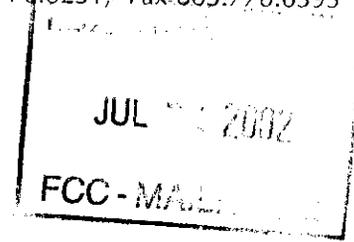


**Kimball School District No. 7-2**

300 South East Street, PO Box 479, Kimball, South Dakota 57355, 605.778.6231, Fax:605.778.6393

July 1, 2002

Secretary, Federal Communications Commission  
Washington, DC 20554



Ref: CC Docket Nos. 96-45 and 97-21

File No. SLD-236447

Proceeding Number and release date: DA 02-1125, May 13, 2002.

Please consider this a Request for Review from the Kimball School District #7-2 of Kimball, South Dakota.

As noted in the order DA-02-1125, FCC Form 471 application for support for telecommunications services in Funding Year 4 of the schools and libraries support contained an impermissible amount of ineligible services.

We would like to petition this action for reconsideration for the following reasons:

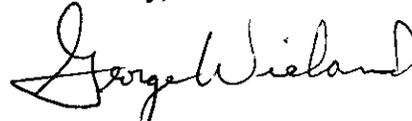
1. Dakota State University Business and Education Institute hereafter referred to as BEI is under contract with Mid-Central Education Cooperative to prepare and submit 471 applications for member schools. Kimball School District's 471 application which is now being denied was submitted by BEI. BEI obtained all necessary vendor information directly from the vendors. Kimball School District was not involved in the preparation of the 471.
2. When BEI received notification that an error had been made in the 471, it notified the district and submitted the paperwork necessary to correct the error. The District assumed the matter would be resolved and that the 471 would be approved.
3. Kimball School District had every reason to believe that the 471 would be approved because no changes in telecommunication services had been made.
4. Because BEI had been contracted to handle the application process, Kimball School District believed that there would be no mistakes in the application. BEI had successfully prepared and submitted previous applications. They were the experts. They were contracted to make sure everything was right.
5. Unfortunately, BEI did make a mistake in preparing the 2001 471 application. They used the appeals process to try to get the error corrected. Their appeal was denied by the FCC.

No. of Copies rec'd 0  
List ABCDE

6. Kimball School District is now taking the matter into its own hand and is hereby submitting this appeal on its own behalf. The district believes that it is being punished unfairly for the actions of a third party. BEI, the third party, was hired to prepare 471 applications for the district. The district had every reason to place its total confidence in BEI. BEI failed. Kimball School District is being punished for the mistake of BEI.
  
7. Kimball School District #7-2 requests that there be an exception to SLA Administrative Rules in this case. The Kimball School District is being punished for BEI's mistake. Because the District was not involved in the 471 application process, it is now filing this appeal on its own behalf. We trust that because the District was in no way directly responsible for the 471 application mistake, you will find that, in all fairness, funding should be restored in this case.

Thank you for your consideration in this matter.

Sincerely,

A handwritten signature in cursive script that reads "George Wieland". The signature is written in black ink and is positioned above the printed name and title.

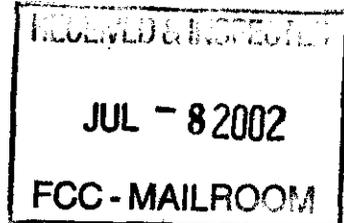
George Wieland  
Superintendent



**FUNDING COMMITMENT DECISION LETTER**

(Funding Year 4: 07/01/2001 - 06/30/2002)

July 23, 2001



KIMBALL SCHOOL DISTRICT 7-2  
Gary Heitz  
300 S EAST ST  
KIMBALL, SD 57355

Re: Form 471 Application Number: 236447  
Funding Year 4: 07/01/2001 - 06/30/2002  
Billed Entity Number: 134174

Thank you for your 2001-2002 E-rate application and for any assistance you provided throughout our review. We have completed review of your Form 471. This letter is to advise you of our decision(s).

**FUNDING COMMITMENT REPORT**

On the pages following this letter, we have provided a Funding Commitment Report for the Form 471 application cited above. We have reviewed each Discount Funding Request on your Form 471 application and have assigned a Funding Request Number (FRN) to each Block 5. The enclosed report includes a list of the FRNs from your application. The SLD is also sending this information to your service provider(s) so preparations can be made to begin implementing your E-rate discount(s) upon the filing of your Form 486. Immediately preceding the Funding Commitment Report, you will find a guide that defines each line of the Report.

**NEXT STEPS**

Once you have reviewed this letter and have determined that some or all of your requests have been funded, your next step to facilitate receipt of discounts as featured in this letter will be to file an FCC Form 486 with the SLD. The Form 486 notifies the SLD to begin payment to your service provider and provides certified indication that your technology plan(s) has been approved. The Form 486 and instructions can be found on the SLD web site at <www.sl.universalservice.org> or you can call the SLD Client Service Bureau at 1-888-203-8100 and ask that the form be sent to you. The new Form 486, dated July 2001 in the lower right corner, MUST be used for Funding Year 4 and for any previous funding years once it becomes available. Subsequent submissions of earlier versions of the Form 486 will be returned to you and will not be able to be processed. As you complete Form 486, you should also contact your service provider to verify they have received notice from the SLD of your funding 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.

On December 21, 2000, the Children's Internet Protection Act was signed into law. That law will require schools and libraries that receive Universal Service discounts for certain services to adopt an Internet safety policy incorporating the use of filtering or blocking technology on computers with Internet access as a condition of receiving those discounts. THE LAW DOES NOT, HOWEVER, REQUIRE THIS TO BE IN PLACE FOR FUNDING YEAR 4. RECIPIENTS WILL HAVE TO CERTIFY, HOWEVER, THAT THEY ARE UNDERTAKING SUCH ACTIONS, INCLUDING NECESSARY PROCUREMENT PROCEDURES, TO PUT SUCH TECHNOLOGY PROTECTION MEASURES IN PLACE. For Funding Year 4 (the Funding Year beginning July 1, 2001), Billed Entities filing Form(s) 486 may encounter one or more situations that will affect their filing deadline(s). See the requirements for Funding Year 4 below and the Form 486

Instructions for more information on filing deadlines to ensure that your discounts can be paid retroactively to the Service Start Date. You are advised to keep proof of the date of mailing.

1. If Funding Year 4 services start on or before Sunday, October 28, 2001, and the date of your Funding Commitment Decision Letter is before Sunday, October 28, 2001, your Form 486 must be postmarked on or before October 28, 2001 in order for discounts to be paid retroactively to the Service Start Date. Failure to meet this certification deadline will result in reduced funding.
2. If your services start after October 28, 2001, your Form 486 must be postmarked no later than 120 days after the Service Start Date or 120 days after the date of the Funding Commitment Decision Letter, whichever is later, in order for discounts to be paid retroactively to the Service Start Date. Failure to meet this filing deadline will result in reduced funding.

You may also check the SLD web site at <[www.sl.universalservice.org](http://www.sl.universalservice.org)> or call the Client Service Bureau at 1-888-203-8100 for more information about how this new law might impact universal service discounts and any needed documentation for Funding Year 4 (July 1, 2001-June 30, 2002).

#### TO APPEAL THESE FUNDING COMMITMENT DECISIONS

If you wish to appeal the Funding Commitment Decision(s) (FCD) indicated in this letter, your appeal must be made in writing and RECEIVED BY THE SCHOOLS AND LIBRARIES DIVISION (SLD) at the SLD address below WITHIN 30 DAYS OF THE ABOVE DATE ON THIS LETTER. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and e-mail address (if available) for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Identify which FCD Letter you are appealing. Indicate the relevant funding year and the date of the Funding Commitment Decision Letter. Your letter of appeal must also include the applicant name, the Form 471 Application Number, and the Billed Entity Number from the top of your FCD Letter.
3. Identify the particular Funding Request Number (FRN) that is the subject of your appeal. When explaining your appeal, include the precise language or text from the Funding Commitment Decision Letter that is at the heart of your appeal. By pointing us to the exact words that give rise to your appeal, the SLD will be able to more readily understand and respond appropriately to your appeal. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep copies of your correspondence and documentation.
4. Provide an original authorized signature on your letter of appeal.

Please send your appeal to: Letter of Appeal, Schools and Libraries Division, Box 125 - Correspondence Unit, 80 South Jefferson Road, Whippany, NJ 07981. Appeals submitted by fax, phone call, and e-mail CANNOT be processed.

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-A325, Washington, DC 20554. You should refer to CC Docket Nos. 96-45 and 97-21 on the first page of your appeal to the FCC. Your appeal must be made in writing and RECEIVED BY THE FCC at the FCC address above WITHIN 30 DAYS OF THE ABOVE DATE ON THIS LETTER. Failure to meet this requirement will result in automatic dismissal of your appeal. Further information regarding filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference area of the SLD web site <[www.sl.universalservice.org](http://www.sl.universalservice.org)>.

#### 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 Federal Communications 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 through advanced telecommunications services.

Sincerely,

Schools and Libraries Division  
Universal Service Administrative Company

Enclosures

## A GUIDE TO THE FUNDING COMMITMENT REPORT

Attached to this letter will be a report for each 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 Block 5 of your Form 471 once an application has been processed. This number is used to report to Applicants and Service Providers the status of individual discount funding requests submitted on a Form 471.

**FUNDING STATUS:** Each FRN will have one of three definitions: "Funded," "Not Funded," or "As Yet Unfunded."

1. An FRN that is "Funded" will be approved at the level that SLD determined is appropriate for that item. The funding level will generally be the level requested unless the SLD determines during the application review process that some adjustment is appropriate.
2. An FRN that is "Not Funded" is one for which no funds will be committed. The reason for the 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." An FRN may be "Not Funded" because the request does not comply with program rules, or because the total amount of funds in the Universal Service Fund was insufficient to fund all requests.
3. An FRN that is "As Yet Unfunded" reflects a temporary status that is 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 requests for internal connections at a particular discount level. For example, if your application included requests for discounts on both telecommunications services and internal connections, you might receive a letter with our funding commitment for your telecommunications funding requests and a message that your internal connections requests are "As Yet Unfunded." You would receive a subsequent letter(s) regarding the funding decision on your internal connections requests.

**SERVICES ORDERED:** The type of service ordered from the service provider, as shown on Form 471.

**SPIN (Service Provider Identification Number):** A unique number assigned by the Universal Service Administrative Company to service providers seeking payment from the Universal Service Fund for participating in the universal service support programs. 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.

**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.

**BILLING ACCOUNT NUMBER:** The account number that your service provider has established with you for billing purposes. This will be present only if a Billing Account Number was provided 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.

**CONTRACT EXPIRATION DATE:** The date the contract expires. This will be present only if a contract expiration date was provided on Form 471.

**SITE IDENTIFIER:** The Entity Number listed in Form 471, Block 5, Item 22a will be listed. This will appear only for "site specific" FRNs.

**PRE-DISCOUNT AMOUNT:** Amount in Form 471, Block 5, Item 23, Column I, as determined through the application review process.

**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 has reserved to reimburse service providers for the approved discounts for this service through June 30, 2002. 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 only for eligible, approved services actually rendered.

FUNDING COMMITMENT DECISION EXPLANATION: This entry may amplify the comments in the "Funding Commitment Decision" area.

FUNDING COMMITMENT REPORT

Form 471 Application Number: 236447  
Funding Request Number: 559143 Funding Status: Not Funded  
Services Ordered: Telecommunications Service  
SPIN: 143007716 Service Provider Name: Midstate Telephone Co.  
Contract Number: T  
Billing Account Number: 605-778-6232  
Earliest Possible Effective Date of Discount: 07/01/2001  
Contract Expiration Date: 06/30/2002  
Pre-Discount Amount: \$4,500.00  
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 intercom and phone lease which is an ineligible product(s)/service(s) based on program rules.

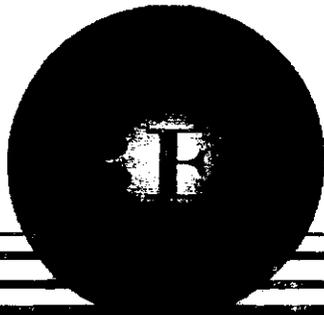
Funding Request Number: 559186 Funding Status: Not Funded  
Services Ordered: Internal Connections  
SPIN: 143005588 Service Provider Name: CDW Computer Centers, Inc.  
Contract Number: T  
Billing Account Number: 5561143  
Earliest Possible Effective Date of Discount: 07/01/2001  
Contract Expiration Date: 06/30/2002  
Pre-Discount Amount: \$3,129.00  
Discount Percentage Approved by the SLD: N/A  
Funding Commitment Decision: \$0.00 - Srvc/Discnt will NOT be funded  
Funding Commitment Decision Explanation: Funding cap will not provide for Internal Connections < 81 % discount to be funded. Please see WWW.SL.UNIVERSALSERVICE.ORG for further details.

# USAC

Schools and Libraries Division  
Box 125 - Correspondence Unit  
80 South Jefferson Road  
Whippany, New Jersey 07981

01359  
KIMBALL SCHOOL DISTRICT 7-2  
Gary Heitz  
300 S EAST ST  
KIMBALL, SD 57355





## Business & Education Institute

## Business & Education Institute

Dakota State University  
Lowry Hall  
820 N Washington Ave  
Madison, SD 57042  
Phone (605) 256-5555  
Fax (605) 256-5174



**Microsoft Certified Professional**  
Windows 95/98  
NT Workstation/Server/Enterprise  
TCP/IP in NT Workstation  
Systems Engineer  
Trainer  
+ Internet

**Electronic Technicians  
Association International (ETA)**  
Administrator  
Electronics Technician  
Customer Service Specialist  
Customer Service Technician  
Network System Technician  
WEB Page Development

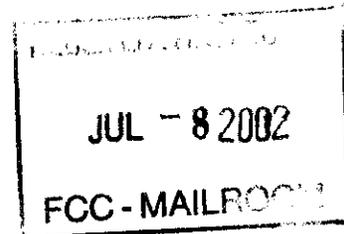
**Novell**  
Netware Engineer  
Netware Administrator

**Computing Technology Assoc.**  
A+  
Network +

**CISCO**  
Certified Network Associate

August 8, 2001

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



To Whom It May Concern:

I am writing this to you to appeal the funding decision for Kimball School District 7-2. Form 471 Application Number: 0000236447, Billed Entity Number: 134174, and FRN Number 0000559143. The contact person will be Patricia Booth if there are any questions regarding this appeal. Contact information is: Address - Dakota State University, Business & Education Institute, 820 N Washington, Lowry Hall, Madison, SD 57042; Phone number (605) 256-5555; e-mail - [patricia.booth@dsu.edu](mailto:patricia.booth@dsu.edu)

I am requesting that the decision for not funding the telecommunications service from Midstate Telephone Co. be reversed to allow the basic telephone service to be able to receive discounted services. The ineligible products/services that were included in the original requested amount were done so accidentally and by oversight.

As an attachment I am including an attachment from Midstate Telephone Co. showing the charges to Kimball School District that do qualify for discounted service. This attachment shows the services and products that are ineligible and which we are not seeking funding for. The correct amount of pre-discounted funding that we are seeking is \$3,357.96 for the fiscal year and \$279.83 per month of pre-discounted rates. The original funding request included 25% of ineligible services, not the 30% or more that the Funding Commitment Report stated.

If you have any further questions, please contact me by one of the methods above.

Sincerely,

Patricia Booth  
Senior Secretary

Amount Due

564.28

In State Plc: MIDSTATE COMMUNICATIONS  
Out State Plc: MIDSTATE COMMUNICATIONS

Billing Number  
778-6231

Account Number  
0001019

Billing Date	Delinquent After
AUG 01, 2001	AUG 20, 2001

Previous Bill	Previous Payments	Adjustments	Previous Balance	Current Charges
626.42	626.42	0.00	0.00	564.28

PAYMENTS RECEIVED AFTER JUL 26 ARE NOT INCLUDED

FOR BILLING QUESTIONS, PLEASE CALL (605) 778-6221

A LATE FEE OF \$8.46 WILL BE APPLIED TO ANY BALANCE DUE THAT IS NOT RECEIVED IN OUR OFFICE BY 12:01 PM ON THE 20TH OF THIS MONTH. OUR OFFICE WILL BE CLOSED MONDAY, SEPT. 3, 2001 IN OBSERVANCE OF LABOR DAY. HAVE A SAFE HOLIDAY.

S-0

KIMBALL SCHOOL  
EILEEN KROUPA-DES VOTER  
PO BOX 479  
KIMBALL SD 57355-0479

billing Date AUG 01, 2001 778-6231  
Billing Number  
delinquent after AUG 20, 2001 0001019  
Account Number

Amount Due: \$564.28

Amount Paid: \$

Please send payment to:

MIDSTATE COMMUNICATIONS  
PO BOX 48  
KIMBALL, SD 57355-0048

O:G :  
KIMBALL SCHOOL  
EILEEN KROUPA-DES VOTER  
PO BOX 479  
KIMBALL SD 57355-0479



778-6231 0001019

Customer Detail

AUG01 Pg 1/9

CURRENT CHARGES

*Local Phone der \**

TELEPHONE SERVICE CHARGES  
Recurring Charges AUG 01 TO AUG 31

Description	Qty	Amount
* BUSINESS RATE	3	47.85
* HUNTING FEATURE	3	6.00
* SUBSCRIBER LINE CHG-MULTILINE	3	18.00
* FEDERAL UNIVERSAL SERVICE CHG	3	1.02
* 911 SERVICE CHG-BRULE CO	3	2.25
* AIPHONE INTERNAL INTERCOM SYS	1	95.00
CALL FORWARD	3	3.00
3-WAY CALLING	3	3.00
SPEED CALL B	3	3.00
* INSIDE WIRE MAINT PLAN	3	3.00
CONDIAL 9X16 SYSTEM	1	1.00
CONDIAL KEY PHONES	16	80.00
CONDIAL SYSTEM BATTERY BACKUP	1	10.00
<b>Total Charges</b>		<b>330.12</b>

*Internet \**

Total TELEPHONE SERVICE CHARGES

330.12

INTERNET SERVICE CHARGES  
Recurring Charges AUG 01 TO AUG 31

* INTERNET PLAN 3 - 250 HOURS	1	19.95
<b>Total Charges</b>		<b>19.95</b>

Total INTERNET SERVICE CHARGES

19.95

*Call \**

TOTAL LOCAL CHARGES

350.07

MIDSTATE COMMUNICATIONS CHARGES

888-214-1431

90.29

TOTAL CURRENT CHARGES FOR MAIN ACCOUNT

440.36

*See following*

SUBTOTAL FOR 773-6193		
SUBTOTAL FOR 778-6230		24.04
SUBTOTAL FOR 778-6232		27.04
SUBTOTAL FOR 778-6233		3.95
SUBTOTAL FOR 778-6393		3.95
SUBTOTAL FOR 778-6720		36.40
<b>TOTAL AMOUNT DUE</b>		<b>564.28</b>

Amount Billed  
To Main Account:

24.04

Billing Number 778-6193  
Account Number 0001019

Billing Date	Delinquent After
AUG 01, 2001	AUG 20, 2001

Previous Bill	Previous Payments	Adjustments	Previous Balance	Current Charges
23.70	0.00	23.70-	0.00	24.04
PAYMENTS RECEIVED AFTER JUL 26 ARE NOT INCLUDED				

FOR BILLING QUESTIONS, PLEASE CALL (605) 778-6221

OUR OFFICE WILL BE CLOSED MONDAY, SEPT. 3, 2001 IN  
OBSERVANCE OF LABOR DAY. HAVE A SAFE HOLIDAY.

KIMBALL SCHOOL  
FIRE ALARM LINE  
EILBEN KROUPA-DES VOTER  
PO BOX 479  
KIMBALL SD 57355-0479

\*\*\*BILLED TO MAIN ACCOUNT\*\*\*  
\*\*\*DO NOT PAY\*\*\*

## CURRENT CHARGES

## TELEPHONE SERVICE CHARGES

Recurring Charges AUG 01 TO AUG 31

Description	Qty	Amount
*BUSINESS RATE	1	15.95
*SUBSCRIBER LINE CHG-MULTILINE	1	6.00
*FEDERAL UNIVERSAL SERVICE CHG	1	0.34
*911 SERVICE CHG-BRULE CO	1	0.75
*INSIDE WIRE MAINT PLAN	1	1.00

*Total Charges		24.04
----------------	--	-------

Total TELEPHONE SERVICE CHARGES	24.04
---------------------------------	-------

TOTAL LOCAL CHARGES	24.04
---------------------	-------

SUBTOTAL FOR 778-6193	24.04
-----------------------	-------

\*There has been a change to your service. Please verify that your monthly reoccurring charges are correct.

A Federal Universal Service Charge (FUSC), as prescribed by the Federal Communications Commission, is now included in your telephone bill. This charge is designed to help keep your local telephone service rates affordable for all customers, in all areas of the United States.

BASIC TELEPHONE LOCAL SERVICE CHARGES AND ANY ASSOCIATED CHARGES ARE UNDENIABLE AND ARE DUE WHEN RECEIVED. PAYMENT FOR THESE SERVICES IS REQUIRED PRIOR TO THE DUE DATE OF THE BILL. TOLL CHARGES, INTERNET SERVICE CHARGES, CABLE TV SERVICE CHARGES, 900 BILLING CHARGES AND MISCELLANEOUS CHARGES MAY BE DENIABLE. PLEASE NOTIFY OUR BUSINESS OFFICE OF ANY DISPUTED ITEMS PRIOR TO DEDUCTING CHARGES FROM YOUR TOTAL DUE.

*Local Service \**

Amount Billed  
To Main Account

27.04

Billing Number 778-6230  
Account Number 0001019

Billing Date	Delinquent After
AUG 01, 2001	AUG 20, 2001

Previous Bill	Previous Payments	Adjustments	Previous Balance	Current Charges
26.70	0.00	26.70-	0.00	27.04
PAYMENTS RECEIVED AFTER JUL 26 ARE NOT INCLUDED				

FOR BILLING QUESTIONS, PLEASE CALL (605) 778-6221

OUR OFFICE WILL BE CLOSED MONDAY, SEPT. 3, 2001 IN  
OBSERVANCE OF LABOR DAY. HAVE A SAFE HOLIDAY.

KIMBALL SCHOOL  
COMPUTER RM MODEM LINE  
EILEEN KROUPA-DES VOTER  
PO BOX 479  
KIMBALL SD 57355-0479

\*\*\*BILLED TO MAIN ACCOUNT\*\*\*  
\*\*\*DO NOT PAY\*\*\*

CURRENT CHARGES

TELEPHONE SERVICE CHARGES  
Recurring Charges AUG 01 TO AUG 31

*Local Service \**

Description	Qty	Amount
* BUSINESS RATE	1	15.95
* SUBSCRIBER LINE CHG-MULTILINE	1	6.00
* FEDERAL UNIVERSAL SERVICE CHG	1	0.34
* 911 SERVICE CHG-BRULE CO	1	0.75
CALL WAITING	1	1.00
CALL FORWARD	1	1.00
3-WAY CALLING	1	1.00
SPEED CALL 8	1	1.00
CUSTOM FEATURE PKG 4/\$3.00	1	1.00-
* INSIDE WIRE MAINT PLAN	1	1.00

Total Charges 27.04

Total TELEPHONE SERVICE CHARGES 27.04

TOTAL LOCAL CHARGES 27.04

SUBTOTAL FOR 778-6230 27.04

\*There has been a change to your service. Please verify that your monthly reoccurring charges are correct.

A Federal Universal Service Charge (FUSC), as prescribed by the Federal Communications Commission, is now included in your telephone bill. This charge is designed to help keep your local telephone service rates affordable for all customers, in all areas of the United States.

BASIC TELEPHONE LOCAL SERVICE CHARGES AND ANY ASSOCIATED CHARGES ARE UNDENIABLE AND ARE DUE WHEN RECEIVED. PAYMENT FOR THESE SERVICES IS REQUIRED PRIOR TO THE DUE DATE OF THE BILL. TOLL CHARGES, INTERNET SERVICE CHARGES, CABLE TV SERVICE CHARGES, 900 BILLING CHARGES AND MISCELLANEOUS CHARGES MAY BE DENIABLE. PLEASE NOTIFY OUR BUSINESS OFFICE OF ANY DISPUTED ITEMS PRIOR TO DEDUCTING CHARGES FROM YOUR TOTAL DUE.

Amount Billed  
To Main Account

3.95

Billing Number 778-6232  
Account Number 0001019

Billing Date	Delinquent After
AUG 01, 2001	AUG 20, 2001

Previous Bill	Previous Payments	Adjustments	Previous Balance	Current Charges
3.95	0.00	3.95-	0.00	3.95

PAYMENTS RECEIVED AFTBR JUL 26 ARE NOT INCLUDED

FOR BILLING QUESTIONS, PLEASE CALL (605) 778-6221

OUR OFFICE WILL BE CLOSED MONDAY, SEPT. 3, 2001 IN OBSERVANCE OF LABOR DAY. HAVE A SAFE HOLIDAY.

KIMBALL SCHOOL  
EILBEN KROUPA-DES VOTER  
PO BOX 479  
KIMBALL SD 57355-0479

\*\*\*BILLED TO MAIN ACCOUNT\*\*\*  
\*\*\*DO NOT PAY\*\*\*

*Call X*

778-6232 0001019 Customer Detail AUG01 Pg 1/2

CURRENT CHARGES

MIDSTATE COMMUNICATIONS CHARGES	088-214-1431	3.95
SUBTOTAL FOR 778-6232		3.95

BASIC TELEPHONE LOCAL SERVICE CHARGES AND ANY ASSOCIATED CHARGES ARE UNDENIABLE AND ARE DUE WHEN RECEIVED. PAYMENT FOR THESE SERVICES IS REQUIRED PRIOR TO THE DUE DATE OF THE BILL. TOLL CHARGES, INTERNET SERVICE CHARGES, CABLE TV SERVICE CHARGES, 900 BILLING CHARGES AND MISCELLANEOUS CHARGES MAY BE DENIABLE. PLEASE NOTIFY OUR BUSINESS OFFICE OF ANY DISPUTED ITEMS PRIOR TO DEDUCTING CHARGES FROM YOUR TOTAL DUE.

*Amount Billed  
To Main Account*

**3.95**

*Billing Number*      *Account Number*  
778-6233              0001019

<i>Billing Date</i>	<i>Delinquent After</i>
AUG 01, 2001	AUG 20, 2001

<i>Previous Bill</i>	<i>Previous Payments</i>	<i>Adjustments</i>	<i>Previous Balance</i>	<i>Current Charges</i>
3.95	0.00	3.95-	0.00	3.95
PAYMENTS RECEIVED AFTER JUL 26 ARE NOT INCLUDED				

*FOR BILLING QUESTIONS, PLEASE CALL (605) 778-6221*

*OUR OFFICE WILL BE CLOSED MONDAY, SEPT. 3, 2001 IN  
OBSERVANCE OF LABOR DAY. HAVE A SAFE HOLIDAY.*

**KIMBALL SCHOOL  
BILBEN KROUPA-DES VOTER  
PO BOX 479  
KIMBALL SD 57355-0479**

**\*\*\*BILLED TO MAIN ACCOUNT\*\*\*  
\*\*\*DO NOT PAY\*\*\***

778-6233 0001019

Customer Detail

AUG01

Pg 1/2

*Call \**

CURRENT CHARGES

MIDSTATE COMMUNICATIONS CHARGES 800-214-1431 3.95

SUBTOTAL FOR 778-6233 3.95

BASIC TELEPHONE LOCAL SERVICE CHARGES AND ANY ASSOCIATED CHARGES ARE UNDENIABLE AND ARE DUE WHEN RECEIVED. PAYMENT FOR THESE SERVICES IS REQUIRED PRIOR TO THE DUE DATE OF THE BILL. TOLL CHARGES, INTERNET SERVICE CHARGES, CABLE TV SERVICE CHARGES, 900 BILLING CHARGES AND MISCELLANEOUS CHARGES MAY BE DENIABLE. PLEASE NOTIFY OUR BUSINESS OFFICE OF ANY DISPUTED ITEMS PRIOR TO DEDUCTING CHARGES FROM YOUR TOTAL DUE.

Amount Billed  
To Main Account

36.40

Billing Number 778-6393  
Account Number 0001019

Billing Date	Delinquent After
AUG 01, 2001	AUG 20, 2001

Previous Bill	Previous Payments	Adjustments	Previous Balance	Current Charges
43.52	0.00	43.52-	0.00	36.40
PAYMENTS RECEIVED AFTER JUL 26 ARE NOT INCLUDED				

FOR BILLING QUESTIONS, PLEASE CALL (605) 778-6221

OUR OFFICE WILL BE CLOSED MONDAY, SEPT. 3, 2001 IN  
OBSERVANCE OF LABOR DAY. HAVE A SAFE HOLIDAY.

KIMBALL SCHOOL  
FAX LINE  
HILLEN KROUPA-DES VOTER  
PO BOX 479  
KIMBALL SD 57355-0479

\*\*\*BILLED TO MAIN ACCOUNT\*\*\*  
\*\*\*DO NOT PAY\*\*\*

*Local Service* \*

778-6393 0001019

Customer Detail

AUG01

Pg 1/3

CURRENT CHARGES

TELEPHONE SERVICE CHARGES  
Recurring Charges AUG 01 TO AUG 31

Description	Qty	Amount
* BUSINESS RATE	1	15.95
* SUBSCRIBER LINE CHG-MULTILINE	1	6.00
* FEDERAL UNIVERSAL SERVICE CHG	1	0.34
* 911 SERVICE CHG-BRULE CO	1	0.75
CALL WAITING	1	1.00
CALL FORWARD	1	1.00
3-WAY CALLING	1	1.00
SPED CALL 0	1	1.00
CUSTOM FEATURE PKG 4/\$3.00	1	1.00-
* INSIDE WIRE MAINT PLAN	1	1.00

Total Charges 27.04

Total TELEPHONE SERVICE CHARGES 27.04

TOTAL LOCAL CHARGES 27.04

*Toll* \*

\* MIDSTATE COMMUNICATIONS CHARGES 888-214-1431 9.36

SUBTOTAL FOR 778-6393 36.40

\*There has been a change to your service. Please verify that your monthly reoccurring charges are correct.

A Federal Universal Service Charge (FUSC), as prescribed by the Federal Communications Commission, is now included in your telephone bill. This charge is designed to help keep your local telephone service rates affordable for all customers, in all areas of the United States.

BASIC TELEPHONE LOCAL SERVICE CHARGES AND ANY ASSOCIATED CHARGES ARE UNDENIABLE AND ARE DUE WHEN RECEIVED. PAYMENT FOR THESE SERVICES IS REQUIRED PRIOR TO THE DUE DATE OF THE BILL. TOLL CHARGES, INTERNET SERVICE CHARGES, CABLE TV SERVICE CHARGES, 900 BILLING CHARGES AND MISCELLANEOUS CHARGES MAY BE DENIABLE. PLEASE NOTIFY OUR BUSINESS OFFICE OF ANY DISPUTED ITEMS PRIOR TO DEDUCTING CHARGES FROM YOUR TOTAL DUE.

Amount Billed  
To Main Account

28.54

Billing Number 778-6700  
Account Number 0001019

Billing Date	Delinquent After
AUG 01, 2001	AUG 20, 2001

Previous Bill	Previous Payments	Adjustments	Previous Balance	Current Charges
28.20	0.00	28.20-	0.00	28.54
PAYMENTS RECEIVED AFTER JUL 26 ARE NOT INCLUDED				

FOR BILLING QUESTIONS, PLEASE CALL (605) 778-6221

OUR OFFICE WILL BE CLOSED MONDAY, SEPT. 3, 2001 IN  
OBSERVANCE OF LABOR DAY. HAVE A SAFE HOLIDAY.

GRASS RANCH COLONY SCHOOL  
% KIMBALL SCHOOL  
PO BOX 479  
KIMBALL SD 57355-0479

\*\*\*BILLED TO MAIN ACCOUNT\*\*\*  
\*\*\*DO NOT PAY\*\*\*

ID)BEI DSU

TEL)1 605 778 8080

AUG-08-2001 10:07AM

776-6700 0001019

Customer Detail

AUG01

Py 1/1

CURRENT CHARGES

TELEPHONE SERVICE CHARGES

Recurring Charges AUG 01 TO AUG 31

Description	Qty	Amount
* BUSINESS RATE	1	15.95
* SUBSCRIBER LINE CHG-MULTILINE	1	6.00
* FEDERAL UNIVERSAL SERVICE CHG	1	0.34
* E911 SERVICE CHG-BRULE CO	1	0.75
CALL WAITING	1	1.00
CALL FORWARD	1	1.00
3-WAY CALLING	1	1.00
SPEED CALL B	1	1.00
CUSTOM FEATURE PKG 4/\$3.00	1	1.00-
ONE-PLUS PER CALL RESTRICTION	1	1.50
* INSIDE WIRE MAINT PLAN	1	1.00
<b>Total Charges</b>		<b>28.54</b>
<b>Total TELEPHONE SERVICE CHARGES</b>		<b>28.54</b>
<b>TOTAL LOCAL CHARGES</b>		<b>28.54</b>
<b>SUBTOTAL FOR 776-6700</b>		<b>28.54</b>

\*There has been a change to your service. Please verify that your monthly reoccurring charges are correct.

A Federal Universal Service Charge (FUSC), as prescribed by the Federal Communications Commission, is now included in your telephone bill. This charge is designed to help keep your local telephone service rates affordable for all customers, in all areas of the United States.

BASIC TELEPHONE LOCAL SERVICE CHARGES AND ANY ASSOCIATED CHARGES ARE UNDENIABLE AND ARE DUE WHEN RECEIVED. PAYMENT FOR THESE SERVICES IS REQUIRED PRIOR TO THE DUE DATE OF THE BILL. TOLL CHARGES, INTERNET SERVICE CHARGES, CABLE TV SERVICE CHARGES, 900 BILLING CHARGES AND MISCELLANEOUS CHARGES MAY BE DENIABLE. PLEASE NOTIFY OUR BUSINESS OFFICE OF ANY DISPUTED ITEMS PRIOR TO DEDUCTING CHARGES FROM YOUR TOTAL DUE.



**Universal Service Administrative Company**  
Schools & Libraries Division

---

August 24, 2001

Gary Heitz  
Superintendent  
Kimball School District 7-2  
300 S East St.  
Kimball, SD 57355  
CC: Patricia Booth

Gary Heitz

The Schools and Libraries Division of the Universal Service Administrative Company has received your correspondence regarding the 2001-2002 funding decision on your application. Here are the steps that will now follow:

1. We will review your correspondence carefully to identify the specific issue(s) it raises.
2. We will consult the program integrity assurance records and all supporting documentation for the application. Our goal is to determine whether the program rules were administered appropriately in processing your application.
3. Once the review process is completed we will respond in writing and state whether your appeal is approved, denied or approved in part. We will then follow with a funding commitment decision letter for any approved appeal resulting in additional discounts for your application. Funds have been set aside to implement funding decisions for appeals approved by the SLD and/or the Federal Communications Commission.

We have begun in-depth review of the appeals we have received, and our goal is to respond to you as promptly as possible. We thank you in advance for your patience as we handle your case with the care and attention it deserves.

Schools and Libraries Division  
Universal Service Administrative Company



Federal Communications Commission  
Washington, D.C. 20554

MAY 15 2002

By First Class Mail

Business & Education Institute  
Ref: Kimball School District 7-2  
Dakota State University, Lowry Hall  
820 N. Washington Avenue  
Kimball, South Dakota 57042

Attn: Patricia Booth

Dear Ms. Patricia Booth:

Please find accompanying this letter the Commission's decision on your Request for Review. The accompanying decision may be referenced in the future by its Proceeding Number and release date: **DA 02-1125, May 13, 2002.**

If you are not satisfied with this decision, you may file a petition for reconsideration with the Commission within 60 days of the release date of the decision. 47 C.F.R. § 1.106(f). However, the petition will generally be granted only if it demonstrates an error in the Commission's decision based upon (1) facts which relate to events which have occurred or circumstances which have changed since the last opportunity to present such matters; or (2) facts unknown to petitioner until after the Request for Review was filed and which could not, through the exercise of ordinary diligence, have been learned prior to that time. 47 C.F.R. § 1.106(b)(2).

Petitions for reconsideration should be submitted to the Secretary, Federal Communications Commission, Washington, D.C., 20554, should reference CC Docket Nos. 96-45 and 97-21 as well as the Proceeding Number of the decision from which reconsideration is sought, and should otherwise conform to the requirements of section 1.106 of the Commission's rules. 47 C.F.R. § 1.106.

Sincerely,

*Malaysha Minton*

Mark G. Seifert *for*  
Deputy Chief, Telecommunications Access Policy Division  
Wireline Competition Bureau

Enclosure

**Before the  
Federal Communications Commission  
Washington, DC 20554**

In the Matter of	)	
	)	
Request for Review of the	)	
Decision of the	)	
Universal Service Administrator by	)	
	)	
Kimball School District 7-2	)	File No. SLD-236447
Kimball, South Dakota	)	
	)	
Federal-State Joint Board on	)	CC Docket No. 96-45
Universal Service	)	
	)	
Changes to the Board of Directors of the	)	CC Docket No. 97-21
National Exchange Carrier Association, Inc.	)	

**ORDER**

**Adopted: May 10, 2002**

**Released: May 13, 2002**

By the Telecommunications Access Policy Division, Wireline Competition Bureau:

1. In this Order, the Telecommunications Access Policy Division (Division) dismisses the Request for Review of Kimball School District 7-2 of Kimball, South Dakota (Kimball).<sup>1</sup> Kimball seeks review of a decision of the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (Administrator).<sup>2</sup> Specifically, Kimball seeks review of SLD's determination that its FCC Form 471 application for support for telecommunications services in Funding Year 4 of the schools and libraries support contained an impermissible amount of ineligible services, and thus could not be funded. For the reasons set forth below, we deny Kimball's Request for Review and affirm the Administrator's determination that Kimball's FCC Form 471 application for Funding Year 4 requested support for an impermissible amount of ineligible services, and could not be granted.

---

<sup>1</sup> Letter from Patricia Booth, Dakota State University Business and Education Institute, on behalf of Kimball School District 7-2 to Federal Communications Commission, filed November 2, 2001 (Request for Review).

<sup>2</sup> Letter from Schools and Libraries Division, Universal Service Administrative Company, to Patricia Booth, Business and Education Institute, Dakota State University, regarding Kimball School District 7-2, dated October 1, 2001 (Administrator's Decision on Appeal). Section 54.719(c) of the Commission's rules provides that any person aggrieved by an action taken by a division of the Administrator may seek review from the Commission. 47 C.F.R. § 54.719(c).

## I. BACKGROUND

2. Under the schools and libraries universal service support mechanism, eligible schools, libraries, and consortia that include eligible schools and libraries, may apply for discounts for eligible telecommunications services, Internet access, and internal connections.<sup>3</sup> In order to receive discounts on eligible services, the Commission's rules require that the applicant submit to the Administrator a completed FCC Form 470, in which the applicant sets forth the school's technological needs and the services for which it seeks discounts.<sup>4</sup> Once the school has complied with the Commission's competitive bidding requirements and signed a contract for eligible services, it must file an FCC Form 471 application to notify the Administrator of the services that have been ordered, the carrier with whom the school has signed the contract, and an estimate of funds needed to cover the discounts to be given for eligible services.<sup>5</sup> This information is generally provided in Block 5 of FCC Form 471. Among other information, Block 5 requires the applicant to indicate services requested, the name of the service provider, the type of service or product for which support is sought, and the estimated total annual pre-discount cost. Using information provided by the applicant in its FCC Form 471, the Administrator determines the amount of discounts for which the school is eligible.

3. The instant Request for Review arises from Kimball's application for funding for telecommunications services for Funding Year 4 of the universal service support program for eligible schools and libraries.<sup>6</sup> Among other things, Kimball sought support for telecommunications services to be provided by Midstate Telephone Company (Midstate) for a pre-discount amount of \$4,500 per year.<sup>7</sup> SLD denied Kimball's request on the grounds that 30 percent or more of Kimball's funding request was for lease costs for telephone sets and for an intercom system, both of which are ineligible products or services under program rules.<sup>8</sup>

---

<sup>3</sup> 47 C.F.R. §§ 54.502, 54.503.

<sup>4</sup> 47 C.F.R. § 54.504 (b)(1), (b)(3).

<sup>5</sup> 47 C.F.R. § 54.504(c).

<sup>6</sup> See FCC Form 471, Kimball School District 7-2, Funding Year 07/01/2001 to 06/30/2002, Application No. 236447, filed 1/12/2001 (Kimball FCC Form 471).

<sup>7</sup> See *id.* Funding Request No. 559143.

<sup>8</sup> See Letter from Schools and Libraries Division, Universal Service Administrative Company, to Kimball School District 7-2, dated July 23, 2001, at 6 (Funding Commitment Decision Letter). The "30 percent policy" is not a Commission rule, but rather is an SLD operating procedure established pursuant to FCC policy. See *Changes to the Board of Directors of the National Exchange Carrier Association, Inc., Federal-State Joint Board on Universal Service*, CC Docket Nos. 97-21 and 96-45, Third Report and Order in CC Docket No. 97-21 and Fourth Order on Reconsideration in CC Docket No. 97-21 and Eighth Order on Reconsideration in CC Docket No. 96-45, 13 FCC Rcd 25058 (1998). This operating procedure, used during SLD's application review process, enables SLD to efficiently process requests for funding for services that are eligible for discounts but that also include some ineligible components. If less than 30 percent of the request is for funding of ineligible services, SLD normally will consider the application and issue a funding commitment for the eligible services. If 30 percent or more of the request is for funding of ineligible services, SLD will deny the funding request in its entirety. The 30 percent policy allows SLD to efficiently process requests for funding that contain only a small amount of ineligible services

4. Kimball filed an appeal with SLD on August 14, 2001, claiming that the ineligible products and services included in the funding request were "done so accidentally and by [sic] oversight."<sup>9</sup> As part of this SLD appeal, Kimball also submitted billing statements to support a claim that, despite the figures on its FCC Form 471, the actual pre-discount amount for which it sought funding was \$3,357.96 per year, or \$279.83 per month.<sup>10</sup> Kimball thus asserted that only 25 percent of its funding request contained ineligible services, and not the greater than 30 percent that SLD cited.<sup>11</sup>

5. SLD denied Kimball's appeal, stating that, on appeal, SLD cannot accept revised support documentation that asks that the ineligible products or services be removed from the original funding request.<sup>12</sup> SLD found that, according to documentation provided by Kimball in its original FCC Form 471 application, 47 percent of the total monthly pre-discount cost of funding request number 559143 sought support for ineligible services.<sup>13</sup> SLD also stated that "the accuracy of the information submitted on the original Form 471 and during the course of the review is the responsibility of the applicant."<sup>14</sup>

6. Kimball filed the instant Request for Review with the Commission on November 2, 2001.<sup>15</sup> As in its SLD appeal, Kimball again asserts that its inclusion of the ineligible services in its original funding request was accidental, and claims that, based on its revised cost figures, the amount of ineligible services in its funding request is only 25 percent of the total request.<sup>16</sup>

## II. DISCUSSION

7. We have reviewed Kimball's appeal and conclude that Kimball has failed to demonstrate that its request for discounts on telecommunications was improperly denied. The

---

without expending significant fund resources working with applicants that are requesting funding of ineligible services.

<sup>9</sup> Letter of Patricia Booth, Dakota State University Business and Education Institute, on behalf of Kimball School District 7-2, to Schools and Libraries Division, Universal Service Administrative Company, filed August 14, 2001 (Letter of Appeal to SLD).

<sup>10</sup> *Id.* attachments.

<sup>11</sup> *Id.*

<sup>12</sup> Administrator's Decision on Appeal at 2.

<sup>13</sup> *Id.* See Kimball FCC Form 471, Attachment 1A. The \$375 per month sought by Kimball for funding request number 559143 included \$95 per month for an intercom system and \$80 per month for the lease of 16 key phones, both of which are ineligible services. Thus, based on the figures provided in Kimball's FCC Form 471, the monthly cost for ineligible services amounted to almost 47% of the total funding request (\$175 / \$375). SLD also noted that Kimball did not list these charges for intercoms and key phones as ineligible charges in its FCC Form 471. *Id.*

<sup>14</sup> *Id.* Administrator's Decision on Appeal at 2.

<sup>15</sup> See Request for Review.

<sup>16</sup> *Id.*

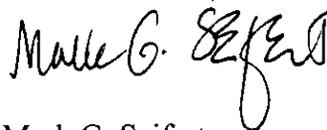
program's rules state that universal service funds support only eligible services.<sup>17</sup> Kimball now seeks to amend its original FCC Form 471 through the appeal process so that it conforms with the Commission's eligible service rules. This action contravenes Commission rules that applicants shall not be permitted to amend completed Forms 471 to remove ineligible service requests after the closure of the filing window.<sup>18</sup> If applicants were permitted to correct their applications after SLD has denied them, it would eliminate any incentive to avoid including ineligible expenses in their funding requests. This would significantly increase the administrative burden SLD would face while carrying out its obligation to guard against the occurrence of waste, fraud, and abuse. Therefore, we cannot permit Kimball to amend its FCC Form 471 through the appeal process.

8. In light of the thousands of applications that SLD reviews and processes each funding year, it is administratively necessary to place on the applicant the responsibility of understanding all relevant program rules and procedures.<sup>19</sup> We therefore affirm SLD's decision and deny Kimball's Request for Review.

### III. ORDERING CLAUSE

9. Accordingly, IT IS ORDERED, pursuant to authority delegated under sections 0.91, 0.291, and 54.722(a) of the Commission's rules, 47 C.F.R. §§ 0.91, 0.291, and 54.722(a), that the Request for Review filed on November 2, 2001 by the Kimball School District 7-2, Kimball, South Dakota, IS DENIED.

FEDERAL COMMUNICATIONS COMMISSION



Mark G. Seifert  
Deputy Chief, Telecommunications Access Policy Division  
Wireline Competition Bureau

---

<sup>17</sup> 47 C.F.R. § 54.504 *et seq.*

<sup>18</sup> The Commission's rules require that applicants file a completed Form 471 by the filing window deadline to be considered pursuant to the funding priorities for "in-window" applicants. 47 C.F.R. §§ 54.504(c), 54.507(c).

<sup>19</sup> *Request for Review by Anderson School Staatsburg, Federal-State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc.*, File No. SLD-133664, CC Docket Nos. 96-45 and 97-21, Order, 15 FCC Rcd 25610 (Com. Car. Bur. 2000).