

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington DC 20554

DOCKET FILE COPY ORIGINAL

In the Matter of:

Request for Review by)
Franklin County, Virginia of)
Universal Service Administrator's)
Decision)
)
Federal-State Joint Board on)
Universal Service)
)
)

CC Docket 96-45
CC Docket 97-21

RECEIVED
FEB 25 2000
FCC MAIL ROOM

Re:
Franklin County Public Schools
Billed Entity Number: 126588
471 Application Number: 115024
Funding Request Number: 165476

Franklin County Public Schools seeks Federal Communications Commission (FCC) review of the Schools and Libraries Division (SLD) denial letter dated January 31, 1999 (Attachment A). The SLD in its initial review and subsequent appeal failed to recognize that only a small portion of the cost of Internet service provided by Cablevision Communications is applied to lease of cable modems. In accordance with Title 47, Section 54.722 of the Code of Federal Regulations, we seek FCC review of this SLD decision.

Franklin County Schools applied for discounts on Internet access under the Universal Service (E-Rate) program established under the Telecommunications Act of

Franklin County Appeal
Page 2

1996 and regulations by the FCC. Within the filing window for 1999 E-Rate funding, we submitted our discount request electronically to the SLD on FCC Form 471 (Attachment B).

On July 8, 1999 SLD denied discount funding for Internet service because, in the opinion of SLD, 30 percent or more of our service request included costs for ineligible items - specifically cable modems (Attachment C). Franklin County appealed this decision on August 3, 1999, and included supporting documentation in a letter from Cablevision Director of Business Operations, Chuck Flournoy, certifying that charges are for Internet access, not hardware (Attachment D). On January 31, 2000, SLD denied our appeal (Attachment A). We ask the Commission to review and overturn this unfortunate decision.

SLD policy for the 1999 - 2000 funding year stipulates that if an individual funding request (FRN) includes charges for ineligible services of 30 percent or more, the entire FRN should be denied. In our initial appeal we had hoped that the language in Mr. Flournoy's letter was clear enough for SLD reviewers to recognize that substantially less than 30 percent of this FRN is attributable to ineligible items (cable modems). To assist the Commission with its review, we are now including a letter from Mr. Randolph Coleman of Cablevision itemizing the actual cost of cable modems supplied as part of their Internet service (Attachment E). The monthly cost of these modems is based on a three year depreciation schedule. Because the cable modems are provided as an integral part of Cablevision's Internet service, we believe they should be considered as leased

equipment, and the cost of the lease deducted from the undiscounted cost of our E-Rate funding request. Based on Mr. Coleman's letter, the lease of cable modems for our service is \$91.63 of the \$3,350.05 eligible monthly charges. This figure is significantly below the 30 percent benchmark set by SLD. Even if the modems are depreciated in a single year, the 30 percent cutoff is still not met. To most reasonable people, we believe the cost of the cable modems should be considered insignificant, as they represent only about 2.74 percent of our total annual eligible Internet service cost. We hope you agree that three years to depreciate these items is reasonable, considering we are satisfied with the service and cost effectiveness cable Internet service provides.

We ask the Commission to overturn SLD's decision and direct funding of our application, minus the monthly depreciation cost of the cable modems. If you should need any assistance during your review, please call Franklin County Public Schools' E-rate contact, Joe N. Gann at (540) 483-5289.

Respectfully Submitted,



Leonard A. Gereau
Superintendent

Franklin County Public Schools
25 Bernard Road
Rocky Mount, VA 24151

February 21, 2000

SCHOOLS AND LIBRARIES DIVISION

Box 125 – Correspondence Unit
100 South Jefferson Road
Whippany, New Jersey 07981

Administrator's Decision on Appeal-Funding Year 1999-2000

January 31, 2000

Mr. Joe Gann
Franklin County Public Schools
25 Bernard Road
Rocky Mount, VA 24151

Re: Billed Entity Number: 126588
Application Number: 115024
Funding Request Number(s): 165476
Your Correspondence Dated: 8-3-99

After thorough review and investigation of your appeal, the Schools and Libraries Division (SLD) of the Universal Service Administrative Company has resolved your appeal seeking approval of additional discounts for the 1999-2000 funding year. This letter addresses our decision concerning each Funding Request Number that was included in your letter of appeal for the Application Number cited above. 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.

Funding Request Number: 165476
Decision on Appeal: Denied in full

Denied Reason(s):

- The Item 17 attachments you provided in support of your original Form 471 application showed that 30% or more of the FRN included cable modem cost instead of the cable modem access service cost, which resulted in the denial of the entire amount of the FRN.

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 12TH Street, S.W., 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>. 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.

You should now move ahead, if you haven't already done so, with your Form 486 and related post-commitment arrangements for services for which funds have been committed and services

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

Schools and Libraries Division
Universal Service Administrative Company

Attachment B

Billed Entity Number: 126588
Application Number: 115024
Funding Request Number(s): 165476
FCC Form



Approval by OMB
3060-0806

471

**Schools and Libraries Universal Service
Services Ordered and Certification Form**

Estimated Average Burden Hours Per Response: 6.0 hours

This form asks schools and libraries to list the eligible telecommunications-related services they have ordered and estimate the annual charges for them so that the Schools and Libraries Corporation can set aside sufficient support to reimburse providers for services.

Please read instructions before completing

(To be completed by each Billed Entity.)

Block 1: Applicant Address and Identifications
(School, library, or consortium desiring Universal Service Funding.)

1. Name of Applicant: FRANKLIN COUNTY PUBLIC SCHOOLS		2. Funding Year: 07/01/1999 - 06/30/2000	
3a. NCES School Code (if individual school) Or NCES Library Code (if individual library) State: 51 - District: 01440 - School/Library:			
3b. 471 Application Number: 115024		3c. Billed Entity Number: 126588	
4a. Type Of Applicant (Check only one box.) <input type="radio"/> school <input checked="" type="radio"/> school district <input type="radio"/> library or library consortium under the LSTA <input type="radio"/> consortium of multiple entities			
4b. If Applicant is a consortium, check all other boxes that apply: <input type="checkbox"/> includes non-governmental entities ineligible for support <input type="checkbox"/> region of a state <input type="checkbox"/> statewide <input type="checkbox"/> multi-state <input type="checkbox"/> state educational agency <input type="checkbox"/> local educational agency <input type="checkbox"/> educational service agency			
5. Applicant's Street Address, P.O.Box, or Route Number			
Street 25 BERNARD RD			
City ROCKY MOUNT	State VA	Zip Code 5 Digit 24151	Zip Code 4 Digit 6646
Telephone number (540) 483 - 5138	Ext:	E-mail Address jgann@frco.k12.va.us	
6. Contact Person's Name: Joe N. Gann			
Street Address, P.O.Box, or Route Number (if different from item 5)			
Street 25 Bernard Road			
City Rocky Mount	State VA	Zip Code 5 Digit 24151	Zip Code 4 Digit 6646

Fill in all of the following (if available), and check the preferred mode of contact:

<input checked="" type="checkbox"/> Telephone Number	Ext:	<input type="checkbox"/> Fax Number	Ext:	<input type="checkbox"/> E-mail address:	<input type="checkbox"/> Mail:
(540) 483-5128		(540) 483-5186		jgann@frco.k12.va.us	

New 471 Initiation

Reset Form

Block 2 & 3

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Block 2: Purpose of Request

7. Purpose of Request: (Check all that apply, if any.)

a. Discount on contract(s) signed prior to a request being posted on the Administrator's website. Was an FCC Form 470 filed with regard to all the contract(s)? Yes No

b. Discount on contract(s) signed after a request being posted on the Administrator's website.

c. Minor modification or supplement to existing contract(s) for which a Form 471 was already filed. 471 Application Number

Block 3: Characteristics of Applicant and Applicant's Service Order

8a. Number of students:	<input type="text" value="6961"/>	8b. Number of library patrons:	<input type="text"/>
9. Number of buildings to be served:	<input type="text" value="33"/>	10. Number of rooms to be served:	<input type="text" value="522"/>
		Existing Services	Total Services After Order
11. Telecommunications Services			
a. Number of phones that have or require service (See instructions concerning extension phones and fax machines.)			
b. Number of computers that have or require service			
c. Number of high bandwidth video conferencing links			
12. Internal Connections			
a. Number of buildings with at least some rooms connected			
b. Number of rooms connected			
c. Highest Speed of connection			
13. Internet Access			
a. Number of dial up connections	<input type="text" value="10"/>	<input type="text" value="10"/>	
b. Highest speed of dial up connections	<input type="text" value="128K"/>	<input type="text" value="128K"/>	
c. Number of direct connections	<input type="text" value="641"/>	<input type="text" value="759"/>	
d. Highest speed of such direct connections	<input type="text" value="4Mbps"/>	<input type="text" value="4Mbps"/>	

[Block 1](#) [Reset Form](#) [Block 4 Display](#)

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Block 4, Item 14: Entities Entered Display Only

Chart Sequence No. 64931							
(1)	(2)	(3)	(4a)	(4b)	(5)	(6)	(7)
Name of Individual School Or Library	NCES Code or Billed Entity Number for School or Library (Obtained from Administrator)	Urban Or Rural	For Schools: Number of Students	For Libraries: NCES Code of a School in its District	For Schools: Number of Students Eligible for NSLP	Discount Calculated From Discount Matrix	Check if School or Library will use Shared Services listed in Item 15
BOONES MILL ELEMENTARY SCHOOL	51-01440-00632	R	391		105	60	<input checked="" type="checkbox"/>
CALLAWAY ELEMENTARY SCHOOL	51-01440-00634	R	258		91	70	<input checked="" type="checkbox"/>
FERRUM ELEMENTARY SCHOOL	51-01440-00636	R	292		126	70	<input checked="" type="checkbox"/>
GLADE HILL ELEMENTARY SCHOOL	51-01440-00639	R	274		127	70	<input checked="" type="checkbox"/>
HENRY ELEMENTARY SCHOOL	51-01440-00640	R	216		109	80	<input checked="" type="checkbox"/>
SNOW CREEK							<input checked="" type="checkbox"/>

Discount for shared services ordered by billed entity:

Block 2&3 Add New Entity Add New Chart Block 5 Display

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BOONES MILL ELEMENTARY SCHOOL	51-01440-00632	R	391		105	60	<input checked="" type="checkbox"/>
CALLAWAY ELEMENTARY SCHOOL	51-01440-00634	R	258		91	70	<input checked="" type="checkbox"/>
FERRUM ELEMENTARY SCHOOL	51-01440-00636	R	292		126	70	<input checked="" type="checkbox"/>
GLADE HILL ELEMENTARY SCHOOL	51-01440-00639	R	274		127	70	<input checked="" type="checkbox"/>
HENRY ELEMENTARY SCHOOL	51-01440-00640	R	216		109	80	<input checked="" type="checkbox"/>
SNOW CREEK ELEMENTARY SCHOOL	51-01440-00643	R	162		68	70	<input checked="" type="checkbox"/>
FRANKLIN COUNTY HIGH SCHOOL	51-01440-00637	R	1886		328	50	<input checked="" type="checkbox"/>
SONTAG ELEMENTARY SCHOOL	51-01440-00644	R	300		168	80	<input checked="" type="checkbox"/>
LEE M WAID ELEMENTARY SCHOOL	51-01440-00641	R	322		186	80	<input checked="" type="checkbox"/>
ROCKY MOUNT ELEMENTARY SCHOOL	51-01440-00642	R	311		162	80	<input checked="" type="checkbox"/>
DUDLEY ELEMENTARY SCHOOL	51-01440-00635	R	327		83	60	<input checked="" type="checkbox"/>
BURNT CHIMNEY ELEM SCHOOL	51-01440-00633	R	490		144	60	<input checked="" type="checkbox"/>
CENTER FOR APPLIED TECHNOLOGY AND CAREER EXPLORATION	167353	R	339		92	60	<input checked="" type="checkbox"/>
BENJAMIN FRANKLIN MIDDLE SCHOOL EAST	169269	R	545		230	70	<input checked="" type="checkbox"/>
BENJAMIN FRANKLIN MIDDLE SCHOOL WEST	169271	R	848		191	60	<input checked="" type="checkbox"/>

FCC Form 471

Contact Person's Name Joe N. Gann and Phone Number (540) 483-5128

Attachment for USCN# 805960000145843 Application # 115024

Block 4 Item 14

Name of Individual School or Library	(1) Membership	(2) No. of students eligible for Lunch Program	(3) Column 2 Divided by Column 1	(4) Discount Rate %	(5) Column 1 Multiplied by Column 4
Franklin County High School	1886	328	17.39	50	943.0
Benjamin Franklin Middle School-East	545	230	42.20	70	381.5
Benjamin Franklin Middle School-West	848	191	22.52	60	508.8
Center for Applied Technology and Career Exploration	339	92	27.14	60	203.4
Boones Mill Elementary	391	105	26.85	60	234.6
Burnt Chimney Elementary	490	144	29.39	60	294.0
Callaway Elementary	258	91	35.27	70	180.6
Dudley Elementary	327	83	25.38	60	196.2
Ferrum Elementary	292	126	43.15	70	204.4
Glade Hill Elementary	274	127	46.35	70	191.8
Henry Elementary	216	109	50.46	80	172.8
Lee M. Waid Elementary	322	186	57.76	80	257.6
Rocky Mount Elementary	311	162	52.09	80	248.8
Snow Creek Elementary	162	68	41.98	70	113.4
Sontag Elementary	300	168	56.00	80	240.0
Total	6961	2210	31.75	63	4,370.9

$4,370.9 / 6961 = 62.79\%$ or 63%

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Block 5: Services Ordered - For either Shared or Site-Specific Services

15. "Shared" services: All EXCEPT site-specific, internal connections and dedicated ("private line") connections from only one school or library to an ISP or other end-user.

16. "Site Specific" Services: Internal connections not shared by multiple schools or libraries and dedicated ("private line") connections from only one school or library to an ISP or other end-user.

1a	SLC Service Provider Number OR	143007422		
1b	Full Legal Name of Service Provider	Interlink Communications Partners, LLLP		
2	USCN for Form 470 on which this is based	805960000145843		
3	Contract Number (if applicable)	N/A		
4	Contract Award Date	03/11/1999		
5	Contract Expiration Date	06/30/2000		
6	Services or Products	Internet Access		
7	Service Start Date	07/01/1999		
8	Estimated One-Time Pre-discount Cost	\$0.00		
9	Estimated Monthly Pre-discount Cost	\$4,250.00		
10	Estimated Total Annual Pre-discount Cost	\$51,000.00	10a Pre-discount Dollars to Commit	\$51,000.00
11	Percentage Discount (from Block 4 Item 14)	63		
12	School or Library (Block 4 Item 14) for site-specific only	Select from the list		

Reset

Block 4 Display

Add Next Service

Block 5 Display

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Block 5, Items 15 - 16: Services Ordered Display Only

Note: Column 12 is for Site-Specific Only

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(10a)	(11)	
Funding Request Number (FRN)	SLC Service Provider Number or Full Legal Name of Service Provider	USCN for Form 470 on which this is based	Contract Number (if applicable)	Contract Award Date	Contract Expiration Date	Services or Products	Services Start Date	Estimated One-Time Pre-Discount cost	Estimated Monthly Pre-Discount cost	Estimated Total Annual Pre-Discount cost	Pre-discount Dollars to Commit	Percentage Discount
165476	Interlink Communications Partners, LLLP	80596 00001 45843	N/A	03/11/1999	06/30/2000	INTERNET ACCESS	07/01/1999	0	4250	51000	51000	63

Block 4 Display Add New Service Block 5 (cont.) Block 6

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Contact Person's Name Joe N. Gann
 FCC Form 471 Block 5
 USCN# 805960000145843

and Phone Number 540-483-5128
 Item 17
 Application# 115024

Appendix A, Page 2

**Summary of Costs for Monthly Internet Access Provided By
 Interlink Communications Partners, L.L.P For Franklin County Public Schools**

Service Provider Identification Number (SPIN):143007422

Current Connectivity

Frame Relay- 128K Interface

1	Callaway Elementary	\$300.00
2	Rocky Mount Elementary	\$300.00
3	Boones Mill Elementary	\$300.00
4	Burnt Chimney Elementary	\$300.00
5	Dudley Elementary	\$300.00
6	Ferrum Elementary	\$300.00
7	Glade Hill Elementary	\$300.00
8	Sontag Elementary	\$300.00
9	Henry Elementary	\$300.00
10	Snow Creek Elementary	\$300.00
Total for Frame Relay Service By Site		\$3,000.00

Cable Modem-4MB Interface

1	Middle School	\$312.50
2	High School	\$312.50
3	Lee Waid Elementary	\$312.50
4	CATCE	\$312.50
5	Professional Development Center*	\$250.00
6	School Board Office*	\$250.00
Total Cable Modem Costs By Site		\$1,750.00
Total Recurring Costs		\$4,750.00

*not subject to USF participation

Proposed Upgrade in Service

Frame Relay- 128K Interface

1	Sontag Elementary	\$ 300.00
2	Henry Elementary	\$ 300.00
3	Snow Creek Elementary	\$ 300.00
Total for Frame Relay Service By Site		\$ 900.00

Cable Modem-4MB Interface

1	Middle School	\$304.55
2	High School	\$304.55
3	Lee Waid Elementary	\$304.55
4	CATCE	\$304.55
5	Callaway Elementary	\$304.55
6	Rocky Mount Elementary	\$304.55
7	Boones Mill Elementary	\$304.55
8	Burnt Chimney Elementary	\$304.55
9	Dudley Elementary	\$304.55
10	Ferrum Elementary	\$304.55
11	Glade Hill Elementary	\$304.50
12	Professional Development Center*	\$250.00
13	School Board Office*	\$250.00
Total Cable Modem Costs By Site		\$3,850.00
Total Recurring Costs		\$4,750.00

Not Subject to USF Participation
 Monthly Charge Subject to USF Participation \$4,250.00

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FCC Form Schools and Libraries Universal Service
471 Services Ordered and Certification Form

Block 6: Certifications and Signature

471 Application Number: 115024

21. The applicant is eligible for support because it includes:(Check one or both)

- a. Schools under the statutory definitions of elementary and secondary schools found in the Elementary and Secondary Education Act of 1965, 20 U.S.C. Secs. 8801(14) and (25), that do not operate as for-profit businesses, and do not have endowments exceeding \$50 million; and/or
- b. Libraries or library consortia eligible for assistance from a State library administrative agency under the Library Services and Technology Act of 1996 that do not operate as for-profit businesses and whose budgets are completely separate from any school (including, but not limited to) elementary and secondary schools, colleges and universities

22. The school(s) or library(ies) I represent have secured access to all of the resources, including computers, training, software, maintenance, and electrical connections necessary to make effective use of the services purchased as well as to pay the discounted charges for eligible services.

23. All of the individual schools, libraries, and library consortia listed above in items 15 and 16 are covered by:

- a. An individual; and/or
- b. Higher-level technology plans for using the services requested in this application(if those services consist of other than voice services).

24. Status of technology plans (check one):

- a. Technology plan(s) has/have been approved; or
- b. Technology plan(s) will be approved by a state or other authorized body; or
- c. Technology plan(s) will be submitted to Schools and Libraries Corporation for approval.

25. I certify that the entities eligible for support that I am representing have complied with all applicable state and local laws regarding procurements of services for which support is being sought.

26. I certify that the services the applicant purchases at discounts provided by 47 U.S.C. Sec. 254 will be used solely for educational purposes and will not be sold, resold, or transferred in consideration for money or any other thing of value.

27. I understand that the discount level used for shared services is conditional, for future years, upon ensuring that the most disadvantaged schools and libraries that are treated as sharing in the service receive an appropriate share of benefits from those services.

28. I recognize that I may be audited pursuant to this application and will retain for five years any and all worksheets and other records that I rely upon to fill out this application.

29. I certify that I am authorized to submit this request on behalf of the above-named institution, that I have examined this request, and to the best of my knowledge, information, and belief, all statements of

32. Printed name of authorized person	Leonard A. Gereau
33. Title or position of authorized person	Superintendent of Schools
Persons willfully making false statements on this form can be punished by fine or forfeiture, under the Communications Act, 47 U.S.C.Secs. 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C.Sec. 1001.	



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fact contained herein are true.

30. Signature of authorized person	<i>Leonard A. Gereau</i>	31. Date	<i>3/17/99</i>
32. Printed name of authorized person	Leonard A. Gereau		
33. Title or position of authorized person	Superintendent of Schools		

471 Application Number: 115024
FRANKLIN COUNTY PUBLIC SCHOOLS
 25 BERNARD RD
 ROCKY MOUNT, VA 24151 -6646

Persons willfully making false statements on this form can be punished by fine or forfeiture, under the Communications Act, 47 U.S.C. Secs. 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. Sec. 1001.

NOTICE TO INDIVIDUALS: Section 54.504 of the Federal Communication Commission's rules requires all schools and libraries ordering services that are eligible for and seeking universal service discounts to file this Services Ordered and Certification Form (FCC Form 471) with the Universal Service Administrator, 47 C.F.R. § 54.504. The collection of information stems from the Commission's authority under Section 254 of the Communications Act of 1934, as amended, 47 U.S.C. § 254. The data in the report will be used to ensure that schools and libraries comply with the competitive bidding requirement contained in 47 C.F.R. § 54.504. All schools and libraries planning to order services eligible for universal service discounts must file this form themselves or as part of a consortium.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

The FCC is authorized under the Communications Act of 1934, as amended, to collect the personal information we request in this form. We will use the information you provide to determine whether approving this application is in the public interest. If we believe there may be a violation of potential violation of a FCC statute, regulation, rule or order, your application may be referred to the Federal, state, or local agency responsible for investigating, prosecuting, enforcing or implementing the statute, rule, regulation or order. In certain cases, the information in your application may be disclosed to the Department of Justice or a court or adjudicative body when (a) the FCC; or (b) any employee of the FCC; or (c) the United States Government, is a party of a proceeding before the body or has an interest in the proceeding.

If you owe a past due debt to the federal government, the taxpayer identification number (such as your social security number) and other information you provide may also be disclosed to the Department of the Treasury Financial Management Service, other federal agencies and/or your employer to offset your salary, IRS tax refund or other payments to collect that debt. The FCC may also provide this information to these agencies through the matching of computer records when authorized.

With the exception of your social security number, if you do not provide the information we request on the form, the FCC may delay processing of your application or may return your application without action.

The foregoing Notice is required by the Privacy Act of 1974, Pub. L. No. 93-579, December 31, 1974, 5 U.S.C. § 552, and the Paperwork Reduction Act of 1995, Pub. L. No. 104-13, 44 U.S.C. § 3501, et seq.

Public reporting burden for this collection of information is estimated to average 6 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, completing, and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the reporting burden to the Federal Communications Commission, Performance Evaluation and Records Management, Washington, D.C. 20554.

This form should be submitted to: SLC - Form 471
 P.O. Box 7026
 Lawrence, KS 66044-7026
 1-888-203-8100

Done

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 Schools and Libraries Corporation



UNIVERSAL SERVICE
ADMINISTRATIVE CO.

Attachment C

Billed Entity Number: 126588
Application Number: 115024
Funding Request Number(s): 165476

SCHOOLS AND LIBRARIES DIVISION

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

FRANKLIN COUNTY PUBLIC SCHOOLS
Joe N. Gann
25 BERNARD RD
ROCKY MOUNT VA 24151-6614

July 8, 1999

Re: Form 471 Application Number: 115024
Funding Year: 07/01/1999 - 06/30/2000
Billed Entity Number: 126588

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.

POST-COMMITMENT REMINDER

We would like to remind you that all approved applicants are subject to post-funding commitment audits and other reviews by the SLD to assure that the discounts are being used in compliance with the program rules. Any applicant that is found to have violated program rules will be subject to enforcement activities and other means of recourse by the SLD and other appropriate Federal, State and local authorities.

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

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

Enclosures

EXPLANATION OF A FUNDING COMMITMENT REPORT

Attached to this letter will be a report for each approved E-rate funding request from your application. We are providing the following definitions.

- * **FUNDING REQUEST NUMBER (FRN):** A Funding Request Number is assigned by the SLD to each line completed in Items 15 and 16 of your Form 471 once an application has been processed. This number is used to report to applicants and vendors the status of individual discount requests submitted on a Form 471. Applicants and vendors learned about FRNs when they received their Receipt Acknowledgement Letter and must use these numbers when completing the Form 486 and Invoices. An FRN will never be longer than 10 digits. If a FRN is shorter than 10 digits, applicants are advised to add zeroes to the front of the numbers to reach 10 digits when filing post-commitment forms.
- * **FUNDING STATUS:** Each FRN will have one of six definitions: "Funded", "Denied", "Partially Funded", "Funds Exhausted", "Unfunded", or "As Yet Unfunded". An FRN that is "Funded" will be approved at the level that SLD determined is appropriate for that item. That will generally be the level requested by you unless the SLD determines during the application review process that some adjustment is appropriate, for example, a different discount percentage for that FRN than the Form 471 featured. A "Denied" FRN is one for which no funds will be committed, and the reason for that decision will be briefly explained in the "Funding Commitment Decision", and amplification of that explanation may be offered in the section, "Funding Commitment Decision Explanation". In accordance with FCC program rules, FRNs are "Partially Funded" or "Unfunded", if the total amount of funds in the Universal Service Fund is insufficient to fully fund or fund all approved requests. If the Form 471 was received after all the funds in the Universal Service Fund were allocated and it was processed, the status will indicate "Unfunded - Funds Exhausted". "As Yet Unfunded" is a temporary status that would be assigned to an FRN when the SLD is uncertain at the time the letter is generated whether there will be sufficient funds to make commitments for a particular service type at a particular discount level. For example, if your application included both telecommunications services and internal connections, you might receive a letter with our funding commitment for your telecommunications requests and a message that your internal connections requests are "As Yet Unfunded". You would then receive a later letter regarding our funding decision on your internal connections requests.
- * **SPIN (Service Provider Identification Number):** A unique number assigned by the Universal Service Administrative Company to vendors seeking payment from the Universal Service Fund for participating in the universal service support programs. A SPIN contains 9 digits and should be included by applicants on their completed Form 471 applications. A SPIN is also used to verify delivery of services and to arrange for payment.
- * **SERVICE PROVIDER NAME:** The legal name of the service provider.
- * **PROVIDER CONTRACT NUMBER:** The number of the contract between the eligible party and the service provider. This will be present only if a contract number was provided on Form 471.
- * **SERVICES ORDERED:** The type of service ordered from the service provider, as shown on Form 471.
- * **EARLIEST POSSIBLE EFFECTIVE DATE OF DISCOUNT:** The first possible date of service for which the SLD will reimburse service providers for the discounts for the service. Note: If the actual service start date provided on a Form 486 is later than this date, the actual service start date set forth in the Form 486 will be the effective date of the discount.
- * **CONTRACT EXPIRATION DATE:** The date the contract expires. This will be present only if a contract expiration date was provided on Form 471. This is not applicable for tariff services.
- * **SITE IDENTIFIER:** This will appear only for FRNs listed in Item 16 of your Form 471. For public schools, the 12-digit NCES code you listed in Item 14 for this school site will appear here. If there is no NCES Code for an FRN in Item 16, the SLD-assigned entity number will appear here.
- * **PRE-DISCOUNT COST:** Amount in Column 10 of Item 15/16, Form 471, as determined through the application review process. Please note that, during the Problem Resolution process at SLD, the amount in Col. 10 of Item 15/16 may have been corrected to conform to the information provided about Service Start Date and

Monthly Costs.

- * DISCOUNT PERCENTAGE APPROVED BY THE SLD: This is the discount rate that the SLD has approved for this service.
- * FUNDING COMMITMENT DECISION: This represents the total amount of funding that the SLD is now reserving to reimburse service providers for the discounts for this service through June 30, 2000. This figure may be different from the Estimated Total Annual Pre-Discount Cost (Col. 10 of Item 15/16) times the Percentage Discount (Col. 11 of Item 15/16) in the 471 application. It may be lower because of an adjustment determined appropriate by the SLD, such as of the discount percentage, or a denial of discounts and, if so, the accompanying comment will explain this difference. The difference may also reflect a reduction from the request level made necessary by overall funding limitations, in which case the "Funding Status" above will indicate "Partially Funded" or "Unfunded". Whatever amount is listed here, it is important that you and the service provider both recognize that the SLD should be invoiced and the SLD may direct disbursement of discounts on only eligible, approved services actually rendered.
- * FUNDING COMMITMENT DECISION EXPLANATION: This entry may appear to amplify the comment in the "Funding Commitment Decision", if the discount request for this service is denied for reasons other than "Unfunded" or if the SLD determined that some adjustment to the request level was appropriate.

FUNDING COMMITMENT REPORT FOR APPLICATION NUMBER: 0000115024

Funding Request Number: 0000165476 Funding Status: Unfunded or Denied
SPIN: 143007422 Service Provider Name: Interlink Communications Partners, LLLP
Provider Contract Number: RFP#SP1999-2000
Services Ordered: Internet Access
Earliest Possible Effective Date of Discount: 07/01/1999
Contract Expiration Date: 06/30/2000
Pre-discount Cost: \$51,000.00
Discount Percentage Approved by the SLD: N/A
Funding Commitment Decision: \$0.00 - Srvc/Discnt will NOT be funded
Funding Commitment Decision Explanation: A significant portion of this FRN includes a request for Cable Modems which is an ineligible product(s) based on program rules.

Attachment D

Billed Entity Number: 126588
Application Number: 115024
Funding Request Number(s): 165476



CABLEVISION
COMMUNICATIONS

715 Industrial
P.O. Box 1212
Bedford, VA 24523

July 28, 1999

LETTER OF APPEAL

Schools and Libraries Division
Box 125, Correspondence Unit
100 S. Jefferson Ave
Whippany, NJ 07981

To Whom It May Concern:

On behalf of the Franklin County (Va.) Public Schools, I respectfully appeal the decision not to continue funding the School's Internet access costs for the 99/2000 period.

It would seem that the only difference between last year's successful application for funding for Internet access using cable modem technology and this year's is the upgrade of seven elementary schools from frame relay to cable modems as the access medium. This is being done because our cable service area now includes these seven schools, eliminating the need to use the frame relay connections. In retrospect, it appears that our proposal could have been misconstrued to represent that the cost of the cable modems themselves was included in the request for funding. This is absolutely not the case. Our company supplies the cable modems so that the individual school sites may receive the service, but the amount billed to the schools is clearly for Internet access - not hardware. Indeed, the upgrade of the seven schools from frame relay to cable modem Internet access means that the schools are receiving additional bandwidth at higher speeds for the same amount of money. The interests of spurring competition are being well served in this matter. A revised proposal is attached which should correct this possible misunderstanding.

The Franklin County Schools are a nationwide model for the use of advanced educational technologies. They were among the first school divisions in the country to use high speed Internet access via cable modem technology. They were featured in a national television event, which included Vice President Gore, as a prime example of the positive impact of high speed cable modem Internet access on teaching and learning. Indeed, they are a success story for the e-rate program. It would be tragic if they were to lose their funding.

Please do not hesitate to call if I can be of assistance in clearing up this matter.

Yours truly,

Chuck Flournoy
Director of New Business Operations

CC:

Joe Gann, Franklin County Public Schools
Rep. Virgil H. Goode, Jr., United States Congress
Kathryn C. Falk, President, Virginia Cable Telecommunications Association



CABLEVISION
COMMUNICATIONS

Attachment E

Billed Entity Number: 126588
Application Number: 115024
Funding Request Number(s): 165476

715 Industrial
P.O. Box 1212
Bedford, VA 24523

February 9, 2000

Joe N. Gann, Technology Assistant
Franklin County Public School Board
25 Bernard Road
Rocky Mount, Virginia 24151

RE: Internet Service

Dear Mr. Gann:

As a point of clarification concerning the delivery of Internet service to the Franklin County Public School District, I wanted to summarize the costs and the role of the cable modem that interfaces with your routers.

Figures are based on a three year depreciation schedule.

Cable modem cost: \$300

$\$300 / 3\text{years} = \100 per year

$\$100 / 12 = \8.33 per month per site.

As you can see, the equipment costs are miniscule. The District has never been charged for the use of the cable modem equipment only Internet service charges have been billed.

In effect, in the topology of the District's network the cable modem acts very much like a CSU/DSU in a frame relay environment. The cable modem acts as a bridge between the RF delivery backbone and the network, thus making it an integral part of our ability to serve the District with fast Internet service.

Cable modems allow for much higher bandwidth than the existing 128K frame relay circuits for the same monthly cost. Replacing the existing cable modems with frame relay circuits would greatly reduce throughput and create bottlenecks at high capacity sites like the Center for Technology and Career Exploration and the High School. The District would see a net decrease in network performance and reliability.

Should you have any questions or require other clarification, please let me know.

Sincerely,

Randolph Coleman

Internet Coordinator

CableVision Communications

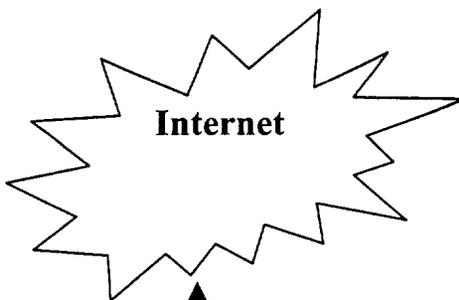
CC:

Greg Weisiger, Virginia Department of Education

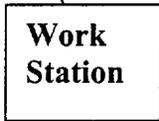
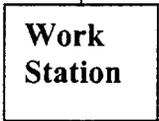
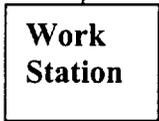
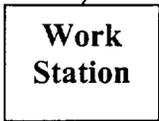
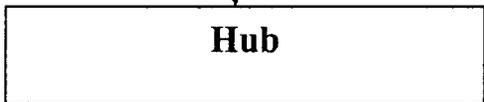
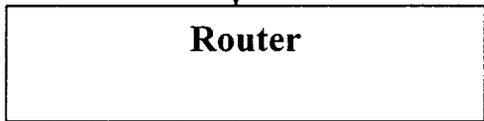
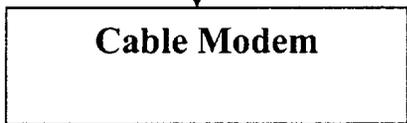
Kathryn C. Falk, President, Virginia Cable Telecommunications Association

Attachment E
Billed Entity Number: 126588
Application Number: 115024
Funding Request Number(s): 165476

Typical School Network



RF Distribution System (Cable Plant)



A cable modem in this type of network topology will serve 200 or more individual workstations.