, 1999. **This was two days before the SLD authorized execution date.** See attachment 5.

b). Legal Support for reversing the SLD's actions.

1. 47 CFR Sec. 1.3. Suspension, amendment , or waiver of Rules.
2. Keller Communications, Inc. v. Federal Communications Commission, 130, F.3rd 1073 (D.C. Cir. 1997), *cert. denied* 524 U.S. 954 (1998). FCC acted within its authority when it waived defects in city's application to add neighboring town's conventional radio channel to city's trunked radio system. FCC may waive its rules if particular facts would make strict compliance inconsistent with public interest.
3. Wait Radio v. Federal Communications Commission, 418 F 2<sup>nd</sup> 1153 (1968). Waiver is appropriate if consistent with underlying policy of rules.
4. Comuni-Centre Broadcasting, Inc. v. FCC, 856 F.2<sup>nd</sup> 1551 (D.C. Cir. 1988). *cert. denied*, 489 U.S. 1083 (1988). The decision by the SLD is arbitrary and capricious since an average of 1.3 days was inadvertently missed.
5. 47 CFR, Sec. 54.504 (b) (3). States that FCC Form 470 must be posted on the SLD web site, but no time period is stated. Attachment 6.

c) Argument

The purpose of Sec. 254 (Universal Service) of the Telecommunications Act of 1996 was the recognition by Congress that “ [t]he ability of K-12 classrooms...to obtain access to advances telecommunications services is critical to ensuring that these services are available on a universal basis... This universal access will assure that no one is barred from benefiting from the power of the information age.” See Conference Report, Report 104-230, pp. 132-133; Telecommunications Act of 1996. To implement this policy the FCC and the SLD implemented rules. While rules are required and necessary, they should not be implemented in an arbitrary manner. Rules should not be enforced in a manner that thwarts Congressional intent.

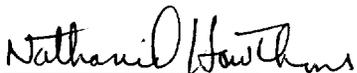
In this matter, we have a needy rural school district that executed contracts, on two occasions, one day before the administratively imposed deadline; and, in another instance, a contract was executed two days before the deadline. Said differently, the contracts were executed, on average, 1.3 days before the administrative deadline. This is not a gross abuse of the SLD's rules. Why did they execute the Contracts? Execution of the Contracts was inadvertent. See Attachment   7  .

The obvious reason for the posting requirement is to invite competing potential providers to offer their products and services. This would enable school districts to not only get a discount from the SLD but purchase the best products and services at very favorable prices. However, the point here is that there is no evidence that this laudable public policy was circumvented by executing contracts 1.3 days prior to the deadline. There was substantial compliance with the posting requirement.

**(4) Statement of Relief Requested**

- A. The FCC should reverse the SLD's action in refusing to fund the FRN's appealed.**
- B. The FCC should waive or suspend the SLD rule prohibiting execution of of a contract prior to 28 days after posting of the Form 470.**
- C. The FCC should order funding of each FRN appealed.**

Spring Cove School District

By:   
Nathaniel Hawthorne  
Attorney  
Ohio Bar 0008881

27600 Chagrin Blvd.,  
Suite 260  
Cleveland, OH 44122

Tel. 216/514/3336  
Fax. 216/514/3337  
Email:  
[nateh@users.qual.net](mailto:nateh@users.qual.net)

**Certificate of Service**

A copy of the foregoing Appeal and Motion was served on the  
Universal Service Administrative Company (Administrator) at:

Schools and Libraries Division  
Universal Service Administrative Company  
Box 125-Correspondence Unit  
100 South Jefferson Rd.  
Whippany, NJ 07981

pursuant to 47 CFR Sec. 1.47 this 8<sup>th</sup> day of December, 1999 by Express  
Mail.



Nathaniel Hawthorne

Attachment 1



SCHOOLS AND LIBRARIES DIVISION  
Box 125 - Correspondence Unit  
100 South Jefferson Road  
Whippany, NJ 07981

*NATE:  
Can you appeal  
the unfunded  
parts?*

*Hugh 5  
Pages*

SPRING COVE SCHOOL DISTRICT  
PEGGY R. SHAFFER  
1100 E MAIN ST  
ROARING SPRING PA 16673-1633

November 9, 1999

Re: Form 471 Application Number: 134395  
Funding Year: 07/01/1999 - 06/30/2000  
Billed Entity Number: 125609

Thank you for your 1999-2000 E-rate application and for any assistance you provided throughout our review. We have completed processing of your Form 471. This letter is to advise you of our decisions.

**FUNDING COMMITMENT REPORT**

From your Form 471, we reviewed row-by-row discount requests in Items 15 and 16. We assigned each row a Funding Request Number (FRN). On the pages following this letter, we have provided a Funding Commitment Report for each FRN in your application.

Attached to this letter you will find a guide that defines each line of the Funding Commitment Report and a complete list of FRNs from your application. The SLD is also sending this information to your service provider(s) so arrangements can be made to begin implementing your E-rate discount(s). We would encourage you to contact your service providers to let them know your plans regarding these services.

**FOR QUESTIONS**

If you have questions regarding our decisions on your E-rate application, please notify us in writing. Your questions should be sent to: Questions, Schools and Libraries Division, Universal Service Administrative Company, Box 125 - Correspondence Unit, 100 South Jefferson Road, Whippany, NJ 07981.

**FOR APPEALS**

If you wish to appeal to the SLD, your appeal must be made in writing and received by us within 30 days of issuance of this letter as indicated by its postmark. In your letter of appeal, please include: correct contact information for the appellant, information on the Funding Commitment Decision you are appealing and the specific Funding Request Number in question, and an original authorized signature. Appeals sent by fax, e-mail or phone call cannot be processed. Please mail your appeal to: Letter of Appeal, Schools and Libraries Division, Box 125 - Correspondence Unit, 100 South Jefferson Road, Whippany, NJ 07981. You may also call our Client Service Bureau at 888-203-8100. While we encourage you to resolve your appeal with the SLD first, you have the option of filing an appeal directly with the Federal Communications Commission (FCC): FCC, Office of the Secretary, 445 12th Street SW, Room TW-A 325, Washington, D.C. 20554.

**NEXT STEPS**

Once you have reviewed this letter and have determined that some or all of your requests have been funded, your next step is to complete and submit the enclosed FCC Form 486. This Form notifies the SLD that you are currently receiving or have begun receiving services approved for discounts and provides certified indication that your technology plan(s) has been approved. As you complete your Form 486, you should also contact your service provider to verify they have received notice from the SLD of your commitments. After the SLD processes your Form 486, we can begin processing invoices from your service provider(s) so they can be reimbursed for discounted services they have provided you. For further detailed information on next steps, please review all enclosures.

## FUNDING COMMITMENT REPORT FOR APPLICATION NUMBER: 0000134395

Funding Request Number: 0000200011 Funding Status: Funded  
 SPIN: 143001192 Service Provider Name: AT&T Corp.  
 Provider Contract Number: T  
 Services Ordered: Dedicated Services  
 Earliest Possible Effective Date of Discount: 07/01/1999  
 Contract Expiration Date: N/A  
 Site Identifier: 42 22530 00941  
 Pre-discount Cost: \$9,000.00  
 Discount Percentage Approved by the SLD: 50%  
 Funding Commitment Decision: \$4,500.00

Funding Request Number: 0000214811 Funding Status: Unfunded or Denied  
 SPIN: 143001394 Service Provider Name: Sprint/United Tel. Co. of Pennsylvania  
 Provider Contract Number: C  
 Services Ordered: Telecommunications Services *Sprint 3/1*  
 Earliest Possible Effective Date of Discount: 07/01/1999 *SD 3/16*  
 Contract Expiration Date: 06/30/2000  
 Pre-discount Cost: \$25,675.00  
 Discount Percentage Approved by the SLD: N/A  
 Funding Commitment Decision: \$0.00 - 28 Day Waiting Period Violated  
 Funding Commitment Decision Explanation: A contract for a new service was signed prior to the required 28-day waiting period computed from the date of the posting of the Form 470 to the SLD Web Site. ✓

Funding Request Number: 0000214814 Funding Status: Unfunded or Denied  
 SPIN: 143001394 Service Provider Name: Sprint/United Tel. Co. of Pennsylvania  
 Provider Contract Number: C  
 Services Ordered: Internet Access *Sprint 3/1*  
 Earliest Possible Effective Date of Discount: 07/01/1999 *SD 3/16*  
 Contract Expiration Date: 06/30/2000  
 Pre-discount Cost: \$3,648.00  
 Discount Percentage Approved by the SLD: N/A  
 Funding Commitment Decision: \$0.00 - 28 Day Waiting Period Violated  
 Funding Commitment Decision Explanation: A contract for a new service was signed prior to the required 28-day waiting period computed from the date of the posting of the Form 470 to the SLD Web Site. ✓

Funding Request Number: 0000214816 Funding Status: Funded  
 SPIN: 143012894 Service Provider Name: Blair-Bedford County Computer Services, Inc.  
 Provider Contract Number: C  
 Services Ordered: Internet Access  
 Earliest Possible Effective Date of Discount: 07/01/1999 *3/18*  
 Contract Expiration Date: 06/30/2000  
 Pre-discount Cost: \$14,250.00  
 Discount Percentage Approved by the SLD: 51%  
 Funding Commitment Decision: \$7,267.50 - FRN approved; modified by SLD  
 Funding Commitment Decision Explanation: The shared discount was corrected. ✓

Funding Request Number: 0000214818 Funding Status: Unfunded or Denied  
 SPIN: 143016504 Service Provider Name: Manning Enterprises Inc. dba EduSource  
 Provider Contract Number: C  
 Services Ordered: Internal Connections (Shared) *SD 3/15*  
 Earliest Possible Effective Date of Discount: 07/01/1999 *Ed "*  
 Contract Expiration Date: 06/30/2000  
 Pre-discount Cost: \$50,004.00  
 Discount Percentage Approved by the SLD: N/A  
 Funding Commitment Decision: \$0.00 - 28 Day Waiting Period Violated  
 Funding Commitment Decision Explanation: A contract for a new service was signed prior to the required 28-day waiting period computed from the date of the posting of the Form 470 to the SLD Web Site. ✓

FUNDING COMMITMENT REPORT FOR APPLICATION NUMBER: 0000134395

Funding Request Number: 0000240235 Funding Status: Unfunded or Denied  
 SPIN: 143005044 Service Provider Name: Team Telecom, Inc.  
 Provider Contract Number: C  
 Services Ordered: Internal Connections  
 Earliest Possible Effective Date of Discount: 07/01/1999 TT 3/16  
 Contract Expiration Date: 06/30/2000  
 Site Identifier: 42 22530 00934  
 Pre-discount Cost: \$981.00 ✓  
 Discount Percentage Approved by the SLD: N/A  
 Funding Commitment Decision: \$0.00 - 28 Day Waiting Period Violated  
 Funding Commitment Decision Explanation: A contract for a new service was signed prior to the required 28-day waiting period computed from the date of the posting of the Form 470 to the SLD Web Site.

Funding Request Number: 0000240243 Funding Status: Unfunded or Denied  
 SPIN: 143005044 Service Provider Name: Team Telecom, Inc.  
 Provider Contract Number: C  
 Services Ordered: Internal Connections  
 Earliest Possible Effective Date of Discount: 07/01/1999 TT 3/16  
 Contract Expiration Date: 06/30/2000  
 Site Identifier: 42 22530 00939 ✓  
 Pre-discount Cost: \$1,439.00  
 Discount Percentage Approved by the SLD: N/A  
 Funding Commitment Decision: \$0.00 - 28 Day Waiting Period Violated  
 Funding Commitment Decision Explanation: A contract for a new service was signed prior to the required 28-day waiting period computed from the date of the posting of the Form 470 to the SLD Web Site.

Funding Request Number: 0000240256 Funding Status: Funded  
 SPIN: 143004478 Service Provider Name: The Hite Company 3/19  
 Provider Contract Number: C  
 Services Ordered: Internal Connections (Shared)  
 Earliest Possible Effective Date of Discount: 07/01/1999  
 Contract Expiration Date: 06/30/2000  
 Pre-discount Cost: \$5,319.00  
 Discount Percentage Approved by the SLD: 51%  
 Funding Commitment Decision: \$2,712.69 - FRN approved; modified by SLD  
 Funding Commitment Decision Explanation: The shared discount was corrected. The dollars requested were reduced to remove the ineligible products Tools and Consumable Supplies.

Funding Request Number: 0000240267 Funding Status: Unfunded or Denied  
 SPIN: 143005044 Service Provider Name: Team Telecom, Inc.  
 Provider Contract Number: C  
 Services Ordered: Internal Connections TT 3/16  
 Earliest Possible Effective Date of Discount: 07/01/1999 SD -  
 Contract Expiration Date: 06/30/2000  
 Site Identifier: 42 22530 05130 ✓  
 Pre-discount Cost: \$1,889.00  
 Discount Percentage Approved by the SLD: N/A  
 Funding Commitment Decision: \$0.00 - 28 Day Waiting Period Violated  
 Funding Commitment Decision Explanation: A contract for a new service was signed prior to the required 28-day waiting period computed from the date of the posting of the Form 470 to the SLD Web Site.

Funding Request Number: 0000240274 Funding Status: Unfunded or Denied  
 SPIN: 143005044 Service Provider Name: Team Telecom, Inc.  
 Provider Contract Number: C  
 Services Ordered: Internal Connections TT 3/16  
 Earliest Possible Effective Date of Discount: 07/01/1999 SD -  
 Contract Expiration Date: 06/30/2000  
 Site Identifier: 42 22530 09984 ✓  
 Pre-discount Cost: \$1,439.00  
 Discount Percentage Approved by the SLD: N/A  
 Funding Commitment Decision: \$0.00 - 28 Day Waiting Period Violated  
 Funding Commitment Decision Explanation: A contract for a new service was signed prior to the required 28-day waiting period computed from the date of the posting of the Form 470 to the SLD Web Site.

## FUNDING COMMITMENT REPORT FOR APPLICATION NUMBER: 0000134395

Funding Request Number: 0000240766 Funding Status: Funded  
 SPIN: 143001398 Service Provider Name: Bell Atlantic Pennsylvania, Inc.  
 Provider Contract Number: T  
 Services Ordered: Telecommunications Services  
 Earliest Possible Effective Date of Discount: 07/01/1999  
 Contract Expiration Date: N/A  
 Pre-discount Cost: \$1,800.00  
 Discount Percentage Approved by the SLD: 51%  
 Funding Commitment Decision: \$918.00 - FRN approved; modified by SLD  
 Funding Commitment Decision Explanation: The shared discount was corrected.

Funding Request Number: 0000277712 Funding Status: Funded  
 SPIN: 143001197 Service Provider Name: MCI Communications Corporation  
 Provider Contract Number: C  
 Services Ordered: Telecommunications Services  
 Earliest Possible Effective Date of Discount: 07/01/1999 *SD 1/29/98*  
 Contract Expiration Date: 06/30/2000  
 Pre-discount Cost: \$6,000.00  
 Discount Percentage Approved by the SLD: 51%  
 Funding Commitment Decision: \$3,060.00 - FRN approved; modified by SLD  
 Funding Commitment Decision Explanation: The shared discount was corrected.

Funding Request Number: 0000277713 Funding Status: Unfunded or Denied  
 SPIN: 143001394 Service Provider Name: Sprint/United Tel. Co. of Pennsylvania  
 Provider Contract Number: C  
 Services Ordered: Dedicated Services  
 Earliest Possible Effective Date of Discount: 07/01/1999 *Sprint 3/16*  
 Contract Expiration Date: 06/30/2000 *SD 3/16*  
 Site Identifier: 42 22530 00941  
 Pre-discount Cost: \$1,632.00  
 Discount Percentage Approved by the SLD: N/A  
 Funding Commitment Decision: \$0.00 - 28 Day Waiting Period Violated  
 Funding Commitment Decision Explanation: A contract for a new service was signed prior to the required 28-day waiting period computed from the date of the posting of the Form 470 to the SLD Web Site.

Funding Request Number: 0000277716 Funding Status: Unfunded or Denied  
 SPIN: 143001394 Service Provider Name: Sprint/United Tel. Co. of Pennsylvania  
 Provider Contract Number: C  
 Services Ordered: Dedicated Services  
 Earliest Possible Effective Date of Discount: 07/01/1999 *Sprint 3/16*  
 Contract Expiration Date: 06/30/2000 *SD 3/16*  
 Site Identifier: 42 22530 00941  
 Pre-discount Cost: \$1,980.00  
 Discount Percentage Approved by the SLD: N/A  
 Funding Commitment Decision: \$0.00 - 28 Day Waiting Period Violated  
 Funding Commitment Decision Explanation: A contract for a new service was signed prior to the required 28-day waiting period computed from the date of the posting of the Form 470 to the SLD Web Site.

**NOTICE ON RULES AND FUNDS AVAILABILITY**

Applicants' receipt of funding commitments is contingent on their compliance with all statutory, regulatory, and procedural requirements of the universal service mechanisms for schools and libraries. FCC Form 471 Applicants who have received funding commitments continue to be subject to audits and other reviews that SLD or the Commission may undertake periodically to assure that funds have been committed and are being used in accordance with all such requirements. If the SLD subsequently determines that its commitment was erroneously issued due to action or inaction, including but not limited to that by SLD, the Applicant, or service provider, and that the action or inaction was not in accordance with such requirements, SLD may be required to cancel these funding commitments and seek repayment of any funds disbursed not in accordance with such requirements. The SLD, and other appropriate authorities (including but not limited to USAC and the FCC) may pursue enforcement actions and other means of recourse to collect erroneously disbursed funds.

The timing of payment of invoices may also be affected by the availability of funds based on the amount of funds collected from contributing telecommunications companies.

We look forward to continuing our work with you on connecting our schools and libraries together through communications technology.

Sincerely,  
Kate L. Moore  
President, Schools and Libraries Division, USAC

Enclosures

## Attachment 2

**USAC**  
 UNIVERSAL SERVICE  
 ADMINISTRATIVE CO.  
 Schools and Libraries  
 Division

Box 125 - Correspondence Unit  
 100 South Jefferson Road  
 Whippany, NJ 07981

FEB 25 1999

SPRING COVE SCHOOL DISTRICT  
 Peggy R. Shaffer  
 1100 E MAIN ST  
 ROARING SPRING PA 16673-1633

|||||

DATE: 02/22/1999

Important Notice from  
 The Schools and Libraries Division/USAC  
 about your Form 470 Application

We are pleased to inform you that the Schools and Libraries Division/USAC (SLD) has received your properly completed FCC Form 470, Description of Services Requested. This letter provides important information about the processing of your Form 470 application. Please read this letter carefully and retain it for your records and future reference.

The SLD has assigned the following Universal Service Control Number (USCN) to your FCC Form 470: 774260000193986. Please record this number in a safe place. The USCN is used to track your Form 470, and it must be provided when completing a FCC Form 471, Services Ordered and Certification Form, that is based upon your Form 470 application. Any Form 471 applicant that intends to rely upon your Form 470 application must know the USCN for this application, and must be expressly listed in the Form 470 application in Item (19) of that Form. You may wish to share the USCN for your Form 470 application with those schools and/or libraries that are listed in Item (19) of your application to assist in their preparation of Form 471 applications.

The next step in the application process is the completion of a FCC Form 471 application, Services Ordered and Certification Form. FCC rules require that requests for new services be posted on the SLD Web Site for a period of 28 days before you enter into and sign any contracts with service providers. Your application was posted by the SLD on 02/17/1999. Accordingly, a contract or contracts may be signed for requested services on or after 03/17/1999. The SLD will be prepared on that date to receive your Form(s) 471. A properly completed Form 471, with a signed Form 471 certification, must be received by the SLD no later than 04/06/1999 in order to meet the SLD 126-day window. If the earliest allowable submission date is after the window date, your application will not be considered together with those received within the window.

A properly completed certification for your Form 470 has been received and entered.

It is important to remember that not all requested services may necessarily be approved for discounts. Your application is subject to review by the SLD for a determination of funding eligibility before funds are committed. (This review will consider all program rules including eligibility of discount recipients and the eligibility of services for which discounts are requested.) In addition, availability of funds will be a factor in funding decisions. Therefore, you should consider the possibility of a denial of funding or a level of funding below your request, and include appropriate contingencies in contracts for any or all of the requested services.

If you have any questions, please call the SLD Client Service Bureau at 888-203-8100.

Attachment 3

UNIVERSAL SERVICE FUND  
SCHOOLS AND LIBRARIES PROGRAM  
SUPPLEMENTAL AGREEMENT

WHEREAS, Spring Cove School Dist ("Customer") is purchasing the following service ("Service") from Sprint LOCAL ("Sprint") pursuant to the terms and conditions in Sprint's Tariff:

LOCAL SERVICE

and:

WHEREAS, Customer has determined that the Service is eligible for a discount ("Discount") under the Universal Service Fund Schools and Libraries Program established by the Communications Act of 1996 (the "Program") administered by the Schools and Libraries Corporation or other administrative body designated by the Federal Communications Commission (the "SLC"); and

WHEREAS, Customer desires to seek a Discount funding commitment for the Service from the SLC (the "Discount Commitment");

NOW, THEREFORE, Sprint and Customer agree as follows:

1. SERVICE ACTIVATION. Sprint will begin the process of activating Service according to the following option selected by the Customer:

Option 1. The process of activating Service will begin on the date this Supplemental Agreement is executed by both the Customer and Sprint.

Option 2. The process of activating Service will begin on the date Customer provides written confirmation to Sprint that a Discount Commitment for the Service has been received from the SLC.

2. DISCOUNT PROCESS. Upon execution of this Supplemental Agreement, Customer shall submit to the SLC a Form 471, and any other necessary documentation, to request a Discount Commitment for the Service. For recurring Service, Customer will each year submit a Form 471 to request a Discount Commitment for the next calendar year within 30 days of the first date that such requests will be accepted by the SLC. Customer will notify Sprint in writing within five days of receipt of a Discount Commitment from the SLC, and will include a copy of SLC documentation in such notice. Customer will submit to the SLC a Form 486 to verify delivery of Service within five days after the Service is activated, and will simultaneously submit a copy of said Form 486 to Sprint.

3. APPLICATION OF DISCOUNT. Upon receipt of a copy of the Form 486, Sprint will apply Discounts as approved by the SLC to the invoice(s) for Service pursuant to Tariff and corresponding to the Form 486. These Discounts may take the form of a reduced price or a credit. Customer will provide documentation to Sprint which allows Sprint to apply Discounts in a manner which is consistent with the Discount Commitment made by the SLC.

4. FAILURE TO OBTAIN DISCOUNT. If Sprint, for any reason other than failure to deliver Service pursuant to Tariff, is unable to obtain reimbursement from the SLC for Discounts made under the Program, then Customer shall reimburse Sprint directly for said Discounts. In such cases, Sprint shall invoice Customer, and Customer shall pay Sprint, in an amount equal to Discounts previously rendered by Sprint and denied for reimbursement by the SLC.

5. OPTION TO TERMINATE SERVICE. Customer must select one of the following options regarding Service provided on a recurring basis that has a service period beyond the calendar year in which this Supplemental Agreement is executed. If a Discount Commitment for such Service is not made by the SLC in any calendar year after the year in which this Supplemental Agreement is executed then:

Option 1. Customer elects to purchase such Service, without Discount, under the terms and conditions of Sprint's Tariff.

Option 2. Customer elects to terminate such Service without future liability, except for payment without Discount for such Service rendered prior to termination but after funding has been denied by the SLC. If Customer elects this Option 2, it shall notify Sprint that Service is to be terminated at least 30 days prior to the beginning of the calendar year for which Discount funding has been denied.

6. The terms and conditions of this Supplemental Agreement are intended to supplement the terms and conditions of Sprint's Tariff.

EXECUTED by the undersigned effective 2/01/99 to 6/30/00

Spring Cove School District  
(Customer)

Sprint  
(Sprint)

By: Aggy P. Steffen

By: Clairie K. Deant

Date: 3/16/99

Date: 3/1/99

Attachment 4

**AGREEMENT**

**SPRING COVE SCHOOL DISTRICT, 1100 East Main Street, Roaring Spring, PA 16673 and TEAM TELECOM INC., P. O. Box 3191, Altoona, PA 16601-9998, agree to replace telephone systems at the following schools:**

<b>SCHOOL NAME</b>	<b>ADDRESS</b>
East Freedom Elementary School	East Freedom, PA
Roaring Spring Elementary School	239 Poplar Street Roaring Spring, PA
Martinsburg Elementary School	415 East Spring Street Martinsburg, PA
Spring Cove Middle School	1150 East Main Street Roaring Spring, PA

Please refer to the following four (4) Proposal Agreements for exact configuration replacements. No voice mail is included. No telephone station equipment is included.

**SUMMARY**

The total costs are not to exceed costs of:	
One building - 1 NEC 48 Replacement	\$1,889.00
Three buildings Level 1 Replacements	3,859.00
<b>TOTAL</b>	<b>\$5,748.00</b>

For technical information contact: Spring Cove School District  
Peggy R. Shaffer, Business Manager  
Phone: (814)224-5124

Team Telecom Inc.  
Susan C. Dickman, President  
Phone: (814)942-3131, ext. 107

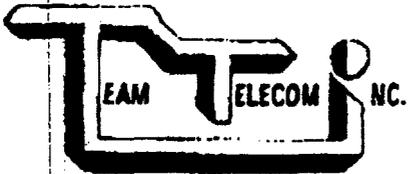
Signed \_\_\_\_\_

*Susan C. Dickman* 3/16/99

Spring Cove School District  
Peggy R. Shaffer  
Business Manager

Team Telecom Inc.  
Susan C. Dickman  
President

*Proposal*



P.O. Box 3191  
ALTOONA, PA 16601-9998  
(814) 942-3131

**TELEPHONE SALES AND SERVICE**

Roaring Spring Elementary School  
239 Poplar Street  
Roaring Spring, PA

**PROPOSAL FOR NEC ELECTRA PROFESSIONAL LEVEL I TELEPHONE SYSTEM:**

- 1 - NEC Electra Professional Level I Key Service Unit equipped with
    - 4 Central Office Line Ports, expandable to 8; and 16 Telephone Ports
    - External Paging Access
    - Level I Software Package
    - Surge Arrester/protection for AC Power
    - Power supply includes battery back-up system power providing complete system operating power for approx. 10 minutes during commercial power outages
- Installed Price \$1,439.00**

Installed Price is based on reuse of existing cabling in all locations and includes all hardware, labor, on-site training and programming for a complete installation and 18 months of warranty on parts and labor. Thereafter service is provided on a time and materials basis or under a maintenance contract.

**WE PROPOSE to furnish labor and material — complete in accordance with above specifications, and subject to conditions found on both sides of this agreement, for the sum of:**

\_\_\_\_\_ dollars (\$\_\_\_\_\_).

Payment to be made as follows: 50% downpayment with order; 50% upon completion.

ACCEPTED. The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above. (Read reverse side).

Respectfully submitted.

**TEAM TELECOM, INC.**

Date of Acceptance \_\_\_\_\_

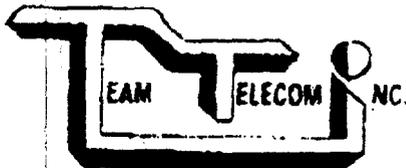
By \_\_\_\_\_

By Susan C. Dickson 3/16/99

By \_\_\_\_\_

Note: This proposal may be withdrawn by us if not accepted within \_\_\_\_ days.

*Proposal*



P.O. Box 3191  
ALTOONA, PA 16801-9998  
(814) 842-3131

**TELEPHONE SALES AND SERVICE**

Martinsburg Elementary School  
415 E. Spring Street  
Martinsburg, PA

**PROPOSAL FOR NEC ELECTRA PROFESSIONAL LEVEL I TELEPHONE SYSTEM:**

- 1 - NEC Electra Professional Level I Key Service Unit equipped with
    - 4 Central Office Line Ports, expandable to 8; and 16 Telephone Ports
    - External Paging Access
    - Level I Software Package
    - Surge Arrestor/protection for AC Power
    - Power supply includes battery back-up system power providing complete system operating power for approx. 10 minutes during commercial power outages
- Installed Price \$1,439.00**

Installed Price is based on reuse of existing cabling in all locations and includes all hardware, labor, on-site training and programming for a complete installation and 18 months of warranty on parts and labor. Thereafter service is provided on a time and materials basis or under a maintenance contract.

WE PROPOSE to furnish labor and material — complete in accordance with above specifications, and subject to conditions found on both sides of this agreement, for the sum of:

\_\_\_\_\_ dollars (\$\_\_\_\_\_).

Payment to be made as follows: 50% downpayment with order; 50% upon completion.

ACCEPTED. The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above. (Read reverse side).

Respectfully submitted,

TEAM TELECOM, INC.

Date of Acceptance \_\_\_\_\_

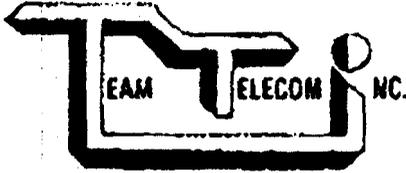
By \_\_\_\_\_

By Susan C. Dickson 3/6/89

By \_\_\_\_\_

Note: This proposal may be withdrawn by us if not accepted within 60 days.

*Proposal*



P.O. Box 3191  
ALTOONA, PA 16601-9998  
(814) 942-3131

**TELEPHONE SALES AND SERVICE**

Spring Cove Middle School  
1150 E. Main Street  
Roaring Spring, PA

**PROPOSAL FOR NEC 48 ELECTRA ELITE DIGITAL TELEPHONE SYSTEM:**

- 1 - NEC Electra Elite 48 Key Service Unit built for 48 Ports, equipped with 20 Ports: 4 Central Office Ports, 16 Digital Telephone Ports
  - External Paging Access
  - Surge arrester/protection for AC power
  - Power supply includes battery back-up system power providing system operating power for approximately 30 minutes during commercial power outages
- \*Installed Price \$1,889.00**

\*Installed Price is based on reuse of existing cabling in all locations and includes all necessary hardware, programming, labor, on-site training and 18 months of warranty on parts and labor. Thereafter service is provided on a time and materials basis or under a maintenance contract.

WE PROPOSE to furnish labor and material — complete in accordance with above specifications, and subject to conditions found on both sides of this agreement, for the sum of:

\_\_\_\_\_ dollars (\$\_\_\_\_\_).

Payment to be made as follows: 50% downpayment with order; 50% upon completion.

ACCEPTED. The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above. (Read reverse side).

Respectfully submitted.

TEAM TELECOM, INC.

Date of Acceptance \_\_\_\_\_

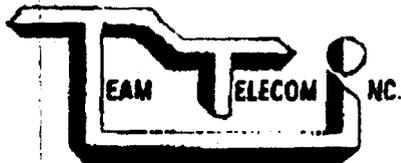
By \_\_\_\_\_

By Juan C. Nickerson 3/16/99

By \_\_\_\_\_

Note: This proposal may be withdrawn by us if not accepted within \_\_\_\_\_ days

*Proposal*



P.O. Box 3191  
ALTOONA, PA 16601-9998  
(814) 942-3131

**TELEPHONE SALES AND SERVICE**

East Freedom Elementary School  
East Freedom, PA

**PROPOSAL FOR NEC ELECTRA PROFESSIONAL DIGITAL LEVEL I  
TELEPHONE SYSTEM:**

- 1 - NEC Electra Professional Level 1 Key Service Unit equipped with
    - 4 Central Office Line Ports, expandable to 8; and 8 Telephone Ports, expandable to 16
    - External Paging Access
    - Level I Software Package
    - Surge Arrestor/protection for AC power
    - Power supply includes battery back-up system power providing complete system operating power for approx. 10 minutes during commercial power outages
- Installed Price \$981.00**

Installed Price is based on reuse of existing cabling in all locations and includes all hardware, labor, on-site training and programming for a complete installation and 18 months of warranty on parts and labor. Thereafter service is provided on a time and materials basis or under a maintenance contract.

WE PROPOSE to furnish labor and material — complete in accordance with above specifications, and subject to conditions found on both sides of this agreement, for the sum of:

\_\_\_\_\_ dollars (\$\_\_\_\_\_).

Payment to be made as follows: 50% downpayment with order; 50% upon completion.

ACCEPTED. The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above. (Read reverse side).

Respectfully submitted,

TEAM TELECOM, INC.

Date of Acceptance \_\_\_\_\_

By \_\_\_\_\_

By Susan C. Deckman 3/16/99

By \_\_\_\_\_

Note: This proposal may be withdrawn by us if not accepted within \_\_\_\_\_ days  
\*\*\*END\*\*\*

Attachment 5

# EduSource

An Educational Technology Provider

## ANNUAL AGREEMENT FOR THE PERFORMANCE OF TECHNICAL SERVICES AT SPRING COVE SCHOOL DISTRICT

This agreement between Spring Cove School District and EduSource, involves the performance of technical services as indicated below. The term of this agreement is for one year. Either party can terminate the agreement with 30 day written notice based on dissatisfaction with this services arrangement.

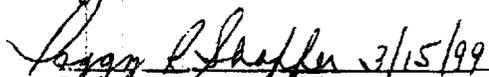
EduSource will provide a qualified systems engineer to perform services as dictated by a named representative of the Spring Cove School District. These services will include qualified support for all internal network connections throughout the entire School District. These services will be provided one day each week for one year. Additional telephone support will be provided for all School District operating hours. Finally, technical support after School District operating hours will be provided for a total of 5 onsite visits and 50 telephone support hours. The discounted rate for this service is \$ 50,000 for the one year period. Hourly services are available in addition to this contract at the rate of \$75.00 per hour. If Highlands School District engages as needed services on an 8-hour day, than these services will be billed at the contract rate of \$65.00 per hour. As a point of information, the standard rate for systems engineers from EduSource is \$95.00 per hour.

EduSource is responsible for training and supporting the systems engineer such that state-of-the-art services are provided and the systems engineer is able to obtain the highest support services in the industry. EduSource is responsible for all employee taxes and benefits. The Spring Cove School District will pay applicable sales tax for services rendered.

Invoicing for technical services will be processed monthly, immediately after the services are performed. Terms of payment are net 30 from date of invoice. The EduSource systems engineer will provide documentation of work performed as requested by the Spring Cove School District representative.

This contract constitutes the entire agreement between the Spring Cove School District and EduSource.

Agreed to:

  
Peggy L. Shaffer 3/15/99  
Spring Cove School District date

  
EduSource date 3/15/99

## Attachment 6

of a consortium. Such records shall be available for public inspection.

[62 FR 32948, June 17, 1997, as amended at 63 FR 2129, Jan. 13, 1998]

**§ 54.502 Supported telecommunications services.**

For purposes of this subpart, supported telecommunications services provided by telecommunications carriers include all commercially available telecommunications services in addition to all reasonable charges that are incurred by taking such services, such as state and federal taxes, charges for termination liability, penalty surcharges, and other charges not included in the cost of taking such service shall not be covered by the universal service support mechanisms.

[63 FR 2129, Jan. 13, 1998]

**§ 54.503 Other supported special services.**

For the purposes of this subpart, other supported special services provided by telecommunications carriers include Internet access and installation and maintenance of internal connections in addition to all reasonable charges that are incurred by taking such services, such as state and federal taxes. Charges for termination liability, penalty surcharges, and other charges not included in the cost of taking such services shall not be covered by the universal service support mechanisms.

[63 FR 2129, Jan. 13, 1998]

**§ 54.504 Requests for services.**

(a) *Competitive bid requirements.* Except as provided in § 54.511(c), an eligible school, library, or consortium that includes an eligible school or library shall seek competitive bids, pursuant to the requirements established in this subpart, for all services eligible for support under §§ 54.502 and 54.503. These competitive bid requirements apply in addition to state and local competitive bid requirements and are not intended to preempt such state or local requirements.

(b) *Posting of FCC Form 470.* (1) An eligible school, library, or consortium that includes an eligible school or library seeking to receive discounts for

eligible services under this subpart, shall submit a completed FCC Form 470 to the Schools and Libraries Corporation. FCC Form 470 shall include, at a minimum, the following information, to the extent applicable with respect to the services requested:

(i) The computer equipment currently available or budgeted for purchase for the current, next, or other future academic years, as well as whether the computers have modems and, if so, what speed modems;

(ii) The internal connections, if any, that the school or library has in place or has budgeted to install in the current, next, or future academic years, or any specific plans for an organized voluntary effort to connect the classrooms;

(iii) The computer software necessary to communicate with other computers over an internal network and over the public telecommunications network currently available or budgeted for purchase for the current, next, or future academic years;

(iv) The experience of, and training received by, the relevant staff in the use of the equipment to be connected to the telecommunications network and training programs for which funds are committed for the current, next, or future academic years;

(v) Existing or budgeted maintenance contracts to maintain computers; and

(vi) The capacity of the school's or library's electrical system in terms of how many computers can be operated simultaneously without creating a fire hazard.

(2) FCC Form 470 shall be signed by the person authorized to order telecommunications and other supported services for the eligible school, library, or consortium and shall include that person's certification under oath that:

(i) The school or library is an eligible entity under §§ 254(h)(4) and 254(h)(5) of the Act and the rules adopted under this subpart;

(ii) The services requested will be used solely for educational purposes;

(iii) The services will not be sold, re-sold, or transferred in consideration for money or any other thing of value;

(iv) If the services are being purchased as part of an aggregated purchase with other entities, the request

identifies all co-purchasers and the services or portion of the services being purchased by the school or library;

(v) All of the necessary funding in the current funding year has been budgeted and approved to pay for the "non-discount" portion of requested connections and services as well as any necessary hardware or software, and to undertake the necessary staff training required to use the services effectively;

(vi) The school, library, or consortium including those entities has complied with all applicable state and local procurement processes; and

(vii) The school, library, or consortium including those entities has a technology plan that has been certified by its state, the Schools and Libraries Corporation, or an independent entity approved by the Commission.

(3) The Schools and Libraries Corporation shall post each FCC Form 470 that it receives from an eligible school, library, or consortium that includes an eligible school or library on its website designated for this purpose.

(4) After posting on the schools and libraries website an eligible school's, library's, or consortium's FCC Form 470, the Schools and Libraries Corporation shall send confirmation of the posting to the entity requesting service.

(c) *Filing of FCC Form 471.* An eligible school, library, or consortium that includes an eligible school or library seeking to receive discounts for eligible services under this subpart, shall, upon signing a contract for eligible services, submit a completed FCC Form 471 to the Schools and Libraries Corporation. A commitment of support is contingent upon the filing of FCC Form 471.

(d) *Rate disputes.* Schools, libraries, and consortia including those entities, and service providers may have recourse to the Commission, regarding interstate rates, and to state commissions, regarding intrastate rates. If they reasonably believe that the lowest corresponding price is unfairly high or low.

(i) Schools, libraries, and consortia including those entities may request lower rates if the rate offered by the carrier does not represent the lowest corresponding price.

(2) Service providers may request higher rates if they can show that the lowest corresponding price is not compensatory, because the relevant school, library, or consortium including those entities is not similarly situated to and subscribing to a similar set of services to the customer paying the lowest corresponding price.

[62 FR 32948, June 17, 1997, as amended at 62 FR 41304, Aug. 1, 1997; 63 FR 2129, Jan. 13, 1998]

**§ 54.505 Discounts.**

(a) *Discount mechanism.* Discounts for eligible schools and libraries shall be set as a percentage discount from the pre-discount price.

(b) *Discount percentages.* The discounts available to eligible schools and libraries shall range from 20 percent to 90 percent of the pre-discount price for all eligible services provided by eligible providers, as defined in this subpart. The discounts available to a particular school, library, or consortium of only such entities shall be determined by indicators of poverty and high cost.

(1) For schools and school districts, the level of poverty shall be measured by the percentage of their student enrollment that is eligible for a free or reduced price lunch under the national school lunch program or a federally-approved alternative mechanism. School districts applying for eligible services on behalf of their individual schools may calculate the district-wide percentage of eligible students using a weighted average. For example, a school district would divide the total number of students in the district eligible for the national school lunch program by the total number of students in the district to compute the district-wide percentage of eligible students. Alternatively, the district could apply on behalf of individual schools and use the respective percentage discounts for which the individual schools are eligible.

(2) For libraries and library consortia, the level of poverty shall be based on the percentage of the student enrollment that is eligible for a free or reduced price lunch under the national school lunch program or a federally-approved alternative mechanism in the public school district in which they are

Attachment 7

# SPRING COVE SCHOOL DISTRICT FAX COVER SHEET

DATE: 12/7/99

ATTENTION: Nate Hawthorn

COMPANY: \_\_\_\_\_

FAX NUMBER: 216-514-3337 TOTAL PAGES: 8  
(Including This Cover Sheet)



FROM: Leggy Shaffer  
 Spring Cove School District  
 1100 E. Main Street  
 Roaring Spring, PA 16673

FAX NUMBER: (814) 224-5516

SUBJECT: \_\_\_\_\_

COMMENTS: At one time our thinking on the date was that we never signed a contract - some of those items were only proposals from the vendor. A "contract" would come later. Sorry for our confusion.



If the FAX message you received is not clear or you do not receive the number of pages specified above, please call the sender at (814) 224-5124.



The Spring Cove School District is an equal opportunity education institution and will not discriminate on the basis of race, color, national origin, sex, and handicap in its activities, programs, or employment practices as required by Title VI, Title IX, and Section 504.