

In the matter of: Request for Review of USD 380 Vermillion of Decision of Universal Service Administrator

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Reference: FCC Docket Nos. 97-21 and 96-45

USD 380 Vermillion is asking for a review of the decision of the Universal Service Administrator concerning the contract with Blue Valley Telephone for high bandwidth video conferencing links at our school in Centralia, Kansas.

In September of 1997 we began seeking methods to deliver instruction to our students in this very rural district in classes in which there is a teacher shortage. Through our local service center we learned that such a method of instruction was available through establishing a classroom utilizing high bandwidth video conferencing links. Our district has two schools that provide education for seven small communities. Our district is located in parts of three different counties. The phone provider in one half of the district is Southwestern Bell and the other half is Blue Valley Telephone. In order to facilitate the process and to educate key members of our district as to the requirements of providing instruction in this manner, I called a meeting of all the players in September of 1997. Involved in that meeting were representatives of Southwestern Bell, Blue Valley Telephone, the Distance Learning coordinator from our service center, equipment vendors for the necessary classroom apparatus, maintenance workers from both schools, the architect who is responsible for the design of renovations in our district, local electricians and heating-air conditioning vendors, and the administrators and technology coordinator from the district schools. At that meeting we were told that in order to qualify for the rate of \$1155.00 a month from Southwestern Bell we had to make a decision and sign a contract by October 1. Blue Valley Telephone agreed to sell us the same service at the Centralia School as Southwestern Bell would provide for the same price offered by Southwestern Bell. Tentative agreement was reached pending approval from the entire Board of Education at their October meeting. The classroom was built during the summer of 1998 and the first classes were offered over the distance learning network in August of 1998.

Following this meeting and the Board's approval, the final plans for e-rate came out. Meanwhile we agreed to sign a contract with both Southwestern Bell and with Blue Valley Telephone both for a period of sixty months. Unfortunately for us, Blue Valley which is small and less cumbersome was quick in turn around of their contracts and we signed that contract in October and they signed in December. The first year of the e-rate the stipulations were that this was then a pre-existing contract because it was signed prior to January 1. During this past year the rules changed and this was no longer considered a pre-existing contract. We challenge that assertion and would like you to reconsider the decision of the Universal Service Administrator. We feel that the rules should not have changed in the middle of the course. Since we are bound by this contract and since there are no other vendors in our area that can provide this service, we feel that we should not be penalized by rules that do not fit our situation.

We have enclosed the following documentation:

- 1. A copy of the signed contract.

No. of Copies rec'd 0
List A B C D E

2. A copy of a page from the Schools and Libraries Corporation dated January 7, 1998
3. A copy of the 470 form from Year 1 which indicates that it was put out for a bid and we received no bids other than the contract that was agreed to in October.
4. A copy of the 471 from Year 2 which indicates that the service is indicated as a pre-existing contract.
5. A copy of the letter from the Universal Service Administrator denying the service at the Centralia School while approving the same service at the Frankfort School.
6. A copy of the two appeal letters to the School and Libraries Division that were submitted by the Distance Learning Coordinator Theresa Gram.

Please consider this appeal and reverse the ruling of the Universal Service Administrator.

Sincerely,



Beth Reust
Superintendent
USD 380 Vermillion
P.O. Box 107
Vermillion, KS 66544

**BROADBAND EDUCATIONAL VIDEO
SERVICE AGREEMENT**

This agreement made this 10th day of November, 1997 between Blue Valley Telephone Company, Inc. (BVTC) and USD #380 (Customer) as follows:

1. BVTC agrees to install one Broadband Educational Video Service for Customer at Centralia Schools for USD #380.
2. Customer agrees to accept and pay for such service and equipment, and for any additional services, equipment, or modifications thereof as may later be mutually agreed upon at rates established by BVTC and agreed to by the customer. Customer further agrees to the rules and regulations set forth in this service agreement, and to any mutually agreed upon change in the rules, regulations, service agreement or rates for the service furnished hereunder.
3. This agreement is effective on the date hereof and remains in effect for a minimum term of 60 continuous months effective August 1998 at the rate of \$1155 per month for the 1st year, and a monthly rate established each year thereafter at a rate not to exceed \$1155 per month until the term of the agreement expires. After the completion of 60 months, this contract may be renegotiated.
4. The customer agrees to keep the temperature of the equipment room at an optimum temperature not to exceed 75 degrees. In the event equipment damage is a result of negligence on the part of the Customer, the Customer agrees to pay for damaged replacement cards. The Customer will keep insurance coverage for equipment damaged as a result of natural causes over which they have no control.
5. All payments for future years will be made by USD #380 if funds are reasonably available and USD #380 will do all things necessary to assure the availability of such funds. The purpose of this provision is to comply with the cash basis law.
6. The terms and conditions of this agreement are equally binding upon the parties named herein, their heirs, successors and assigns.

In Service Date: August 1998

Service Request Acknowledged for
Blue Valley Telephone Company, Inc.

Service Requested by

Name Henry O'Neil

Name Betty P. Becker

Title GENERAL MANAGER

Title President of the Board

Date December 11, 1997

Date October 1, 1997

If the entities have to report this RFP on the Universal Service Fund board to receive E-rate discounts, the contractor/vendor will allow them to do so and will resubmit this bid in response to the RFP.

be financially liable, the amount of support likewise should be determined, where possible, on the discount rate to which each individual school or library is entitled. Both the discount rate and provision of support should be determined for each individual school or library if it is not unreasonably burdensome to do so.

For services used only by an individual institution, the applicable discount rate for the services is based on the individual institution's discount rate. [Para. 205].

For shared services which cannot, without difficulty, be allocated directly to a particular entity, consortia must certify that each individual institution will receive a proportionate share of the shared services within each year in which the entity is used to calculate the aggregate discount rate. [Para. 206]. This obligation can be met by tracking usage of shared services or other methods to ensure each institution receives a proportionate share of shared services. An applicant comprised of multiple eligible entities must maintain records to show the basis for and actual distribution of funds. [Para. 207].

Existing Contracts

- Q. 16) Which contracts are exempt from the competitive bid requirement to post a request for services?**
- A. The Fourth Order of Reconsideration made a change to the original May 8 Order with respect to this issue. Contracts for eligible services signed on or before July 10, 1997 (changed from Nov. 8, 1996, in the original Order) are exempt from the competitive bid requirement to post a request for services, for the life of the contract. Contracts signed after July 10, 1997 but before the SLC website is open to receive applications are exempt only with respect to services provided between January 1, 1998 and December 31, 1998. The exemption from competitive bidding does not apply to voluntary extensions of existing contracts. [Para. 217; 47 C.F.R. Section 54.118 and (d)].

Master Contracts

- Q. 17) May schools and libraries procure eligible service pursuant to a master contract?**

70 Schools and Libraries Universal Service Description of Services Requested and Certification Form

Estimated Average Burden Hours Per Response: 6 hours

This form is designed to help schools and libraries describe the eligible telecommunications-related services they seek so that this data can be posted on a website and interested service providers can identify the applicant as a potential customer and compete to serve it.

Please read instructions before completing. (To be completed by entity that will negotiate with providers.)

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

1. Name of Applicant VERMILLION USD 380 - CENTRALIA HIGH SCHOOL 2. Funding Year 1999

3a. NCES School Code (if individual school) or NCES Library Code (if individual library) 200456000831

3b. Universal Services Control Number
Administrator call to get this: 202-270-8600
4c. Applicant ID Number
Administrator call to get this: _____

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
 entity desires separate bills for each member of consortium
 entity desires separate bills for some members of consortium
 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
PO Box 107

City VERMILLION State KS Zip Code 66544 Telephone Number 785/382-6216 E-mail Address _____

6. Contact Person's Name THERESA E. GRAM

Street Address, P.O. Box, or Route Number (if different from Item 5)
219 W. 7th Street

City CONCORDIA State KS Zip Code 66901

Fill in all of the following (if available), and check the preferred mode of contact: Telephone 785/243-4187
 FAX 785/243-4457 E-mail theresa.dln@dustdevil.com Mail

Block 2: Other Characteristics of Applicant

7a. Number of students 314 7b. Number of library patrons _____

8. Number of buildings to be served 2 9. Number of rooms to be served 1

Block 3: Summary Description of Needs or Services Requested

10. Check if applicant seeks discounts only for eligible services based on one or more existing, binding contract(s) and proceed to Block 4. If so, provide date(s) contract(s) was/were signed 10/01/1999 and its/their termination date(s) 07/01/2003

11. Check here if you have a Request for Proposal (RFP) available. If the RFP is posted on a website, provide the website address _____

Contact Person's Name TERESA E. GRAM and Phone Number: 785/243-4187

(1)	(2) Existing Service	(3) Additional Services Desired	(4) Total Service Desired	(5) Details (Optional)
12. 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	1		1	Full motion video, audio & data via ISDN via ATM
d. Specify other (Optional)				
13. Internal Connections				
a. Number of buildings with at least some rooms connected				
b. Number of rooms connected				
Highest speed of connection				
d. Specify other (Optional)				
14. Internet Access				
a. Number of dial up connections necessary				
b. Highest speed of such dial up connections				
c. Number of direct connections necessary				
d. Highest speed of such direct connections				
e. Specify other (Optional)				

15. You may provide additional summary information about the services you are requesting to help service providers identify your needs more precisely. You may provide technical requirements or give an informal description of your telecommunications-related goals. You may attach additional pages if necessary.

Contact Person's Name TERESA E. GRAM and Phone Number: 785/243-4187

16. Check here if there are any restrictions imposed by state or local laws or regulations on how and when providers may contact you or on other bidding procedures. Please describe below any such restrictions or procedures. You may attach restrictions or give website where they are posted.

17. Purchases in future years: If you have current plans to purchase additional services in future years, describe them below. (Providing this information is optional.)

Block 4: Technology Assessment

18. Although the following services and facilities are ineligible for support, they are usually necessary if schools and libraries are to make effective use of the eligible services requested in this application. (If your application is only for basic voice telephone service, check this box and go to Item 19. Otherwise, you must check at least one box on each of the other lines. You may provide details for purchases being sought.)

a. Desktop communications software: Software required has been purchased; and/or is being sought.

b. Electrical systems: adequate electrical capacity is in place or has already been arranged; and/or upgrading for additional electrical capacity is being sought.

c. Computers: a sufficient quantity of computers has been purchased; and/or is being sought.

d. Computer hardware maintenance: adequate arrangements have been made; and/or are being sought.

e. Staff development:
 all staff have had an appropriate level of training or additional training has already been scheduled; and/or training is being sought.

f. Additional details: Use this space to provide additional details to help providers to identify the services or facilities you desire.

Contact Person's Name TERESA E. GRAM and Phone Number: 785/243-4187

Block 5: Listing Consortium Participants

19. **Eligible Entities:** (Billed Entities.) If applicant is an individual school or a library or a school district or a library system that will receive only one bill, it should only fill in the first row of this chart. If applicant is a consortium of multiple billed entities, then it should fill out a row for each billed entity. (Applicant may attach additional pages.)

Billed Entity	Billed Entity's Zip Code	Billed Entity Code (Inserted by Administrator)	Zip Code(s) of Recipients of Service
✓ VERMILLION USD 380	66544		66544

20. **Entities Ineligible for Schools and Libraries Discount:**

Name of Entity	Zip Code(s) of Recipient of Service	Contact Person	Phone Number, E-mail Address, or Alternative Preferred Contact Method

Block 6: Certifications and Signature

21. The applicant includes: (Check one or both.)

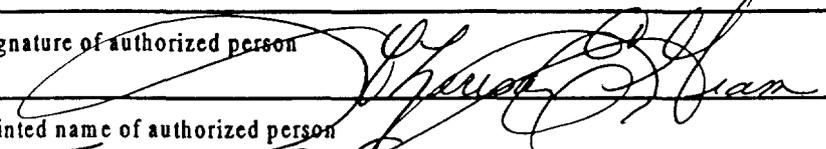
- a. schools under the statutory definitions of elementary and secondary schools found in the Elementary and Secondary Education Act of 1965, 20 U.S.C. Secs. 8801(14) and (25), that do not operate as for-profit businesses, and do not have endowments exceeding \$50 million; and/or
- b. libraries or library 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. All of the individual schools, libraries, and library consortia listed above in item 19 are covered by:

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

Contact Person's Name TERESA E. GRAM and Phone Number: 785/243-4187

- ... 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.
24. 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.
25. I recognize that support under this support mechanism is conditional upon the school(s) or library(ies) I represent securing access to all of the resources, including computers, training, software, maintenance, and electrical connections necessary to use the services purchased effectively.
26. I certify that I am authorized to submit this request on behalf of the above-named applicant, that I have examined this request, and to the best of my knowledge, information, and belief, all statements of fact contained herein are true.

27. Signature of authorized person 	28. Date
29. Printed name of authorized person <u>TERESA E. GRAM</u>	
30. Title or position of authorized person <u>DIRECTOR, NORTH CENTRAL KANSAS DISTANCE LEARNING NETWORK</u>	

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 Description of Services Requested and Certification Form (FCC Form 470) with the Universal Service Administrator, themselves or as part of a consortium. 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

Contact Person's Name TERESA E. GRAM and Phone Number: 785/243-4187

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 470
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 470
c/o Ms. Smith
3833 Greenway Drive
Lawrence, Kansas 66046
1-888-203-8100**

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) <u>USD 380 Vermillion</u>		2. Funding Year <u>1999</u>	
3a. NCES School Code (if individual school) or NCES Library Code (if individual library) <u>2004560</u>			
3b. 471 Application Number (Administrator will insert this)		3c. Billed Entity Number <u>137679</u>	
4a. Type of Applicant (Check only one box.) <input type="checkbox"/> school <input checked="" type="checkbox"/> school district <input type="checkbox"/> library or library consortium under the LSTA <input type="checkbox"/> 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 <u>PO Box 107</u>			
City <u>Vermillion</u>	State <u>KS</u>	Zip Code <u>66544</u>	Telephone Number <u>785/382-6216</u>
6. Contact Person's Name <u>Theresa E. Gram</u>			
Street Address, P.O. Box, or Route Number (if different from Item 5) <u>219 W. 7th ST</u>			
City <u>Concordia</u>	State <u>KS</u>	Zip Code <u>66901</u>	E-mail Address
Fill in all of the following (if available), and check the preferred mode of contact: <input checked="" type="checkbox"/> Telephone <u>785/243-4187</u> <input type="checkbox"/> FAX <u>785/243-4457</u> <input type="checkbox"/> E-mail <u>theresa.dln@dustdevil.com</u> <input type="checkbox"/> 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)

8a. Number of students <u>642</u>	8b. Number of library patrons
9. Number of buildings to be served <u>4</u>	10. Number of rooms to be served <u>2</u>

Contact Person's Name Theresa E. Gram and Phone Number 785/243-4187

	Existing Service	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	2	2
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		
b. Highest speed of such dial up connections		
c. Number of direct connections		
d. Highest speed of such direct connections		

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.
Centralia High School	2004560 00831	R	160	38	60%	<input checked="" type="checkbox"/>
Centralia Elem. School	2004560 00830	R	154	60	70%	<input checked="" type="checkbox"/>
Frankfort High School	2004560 00833	R	168	48	60%	<input checked="" type="checkbox"/>
Frankfort Elem. School	2004560 00832	R	160	40	60%	<input checked="" type="checkbox"/>
						<input type="checkbox"/>
						<input type="checkbox"/>
FOR SHARED SERVICES ORDERED BY BILLED ENTITY (attach worksheet of calculations)					62%	

Block 5: Services Ordered

15. "Shared" services: All EXCEPT site-specific, internal connections and dedicated ("private line") connections from other providers.

(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		
Southwestern Bell Telephone 143004662	299080000137166	316140	07/09	07/01	Telecommunication Services	07/01/1999		1,155	13,860	62%
		2395	1997	2003	Internet Access					
					Internal Connections (Shared)					
Blue Valley Telephone Co. 143002286	299080000137166	785857	07/09	07/01	Telecommunication Services	07/01/1999		1,155	13,860	62%
		3326	1997	2003	Internet Access					
					Internal Connections (Shared)					
					Telecommunication Services					
					Internet Access					
					Internal Connections (Shared)					

* This contract was entered into under the conditions of the 1995 General Exchange Tariff, Section 47 and is contingent upon uninterrupted service for the life of the contract: 60 months from the beginning of service,

16. "Site Specific" Services: Internal connections not shared by multiple schools or libraries and dedicated ("private line") connections end-user.

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

act Person's Name Theresa E. Gram and Phone Number: 785/243-4187

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.

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)	
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.)	\$ 27,720.00
Is your order solely for basic telephone service? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

Block 6: Certifications and Signature

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 schools', including, but not limited to, elementary and secondary schools, colleges, or universities.

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.

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).

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.

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.

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.

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.

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.

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.

1. Signature 	31. Date <u>03/21/1999</u>
2. Printed name of authorized person <u>Theresa E. Gram</u>	
3. Title or position of authorized person <u>Dir., North Central Kansas Distance Learning Network</u>	

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Contact Person's Name Theresa E. Gram and Phone Number: 785/243-4187

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**

March 16, 1999

Schools and Libraries Division
Form 471
c/o Ms. Smith
3833 Greenway Drive
Lawrence KS 66046

To Whom It May Concern:

I was initially unable to file electronic Form 470s for three of the North Central Kansas Distance Learning Network members as a result of 1999 E-Rate guidelines changes, subsequent retroactive application of those guidelines, and the back-dating of the cut-off date for pre-existing contracts - July 10, 1997. The contract date was acceptable as a pre-existing contract according to the 1998 funding cycle.

Per communications and subsequent advisement from SLC Questions dated February 4 and 6, 1999, I am submitting a letter described in the following text lifted from the February 4 e-mail post.

"Thank you for your inquiry. In response to your E-mail, treat your contract as an existing contract, file the Form 470, and post it to our web site. After 28 days, file Form 471, send us a letter along with the Form 471 stating that you have elected to continue with your present contract because it is the lowest bid. Please also have your service provider sign this letter. In addition, you will need a new award date as our system will not accept last year's award date. Please include this award date in your letter as well as on your Form 471." -- bjb

The letter is enclosed.

Respectfully,



Theresa E. Gram, Director
North Central Kansas Distance Learning Network
Authorized agent for Vermillion USD 380

Enc:

March 16, 1999

Schools and Libraries Division
Form 471
c/o Ms. Smith
3833 Greenway Drive
Lawrence KS 66046

To Whom It May Concern:

Vermillion USD 380 elects to continue its present long-term contract with Blue Valley Telephone Company because the rate contracted for the Centralia High School site represents the lowest rate available for delivery of broadband video telecommunications services. Though Blue Valley Telephone was unlikely to renegotiate a higher rate out of good faith, Southwestern Bell Telephone is permitted to levy an interconnect service fee projected to exceed \$1,200/month. The interconnect fee was waived for any school not served by Southwestern Bell rate making a bonafide request for services by Oct. 1, 1997.

The original SLD advice was that we had to void the existing contracts and negotiate new agreements with Blue Valley and Southwestern Bell. That an Individual Rate Basis service fee for the interconnect costs would have added an additional \$1,200 or more to the monthly billing for the school: an additional annual amount of \$14,400. The total annual billing for Centralia High School would then be \$28,260 compared to its current annual billing of \$13,860. I sincerely doubt that this is consistent with the intent of the legislation.

Clearly, the current contract rate of \$1,155/month, wherein the Southwestern Bell interconnect fees are waived, is the lowest for this type of service. Hence, Vermillion USD 380 will continue to receive services for Centralia High School under the existing contract with Blue Valley Telephone. Identifiers for Vermillion USD 380 follow.

USCN:	277080000137166
APPLICANT ID:	137679
NCES CODE:	20 04560

Per the advice rendered, the actual contract date and the date submitted on the electronic Form 470 are identified below. That the date submitted on the electronic Form 470 is inconsistent with the actual contract date is the result of the following advice rendered by SLC Questions on February 4, 1999.

Schools and Libraries Division
Form 471
c/o Ms. Smith
Page two

"Send us a letter along with the Form 471 stating that you have elected to continue with your present contract because it is the lowest bid. Please also have your service provider sign this letter. In addition, you will need a new award date as our system will not accept last year's award date. Please include this award date in your letter as well as on your Form 471." -- bjt

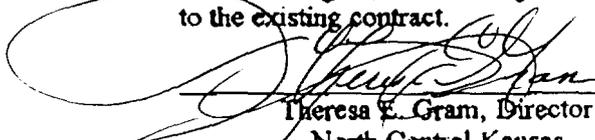
Per that advice, these are the dates of the Actual Award and the Submitted Award for services. I reiterate that the date submitted on the Form 470 is incorrect but was authorized by SLD staff according to the e-mail communication on the previous page.

Telecommunications Provider	Actual Award Date	Submitted Award Date
Blue Valley Telephone SPIN: 143002286	10/01/1997	07/09/1997

Note that I applied the earliest award date allowable because the SLC Questions post of February 6, 1999, advised treating the contracts as pre-existing contracts. I opted for the earlier date, rather than the later allowable date, because it seemed less likely to create a perception that the applicant had sought funding for a period of time under the 1998 cycle that would appear to not have been covered by a contract. The SLC Questions advice follows.

"In answer to your other questions, you should submit your Form 470 as a preexisting contract and on the allowable contract date, file Form 471 along with the letter as previously mentioned. This would not be an inaccurate portrayal as you are indicating on the Form 470 that it is a preexisting contract." -- bjt

Per the advice given, the telecommunications service provider's designee and I, as authorized agent, acknowledge that Vermillion USD 380 is continuing service according to the existing contract.


 Theresa E. Gram, Director
 North Central Kansas
 Distance Learning Network


 Kevin Felty
 Blue Valley Telephone Company

FAX



UNIVERSAL SERVICE
ADMINISTRATIVE CO.

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

April 24, 2000

Theresa E. Gram
USD 380 Vermillion
219 West 7th Street
Concordia, KS 66901-2803

Re: Billed Entity Number: 137679
Application Number: 138780
Funding Request Number(s): 213567, 213568
Your Correspondence Dated: 7/27/99

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 second program 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: 213567
Decision on Appeal: Approved in full

Approval Reason(s):

- Although the agreement was reached 9/30/97, the agreement does not become binding until the applicant signs the contract, which was done on 4/9/98. Since this service was competitively bid to a funding year one Form 470 with an allowable contract date of 3/13/98, a discount for this service should be provided according to program rules.

Funding Request Number: 213568
Decision on Appeal: Denied in full

Denial Reason(s):

- The contract that you provided for this service shows a contract award date of 10/1/97, which is between 7/11/1997 and January 29, 1998. The FCC exempted services covered under such contracts from the 28 day posting requirement for the first program year. However, applicants are required to post those services on a 470 for 28 days in subsequent years before selecting a vendor, entering into a contract, signing and submitting a Form 471. The applicant is responsible for the information provided on the 471 Forms.

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, SW, Room TW-A325, Washington, DC 20554. Before preparing and submitting your appeal, please be sure to review the FCC rules concerning the filing of an appeal of an Administrator's Decision, which are posted to the SLD Web Site at <www.sl.universalservice.org>. 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.

Since our appeal decision letter approves additional funding for your application, we must issue a new Funding Commitment Decision Letter to you and to each service provider that will provide you with the services approved for discounts in this letter. We will issue the Funding Commitment Decision Letter to you as soon as we can. Only when you receive the Funding Commitment Decision Letter from the SLD will you know the precise dollar value of the adjustment to your funding request. In the meantime, feel free to share this Administrator's Decision on Appeal with the relevant service provider(s).

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

Contact Person's Name: Theresa E. Gram

Contact Person Phone: 785/243-4187

BLOCK 4: SHARED Services Worksheet

Name of Applicant: USD 380 Vermillion

USCN: 277080000137166

SLC Service Provider Number: 143004662
(Southwestern Bell Telephone Co.- Frankfort)

Contract or Tariff Number: 3161402395
(Southwestern Bell Telephone Co.)

SLC Service Provider Number: 143002286
(Blue Valley Telephone Co. - Centralia)

Contract or Tariff Number: 7858573326
(Blue Valley Telephone Co.)

Shared Services: Telecommunications Services

Average Discount Rate: 62%

	Total Enrollment	Number Eligible NSLP	Percent NSLP	Matrix Discount	Discount % X Enrollment
Centralia High School	160	38	23.7%	60%	96
Centralia Elem. School	154	60	38.9%	70%	107.8
Frankfort High School	168	48	28.5%	60%	100.8
Frankfort Elem. School	160	40	25.0%	60%	96
Σ	642				400.6

$$\frac{\sum\{(Discount \%)(Enrollment)\}}{Total Enrollment} = Calculated Discount Percentage$$

$$\frac{400.6}{642} = 62\%$$

Contact Person's Name: Theresa E. Gram

Contact Person Phone: 785/243-4187

BLOCK 5: Item 17 - Services Requested

Name of Applicant: USD 380 Vermillion

USCN: 277080000137166

SLC Service Provider Number: 143004662
(Southwestern Bell Telephone Co. - Frankfort)

Contract or Tariff Number: 3161402395
(Southwestern Bell Telephone Co.)

SLC Service Provider Number: 143002286
(Blue Valley Telephone Co. - Centralia)

Contract or Tariff Number: 7858573326
(Blue Valley Telephone Co.)

Shared Services: Telecommunications Services

Average Discount Rate: 62%

Service Requested: Telecommunications Services - Broadband Video

Service Description: High bandwidth videoconferencing utilizing ATM at 155 Mbps via OC-3c for simultaneous full-motion video, audio and data transport supporting an interactive distance learning network.

Quantity: 2

One-Time Charges: -

One-Time Taxes and Surcharges: -

Unit Monthly Charge: \$ 1,155.00 (Southwestern Bell Service for Frankfort)
\$ 1,155.00 (Blue Valley Service for Centralia)

Unit Monthly Taxes and Surcharges: -

Number of Months: 12 each (Southwestern Bell and Blue Valley)

Annual Amount of Monthly Charges: \$ 13,860.00 (Southwestern Bell Service for Frankfort)
\$ 13,860.00 (Blue Valley Service for Centralia)

% Eligible Services...: 100%

% of Service used by Eligible Entities: 100%

Est. Eligible Pre-Discount One-Time: -

Contact Person's Name: Theresa E. Gram

Contact Person Phone: 785/243-4187

Total An. Est. Eligible Pre-Discount Mo.: \$ 13,860.00 (Southwestern Bell Service for Frankfort)
\$ 13,860.00 (Blue Valley Service for Centralia)

Est. Eligible Pre-Discount Total Charges: \$ 13,860.00 (Southwestern Bell Service for Frankfort)
\$ 13,860.00 (Blue Valley Service for Centralia)