



# CHENEY PUBLIC SCHOOLS

*Serving the West Plains and Cheney Communities*

520 FOURTH STREET, CHENEY, WA 99004 (509) 235-6205 FAX 559-4508

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In The Matter of: )  
)  
Request for Review by )  
Cheney School District No. 360 )  
of )  
)  
Decision of Universal Service Administrator )  
)  
)

FCC DOCKET NOS. 97-21 and 96-45

Funding Request No. 227849

## 1. SCHOOL DISTRICT'S INTEREST.

Pursuant to 47 C.F.R. § 54.719(c), this is a request for a review by the Federal Communications Commission's Office of the Secretary of the decision made by the Universal Service Administrative Co., Schools and Library Division's Administrator, denying Cheney Public School District's appeal regarding Funding Request Number (FRN) 227849.

## 2. FACTS.

Cheney School District No. 360 is a public school district operating in the State of Washington, Spokane County. The School District made a funding request to the Universal Service Administrative Co., Schools and Library Division, for funding regarding telecommunication improvements at the School District. The funding request was appropriately submitted on FCC Form 471, on April 2, 1999 (See Attached Exhibit A). The funding request was submitted in reliance upon the official website of the Universal Service Administration, Schools and Library Division. On April 1, 1999, the District obtained the most current published version of CC Docket No. 96-45 off this official website (See Attached Exhibit B). The bottom of Exhibit B indicates the date and the top indicates the source of the

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document. This publication did not state that telephone sets are not eligible for the funding program. Exhibit B. The District relied upon this publication when it submitted its April 2, 1999 FCC Form 471 for approval.

On October 12, 1999, the District received a Funding Commitment Report, which denied funding to the School District for Funding Request Number 227849 (See Attached Exhibit C). The explanation for the decision was stated as: "30% or more of this FRN includes a request for telephone sets, voice mail, e911, etc. ...." Exhibit C. The District again checked the official web site of the Universal Service Administration, Schools and Library Division and found an "Updates to Eligible Services List (March 16, 1999)" (See Exhibit D). The bottom of Exhibit D indicates the date and the top indicates the source of the document. Exhibit D. Even the updated list, however, did not have an exclusion for telephone sets. Exhibit D.

On October 28, 1999, the School District wrote to the Schools and Libraries Corporation, requesting a formal appeal of its decision denying the School District's funding request (See Attached Exhibit E). The appeal was based upon the argument that the District had no way of knowing that telephone sets would be excluded, based on the information published by the Division itself. Exhibit E. Unfortunately, the appeal was denied on April 18, 2000 (See Attached Exhibit F). The Administrator's Decision denies the funding request in full stating:

Ineligible service – Your funding request included more than 30% of ineligible services which resulted in the denial of the entire amount of the FRN. Telephone sets are unquestionably ineligible products. The CC Docket No. 96-45 that you referenced in your appeal letter does list telephones as ineligible; it is listed under "telephones and telephone instruments."

Exhibit F.

It is apparent from the denial decision, that the Administrator failed to recognize the distinction between the original CC Docket No. 96-45 (Exhibit B), which was in existence at the time the Form

471 was filed and was relied upon by the School District, and the amended CC Docket No. 96-45 (See Attached Exhibit G), which the District received on December 2, 1999 and which was not available at the time the Form 471 was filed. Only the amended CC Docket No. 96-45 contains the "Telephone, Telephone Instruments" category, showing telephone sets as being ineligible components. See Exhibit B, D and G.

If the telephone sets (\$55,211) had not been included in our original submission, the percentage of ineligible services would have been reduced to only 23%. The 23% figure would not have violated the 30% rule referenced by the Administrator and, therefore, would have allowed the District to receive funding based upon \$185,036. Exhibit C.

### 3. QUESTIONS PRESENTED FOR REVIEW.

Should the School District be penalized by a full-denial of funding (60% of \$185,036) for including telephone sets in its April 2, 1999, Form 471 submission, when the then current CC Docket No. 96-45, taken from the official website and listing ineligible items, failed to list telephone sets as being ineligible, and simply because a later, updated CC Docket No. 96-45, which was not available when the Form 471 was submitted, lists telephone sets as ineligible?

### 4. RELIEF REQUESTED.

This appeal of the District is timely filed within 30 days of the date of the Administrator's decision under 47 C.F.R. § 54.720 (a). In addition, the request for review was also served on the Administrator as required by 47 C.F.R. § 54.721 (c). The contact person for this appeal is:

David Sackville-West, Business Manager  
Cheney School District No. 360  
520 Fourth Street  
Cheney, WA 99004  
Telephone: 509-559-4501  
Fax: 509-559-4508  
E-mail: dsackville-west@cheneysd.org

The School District would be happy to supplement this appeal request with any additional information deemed appropriate by the Commission.

Pursuant to 47 C.F.R. § 54.722, the School District requests that the Federal Communications Commission through its Common Carrier Bureau conduct a de novo review of the Administrator's April 18, 2000 decision denying the District any funding under Funding Request Number 227849.

The School District further requests that the District receive a funding commitment for Funding Request Number 227849, based on the amount of \$185,036, which was the appropriate Pre-discount Cost for this funding request. See Exhibit C.

The School District further requests any and all further relief deemed appropriate by the Federal Communications Commission.

Respectfully submitted, this 15th day of May, 2000.

A handwritten signature in cursive script, appearing to read "David Sackville-West".

David Sackville-West  
Business Manager for Cheney School District No. 360

# **EXHIBIT A**

**FCC Form 471**  
**April 2, 1999**

471

# Schools and Libraries Universal Service Services Ordered and Certification Form

Estimated Average Burden Hours Per Response: 6 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 (Billed Entity) CHENEY SCH DISTRICT 360      2. Funding Year July 1, 1999 - June 30, 2000

3a. NCES School Code (if individual school) or NCES Library Code (if individual library) 5301230

3b. 471 Application Number (Administrator will insert this)      3c. Billed Entity Number  
145439

4a. Type of Applicant  
(Check only one box.)

- school
- school district
- library or library consortium under the LSTA
- consortium of multiple entities

4b. If applicant is a consortium, check all other boxes that apply:

- includes non-governmental entities ineligible for support
- region of a state     statewide     multi-state
- state educational agency
- local educational agency
- educational service agency

5. Applicant's Street Address, P.O. Box, or Route Number  
520 4TH STREET

City CHENEY	State WA	Zip Code 99004-1616	Telephone Number 509-235-6205	E-mail Address csack@iea.com
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6. Contact Person's Name CHRIS WICKLUND

Street Address, P.O. Box, or Route Number (if different from Item 5)

520 4TH STREET

City CHENEY	State WA	Zip Code 99004-1616
----------------	-------------	------------------------

Fill in all of the following (if available), and check the preferred mode of contact:  Telephone 509-235-9548  
 FAX 509-235-6883       E-mail cwicklund@iea.com       Mail

**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 (derived from FCC Form 470 Blocks 2 & 3)**

3a. Number of students  3475	3b. Number of library patrons
------------------------------------	-------------------------------

9. Number of buildings to be served  8	10. Number of rooms to be served
--	----------------------------------

Contact Person's Name CHRIS WICKLUND

and Phone Number: 509-235-9548

	Existing Service	Total Services After Order
<b>11. Telecommunications Services</b>		
a. Number of phones that have or require service (See instructions concerning extension phones and fax machines.)	100	100
b. Number of computers that have or require service	260	1460
c. Number of high bandwidth video conferencing links		
<b>12. Internal Connections</b>		
a. Number of buildings with at least some rooms connected	1	8
b. Number of rooms connected	100	440
c. Highest speed of connection	10Mbps	100Mbps
<b>13. Internet Access</b>		
a. Number of dial up connections	20	20
b. Highest speed of such dial up connections	56K	56K
c. Number of direct connections	1	1
d. Highest speed of such direct connections	1.54Mbps	1.54Mbps

**Block 4: Determining Discount Percentage**

14. Fill in one line per school, library, or library consortium and calculate in the last line, an average discount rate for the billed entity. Attach additional pages if necessary. *Note:* If the applicant has already completed this chart for all of the same entities with data that is current, provide the "471 Application Number" (Item 3b), from that previous FCC Form 471, here:

(1) Name of Individual School or Library	(2) NCES or Comparable Code for School or Library (Obtain from Administrator)	(3) Urban or Rural	(4) <i>For Schools:</i> Number of Students <i>For Libraries:</i> NCES Code of a School in its District	(5) <i>For Schools:</i> Number of Students Eligible for National School Lunch Program	(6) Discount Calculated from Discount Matrix	(7) Check if School or Library will use "Shared Services" listed in Item 15.
BETZ	530123000221	U	400	152	60	<input checked="" type="checkbox"/>
REID	530123001757	U	189	94	80	<input checked="" type="checkbox"/>
SALNAVE	530123000226	U	314	153	60	<input checked="" type="checkbox"/>
SUNSET	530123000227	U	322	244	90	<input checked="" type="checkbox"/>
WINDSOR	530123000228	U	388	164	60	<input checked="" type="checkbox"/>
CONTINUED ON NEXT PAGE						<input type="checkbox"/>
FOR SHARED SERVICES ORDERED BY BILLED ENTITY (attach worksheet of calculations)					60	

Contact Person's Name CHRIS WICKLUND and Phone Number: 509-235-9548

	Existing Service	Total Services After Order
<b>11. Telecommunications Services</b>		
a. Number of phones that have or require service (See instructions concerning extension phones and fax machines.)	100	100
b. Number of computers that have or require service	260	1460
c. Number of high bandwidth video conferencing links		
<b>12. Internal Connections</b>		
a. Number of buildings with at least some rooms connected	1	8
b. Number of rooms connected	100	440
c. Highest speed of connection	10Mbps	100Mbps
<b>13. Internet Access</b>		
a. Number of dial up connections	20	20
b. Highest speed of such dial up connections	56K	56K
c. Number of direct connections	1	1
d. Highest speed of such direct connections	1.54Mbps	1.54Mbps

**Block 4: Determining Discount Percentage**

14. Fill in one line per school, library, or library consortium and calculate in the last line, an average discount rate for the billed entity. Attach additional pages if necessary. *Note:* If the applicant has already completed this chart for all of the same entities with data that is current, provide the "471 Application Number" (Item 3b), from that previous FCC Form 471 here:

(1) Name of Individual School or Library	(2) NCES or Comparable Code for School or Library (Obtain from Administrator)	(3) Urban or Rural	(4) <i>For Schools:</i> Number of Students <i>For Libraries:</i> NCES Code of a School in its District	(5) <i>For Schools:</i> Number of Students Eligible for National School Lunch Program	(6) Discount Calculated from Discount Matrix	(7) Check if School or Library will use "Shared Services" listed in Item 15.
MIDDLE SCHOOL	530123000224	U	837	320	60	<input checked="" type="checkbox"/>
ALTERNATIVE SCHOOL	5301230	U	53	12	50	<input checked="" type="checkbox"/>
HIGH SCHOOL	530123000223	U	972	199	50	<input checked="" type="checkbox"/>
						<input type="checkbox"/>
						<input type="checkbox"/>
						<input type="checkbox"/>
FOR SHARED SERVICES ORDERED BY BILLED ENTITY (attach worksheet of calculations)					60	

Contact Person's Name: CHRIS WICKLUND

and Phone Number: 509-235-9...

**Block 5: Services Ordered**

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.

(1) SLC Service Provider Number or Full Legal Name of Service Provider	(2) Universal Service Control Number for Form 470 on which this is based	CONTRACT			(6) Services or Products	(7) Service Start Date	Amount		(10) Estimated Total Annual Prediscount Cost	(11) Percentage Discount (from Item 14)
		(3) Contract Number (if applicable)	(4) Award Date	(5) Expiration Date			(8) Estimated One Time Pre-discount Cost	(9) Estimated Monthly Pre-discount Cost		
143005147	44336000141509	C	04/02/1999	8/15/1999	Telecommunication Services	07/01/1999	\$296,385.07		\$296,385.07	60
					Internet Access					
					Internal Connections (Shared)					
143005231	76435000145282	T	T	T	Telecommunication Services	07/01/1999	\$2,500.00	\$900.00	\$13,300.00	60
					Internet Access					
					Internal Connections (Shared)					
					Telecommunication Services					
					Internet Access					
					Internal Connections (Shared)					

Contact Person's Name: CHRIS WICKLUND

and Phone Number: 509-235-9611

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.

(1) SLC Number of Service Provider <i>(Obtain from Service Provider)</i>	(2) Universal Service Control Number for Form 470 on which this is based	CONTRACT			(6) Services or Products	(7) Service Start Date	Amount <i>(See instructions about rounding)</i>			(11) Percentage Discount <i>(from Item 14)</i>	(12) School or Library Code <i>(Listed on website)</i>
		(3) Contract Number (if applicable)	(4) Award Date	(5) Expiration Date			(8) Estimated One Time Pre-discount Cost	(9) Estimated Monthly Pre-discount Cost	(10) Estimated Total Annual Pre-discount Cost		
					Dedicated Services						
					Internal Connections						
					Dedicated Services						
					Internal Connections						
					Dedicated Services						
					Internal Connections						
					Dedicated Services						
					Internal Connections						
					Dedicated Services						
					Internal Connections						

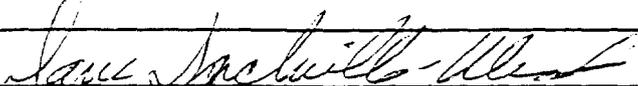
Contact Person's Name CHRIS WICKLUND and Phone Number: 509-235-9548

17.  Check this box to confirm that, for each service provider listed in 15 and 16, above, a list is attached (as an appendix to this form) of all of the services that each service provider is providing to the billed entity. Service providers should provide these lists on request.

18. a. Total dollars of support allocated for this application for the entire funding year (calculated by administrator)	
b. Amount of support set aside for this application for the first six months of the year (calculated by administrator)	
19. Provide the total estimated cost (pre-discount price) for the services you expect to order in the funding year following the one for which you are applying here. (This figure is not binding.)	\$250,000
20. Is your order solely for basic telephone service? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

**Block 6: Certifications and Signature**

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. 3801(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 schools', including, but not limited to, elementary and secondary schools, colleges, or 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 plan(s) 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 fact contained herein are true.

30. Signature 	31. Date 04/02/1999
32. Printed name of authorized person DAVE SACKVILLE-WEST	
33. Title or position of authorized person BUSINESS MANAGER	

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.

Contact Person's Name CHRIS WICKLUND and Phone Number: 509-235-9548

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, Kansas 66044-7026  
1-888-203-8100**

If sent by express delivery services or U.S. Postal Service, Return Receipt Requested, the form should be mailed to:

**SLC-Form 471  
c/o Ms. Smith  
3833 Greenway Drive  
Lawrence, Kansas 66046  
1-888-203-8100**



# CHENEY PUBLIC SCHOOLS

*Serving the West Plains and Cheney Communities*

520 FOURTH STREET, CHENEY, WA 99004 (509) 235-6205 FAX 235-9508

## Appendix 1 Form 471

### Cheney School District 360 Discount Matrix

Name of School to be included in shared	NCES Code or  Comparable Code	Urban or Rural	Total # Students	# Students eligible for NSLP	Discount from Discount Matrix	Weighted Discount (Col.4*Col.6)	Shared Discount Weighted/Total #Students (Col.7)
BETZ	530123000221	U	400	152	60%	240	60%
REID	530123001757	U	189	94	80%	151	80%
SALNAVE	530123000226	U	314	153	60%	188	60%
SUNSET	530123000227	U	322	244	90%	290	90%
WINDSOR	530123000228	U	388	164	60%	233	60%
CHENEY MIDDLE SCHOOL	530123000224	U	837	320	60%	502	60%
CHENEY ALTERNATIVE SCHOOL	5301230	U	53	12	50%	27	50%
CHENEY HIGH SCHOOL	530123000223	U	<u>972</u>	199	50%	<u>486</u>	<u>50%</u>
TOTAL			3475			2.117	61%



# CHENEY PUBLIC SCHOOLS

*Serving the West Plains and Cheney Communities*

520 FOURTH STREET, CHENEY, WA 99004 (509) 235-6205 FAX 235-9508

## **Appendix Two to Form 471: Service Provider Services**

**Company:** United Communications Systems Inc.

**Address:** 936 121<sup>ST</sup> Ave S.E.  
Bellevue, WA 98005

**SPIN:** 143005147

**Service Provided:** New PBX phone system

**Company:** U.S. West Communications

**Address:** PO Box 12480  
Seattle, WA 98111-4480

**SPIN:** 14000132

**Service Provided:** Service for two T1 circuits for phone service

# **EXHIBIT B**

**CC Docket No. 96-45  
April 1, 1999**

REFERENCE AREA	S&L AREA	PROVIDER AREA	HELP
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**65 BUCKET NO. 36 - 45  
SCHOOLS AND LIBRARIES  
ELIGIBLE**

[Click here to view Updates to the Eligible Services List as of March 16, 1999](#)  
(soon to be incorporated into the list below)

SERVICE	ELEMENT/DESCRIPTION	ELIGIBLE YES/NO	PARAGRAPH CITE
<b>TELECOMMUNICATIONS SERVICES</b>			
<p>The primary purpose of the services for which support is sought must be the delivery of services to the classrooms or other places of instruction at schools and libraries that meet the statutory definition of an eligible institution. Support for the administrative functions of library or education programs is permitted so long as the services are part of the network of shared services for learning. Support will be limited to services delivered to the onsite educational facility or facilities. <sup>4</sup></p> <p>The Paragraph Cite column represents the paragraph from FCC 97-157, FCC 97-420, Appendix or the FCC Public Notice "Updated Frequently Asked Questions on Universal Service and the Snowe-Rockefeller-Exon-Kerrey Amendment" that is most closely associated with the particular service. The information in the column is not intended to be all inclusive and other references should be considered.</p>			
Asynchronous Transfer Mode (ATM)	ATM is a high bandwidth switching technology that can handle all types of traffic such as voice, video, data, images, high quality audio and multimedia. It uses small, fixed size cells and is asynchronous because cells are transmitted through a network on an "as needed" basis and not merely transmitted during specific time intervals. It can be used for both WAN and LAN applications and provides a seamless interworking between the two. ATM is a technology designed to combine the benefits of switching technology with those of packet switching.	Yes	431
Cable TV Access	Only if the service is provided as a commercially available telecommunications service, or part of Internet access, or an internal connection that is necessary to transport information to individual classrooms. Under the cite, cable providers are not normally considered providers of interstate telecommunications.	Conditional	54.703 Appendix I Final Rules 450
CENTREX	A private communications system which consists of a wide variety of features provided by central office software and extended to the customer's premises via local distribution facilities.	Yes	431
Digital Data Service	Sub-T-1 Facilities - Provides a 4 wire synchronous circuit at rates of 2.4, 4.8, 9.6, 56, 64 Kbps. It may be provided either hubbed or non-hubbed.	Yes	431
Direct	Direct Broadcast Satellite (DBS) is a digital system that	No (Revised	431

Broadcast Satellite (DBS)	uses satellite to transmit TV programs to its subscribers. The transmitted signals are received using individual roof top antennas. Program reception of the subscriber is limited to those channels broadcast by a specific provider.	2/25/98)	
Distance Learning	A service that utilizes video and audio technologies allowing students who are remotely located from other students, or the lecturer to participate interactively with the class, and is eligible if provided as a telecommunications service.	Conditional	437
	• Monitors	No	460
	• Video Cameras	No	460
	• Video CODEC (see Video Conference Section)	No	460
Fractionalized T-1	Provides a data rate between 56Kbps (DS-0) and 1.544 Mbps. It is typically used for LAN interconnection, video conferencing, high-speed mainframe connection and computer imaging. It is typically provided on four-wire copper circuits.	Yes	437
Frame Relay Service	A form of packet switching utilizing smaller packets and requiring less error checking than more traditional forms of packet switching. A frame-based technology for the transfer of protocol-oriented data, frame relay is characterized by connection-oriented services up to 50 Mbps.	Yes	437
	• UNI Link - Port, Channel Termination and Mileage	Yes	437
	• NNI Link - Port, DS1CT Connection, Permanent Virtual Connection (PVC)	Yes	437
High Capacity Service	Digital transmission links with capacities of 1.544 Mbps to 274.176 Mbps. As an example: T-1s use two pairs of normal twisted wires and provide 24 voice channels, each one digitized at 64 Kbps. It is typically used to connect networks across remote distances.	Yes	437
Homework Hotline Service	This service typically provides a toll free telephone number for students to contact the school regarding questions on homework. The service is eligible as a telecommunications service.  If the service is provided as a voice mail service, the voice mail service is ineligible. Additionally, only that portion of the service located at the school/classroom eligible. Elements of the service located at, or originating from the student location are ineligible.  See Footnote 4 and SLC Board Position Statement on page 1.	Yes	444
ISDN	Primary Rate (ISDN PRI)  • Provides the ISDN equivalent of a T-1 circuit.	Yes	437

	The Primary Rate Interface provides 23B+D running at 1.544 Mbps.		
	Basic Rate ISDN (ISDN BRI) <ul style="list-style-type: none"> <li>Provides 2B+D over either one or two pairs.</li> </ul>	Yes	437
POTS	Plain Old Telephone Service (basic service) <ul style="list-style-type: none"> <li>Single Party Service</li> <li>Dual Tone Multi frequency (DTMF) signaling or equivalent</li> <li>Voice grade access to the public switched network</li> <li>Access to 911, or Enhanced 911</li> <li>Access to operator services, interexchange service, directory assistance</li> </ul>	Yes	FCC Q & A. Public Notice July 2, 1997 Q. 6
Programed Audio Service	A channel for the transmission of complex signal voltage that is typically used for radio broadcasting, noncommercial educational audio and wired music.	Yes	437
Satellite Services	When provided by a telecommunications provider, or to access the Internet. Use of satellite services to participate in academic symposiums or lectures and for access to the Internet at local calling rates is eligible.	Yes	562 624 748
Shared POTS	Same as POTS, except the service is shared between two entities. As an example, a telephone line may be shared between a parochial school and the church administrative offices. Only that portion of the service relating to the school would be eligible.	Conditional	437
Sub-voice Grade Facilities	Such as telegraph channel service.	Yes	437
Toll Charges	Additional to POTS or basic service.		
	Intrastate	Yes	431
	Interstate	Yes	431
	International	Yes	431
Unlicensed Spread Spectrum	When provided by a telecommunications provider. The use of "Unlicensed National Information Infrastructure (U-NII)" devices will make a host of wireless services available to schools and libraries.	Yes	395
Video Service	A channel with one-way transmission capability for	Yes	431

	standard 525 line/60 field monochrome, or National Television Systems Committee color, video signal and one or two associated 5 or 15 kHz audio signals.  Video Service is considered an eligible service, so long as the service is provided as a commercially available telecommunications service.		
Wireless Services	Cellular	Yes	748 FCC Q&A Public Notice July 2, 1997
	Personal Communications Services	Yes	FCC Q&A Public Notice July 2, 1997
	Paging Services	Yes	FCC Q&A Public Notice July 2, 1997
<b>INTERNAL CONNECTIONS</b>			
<p>Internal connections are a component of the institution's internal connections only if that piece of equipment is necessary to transport information all the way to the individual classroom. They are connections between or among multiple instructional buildings that comprise a single school campus or multiple non-administrative buildings that comprise a single library branch, but do not include connections that extend beyond that single school campus or library branch.</p> <p>(Paragraphs 451, 452, 455, 458, and 460 &amp; Fourth Order on Reconsideration Paragraph 210)</p>			
Asbestos Removal		No	460
Cable	See Wiring, Internal	Yes	450 458
Data Equipment	Including, but not limited To: Channel Banks, Digital Cross Connects, Hubs and Network File Servers (Including Necessary Software),(see Personal Computer)	Yes	458 460
	<p>Channel Service Unit (CSU)/Data Service Unit (DSU)</p> <ul style="list-style-type: none"> <li>A device to terminate a digital channel at a customer premises. It performs certain line coding, line conditioning and equalization functions, and responds to loopback commands sent from the telephone company central office. A CSU sits between the digital line entering the customer premises from the central office and devices such as channel banks or data communications devices.</li> </ul>	Yes (Revised 2/25/98)	460
	Modems	No	460
	<p>Routers</p> <ul style="list-style-type: none"> <li>Routers are switching devices that can act as an interface between two networks and connect different segments such as departments ,or floors in a building. Functionally, routers select the routing path for traffic, may provide network management capabilities, such as load</li> </ul>	Yes	460

	balancing and provide trouble shooting diagnostic capabilities.		
Electrical System Upgrades		No	FCC Q&A Public Notice July 2, 1997
Electronic Mail Service	Electronic ("e") mail services provide the transmission of simple text messages and other messages containing embedded voice messages, spreadsheets and images.	Yes	444
FAX Machines		No	459
Local Area Network (LAN)	A LAN is a short distance data communications network used to link together computers and peripheral devices under some form of standard control. The LAN is most often connected by customer provided links, or telecommunications paths within the same building.  The LAN must meet the definition of internal connections which is defined as necessary to transport information all the way to individual classrooms.	Conditional	458 459 460  Fourth Recon. Order 208 209 210
LAN Switch	See Router under Data Equipment	Yes	460
Maintenance & Installation	Installation Labor & Maintenance Agreement (contract) fees  • Includes the charges incurred for the installation and contractual maintenance of eligible telecommunications services and internal connections. No personnel costs incurred by schools and libraries will be eligible for discounts.	Yes	450, 451 452, 460
	Maintenance performed on a Time and Material basis  • Includes the charges incurred with maintenance performed on eligible telecommunications services and internal connections.	Yes	450, 451 452, 460
Multiplexing	A multiplexer is electronic equipment that allows two or more signals to pass over one communications, or bearer circuit. The "circuit" may be a telephone line, dedicated line, microwave circuit, or a through-the-air TV signal. It provides an economic means for the service provider and customer to transport multiple circuits by combining, as an example, up to 24 voice grade circuits on a single bearer circuit.  If provided as part of internal connections for a local area network it is eligible. If provided as part of a wide area network, it must meet the rules governing WANs.	Conditional	437 444

Network Management Systems	A system of equipment used in monitoring, controlling and managing a data communications network. The system may contain elements such as CRT displays and printers, circuitry for diagnostics and reconfiguration of channels, generally housed in an operator console.	No	460
Personal Computer		No	460
Hardware	Hub and Router - see Router under Data Equipment	Yes	460
	File Server  <ul style="list-style-type: none"> <li>A file server is a device on a Local Area Network (LAN) which "serves" files to everyone on that LAN. It is typically a combination of computer, data management software, and large hard disk drive. It allows the user to store information, leave electronic mail messages for other users on the system and access application software on the file server.</li> </ul> <p>The file server is eligible, but if built to provide a storage function to supplement personal computers on the network, the price associated with the storage function is ineligible for discounts.</p>	Yes	460 461
	Network Interface Card (NIC)  <ul style="list-style-type: none"> <li>An electronic circuit connecting a workstation to a network. Usually a card that fits into one of the expansion slots inside a personal computer. It works with the network software and computer operating system to transmit and receive messages on the network.</li> </ul>	No	460
	Printer, Power Strips, Uninterruptible Power Supplies	No	460
Software	Only when required for file server operations.	Yes	458 497
	Application Software  <ul style="list-style-type: none"> <li>Browser<sup>5</sup></li> <li>Mail</li> <li>Fire Wall<sup>6</sup></li> <li>Key Word</li> </ul>	No No Conditional No	445 444 460, 444 460
System Improvements and Upgrades	Improvements/upgrades to eligible services are eligible for discounts. Memory upgrades, for example, to computers that act as routers, switches or hubs to transmit information to or from classrooms or libraries are eligible.	Yes	460 497 572
Private Branch Exchange (PBX)  (wired & wireless)	A switching system, either manual or dial, usually serving an organization such as a business company or a government agency and usually located on the customer's location. The PBX provides internal station to station dialing and optional access to the public switched network.	Yes	458 460
Video	CODEC (coder/decoder) Modem	No	460

Conference Equipment	<ul style="list-style-type: none"> <li>A device comprising an encoder and decoder in the same equipment. The CODEC produces a coded output and compresses and decompresses audio and video signals.</li> </ul>		
	Group & Desktop	No	460
	Enhanced Multimedia Interface (EMMI) <ul style="list-style-type: none"> <li>The EMMI is an interface that gives PC and workstation users on ATM networks the ability to send and receive full-motion, high quality video, CD-quality stereo and high speed data. Signals are transformed into ATM cells and transported optically, using the Synchronous Optical Network (SONET) standard.</li> </ul>	No	458 460
	Room Design Consulting/System Integration <ul style="list-style-type: none"> <li>(Normally, these charges would be incorporated into the cost of the service which would be eligible.)</li> </ul>	No	460
	Media Retrieval Equipment <ul style="list-style-type: none"> <li>Media retrieval equipment is used to capture and record video signal. The system includes a computer, controller for record and playback function and imaging and system control software.</li> </ul> <p>The system acquires, digitizes and records video on disk for future use and viewing. The storage device is generally a computer hard drive.</p>	No	458
	Televisions and Video Recorders	No	458 460 461
Test Equipment		No	460
Voice Mail Service	Voice Mail is a service which allows the user to receive, edit and forward messages to one or more voice mailboxes.	No	444
Wireless PBX Adjunct	An adjunct that functions in conjunction with a Private Branch Exchange, to provide wireless capability to the station end.	Yes	458 460
Wiring, Internal	Including, but not limited to: cable (copper/fiber/coax), bays, jacks, blocks, panels, and terminals. Included in this category is all wiring and cable necessary to transport information all the way to individual classrooms.	Yes	458 459
	Conduit <ul style="list-style-type: none"> <li>Conduit as a means for housing internal connections to operate a local area network is eligible for discounts. This means that the</li> </ul>	Conditional (Revised 2/03/98)	459

	physical casing (known as conduit), and its installation and maintenance, is eligible for discounts, provided that the conduit is used to house facilities that meet the definition of internal connections. Conduit located inside an eligible entity's building (school or library) as well as conduit between eligible buildings located on a single campus (not crossing a public right of way) is eligible for discounts.		
<b>ACCESS TO THE INTERNET</b>			
Internet Access	Bundled Access to the Internet	Yes Yes	445 445
	<ul style="list-style-type: none"> <li>Only when there is minimal content and it is the most cost effective means of securing non-content access to the Internet than other non-content alternatives.</li> </ul>		
Internet Training		No	FCC Q&A Public Notice July 2, 1997
<b>MISCELLANEOUS</b>			
Personnel Costs	Personnel costs for various eligible services incurred by an eligible entity are ineligible for discounts.	No	437
	Teacher Training	No	FCC Q&A Public Notice July 2, 1997
Consulting Services		No	437
Wide Area Network (WAN)	<p>A WAN is a data communications network typically extending a LAN outside a building, over links to other LANs in remote buildings in other cities. Typically, the links are lines provided by common carriers such as the local telephone company or long distance carrier.</p> <p>The cost of purchasing WANs to provide telecommunications services is not eligible for support. However, schools and libraries are not precluded from receiving support for a wide area network run over leased telephone lines because such an arrangement constitutes a telecommunications service.</p>	Conditional	458  Fourth Recon. Order 193 210
Satellite Dishes	Eligible only if leased as part of telecommunications services.	Conditional	562 624 748

- 1 Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Report and Order, 12 FCC Rcd 8776 (1997). ERRATA released 6/04/97 and 12/24/97.
- 2 Eligible schools and libraries should receive discounts of between 20 and 90 percent on all telecommunications services, Internet access and internal connections provided by telecommunications carriers.
- 3 Eligible schools and libraries will be permitted to apply their relevant discounts to information services provided by entities that consist of:
  - (i) the transmission of information as a common carrier;
  - (ii) the transmission of information as part of a gateway to an information service, where that transmission does not involve the generation or alteration of the content of information but may include data transmission, address translation, protocol conversion, billing management, introductory information content, and navigational systems that enable users to access information services that do not affect the presentation of such information services to users; and
  - (iii) electronic mail services [e-mail].
- 4 Formal position statement adopted by the Schools and Libraries Corporation Board of Directors on November 20, 1997.
- 5 Browsers are provided by Internet Providers. Software additional to that provided in a Bundled Access to the Internet are not subject to discount. (Paragraph 445)
- 6 A method of protecting one network from another untrusted network. The actual mechanism whereby this is accomplished varies widely, but in principle, the firewall can be thought of as a pair of mechanisms: one which blocks traffic and another which permits it. Firewalls are eligible if provided as a component of the file server.

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# **EXHIBIT C**

**Funding Request Number 227849**