

DOCKET FILE COPY ORIGINAL

Federal Communications Commission

FCC _____

Before the
Federal Communications Commission
Office of the Secretary
445 12th street, SW, Room TW-A325
Washington, D.C. 20554

Doc 7/12/00

RECEIVED

APR 13 2000

FCC MAIL ROOM

In the matter of:)
)
Request for Review by)
)
Winterset Community School District)
302 West South St.)
Winterset, Iowa 50273-0030)
)
of)
)
Decision of Universal Service Administrator on)
Funding Request Number 201905)
(Reference FCC Docket Nos. 97-21 & 96-45))

SLD No. 201905

CC: 96-45

COMES NOW the Winterset Community School District ("Winterset"), by and through counsel Ivan T. Webber, AHLERS, COONEY, DORWEILER, HAYNIE, SMITH & ALLBEE, P.C., Des Moines, Iowa, a member in good standing of the bar, admitted to practice before the Supreme Court of the State of Iowa and thus qualified to practice before the Federal Communications Commission pursuant to Title 47, Part 1, Section 1.23, and in support of its appeal from the SCHOOLS AND LIBRARIES DIVISION (SLD) Administrator's Decision on Funding Request No. 201905 dated March 21, 2000, states:

DIVISION I: STATEMENT OF PARTY'S INTEREST

Winterset's Funding Request No. 201905 was wrongfully denied due to a mistake of fact

on the part of the Administrator.

DIVISION II: STATEMENT OF MATERIAL, RELEVANT FACTS

1. After Winterset filed its form 470 on or about 01-11-99, Winterset filed its form 471 with the SLD on or about 03-24-99, a copy of which is attached hereto as Exhibit "A," including what became Funding Request Number 201905 in the amount of \$25,900, and Funding Request Number 201907 in the amount of \$1,944, for a total of \$27,844, and showing a written bid from INTERSTATE 35 TELEPHONE CO. ("INTERSTATE") dated 01-26-99 in support of Funding Request Number 201905.

2. Unfortunately, INTERSTATE's 01-26-99 bid included bids both for components related to Winterset's Funding Request Number 201905 in the amount of \$25,900, as well as components *not* related. Specifically, the figures on INTERSTATE'S 01-26-99 bid appearing below the figure of \$25,843 (rounded to \$25,900) have *nothing* to do with Funding Request Number 201905. By coincidence, these two figures, \$19,632 and \$6,200, when added together, come within a few dollars of \$25,843.00, with the result that the SLD evidently jumped to the erroneous conclusion that the figures of \$19,632 and \$6,200 were component parts of the figure of \$25,843.00. In fact, these two *unrelated* figures total \$25,832.00, not \$25,843.00 (rounded to \$25,900) requested in Funding Request Number 201905.

3. The SLD acknowledged receipt of Winterset's Application for both Funding Request Number 201905 (\$25,900) and Funding Request Number 201907 (\$1,944), in the total amount of \$27,844, in a letter dated 05-20-99, a copy of which is attached hereto as Exhibit "B."

4. The SLD issued a decision letter dated 10-12-99 denying Winterset's Funding Request Number 201905 in the amount of \$25,900 for the stated reason that "30% or more of

this FRN includes a request for telephones, modems and voice mail which are ineligible products and services based on program rules." A copy of said decision letter is attached hereto as Exhibit "C." In the same letter the SLD also denied Winterset's Funding Request Number 201907 in the amount of \$1,944, a denial which Winterset does not appeal.

5. Winterset filed its Letter of Appeal with the SLD relative to Funding Request Number 201905 in the amount of \$25,900 on or about 11-02-99, a copy of which is attached hereto as Exhibit "D." Winterset sought to clarify its request with a revised bid from INTERSTATE dated 11-02-99 showing system equipment and installation costs of \$22,921.80 and telephone instrument costs of \$2,922.00 (11.3% of the total bid), for a total of \$25,843.80 (rounded to \$25,900). INTERSTATE'S 11-02-99 bid specifically eliminated references appearing on INTERSTATE'S 01-26-99 bid to the figures of \$19,632.00 and \$6,200, neither of which, as noted above, had anything to do with Funding Request Number 201905. Winterset further offered to delete the telephone instruments from the bid altogether, so that telephone instruments would constitute 0% of the funding request.

6. The Universal Service Administrative Company issued a Administrator's Decision on Appeal dated March 21, 2000, a copy of which is attached hereto as Exhibit "E," which denied Funding Request Number 201905 for the reason that "[y]our funding request included more than 30% of ineligible services which resulted in the denial of the entire amount of the FRN. These items include modems, telephones and voice mail – a total of 34.5% of the amount requested." Winterset could not duplicated the Administrator's computation with any combination of the numbers involved in this matter. However, Winterset speculates that the Administrator compounded the SLD's error by continuing to erroneously assume that the 01-26-

99 INTERSTATE figure of \$6,200.00 for voice mail was still a component part of Winterset's request, even though it did not appear on the 11-02-99 INTERSTATE bid. It is even possible that due to the disappearance of this figure from the 11-02-99 INTERSTATE bid, the Administrator wrongly assumed that Winterset was attempting to hide the cost of voice mail in the overall bid. In any event, if the figure of \$6,200 from the 01-26-99 INTERSTATE bid is erroneously added to the cost of telephone instruments in the amount of \$2,922 from the 11-02-99 INTERSTATE BID, and the total (\$9,122) is divided by the amount of the requested funds (\$25,900), the percentage figure of 35.22% results, which is very close to the percentage figure erroneously reached by the Administrator (34.5%).

7. Regrettably, the Administrator made no effort to seek further clarification from Winterset and evidently joined in the SLD's jump to an entirely unwarranted conclusion.

8. In fact, Winterset's Funding Request Number 201905 in the amount of \$25,900 does and always did include only qualified equipment and services but for \$2,922 (11.3% of the funds requested) associated with telephone instruments which Winterset concedes do not qualify. Funding Request Number 201905 never included costs for voice mail. Funding Request Number 201905 certainly never included more than 34.5%, or even 30%, of "ineligible products and services." The Administrator's decision is simply, factually, demonstrably wrong.

DIVISION III: QUESTION PRESENTED FOR REVIEW

The question presented for review is: Did the Administrator have any legitimate factual basis for concluding that Winterset's Funding Request Number 201905 included modems, telephones and voice mail comprising 34.5% of the amount requested? *See* Exhibit "E." For the reasons stated above, Winterset avers that the Administrator misconstrued the vendor bids and

did not consider Winterset's clarification of the true facts stated in Exhibit "D."

**DIVISION IV: STATEMENT OF THE RELIEF SOUGHT AND THE RELEVANT
STATUTORY OR REGULATORY PROVISIONS**

Winterset requests the Federal Communications Commission to correct the Administrator's erroneous finding of fact, overturn the Administrator's Decision on Appeal of March 21, 2000, and approve Winterset's Funding Request Number 201905 in accordance with Universal Service Fund rules.



Ivan T. Webber
AHLERS, COONEY, DORWEILER,
HAYNIE, SMITH & ALLBEE, P.C.
100 Court Avenue, Suite 600
Des Moines, Iowa 50309-2231
Telephone: (515) 243-7611
Attorney For Winterset Community School
District

cc: Schools and Libraries Division
Universal Service Administrative Company
Box 125 - Correspondence Unit
100 South Jefferson Road
Whippany, New Jersey 07981

PROOF OF SERVICE

THE UNDERSIGNED CERTIFIES THAT THE FOREGOING
INSTRUMENT WAS SERVED UPON ALL PARTIES TO THE
ABOVE CAUSE TO EACH OF THE ATTORNEYS OF
RECORD HEREIN AT THEIR RESPECTIVE ADDRESSES
DISCLOSED ON THE PLEADINGS ON

_____, 2000

BY U.S. MAIL FAX
 HAND DELIVERED PRIVATE CARRIER

SIGNATURE _____

GRETA::228762\1\17982.000

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) Winterset Community Schools 2. Funding Year July 1, 1999 - June 30, 2000

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

3b. 471 Application Number (Administrator will insert this) 3c. Billed Entity Number
131968

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
302 West South

City <u>Winterset</u>	State <u>IA</u>	Zip Code <u>50273</u>	Telephone Number <u>515-462-2718</u>	E-mail Address <u>barb_tunell@winterset.k12.ia.us</u>
--------------------------	--------------------	--------------------------	---	--

6. Contact Person's Name Barbara J. Tunell

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

City	State	Zip Code
------	-------	----------

Fill in all of the following (if available), and check the preferred mode of contact: Telephone 515-462-2718
 FAX 515-462-2732 E-mail barb_tunell@winterset.k12.ia.us 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 844	8b. Number of library patrons
9. Number of buildings to be served 3	10. Number of rooms to be served 86

Contact Person's Name Barbara J. Tunell and Phone Number: 515-462-2718

	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.)	204	212
b. Number of computers that have or require service	388	414
c. Number of high bandwidth video conferencing links	1	1
12. Internal Connections		
a. Number of buildings with at least some rooms connected	5	5
b. Number of rooms connected	160	168
c. Highest speed of connection	100	100
13. Internet Access		
a. Number of dial up connections	0	0
b. Highest speed of such dial up connections	0	0
c. Number of direct connections	1	1
d. Highest speed of such direct connections	T1	T1

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.
Winterset Senior High School	31860-01858	Rural	571	66	50	<input checked="" type="checkbox"/>
Winterset Junior High School	31860	Rural	273	56	60	<input checked="" type="checkbox"/>
						<input type="checkbox"/>
						<input type="checkbox"/>
						<input type="checkbox"/>
						<input type="checkbox"/>
FOR SHARED SERVICES ORDERED BY BILLED ENTITY (attach worksheet of calculations)					53%	

Calculation for Shared Services

	# Free and Reduced	Total Students	% Free & Reduced	% Discount	% Disc * Total Students
Winterset Comm Junior High School	56	273	20.51%	60%	163.8
Winterset Comm Senior High School	66	571	11.56%	50%	285.5
				Total Discounted Students(a)	449.3
				Total Students(b)	844
				Shared Services Discount(a/b)	53.23%

Contact Person's Name Barbara J. Tunell and Phone Number: 515-462-2718

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)	(2)	CONTRACT			(6)	(7)	Amount		(10)	(11)
		(3)	(4)	(5)			(8)	(9)		
SLC Service Provider Number or Full Legal Name of Service Provider	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 Prediscount Cost	Percentage Discount (from Item 14)
143017526 Interstate Cablevision	974610000124 129	C	3/01/99	6/30/00	Telecommunication Services	7/01/99	\$25900.00		\$25900.00	53%
					Internet Access					
					Internal Connections (Shared)					
143017526 Interstate Cablevision	974610000124 129	C	3/01/99	6/30/00	Telecommunication Services	7/01/99	\$54. per hour	\$162.00	\$1944.00	53%
					Internet Access					
					Internal Connections (Shared)					
					Telecommunication Services					
					Internet Access					
					Internal Connections (Shared)					

Exhibit "A"
Page 4 of 9

Contact Name_Barbara J. Tunell
 Contact Telephone Number__515-462-2718

Schools and Libraries Universal Service Program Form 471 Pre-Discount Cost Calculation Optional Grid

Please read instructions before completing

(To be completed by Schools, Libraries, or Consortia)

Block A: General Information	
1. Name of Applicant Winterset Community Schools	2. Universal Service Control Number (from 470 Application) 974610000124129
3a. SLC Service Provider Number (SPIN) if known, and Full Legal Name of your Service Provider 143017526, Interstate Cablevision	3b. Contract or Tariff Number (If Applicable - from Item 15-16) C
4. Shared Services: Telecommunications Services <input checked="" type="checkbox"/> Internal Connections <input type="checkbox"/> Internet Access <input type="checkbox"/>	5. Average Discount Rate for Entities Receiving Services Listed Below in Block B (Per Column 11 of Items 15 or 16) 53.00%
Site Specific Services: Internal Connections <input type="checkbox"/> Dedicated Services <input type="checkbox"/>	

Exhibit "A"
Page 5 of 9

Block B: Services Ordered Information													
6. Services & Products Ordered Details													
1. Account Information	2. Service Description	3. Quantity	4. One-Time Charges	5. One-Time Taxes and Surcharges	6. Unit Monthly Charges	7. Unit Monthly Taxes and Surcharges	8. Number of Months	9. Annual Amount of Monthly Charges	10. % Eligible Services and/or % Eligible Uses	11. % Eligible of Service/Product Shared with Ineligible Entities	12. Estimated Eligible Pre-Discount One Time Charges	13. Total Annual Amount of Estimated Eligible Pre-Discount Monthly Charges	14. Estimated Eligible Pre-Discount Total Charges
a.	Phone System	1	25,900.00						100	0	\$25,900.00	\$25,900.00	\$25,900.00
b.	Including 11 phones DXP 560 Plus System Installation, Testing, Training												
c.													
d.	Service	3 hours			\$54. Per hour		12	\$1,944.00	100	0	\$1,944.00	\$1,944.00	\$1,944.00
e.													
f.													
g.													
7. Total			\$25,900.00		\$0.00			\$1,944.00	100	0	\$27,844	\$27,844.00	\$27,844.00

Attach this grid to your Form 471 application to support Block 5, Items 15 & 16 Columns 8-10 and Item 17.

Contact Person's Name Barbara J. Tunell and Phone Number: 515-462-2718

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.)	\$30,628.40
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. 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.
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 <u>Barbara J. Tunell</u>	31. Date <u>3/24/99</u>
32. Printed name of authorized person <u>Barbara J. Tunell</u>	
33. Title or position of authorized person <u>Technology Coordinator</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.	

Contact Person's Name Barbara J. Tunell and Phone Number: 515-462-2718

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.*

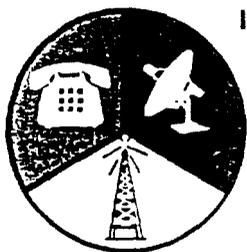
Public reporting burden for this collection of information is estimated to average 6 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, completing, and reviewing the collection of information. Send comments regarding 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



**INTERSTATE 35 TELEPHONE CO.
SOUTHWEST TELEPHONE EX.
INTERSTATE CABLEVISION**

105 WEST STREET
TRURO, IOWA 50257

P.O. BOX 206
515-765-4201

1-26-99

WINTERSET COMMUNITY SCHOOL
624 WEST HUSKEY DRIVE
WINTERSET IOWA, 50273

RECEIVED

FEB - 2 1999

WINTERSET COMMUNITY
SCHOOLS

GARY FREELAND

THANK YOU FOR THE OPPORTUNITY TO BID THIS KEY SYSTEM FOR YOUR
SCHOOL

HIGH SCHOOL QUOTE

DXP 560 PLUS EQUIPPED FOR 64 SINGLE LINE PHONES, 16 DIGITAL PHONES,
8 CO LINES

WE WILL PROVIDE 3-8024 PHONES
 3-64BLF PHONES
 5-8012S PHONES

ALL SINGLE LINE PHONES IN HIGH SCHOOL WILL BE REUSED

PRICE OF SYSTEM INSTALLED \$25843.80

HERE IS A PRICE ON NETWORKING THE HIGH SCHOOL WITH THE
REMAINING SCHOOLS.
EQUIPMENT FOR THE NETWORKING

1-DXPSW-DLRPN
1-DXNET
1-DXPSW-PLS6NS
1-DXNET
2 CABLE MODEMS
PRICE FOR THE NETWORKING EQUIPMENT INSTALLED \$19632.00



INTERSTATE 35 TELEPHONE CO.
SOUTHWEST TELEPHONE EX.
INTERSTATE CABLEVISION

105 WEST STREET
TRURO, IOWA 50257

P.O. BOX 206
515-765-4201

VOICE MAIL FOR THE SYSTEM 8 PORTS WITH AUTO ATTENDANT
INSTALLED \$6200.00

WARRANTY

2 YEARS PARTS ONE YEAR LABOR ON THE COMDIAL SYSTEM
1 YEAR PARTS AND LABOR ON NETWORKING AND VOICE MAIL SYSTEM

MIKE WEIS

97461000 0124129

WINTERSET COMM SCHOOL DISTRICT
BARBARA J. TUNELL
302 W SOUTH ST
WINTERSET IA 50273-1824

May 20, 1999

FCC Form 471 RECEIPT ACKNOWLEDGMENT LETTER TO APPLICANT
Re: Form 471 Application Number 135186
Funding Year 07/01/1999 - 06/30/2000
Billed Entity Number 131968

NOTICE: This notification is an acknowledgment of RECEIPT and SUCCESSFUL DATA ENTRY of your Form 471 application reflecting \$27,844.00 in total annual pre-discount costs for services. This letter does NOT contain any decisions concerning your requests for discounts. Please keep this letter for your records. The Form 471 application number cited above is critical for you to link your application to future Schools and Libraries Division (SLD) communications.

Please be advised that your Form 471, Services Ordered and Certification Form, was officially received by the SLD on 03/26/1999 and successfully entered into our data system. SLD's Program Integrity Assurance (PIA) Team will now review your application for compliance with program rules. Once the review of your application has been completed, you will receive a separate Funding Commitment Decisions Letter which informs you of the disposition of your application. Until you receive a Funding Commitment Decisions Letter from the SLD, you cannot assume that you will receive the discounts for which you are applying.

In addition, we have received the Certifications for the Forms 470 cited in your Form 471, as well as the Certification for the Form 471 and the other required documentation. We have inputted these Certifications to our processing system.

Your application will be considered within the application filing window wherein all applications which pass the Minimum Processing Standards are treated as though they were received on the same day.

Explanation of Line Item Information

All line items listed in Items 15 and 16 of the Form 471 application number cited above at the top of this letter (under the date of this letter) which passed Minimum Processing Standards and which could be entered into our data system are shown below. There are four important components of information shown for each line item:

FRN: The FRN is the Funding Request Number that the SLD assigned to each separate row of Item 15/16 that is entered into our data system. This number will be cited in relation to the SLD's funding decision contained in the Funding Commitment Decisions Letter. The FRN information will also be shared with service providers so that they can provide discounted bills and invoice the SLD for the approved discount amount.

SPIN: This is the Service Provider Identification Number that you provided. This is a unique identification number assigned to each service provider.

Service Provider Name: This is the legal name in our database that is associated with the Service Provider Identification Number that you provided.

Services Ordered: This is the type of services for which you have requested discounts. The Services Ordered categories are: Telecommunications Services; Internet Access; Internal connections-Shared; Dedicated Services or Internal Connections-Site Specific. The Legend for these categories is as follows:

Telc Svc(S) = Telecommunications Services
 Inet Acc(S) = Internet Access
 Intr Con(S) = Internal Connections (Shared)
 Ded Svc = Dedicated Services
 Intr Con = Internal Connections (Site Specific)

Pre-discount Cost: This is the total annual pre-discount cost for each FRN. This amount is taken from Column 10 of Items 15/16.

Disc.: This is the discount percentage from Block 5, Items 15/16, Column 11.

FRN	SPIN	Service Provider Name	Services Ord.	Pre-Disc. Cost	Disc.
201905	143017526	Interstate Cablevision	Telc Svc(s)	\$ 25,900.00	53%
201907	143017526	Interstate Cablevision	Telc Svc(s)	\$ 1,944.00	53%
Application Total:				\$ 27,844.00	

Missing FRNs

If a Line Item that you completed in your application is not included in the itemized list of FRNs set forth above, this is because the FRN (line item) did not pass Minimum Processing Standards. If this is the case, you will receive a separate letter from the SLD informing you that these FRNs have been rejected, with an explanation of the reason for rejection. If you believe that there were FRNs included in your application which are not listed in this letter AND you have not received a letter informing you that those FRNs are rejected, please write to us at the address listed at the bottom of this letter concerning "Questions about this Letter". Please note that the Client Service Bureau may not have the information necessary to respond to your inquiry; therefore, your letter should be sent to the New Jersey address featured below.

FRN Information that Varies from your Application

If the information reported in this letter is at variance with the information that you provided in your application, please write to us at the address listed at the bottom of this letter under "Questions about this Letter".

Future Contacts with PIA

It may be important for us to contact you as our PIA (Program Integrity Assurance) Team reviews the funding requests contained in your application. Our requests for clarification and/or additional information will require a prompt response, and the due date for such responses will be established at the time that the PIA Team may contact you. Please make sure that the contact person on your application is available to speak with the PIA Team, or that a surrogate is available. In addition, you should monitor on a daily basis the fax and e-mail locations that you may have cited in your Form 471 application for the applicant and the contact person for the applicant.

Communications with your Service Providers

The SLD is also sharing Funding Request information with service providers whose SPINs are listed on Form 471 applications. This information is provided so that service providers can undertake the preparatory steps of identifying their potential customers for whom discounts may be issued. NO DISCOUNTS will be provided until after the SLD issues the Funding Commitment Decisions Letters for a particular application, and the applicant submits a Form 486 to confirm that services have begun to be delivered, and that technology plans, if applicable, have been approved.

The SLD encourages Form 471 applicants to contact their service providers to inform the service providers of the funding requests submitted to the SLD. Service providers may request additional information containing the specific services contained within each funding request. Applicants are encouraged to share this information with service providers in order for the service providers to begin the preparatory billing steps.

Questions about this Letter

If you have any questions regarding the above information, please write to us at "SLD, Box 300-Correspondence Unit, 100 South Jefferson Road, Whippany, NJ 07981". Thank you for your interest in the Schools and Libraries Universal Service Program.

WINTERSSET COMM SCHOOL DISTRICT
BARBARA J. TUNELL
302 W SOUTH ST
WINTERSSET IA 50273-1824

October 12, 1999

Re: Form 471 Application Number: 135186
Funding Year: 07/01/1999 - 06/30/2000
Billed Entity Number: 131968

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

FUNDING COMMITMENT REPORT

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

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

FOR QUESTIONS

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

FOR APPEALS

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

NEXT STEPS

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

NOTICE ON RULES AND FUNDS AVAILABILITY

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

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

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

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

Enclosures

EXPLANATION OF A FUNDING COMMITMENT REPORT

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

- * **FUNDING REQUEST NUMBER (FRN):** A Funding Request Number is assigned by the SLD to each line completed in Items 15 and 16 of your Form 471 once an application has been processed. This number is used to report to applicants and vendors the status of individual discount requests submitted on a Form 471. Applicants and vendors learned about FRNs when they received their Receipt Acknowledgement Letter and must use these numbers when completing the Form 486 and Invoices. An FRN will never be longer than 10 digits. If a FRN is shorter than 10 digits, applicants are advised to add zeroes to the front of the numbers to reach 10 digits when filing post-commitment forms.
- * **FUNDING STATUS:** Each FRN will have one of six definitions: "Funded", "Denied", "Partially Funded", "Funds Exhausted", "Unfunded", or "As Yet Unfunded". An FRN that is "Funded" will be approved at the level that SLD determined is appropriate for that item. That will generally be the level requested by you unless the SLD determines during the application review process that some adjustment is appropriate, for example, a different discount percentage for that FRN than the Form 471 featured. A "Denied" FRN is one for which no funds will be committed, and the reason for that decision will be briefly explained in the "Funding Commitment Decision", and amplification of that explanation may be offered in the section, "Funding Commitment Decision Explanation". In accordance with FCC program rules, FRNs are "Partially Funded" or "Unfunded", if the total amount of funds in the Universal Service Fund is insufficient to fully fund or fund all approved requests. If the Form 471 was received after all the funds in the Universal Service Fund were allocated and it was processed, the status will indicate "Unfunded - Funds Exhausted". "As Yet Unfunded" is a temporary status that would be assigned to an FRN when the SLD is uncertain at the time the letter is generated whether there will be sufficient funds to make commitments for a particular service type at a particular discount level. For example, if your application included both telecommunications services and internal connections, you might receive a letter with our funding commitment for your telecommunications requests and a message that your internal connections requests are "As Yet Unfunded". You would then receive a later letter regarding our funding decision on your internal connections requests.
- * **SPIN (Service Provider Identification Number):** A unique number assigned by the Universal Service Administrative Company to vendors seeking payment from the Universal Service Fund for participating in the universal service support programs. A SPIN contains 9 digits and should be included by applicants on their completed Form 471 applications. A SPIN is also used to verify delivery of services and to arrange for payment.
- * **SERVICE PROVIDER NAME:** The legal name of the service provider.
- * **PROVIDER CONTRACT NUMBER:** The number of the contract between the eligible party and the service provider. This will be present only if a contract number was provided on Form 471.
- * **SERVICES ORDERED:** The type of service ordered from the service provider, as shown on Form 471.
- * **EARLIEST POSSIBLE EFFECTIVE DATE OF DISCOUNT:** The first possible date of service for which the SLD will reimburse service providers for the discounts for the service. Note: If the actual service start date provided on a Form 486 is later than this date, the actual service start date set forth in the Form 486 will be the effective date of the discount.
- * **CONTRACT EXPIRATION DATE:** The date the contract expires. This will be present

only if a contract expiration date was provided on Form 471. This is not applicable for tariff services.

- * SITE IDENTIFIER: This will appear only for FRNs listed in Item 16 of your Form 471. For public schools, the 12-digit NCES code you listed in Item 14 for this school site will appear here. If there is no NCES Code for an FRN in Item 16, the SLD-assigned entity number will appear here.
- * PRE-DISCOUNT COST: Amount in Column 10 of Item 15/16, Form 471, as determined through the application review process. Please note that, during the Problem Resolution process at SLD, the amount in Col. 10 of Item 15/16 may have been corrected to conform to the information provided about Service Start Date and

Monthly Costs.

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

4

FUNDING COMMITMENT REPORT FOR APPLICATION NUMBER: 0000135186

Funding Request Number: 0000201905 Funding Status: Unfunded or Denied
 SPIN: 143001975 Service Provider Name: Interstate 35 Tel. Co.
 Provider Contract Number: C
 Services Ordered: Telecommunications Services
 Earliest Possible Effective Date of Discount: 07/01/1999
 Contract Expiration Date: 06/30/2000
 Pre-discount Cost: \$25,900.00
 Discount Percentage Approved by the SLD: N/A
 Funding Commitment Decision: \$0.00 - Inel. svcs./ or product(s)
 Funding Commitment Decision Explanation: 30% or more of this FRN includes a request
 for telephones, modems and voice mail which are ineligible products and services
 based on program rules.

Funding Request Number: 0000201907 Funding Status: Unfunded or Denied
 SPIN: 143001975 Service Provider Name: Interstate 35 Tel. Co.
 Provider Contract Number: C
 Services Ordered: Telecommunications Services
 Earliest Possible Effective Date of Discount: 07/01/1999
 Contract Expiration Date: 06/30/2000
 Pre-discount Cost: \$1,944.00
 Discount Percentage Approved by the SLD: N/A
 Funding Commitment Decision: \$0.00 - Inel. svcs./ or product(s)
 Funding Commitment Decision Explanation: 30% or more of this FRN includes a request
 for service on ineligible products which is ineligible based on program rules.

Winterset Community School District

Michael L. Gates

Superintendent

Gary Freeland

Business Manager

Cathy Smith

Board Secretary

Fred L. Lange

Curriculum Coordinator

Barb Tunell

Technology Coordinator

ADMINISTRATION OFFICE

302 West South St. • P.O. Box 30 • Winterset, Iowa 50273-0030

(515) 462-2718

FAX (515) 462-2732

"With Excellence in Mind"

November 2, 1999

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

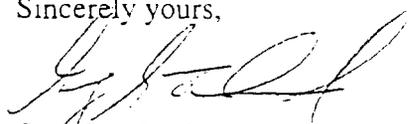
To Whom It May Concern:

In the matter of Form 471 Application Number 135186, Funding Request Number 0000201905 for SPIN Number 143001975, would you please reconsider. The reason given for denying the application was that more than 30% of the FRN includes a request for telephones, modems and voicemail, which are ineligible products and services based on program rules.

We sent a copy of the proposal for the telephone system to you, which also included separate bids for voicemail systems, and connecting the new phone system to our system at the Elementary/Middle School. The only part of the bid that we were wanting was the phone system itself, which did include a few phones. I have a different price quote for the same system (\$22,921.80 or a total \$25,843.80 with the telephones – same total as first bid), that breaks out the telephones (\$2,922), so that you can see that the telephones aren't more than 30% of the total. We would also consider buying the phones separately if we were funded for the phone system itself.

Please let me know if you need more information.

Sincerely yours,



Gary Freeland
Business Manager



INTERSTATE 35 TELEPHONE CO.
SOUTHWEST TELEPHONE EX.
INTERSTATE CABLEVISION
105 WEST STREET
TRURO, IOWA 50257

P.O. BOX 206
515-765-4201

NOVEMBER 2, 1999

WINTERSET COMMUNITY SCHOOL
624 HUSKY DR
WINTERSET IA 50273

GARY FREELAND

THANK YOU FOR THE OPPORTUNITY TO BID THIS KEY SYSTEM FOR YOUR SCHOOL

HIGH SCHOOL QUOTE

DXP 560 PLUS EQUIPPED FOR 64 SINGLE LINE PHONES, 16 DIGITAL PHONES, 8 CO LINES.

WE WILL PROVIDE 3-8024 PHONES
3-64-BLF PHONES
5-8012S PHONES
AT A PRICE OF \$2922.00

New telephones

ALL SINGLE LINE PHONES IN HIGH SCHOOL WILL BE REUSED —
PRICE OF SYSTEM INSTALLED \$22,921.80 *No phones included.*

PRICE OF PHONES AND SYSTEM INSTALLED \$25843.80 ← *phones + telephone system.*

USAC

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

March 21, 2000

Gary Freeland
Winterset Community School District
302 West South St.
Winterset, Iowa 50273-0030

RECEIVED

MAR 27 2000

WINTERSET COMMUNITY
SCHOOLS

Re: Billed Entity Number: 131968
Application Number: 135186
Funding Request Number(s): 201905
Your Correspondence Dated: November 2, 1999

After thorough review and investigation of your appeal, the Schools and Libraries Division (SLD) of the Universal Service Administrative Company has resolved your appeal 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: 201905
Decision on Appeal: Denied in full.

Denial Reason(s):

- Ineligible service - Your funding request included more than 30% of ineligible services which resulted in the denial of the entire amount of the FRN. These items include modems, telephones and voice mail - a total of 34.5% of the amount requested.
- Additional funding requests beyond those included on the original 471 can only be considered if included on a new 471.

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.

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