

Law Offices

HOLLAND & KNIGHT LLP

DOCKET FILE COPY ORIGINAL

2099 Pennsylvania Avenue, N.W.
Suite 100
Washington, D.C. 20006-6801

202-955-3000
FAX 202-955-5564
www.hklaw.com

Annapolis	New York
Atlanta	Northern Virginia
Bethesda	Orlando
Boston	Portland
Bradenton	Providence
Chicago	St. Petersburg
Ft. Lauderdale	San Antonio
Jacksonville	San Francisco
Lakeland	Seattle
Los Angeles	Tallahassee
Melbourne	Tampa
Miami	West Palm Beach
International Offices:	São Paulo
Caracas*	Tel Aviv*
Helsinki	Tokyo
Mexico City	
Rio de Janeiro	*Representative Office

August 1, 2002

RECEIVED

DAVID A. O'CONNOR
202-828-1889

AUG - 1 2002

Internet Address:
doconnor@hklaw.com

VIA HAND DELIVERY

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Marlene H. Dortch, Esq.
Secretary
Federal Communications Commission
236 Massachusetts Ave., NE
Suite 110
Washington, DC 20002

Re: Barberton City School District
Request for Review
CC Docket Nos. 96-45, 97-21
Billed Entity No. 129522
Form 471 Application No. 288746
Funding Request No. 824902

Dear Ms. Dortch:

Transmitted herewith, on behalf of Barberton City School District ("Barberton"), are an original and four (4) copies of its Request for Review of the decision of the Schools and Libraries Division ("SLD") in the above-captioned proceeding. For the reasons set forth in the Request for Review, Barberton requests that the Commission direct SLD to fully fund Barberton's E-rate application.

To expedite the filing of this application, the Declaration page included with this filing is a facsimile. The original Declaration will be forwarded under separate cover as soon as it is received by this office.

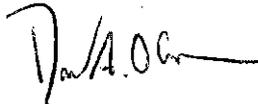
An extra copy of this filing is enclosed. Please date-stamp the extra copy and return it to the courier for return to me.

Marlene H. Dortch, Esq.
August 1, 2002
Page 2

Should you have any questions concerning this matter, please contact the undersigned.

Respectfully submitted,

HOLLAND & KNIGHT LLP



David A. O'Connor
Counsel for Barberton City School District

Enclosure

cc: Universal Service Administrative Company
Schools and Libraries Division
Box 125 – Correspondence Unit
80 South Jefferson Road
Whippany, NJ 07981

WAS1 #1108147 v1

**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION**
Washington, D.C. 20554

In the Matter of)	
Request for Review by)	
)	
Barberton City School District)	File No. SLD-_____
)	
of Decision of Universal Service)	
Administrator)	
)	
Federal-State Joint Board on)	CC Docket No. 96-45
Universal Service)	
)	
Changes to the Board of Directors)	CC Docket No. 97-21
of the National Exchange Carriers)	
Association, Inc.)	

To: Telecommunications Access Policy Division
Wireline Competition Bureau

Re: Barberton City School District, Billed Entity Number 129522
Form 471 Application Number 288746
Funding Request Number 824902
Funding Year 2002, 7/1/2002- 6/30/2003

Request for Review

Barberton City School District ("Barberton"), by its attorneys and pursuant to Sections 54.719(c) and 54.721 of the Commission's rules, 47 C.F.R. §§ 54.719(c), 54.721, hereby requests a review of the decision of the Schools and Libraries Division ("SLD") of the Universal Service Administrative Company denying in part Barberton's Year 2002 Funding Request (Form 471 Application Number 288746). For the reasons set forth below, Barberton requests that the Commission determine that Barberton's funding request for Internet Access services is a request for eligible services, and direct SLD to fully fund Barberton's E-rate application.

I. Statement of Facts.

Barberton timely filed its Year 2002 FCC Form 471 in January 2002. A copy of the application is attached hereto as Exhibit 1. The application included Funding Request Number 824902 (the "Funding Request"), requesting discounts on Internet Access services to be provided by Northeast Ohio Network for Educational Technology ("NEOnet"). The total Funding Request amount was \$43,570.00.¹

During the Program Integrity Assurance review process, SLD requested that NEOnet submit further information about the services to be provided to Barberton. NEOnet responded by letters dated April 22, 2002,² April 23, 2002, and May 14, 2002. Copies of the letters are attached hereto as Exhibit 2.

In those letters, NEOnet explained that Internet Access would be provided to the school using a CISCO 3620 Router. NEOnet also explained that a portion of the Internet Access fee, totaling \$7,000, was for "Internet Protocol Management Services" which are "necessary . . . as a part of [NEOnet's] service fee [and] include data transmission, address translation, protocol conversion, billing management, introductory information content, [and] navigational systems that enable the users to access information services on the Internet."³

SLD issued a Funding Commitment Decision Letter to Barberton on June 3, 2002. A copy of the Funding Commitment Decision Letter is attached hereto as Exhibit 3. In that letter, SLD approved the Funding Request, but "modified" the Funding Request by reducing the funding commitment decision by \$7,000.00. SLD's explanation for the modification stated:

¹ The Receipt Acknowledgement Letter dated January 23, 2002 issued to Barberton states that the total funding request is \$43,569.96, a difference of \$.04. It is Barberton's understanding that the figure was later rounded up to \$43,570.00.

² The letter is incorrectly dated April 22, 2001.

³ See NEOnet letter to Rina Patel, SLD, dated April 23, 2002.

“The dollars requested were reduced to remove the ineligible product(s)/service(s): Internet Protocol Mangement [sic] Services.” No further explanation was provided by SLD.

Barberton now submits this timely appeal to the Commission requesting that the Funding Request be granted in full.

II. Internet Protocol Management Is an Eligible Service Providing Access to Eligible Information Services.

SLD improperly determined that NEOnet’s Internet Protocol (“IP”) Management Services were ineligible for discount. SLD’s determination is contrary to its own published information and Commission precedent, and is therefore invalid.

Specifically, according to the Eligible Services List maintained by SLD, a service provider may conditionally provide bundled Internet access to an eligible entity. If the bundled access includes an ineligible component that is not priced or sold separately, the full bundled access service can be eligible for discount, provided that any content provided is minimal and the applicant determines that the bundled service is the most cost-effective means for obtaining Internet access.⁴ In addition, the SLD website states that “[B]asic conduit access’ to the Internet is considered to include all the standard features typically provided by Internet Service Providers. This may include *e-mail, address translation, protocol services, Web server space, caching services, and other features consistent with good business practices and competitive offerings, including maintenance, monitoring, and management of their own equipment.*”⁵

In this case, NEOnet is providing its IP Management Services using a CISCO 3620 router, which is considered to be eligible equipment.⁶ NEOnet informed SLD that its IP

⁴ See Eligible Services List at 12 (“Bundled Access” service), available at <http://www.universalservice.org/reference/eligible.asp>.

⁵ See Eligible Services Framework at 4, available at http://www.universalservice.org/reference/eligserv_framework.asp (emphasis added).

⁶ See Exhibit 4 attached hereto.

Management Service included six (6) distinct components: 1) data transmission; 2) address translation; 3) protocol conversion; 4) billing management; 5) introductory information content; and 6) navigational systems that enable users to access information services on the Internet. Each component will be addressed in turn.

First, data transmission is clearly an eligible component under SLD's definition of Internet access, because it is necessary for adequate functionality and performance of the Internet access system. The second and third components provide translation and protocol conversion, which are specifically included in the SLD's definition of "Basic Conduit access" cited above. For the same reason, "billing management" is an eligible component because it is a valid part of NEOnet's management of its own equipment.

The offering of the fifth component, introductory information content, is an exception to the general rule prohibiting the bundling of content with Internet access. SLD rules specifically allow content to be bundled with Internet access when the content is minimal and the school has determined that the bundled access is the most cost-effective means of obtaining Internet access service. The only content included by NEOnet is "introductory content" which is specifically described by the Commission as permitted.⁷ In this case, NEOnet's introductory content appears on a portal page which links users to Webmail, which is the system's e-mail program and which Barberton uses for e-mail purposes only. While a school may purchase additional content from NEOnet, such content is provided at a separate cost for which no E-rate funds are requested. Barberton did not purchase the additional content.

The second prong of the test is that the bundled access be cost-effective. NEOnet has clearly met this test. During the Form 470 bidding process, Barberton determined that NEOnet's

⁷ See *Federal-State Joint Board on Universal Service*, Order, CC Docket No. 96-45, 12 FCC Rcd 8776, para. 449 (1997) ("*Universal Service Order*").

proposal constituted the most cost-effective means of obtaining Internet access. First, NEOnet was the only bidder. Second, the cost of NEOnet's service is less than that offered by other providers in the market. NEOnet's charges total \$43,570 for one year's worth of Internet access. In contrast, the going rate for the same service offered by Time Warner Cable is \$49,020.⁸ NEOnet's service offering is therefore the most cost-effective for Barberton. Accordingly, both prongs of the conditional requirements have been met, and such introductory content is permissible.

The sixth and final component, navigational systems, is limited to the offering of e-mail access via Webmail. The portal mentioned above serves as the NEOnet link to Webmail. The SLD Eligible Services list specifically includes e-mail as an eligible component of basic conduit access. Consequently, each component of NEOnet's IP Management Service is eligible for discount. SLD therefore erred in modifying Barberton's funding commitment by removing NEOnet's IP Management Service from the Funding Request.

Finally, all six components cited by NEOnet are specifically listed as eligible "information services" in the Commission's *Universal Service Order*.⁹ In that *Order*, the Commission stated that a service is eligible if it consists of

the transmission of information as part of a gateway to an information service, where that transmission does not involve the generation or alteration of the content but may include *data transmission, address translation, protocol conversion, billing management, introductory information content, and navigational systems* that enable users to access information services that do not affect the presentation of such information services to users"¹⁰

⁸ Because Barberton did not receive any other bids in response to its Form 470, it is not possible to directly compare NEOnet's cost to another bidder's proposal. However, an informal call was placed to Mr. Gary McManis, Director of Commercial Roadrunner Services, Northeast Ohio Division, Time Warner Cable, to obtain the annual cost of service similar to that provided by NEOnet, and this was the figure provided by Mr. McManis.

⁹ *Universal Service Order*, para. 449 (citing as support for such eligibility 47 U.S.C. § 274(h)(2)).

¹⁰ *Id.* (emphasis added).

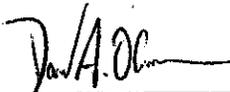
NEOnet's IP Management Services function as a gateway and do not generate or alter content, but do include the six components specifically cited in the *Universal Service Order*, none of which affect the presentation of such information. Because the Commission has clearly ruled that such components are considered eligible, and because Barberton has shown that NEOnet's services qualify as eligible components, the Commission should reverse SLD's decision.

III. Conclusion.

In view of the foregoing, the Commission should direct SLD to grant Barberton's Funding Request in full.

Respectfully submitted,

BARBERTON CITY SCHOOL DISTRICT



Mark J. Palchick
David A. O'Connor
HOLLAND & KNIGHT LLP
2099 Pennsylvania Ave., N.W., Suite 100
Washington, DC 20006
(202) 955-3000

Its Attorneys

Dated: August 1, 2002

CERTIFICATE OF SERVICE

I, Judy Norris, an employee of Holland & Knight LLP, hereby certify that on August 1, 2002, I caused a copy of the foregoing Request for Review to be delivered via first-class mail, postage prepaid to the following:

Universal Service Administrative Company
Schools and Libraries Division
Box 125 – Correspondence Unit
80 South Jefferson Road
Whippany, NJ 07981


Judy Norris

BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)	
Request for Review by)	
Barberton City School District)	File No. SLD-_____
)	
of Decision of Universal Service)	
Administrator)	
)	
Federal-State Joint Board on)	CC Docket No. 96-45
Universal Service)	
)	
Changes to the Board of Directors)	CC Docket No. 97-21
of the National Exchange Carriers)	
Association, Inc.)	

To: Telecommunications Access Policy Division
Wireline Competition Bureau

Re: Barberton City School District, Billed Entity Number 129522
Form 471 Application Number 288746
Funding Request Number 824902
Funding Year 2002, 7/1/2002- 6/30/2003

Supporting Declaration

I, Nancy Baker, hereby swear under penalty of perjury of the laws of the United States that I have reviewed the foregoing Request for Review ("Request"), and that all statements of fact contained within the Request, except those for which official notice may be taken, are true and correct to the best of my personal knowledge.

Executed this 1 day of August, 2002.



 Nancy Baker
 Director of Instructional Technology
 Barberton City School District

EXHIBIT 1

**Schools and Libraries Universal Service Program
Services Ordered and Certification Form 471
Application Display**

Block 1: Billed Entity Information

Applicant's Form Identifier: Year 5 471 Telephones
471 Application Number: 288746 **Funding Year:** 07/01/2002 - 06/30/2003 **Billed Entity Number:** 1:29522

Name: BARBERTON CITY SCHOOL DISTRICT
Address: 479 NORTON AVE
City: BARBERTON **State:** OH **Zip:** 44203 1737
Phone: 330-753-1025 **Ext:**
Fax: 330-848-0884
E-mail: nbaker@barberton.summit.k12.oh.us

Contact Name: Nancy Baker
Address: Barberton High School 555 Barber Road
City: Barberton **State:** OH **Zip:** 44203
Contact Phone: 330-753-1084 **Ext:** 5068
Contact Fax: 330-848-6244 **Ext:**
E-mail: nbaker@barberton.summit.k12.oh.us
Contact Mode: PHONE
Alternate Contact Info.: pcramer@barberton.summit.k12.oh.us

Type of Application: SCHOOL DISTRICT

Ineligible Orgs: N

Block 3: Impact of Services Ordered in THIS Application

Number of students to be served: 4292

Number of library patrons to be served:

SERVICE DESCRIPTION	BEFORE ORDER	AFTER ORDER
a. (Schools/districts/consortia only) Telephone service. How many classrooms had phone service before and after your order?	83	83
b. High-bandwidth voice/data/video service. How many buildings served before and after your order?	12	12
c. High-bandwidth voice/data/video service. Highest speed to a building before and after your order?	gigabit	gigabit
d. Dial-up Internet connections. How many before and after your order?	0	0
e. Dial-up Internet connections. Highest speed before and after your order?	0	0
f. Direct connections to the Internet. How many before and after your order?	1	1
g. Direct connections to the Internet. Highest speed before and after your order?	7.7 Mb	7.7 Mb
h. Internet access(for schools). How many rooms have Internet access before and after your order?	303	303
i. Internet Access. How many computers (or other devices) with Internet access before and after your order?	1600	1600

Block 4: Worksheets

Worksheet A No: 340828

Weighted Product (Sum. Column 8): 2773.9

Student Count: 4292

Shared Discount: 65%

1. School Name: BARBERTON HIGH SCHOOL
 2. Entity Number: 48222 3. Rural/Urban: Urban
 4. Student Count: 1264 5. NSLP Students: 272 6. NSLP Students/Students: 21.518%
 7. Discount: 50% 8. Weighted Product: 632

1. School Name: Barberton High Success School
 2. Entity Number: 224105 3. Rural/Urban: Urban
 4. Student Count: 76 5. NSLP Students: 20 6. NSLP Students/Students: 26.315%
 7. Discount: 50% 8. Weighted Product: 38

1. School Name: DECKER FAMILY DEVELOPMENT CENTER
 2. Entity Number: 178789 3. Rural/Urban: Urban
 4. Student Count: 28 6. NSLP Students: 15 6. NSLP Students/Students: 57.692%
 7. Discount: 80% 8. Weighted Product: 20.8

1. School Name: HIGHLAND MIDDLE SCHOOL
 2. Entity Number: 48230 3. Rural/Urban: Urban
 4. Student Count: 478 5. NSLP Students: 214 6. NSLP Students/Students: 44.769%
 7. Discount: 60% 8. Weighted Product: 286.8

1. School Name: JOHNSON ELEMENTARY SCHOOL
 2. Entity Number: 48232 3. Rural/Urban: Urban
 4. Student Count: 281 5. NSLP Students: 132 6. NSLP Students/Students: 46.975%
 7. Discount: 60% 8. Weighted Product: 168.6

1. School Name: LIGHT MIDDLE SCHOOL
 2. Entity Number: 48225 3. Rural/Urban: Urban
 4. Student Count: 464 5. NSLP Students: 239 6. NSLP Students/Students: 51.508%
 7. Discount: 80% 8. Weighted Product: 371.2

1. School Name: MEMORIAL ELEMENTARY SCHOOL
 2. Entity Number: 48220 3. Rural/Urban: Urban
 4. Student Count: 384 5. NSLP Students: 278 6. NSLP Students/Students: 72.395%
 7. Discount: 80% 8. Weighted Product: 307.2

1. School Name: OAKDALE ELEMENTARY SCHOOL
 2. Entity Number: 48224 3. Rural/Urban: Urban
 4. Student Count: 297 5. NSLP Students: 203 6. NSLP Students/Students: 68.350%
 7. Discount: 80% 8. Weighted Product: 237.6

1. School Name: PORTAGE ELEMENTARY SCHOOL
 2. Entity Number: 48219 3. Rural/Urban: Urban
 4. Student Count: 339 5. NSLP Students: 185 6. NSLP Students/Students: 54.572%
 7. Discount: 80% 8. Weighted Product: 271.2

1. School Name: SANTROCK ELEMENTARY SCHOOL
 2. Entity Number: 48231 3. Rural/Urban: Urban
 4. Student Count: 330 5. NSLP Students: 195 6. NSLP Students/Students: 59.090%
 7. Discount: 80% 8. Weighted Product: 264

1. School Name: WOODFORD ELEMENTARY SCHOOL

471 Information

1/13/02 3:19 PM

2. Entity Number: 48223 3. Rural/Urban: Urban
 4. Student Count: 353 5. NSLP Students: 120 6. NSLP Students/Students: 33.894%
 7. Discount: 50% 8. Weighted Product: 176.5

Block 5: Discount Funding Request(a)

FRN: 823025	
11. Category of Service: Telecommunications Service	12. 470 Application Number: 80406000380896
13. SPIN: 143001688	14. Service Provider Name: Ameritech-Ohio (aka Ohio Bell Telephone Co.)
15. Contract Number: T	16. Billing Account Number: 330-753-1025
17. Allowable Contract Date: 12/14/2001	18. Contract Award Date:
19a. Service Start Date: 07/01/2002	19b. Service End Date: 06/30/2003
20. Contract Expiration Date:	
21. Attachment #: 1 POTS	22. Block 4 Worksheet No.: 340828
23a. Monthly Charges: \$7,224.83	23b. Ineligible monthly amt.: \$ 00
23c. Eligible monthly amt.: \$7,224.83	23d. Number of months of service: 12
23e. Annual pre-discount amount for eligible recurring charges (23c x 23d): \$86,697.96	
23f. Annual non-recurring (one-time) charges: \$ 00	23g. Ineligible non-recurring amt.: \$ 00
23h. Annual pre-discount amount for eligible non-recurring charges (23f - 23g): \$0 00	
23i. Total program year pre-discount amount (23e + 23h): \$86,697.96	
23j. % discount (from Block 4): 65	
23k. Funding Commitment Request (23i x 23j): \$58,353.87	

FRN: 823577	
11. Category of Service: Telecommunications Service	12. 470 Application Number: 80406000380896
13. SPIN: 143001236	14. Service Provider Name: First Communications, LLC
15. Contract Number: T	16. Billing Account Number: 330-753-1025
17. Allowable Contract Date: 12/14/2001	18. Contract Award Date:
19a. Service Start Date: 07/01/2002	19b. Service End Date: 06/30/2003
20. Contract Expiration Date:	
21. Attachment #: 2 Long Distance	22. Block 4 Worksheet No.: 340828
23a. Monthly Charges: \$525 00	23b. Ineligible monthly amt.: \$ 00
23c. Eligible monthly amt.: \$525 00	23d. Number of months of service: 12
23e. Annual pre-discount amount for eligible recurring charges (23c x 23d): \$6,300.00	
23f. Annual non-recurring (one-time) charges: \$ 00	23g. Ineligible non-recurring amt.: \$ 00
23h. Annual pre-discount amount for eligible non-recurring charges (23f - 23g): \$0 00	
23i. Total program year pre-discount amount (23e + 23h): \$6,300.00	
23j. % discount (from Block 4): 65	
23k. Funding Commitment Request (23i x 23j): \$4,095.00	

FRN: 824460	
11. Category of Service: Internet Access	12. 470 Application Number: 44671000309521
13. SPIN: 143019822	14. Service Provider Name: Time Warner Cable, Northeast Ohio, Adivision of Time Warner

471 Information

1/15/02 3:19 PM

15. Contract Number: N/A	16. Billing Account Number: 330-753-1025
17. Allowable Contract Date: 01/12/2001	18. Contract Award Date: 09/28/2000
19a. Service Start Date: 07/01/2002	19b. Service End Date:
20. Contract Expiration Date: 01/18/2006	
21. Attachment #: 3 Fiber DS-3	22. Block 4 Worksheet No.: 340828
23a. Monthly Charges: \$1,362.00	23b. Ineligible monthly amt.: \$0.00
23c. Eligible monthly amt.: \$1,362.00	23d. Number of months of service: 12
23e. Annual pre-discount amount for eligible recurring charges (23c x 23d): \$16,344.00	
23f. Annual non-recurring (one-time) charges: \$0.00	23g. Ineligible non-recurring amt.: \$0.00
23h. Annual pre-discount amount for eligible non-recurring charges (23f - 23g): \$0.00	
23i. Total program year pre-discount amount (23e + 23h): \$16,344.00	
23j. % discount (from Block 4): 65	
23k. Funding Commitment Request (23i x 23j): \$10,623.60	

FRN: 824648	
11. Category of Service: Internet Access	12. 470 Application Number: 501620000285913
13. SPIN: 143019922	14. Service Provider Name: Time Warner Cable, Northeast Ohio, Adivision of Time Warner
15. Contract Number: N/A	16. Billing Account Number: 330-753-1025
17. Allowable Contract Date: 01/05/2000	18. Contract Award Date: 01/18/2000
19a. Service Start Date: 07/01/2002	19b. Service End Date:
20. Contract Expiration Date: 05/31/2111	
21. Attachment #: 4 - Fiber Lease	22. Block 4 Worksheet No.: 340828
23a. Monthly Charges: \$5,695.72	23b. Ineligible monthly amt.: \$589.00
23c. Eligible monthly amt.: \$5,126.72	23d. Number of months of service: 12
23e. Annual pre-discount amount for eligible recurring charges (23c x 23d): \$61,520.64	
23f. Annual non-recurring (one-time) charges: \$0.00	23g. Ineligible non-recurring amt.: \$0.00
23h. Annual pre-discount amount for eligible non-recurring charges (23f - 23g): \$0.00	
23i. Total program year pre-discount amount (23e + 23h): \$61,520.64	
23j. % discount (from Block 4): 85	
23k. Funding Commitment Request (23i x 23j): \$39,988.42	

FRN: 824902	
11. Category of Service: Internet Access	12. 470 Application Number: 804060000380896
13. SPIN: 143022719	14. Service Provider Name: Northeast Ohio Network for Educational Technology
15. Contract Number: 129522-0203	16. Billing Account Number: 330-753-1025
17. Allowable Contract Date: 12/14/2001	18. Contract Award Date: 12/17/2001
19a. Service Start Date: 07/01/2002	19b. Service End Date:
20. Contract Expiration Date: 06/30/2003	
21. Attachment #: 5 NEOnet	22. Block 4 Worksheet No.: 340828
23a. Monthly Charges: \$3,830.83	23b. Ineligible monthly amt.: \$0.00
23c. Eligible monthly amt.: \$3,830.83	23d. Number of months of service: 12
23e. Annual pre-discount amount for eligible recurring charges (23c x 23d): \$43,569.96	
23f. Annual non-recurring (one-time) charges: \$0.00	23g. Ineligible non-recurring amt.: \$0.00
23h. Annual pre-discount amount for eligible non-recurring charges (23f - 23g): \$0.00	
23i. Total program year pre-discount amount (23e + 23h): \$43,569.96	
23j. % discount (from Block 4): 85	
23k. Funding Commitment Request (23i x 23j): \$28,320.47	

FCC Form 471 2002/2003 Block 5 Item 21
Description of Services Attachments
Nancy Baker, Director of Technology
Barberton City Schools
Entity # 129522
471 Application # - 288746

Attachment 1 - POTS

Ameritech provides local telephone service for all schools in the Barberton City School District. This cost includes all incoming and outgoing local telephone service. The Year 5 471 includes Ameritech estimates of expenses that are significantly more than last year's estimates. There are two reasons for this increase. First, I underestimated the charges for both Year's 3 and 4 erate submission. When I realized my mistake, I submitted a letter that was dated Sept. 10, 2001 to the SLD regarding this situation to see if we could claim additional funding. The appeal is under consideration. Second, we hope to add new phone systems to our elementary and middle school buildings starting the summer of 2002. With the new phone systems will come additional lines with more cost to the school district. Our actual Ameritech POTS expense for Year 4 was \$72,248.34. I increased this amount by 20% (to cover the cost of the additional phone lines) and then divided by 12 to come up with the \$7224.83 per month estimate.

FCC Form 471 2002/2003 Block 5 Item 21
Description of Services Attachments
Nancy Baker, Director of Technology
Barberton City Schools
Entity # 129522
471 Application # - 288746

Attachment 2 - Long Distance

First Communications provides long distance telephone service for the Barberton City School District buildings.

FCC Form 471 2002/2003 Block 5 Item 21
Description of Services Attachments
Nancy Baker, Director of Technology
Barberton City Schools
Entity # 129522
471 Application # - 288746

Attachment 3 Fiber DS-3

Time Warner provides a DS-3 connection from our district host site to NEOnet, our Internet service provider.

FCC Form 471 2002/2003 Block 5 Item 21

Description of Services Attachments
Nancy Baker, Director of Technology
Barberton City Schools
Entity # 129522
471 Application # - 288746

Attachment 4 - Fiber Lease

The Barberton City School District has entered into a lease agreement with Time Warner Cable to provide the district with fiber connectivity between buildings. This network runs at gigabit speed and is used for Internet access, email, and file sharing.

FCC Form 471 2002/2003 Block 5 Item 21

Description of Services Attachments
Nancy Baker, Director of Technology
Barberton City Schools
Entity # 129522
471 Application # - 288746

Attachment 5 NEOnet

NEOnet provides our unbundled Internet access service for all students and teachers in the Barberton City School District. The primary components of the service are data transmission, address translation, protocol conversion, billing management, introductory information content, navigational systems that enable users to access information services and GSP (Global Service Provider) service.

EXHIBIT 2

NEOnet

April 22, 2001

Ms. Rina Patel
Schools and Libraries Division
Whippany, New Jersey

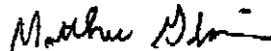
Dear Ms. Patel,

The Northeast Ohio Network for Educational Technology purchases or leases equipment necessary for it to provide basic conduit access to the schools.

We provide a CISCO 3620 Router to Barberton City Schools.

Please let me know if you need any additional information. I can be contacted at (330) 926-3900 extension 1100. Thank you for your efforts.

Sincerely,



Matthew Gdovin
Site Manager, Northeast Ohio Network for Educational Technology

420 Washington Avenue
Suite 200
Cuyahoga Falls, Ohio 44221
Phone 330-926-3900
Fax 330-926-3901

NEOnet

April 23, 2002

Ms. Rina Patel
Schools and Libraries Division

Dear Ms. Rina Patel,

The Northeast Ohio Network for Educational Technology (SPIN – 143022719) provides Internet Services to schools in Ohio. Our service includes the following components:

- The necessary telecommunication lines acquired through telecommunication carriers that provide access to the Internet. The costs for these lines are part of our service fee to the schools.
\$24,700
- The Northeast Ohio Network for Educational Technology purchases or leases all equipment necessary for it to provide basic conduit access to the schools.
\$4,870
- The Northeast Ohio Network for Educational Technology also provides maintenance on its hardware components as a part of the schools' Internet fee.
\$7,000
- The Northeast Ohio Network for Educational Technology provides the necessary Internet Protocol Management Services as a part of our Internet Service fee. Internet Protocol Management Services include data transmission, address translation, protocol conversion, billing management, introductory information content, navigational systems that enable the users to access information services on the Internet.
\$7,000

The Total annual cost for Unbundled Internet Access to Barberton Schools is \$43,570.

Please let me know if you need any additional information. I can be contacted at (330) 926-3900 x1100
Sincerely,

Matthew Gdovin
Director, Northeast Ohio Network for Educational Technology

420 Washington Avenue
Suite 200
Cuyahoga Falls, Ohio 44221
Phone 330-926-3900
Fax 330-926-3901

NEOnet

May 14, 2002

Ms. Rina Patel
Schools and Libraries Division
Whippany, New Jersey

Dear Ms. Patel,

I apologize for the confusion. Here is the information you requested from the Northeast Ohio Network for Educational Technology (NEOnet).

Barberton City Schools leases a CISCO 3620 router from the Northeast Ohio Network for Educational Technology. Listed is the configuration of Barberton's leased router:

Cisco 3620 Series Router
Cisco Fast Ethernet Module
Cisco Single Port ATM OC-3 Multimode Network Module
Cisco IP Plus IOS Feature Pack
Comstor 32MB Flash Memory Upgrade
Comstor 64MB DRAM Memory Upgrade

The Northeast Ohio Network for Educational Technology provides maintenance on the CISCO 3620 hardware component as a part of the schools' internet fee.

Please let me know if you need any additional information. I can be contacted at (330) 926-3900 extension 1100. Thank you for your efforts.

Sincerely,

Matthew Gdovin
Site Manager, Northeast Ohio Network for Educational Technology

420 Washington Avenue
Suite 200
Cuyahoga Falls, Ohio 44221
Phone 330-926-3900
Fax 330-926-3901

EXHIBIT 3



FUNDING COMMITMENT DECISION LETTER

(Funding Year 2002: 07/01/2002-06/30/2003)

June 3, 2002

Northeast Ohio Network for Educational Technology
Matthew Gdovin
420 Washington Avenue
Cuyahoga, OH 44221

**Re: Service Provider Name: Northeast Ohio Network for Educational Technology
Service Provider Identification Number: 143022719**

Thank you for participating in the E-rate program for Funding Year 2002 (07/01/2002 - 06/30/2003). This letter is your notification of our decision(s) regarding applications that listed your company's Service Provider Identification Number (SPIN) as providing service(s) eligible for discounts.

As was the case in previous program years, there are a number of steps that need to be completed in order to implement E-rate discounts. In an effort to expedite the process of implementing discounts, we are providing detailed information regarding the status of your customers' requests for discounts in the form of a series of Funding Commitment Reports. Attached are reports of our decisions made for customers listing your SPIN in their Form 471 applications. Each report contains detailed information extracted from the applicant's Form 471, as well as an explanation of our decision regarding their Discount Funding Request.

NEXT STEPS

Once you've reviewed this letter, we urge you to contact your customers to begin any necessary arrangements regarding start of services, billing of discounts or any other administrative details for implementation of E-rate services. As a reminder, only eligible services delivered in accordance with Federal Communications Commission (FCC) rules on service delivery periods are eligible for these discounts. Applicants have been encouraged to contact you regarding their E-rate commitments. After applicants have received their Funding Commitment Decision Letter, they will be required to file FCC Form 486, "Receipt of Service Confirmation Form." We will send you a Form 486 Notification Letter when we receive a Form 486 from applicants who cite your SPIN, and will also provide guidance on how to invoice the Schools and Libraries Division (SLD) for reimbursement of discounts for services listed in the respective Form 486. The Form 486 dated July 2001 in the lower right corner MUST be used for Funding Year 2002 and for any previous funding years. Submissions of earlier versions of the Form 486 will be returned to the applicant and will not be able to be processed.

The Children's Internet Protection Act requires applicants to use the Form 486 to certify their compliance status. The law requires 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.

NEW DEADLINES FOR INVOICES. After a Form 486 has been properly filed, the SLD must receive an invoice from either the applicant or the service provider in order to make payments for approved discounts on eligible services. Form 472, Billed Entity Applicant Reimbursement (BEAR) Form, is filed by the applicant; Form 474, Service Provider Invoice Form, is filed by the service provider. Invoices must be postmarked no later than 90 days after the last date to receive service or no later than 90 days after the date of

the Form 486 Notification Letter, whichever is later. If an invoice is postmarked after the later of those two dates, payment will be denied.

Any appeal of the funding decisions detailed in a Funding Commitment Decision Letter must be received within 60 days of the date on the Funding Commitment Decision Letter. Information on the appeal process can be found in the "Appeals Procedure" posted in the Reference Area of the SLD web site <www.sl.universalservice.org>. Therefore, prompt communication with your customer is essential.

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 the 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 the SLD, the applicant, or service provider, and that the action or inaction was not in accordance with such requirements, the SLD may be required to cancel those 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.

Thank you for the work you are doing to connect 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 featuring your SPIN. We are providing the following definitions.

FUNDING REQUEST NUMBER (FRN): A Funding Request Number is assigned by the SLD to each Block 5 of the applicant's 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.

FORM 471 APPLICATION NUMBER: A unique identifier assigned to a Form 471 application by the SLD.

FORM 470 APPLICATION NUMBER: A unique identifier assigned by the SLD to a Form 470 as listed in Block 5, Item 12 of the Form 471.

NAME OF 471 APPLICANT: Name of entity that applied to the SLD, from Item 1 of the Form 471.

ADDRESS OF 471 APPLICANT: Address of entity that applied to the SLD from Item 1 of the Form 471. Includes street address and city, state and zip code.

ENTITY NUMBER: A unique identifier assigned by the SLD for the applicant.

NAME OF CONTACT PERSON: The name of the contact person from Block 1, Item 6 of the Form 471.

PREFERRED MODE OF CONTACT: i.e., telephone, fax, or e-mail.

CONTACT INFORMATION: i.e., telephone number, fax number, or e-mail address based on preferred mode of contact.

FUNDING YEAR: The funding year for which discounts have been requested.

FUNDING STATUS: Each FRN will have one of three definitions: "Funded," "Not Funded," or "As Yet Unfunded." "As Yet Unfunded" is only an interim status and FRNs with this status will not appear in this service provider notification.

1. An FRN that is "Funded" will be approved at the level that the SLD determined is appropriate for that item. The funding level will generally be the level requested unless the SLD determined 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 funding available for this funding year was insufficient to fund all requests.

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.

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

BILLING ACCOUNT NUMBER: The account number that you have established with your customer for billing purposes. This will be present only if a Billing Account Number was provided on Form 471.

ALLOWABLE VENDOR SELECTION / CONTRACT DATE: The earliest date the applicant was permitted to sign a contract for services after posting a Form 470.

CONTRACT AWARD DATE: The date that the contract for this service was awarded.

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.

MONTHLY RECURRING CHARGES: The total monthly charges for the recurring service.

PORTION OF MONTHLY RECURRING CHARGES THAT IS INELIGIBLE: Total charges associated with ANY ineligible services, entities, or uses included in the monthly recurring charges for this service.

ELIGIBLE MONTHLY PRE-DISCOUNT AMOUNT FOR RECURRING CHARGES: Total eligible monthly recurring charges approved for the funding year.

NUMBER OF MONTHS RECURRING SERVICE PROVIDED IN FUNDING YEAR: Number of months the service will be provided in the funding year.

ANNUAL PRE-DISCOUNT AMOUNT FOR ELIGIBLE RECURRING CHARGES: Eligible monthly pre-discount amount for recurring charges multiplied by number of months recurring service provided in the funding year.

ANNUAL NON-RECURRING CHARGES: The total amount of non-recurring (one-time) pre-discount charges for this service.

PORTION OF ANNUAL NON-RECURRING CHARGES THAT IS INELIGIBLE: Total cost associated with ANY ineligible services, entities, or uses included in the annual non-recurring charges.

ANNUAL PRE-DISCOUNT AMOUNT FOR ELIGIBLE NON-RECURRING CHARGES: Annual eligible non-recurring charges approved for the funding year.

TOTAL PROGRAM YEAR PRE-DISCOUNT AMOUNT: The total eligible recurring and non-recurring charges under the program for the funding year.

APPLICANT'S APPROVED DISCOUNT PERCENTAGE: 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 you for the approved discounts for this service through the pertinent funding year service delivery date. It is important that you and the Form 471 applicant both recognize that the SLD should be invoiced and the SLD may direct disbursement of discounts only for eligible, approved services actually delivered and installed.

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

TECHNOLOGY PLAN APPROVAL STATUS: This reports whether the applicant indicated in Block 6, Item 27 of the Form 471 that the technology plans of the entities included in the Form 471 application have received approval, are pending, or are not needed. Consortium applications may feature both "approved" and "pending approval" status.

WAVE NUMBER: The number of the grouped mailing in which the applicant's Funding Commitment Decision Letter was included.

APPLICANT LETTER DATE: The date on the applicant's Funding Commitment Decision Letter.

FUNDING COMMITMENT REPORT

Service Provider Name: Northeast Ohio Network for Educational Technology
Service Provider Identification Number: 143022719

Funding Request Number: 824902
Form 471 Application Number: 288746
Form 470 Application Number: 804060000380896
Name of 471 Applicant: BARBERTON CITY SCHOOL DISTRICT
Applicant Street Address: 479 NORTON AVE
Applicant City: BARBERTON
Applicant State: OH
Applicant Zip: 44203-1737
Entity Number: 129522
Name of Contact Person: Nancy Baker
Preferred Mode of Contact: PHONE
Contact Information: (330) 753-1084 Ext. 5068
Funding Year: 2002 (07/01/2002 - 06/30/2003)
Funding Status: Funded
Contract Number: 129522-0203
Services Ordered: Internet Access
Billing Account Number: 330-753-1025
Allowable Vendor Selection/Contract Date: 12/14/2001
Contract Award Date: 12/17/2001
Earliest Possible Effective Date of Discount: 07/01/2002
Contract Expiration Date: 06/30/2003
Monthly Recurring Charges: \$3047.50
Portion of Monthly Recurring Charges that is Ineligible: \$0.00
Eligible Monthly Pre-Discount Amount for Recurring Charges: \$3047.50
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-Discount Amount for Eligible Recurring Charges: \$36570.00
Annual Non-Recurring Charges: \$0.00
Portion of Annual Non-Recurring Charges that is Ineligible: \$0.00
Annual Pre-Discount Amount for Eligible Non-Recurring Charges: \$0.00
Total Program Year Pre-Discount Amount: \$36570.00
Applicant's Approved Discount Percentage: 65
Funding Commitment Decision: \$23770.50 - FRN approved; modified by SLD
Funding Commitment Decision Explanation: The dollars requested were reduced to
remove: the ineligible product(s)/service(s): Internet Protocol Mangement Services.
Technology Plan Approval Status: Approved
Wave Number: 004
Applicant Letter Date: 06/03/2002

[Handwritten signature]

EXHIBIT 4

O'Connor, David (WAS - X71889)

From: serviceprovider [serviceprovider@universalservice.org]
Sent: Thursday, July 25, 2002 12:58 PM
To: 'DOCONNOR@HKLAW.COM'
Subject: RE: CISCO 3620 router

David: I apologize for the delay in responding to you. YES, the Cisco 3620 router is considered eligible.

Ellen Wolfhagen

-----Original Message-----

From: DOCONNOR@HKLAW.COM [mailto:DOCONNOR@HKLAW.COM]
Sent: Friday, July 19, 2002 12:58 PM
To: serviceprovider@universalservice.org
Subject: CISCO 3620 router

Ellen:

Is a CISCO 3620 router considered by SLD to be eligible equipment and does it appear on "the List" maintained by SLD? Thanks,

-dave o'connor

David A. O'Connor
HOLLAND & KNIGHT LLP

2099 Pennsylvania Avenue, N.W.

Suite 100

Washington, D.C. 20006-6801

TEL: 202.828.1889

DIRECT FAX: 202.419.2790

E-mail: doconnor@hklaw.com

<http://www.hklaw.com>