



# Illinois State Board of Education

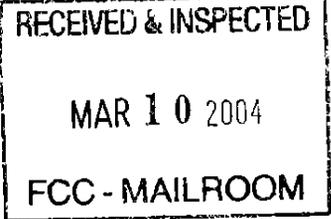
100 West Randolph Street, Suite 14-300 • Chicago, Illinois 60601-3268-3169

www.isbe.net

Dr. Janet Steiner  
Acting Chair

Dr. Robert E. Schiller  
State Superintendent of Education

## Letter of Appeal -- CC Docket No. 02-6



Federal Communications Commission  
Office of the Secretary  
445 - 12th Street, SW  
Washington, DC 20554

Date: March 9, 2004

Applicant Name: Illinois State Board of Education  
100 W. Randolph – Suite 14-300  
Chicago, IL 60601  
Phone: (312) 814-3228  
Fax: (312) 814-2282

Entity Number: 150191  
Contact: Ricardo Tostado

**APPLICATION NUMBER: 266018**  
**NOTICE OF FUNDING YEAR 2001:**  
**Denials of Funding Request: Form 470 -- 28 Day Period Violated**

### Appeal of Administrator's Decision on Appeal – Funding Year 2001-2002

<b>FUNDING REQUEST NUMBERS</b>	<b>VENDORS</b>
794374	Ameritech Advanced Data (now SBC)
794425	Ameritech Advanced Data (now SBC)
795515	AT&T Corp.
795701	Sprint Communications Corp.
795742	Sprint Communications Corp.

This Letter of Appeal is to appeal the SLD's Decision on Appeal (Attachment E) on the above-listed Funding requests that the Illinois State Board of Education (ISBE) violated program rules by entering into contracts with the following vendors in violation of program rules. In short, and per the attached decision by the Administrator, we regret that the SLD continues to insist we entered into a contract when there was no new contract – the FRN's in question were rendered as part of the original agreement. We intend to show that the services were not provided in violation of program rules – they were provided as part of the original agreement of the State's Master contract. Moreover, we show here – beyond any doubt – that 470's were filed

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throughout the process, so vendors could (and did) negotiate the renewal, based on an open competitive process, and our own State's procurement rules

### **Discussion**

We regret that after months and months of data collection, correspondence, and other follow-up with SLD staff, that the SLD has made the following determination. We submit here that these funding requests cited above were made according to program rules and intent, and were part of a larger IL State Master Contract, (Network 2000) a contract which, per the attachment here, allowed the ISBE (on behalf of the IL State Network, the Illinois Century Network) to revert these Funding Requests cited above, to Tariffed services, if a subsequent renewal contract was not in place (see Attachment A). In our efforts to see a proper transition of the old contract and the new one, we contacted the SLD several times to assure that we were in fact filing correctly. Per their advice and consent, we even filed a "split year" to separate the funding requests, and noted them accordingly. As the process wended its way through the reviews, we also provided information to reviewers on what our next steps should be. In short, we had no intention to circumvent the process.

Per the background information and the Attachment A attached here, we note that the Ameritech (now SBC-Illinois), AT&T and Sprint funding requests were covered by agreements under the original contract under Section 9.4 Transitional Services cited here. In this section, the Master Contract allows the State to continue these services "for up to (1) year, while the State moves to other service providers. As well, the contract terms state that Ameritech, as a fully regulated company will provide services "at the monthly rates in the standard applicable tariffs". These provisions were already in the original Master contract - we did not

We provide additional information here which offers some context for the appeal.

### **Illinois Century Network (ICN)**

The Illinois State Board of Education has served as the administrative and fiscal agent for the Illinois Century Network (ICN). The ICN is the largest state-funded internet access network in the nation, with over 5,100 education and government constituents. The network serves just over 3500 e-rate eligible K-12 public and non-public schools and public libraries.

The network also serves higher education, municipalities and some non-profit community technology centers, but excludes the products and services used by these entities in their calculations of products and services eligible for e-rate discounts by eliminating these charges from our e-rate requests.

The ICN is paid with State monies - it does not charge K-12 schools (public and non-public) and libraries for internet access. The ICN locates its 21 network points of presence (POP's) across Illinois. The ICN's network configuration and arrangements with carriers sharply reduces telecomm costs for schools. A majority of our T-1 circuits range from \$99-\$195 a month by the ICN's efforts to reduce (or in some cases eliminate) the mileage sensitive costs for the dedicated circuits. In sum, the ICN aggregates network demand, leases high-capacity circuits and internet

access, and sharply drops the cost to schools (and the E-rate program) Schools, on their own, apply to the e-rate for their telecommunications and internet access services.

The network is voluntary Schools are not required to connect with the ICN, however, about 85% of Illinois' public K-12 schools and about 20% of its non-public schools do so, and those few outside the network are coming on the network every month, especially with severe financial viability problems with many telcos and ISP's The network is fully staffed and also offers a variety of content offerings, including on-line training and content for teachers, lesson plans and other valuable content, and also hosts the Illinois Virtual High School (IVHS) which allows teachers and students to take on-line courses towards high-school, GED and teacher re-certification credits

The SLD needs to know that the network is funded through State dollars The State has an enormous investment in the network and in learning technologies across the State, and e-rate dollars assist that process, but only cover about one-fourth of our telecommunications and internet access budgets, the rest is supported by State monies More importantly, our own State procurement rules would not allow us to renew the contract without a thorough bid process

The Illinois State Board of Education (ISBE) is the primary statewide entity that provides professional development for K-12 teachers, through direct grants to schools and through the funding of its Learning Technologies Centers (LTC's) across the State The ICN, ISBE and the LTC's work in coordination to assure the connectivity is in place, and to assure that teachers have the resources to integrate it into the curriculum

#### **Telecommunications Services: Tariffs**

##### **Statewide Network Agreement – Extension Provisions**

In an effort to procure the best possible prices and services while it continues to re-negotiate its larger statewide contract, and not drop existing services, the ICN / ISBE has taken services from these providers under tariff, per allowable provisions of the contract and Illinois Commerce Commission rules A copy of the section of the contract is attached under **ATTACHMENT A – Section 9.4 Transitional Services.**

We add here that the original State Master contracts were listed in a 470 posting back in Years 1 (Form 470# 524700000035487 Attachment D) and 2, and were audited as part of a larger post-commitment beneficial audit by Arthur Anderson on behalf of the FCC, so the validity of the State Master contracts has already been reviewed and audited by the FCC

The following carriers were part of that original State Master 2000 contract:

<u>Carriers</u>	<u>FRN's</u>	
Ameritech Advanced Data (now SBC-Illinois)	794374	794425
AT&T - Telecomm	795515	
Sprint	795701	
Sprint	795742	

At the time of the original Year 4 application (January of 2001), the State of Illinois recognized the ending of the Master Contract on December 31, 2001 and the need to re-negotiating a new contract. We filed a 470 that spelled out the context of the renewal of the State Master contract for those interested in bidding on it (470 Number - 515210000355874 - see Attachment B). This 470 was posted on 06/08/01 with an allowable contract date of 07/06/2001, and was posted to cover the potential extension, which would not take effect until 01/01/2002 at the earliest. The ironic part of this situation, is this is now the way in which the SLD asks states to file for renewals of master contracts - it asks applicants to file another 470, much closer and more relevant to the timeframe of the actual negotiation and starting of services. We ask the FCC to note that there was no intention at all to subvert the need for competitive bidding and a posting of the contract - the SLD is using this 470 posting to tell us that we violated a rule - when we filed it to do just the opposite, comply with it.

Moreover, to show the ISBE's intent to open the process, we also filed another Form 470 for the Funding Year 4 in question (# 728340000292919 - Attachment C) that covered the internet access circuits and egress points for the network. In short, the ISBE did its best to file Form 470's to back up the services in question for Funding Year 4 (2001-2002).

We maintain again here in this appeal that at the Jan. 2000 time of the original Year 4 application, we did not know the timeframe or the outcome of the re-negotiation of the State Master Contract, so we anticipated the possibility that the State would invoke the year-extension/tariff provisions in the original contract, hence our decision to accurately file these FRN's as tariffed services. We did this after consultation with several SLD employees, including several management staff at the time. We also made clear in our discussions with staff that if a new contract would be in place, we would make sure to reference these in any modifications to the FRN's.

As it turns out, the State did not secure the renewal of the State Master contract before the ending of the 6/30/2002 Funding Year, as the negotiations with the carriers, including contacts from some who responded to the Form 470 (#515210000355874) took longer than originally anticipated. So, the State exercised its provisions in the original, existing and valid contract, which again, per the Attachment A, were under existing rates and / or tariffed services. In short, the existing arrangement remained in place - there were no increases in rates or curtailment of services during this time.

We ask that the SLD reconsider the funding denials of the FRN's listed above, recognizing the fact that these FRN's were applied for based on our reading and interpretation and rights under the original State Master contract, reflected our applying for them as directed by SLD staff, and - to our knowledge - in accordance with SLD intent on the handling of State Master Contracts.

We understand that -- in recent policy and practice - the SLD has begun to recognize Master contracts and extension riders similar to those at question here. Moreover, even the SLD recognizes that State Master contract policies and procedures last longer, and do not coincide with the 470 windows and rules in the program. We submit here that our timeframe for review

and selection was a long one, ending up with some of the best rates in the nation for state networks like ours. We welcome any SLD review to assess whether the outcome of the process here was not cost-effective or an efficient way to serve our client schools and libraries. Accordingly, per the evidence here, we made every effort to file 470's for both Year 4, and for the renewal to assure that there was a competitive bidding process throughout the process that complied with the FCC's intent for competitive bidding and complied with our own stricter State guidelines on renewals of State Master contracts such as these in question.

Finally, we add that if the FCC allows this appeal and remands the decision back to the SLD for further review, we will work with the SLD to determine which of the Form 470's in question are the most appropriate for reference here, including the Form 470's mentioned here, or even the original Year 1 Form 470 filed back in Year 1 for the original contract and rider in question.

The ISBE filed 470's as it was directed, and per the evidence here, did nothing to subvert the process -- if anything, per the record and evidence here, made every effort to file Form 470's throughout the process -- to encourage vendors to contact us and be part of the renewal process for the State Master contract in question.

Please don't hesitate to call with any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Ricardo Tostado", with a long horizontal flourish extending to the right.

Ricardo Tostado  
Illinois State Board of Education

Attachments

ATTACHMENT A - TCVS-10-95A  
RSC - ISBE - LNC - AM-1

assist the State in selecting and accommodating such new vendor or performing its Services under this Agreement. Upon any termination hereunder, the Contractor shall deliver to the State, at the State's request, all documentation and data pertaining to the State and related solely to that portion of this Agreement which is terminated held by the Contractor and the Contractor's destruction of all copies thereof not turned over to the State

9.4. Transitional Services

If the Agreement is terminated for any reason other than the State's failure to pay, each Contractor shall provide, at the State's request, any or all of the Services specified in this Agreement for up to one (1) year, while the State moves to other service providers. During this period, each Contractor shall cooperate fully with the State and any third-party service providers. The Services will be provided at the same rates, terms, and conditions as stated in this Agreement, except that no minimum charges will apply and, in the case of Ameritech, regulated Services will be provided at the monthly rates in the standard applicable tariffs

9.5. Governing Law

This Agreement and all Services provided hereunder will be governed by the laws and rules of the State of Illinois, which are incorporated by reference, including but not limited to, the public works labor requirements shown in Attachment B to this Agreement; provided, however, that in accordance with the Federal Communications Act of 1934, any regulated, interstate services under the jurisdiction of the Federal Communications Commission are governed by federal law.

If the duties of the Contractors or the State are materially changed as a result of revisions in such laws and rules, the Parties agree to enter into good faith negotiations to address appropriate revisions to this Agreement to substantially provide the Parties with the material benefit of the bargain embodied in this Agreement.

9.6. Government Organizational Changes

The rights of the State hereunder shall be exercised by the Department, Central Management Services ("CMS"); provided, however, that upon written notification to the Contractors by CMS, or its successor, the State's rights hereunder shall be exercisable by any other agency of the State to which or into which the Governor or Illinois State Legislature may transfer, combine or merge CMS or CMS's functions.

9.7. Conflict of Interest

Each Contractor represents that no individual presently has a beneficial interest in its business that exceeds 7 1/2%.

# CONTRACT - TCVS-10-955 P

State and related solely to that portion of this Agreement which is terminated held by the Contractor and the Contractor's destruction of all copies thereof not turned over to the State

## 9.4. Transitional Services

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If the duties of the Contractors or the State are materially changed as a result of revisions in such laws and rules, the Parties agree to enter into good faith negotiations to address appropriate revisions to this Agreement to substantially provide the Parties with the material benefit of the bargain embodied in this Agreement.

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Each Contractor represents that no individual presently has a beneficial interest in its business that exceeds 7 1/2%.

FCC Form

Approval by OMB  
3060-0806**470**

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

Estimated Average Burden Hours Per Response 5 0 hours

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

Please read instructions before completing

(To be completed by entity that will negotiate with providers )

<b>Block 1: Applicant Address and Identifications</b> (School, library, or consortium desiring Universal Service funding )
---

Form 470 Application Number: 515210000355874
Applicant's Form Identifier: ISBECMSMASTER
Application Status: CERTIFIED
Posting Date: 06/08/2001
Allowable Contract Date: 07/06/2001
Certification Received Date: 06/08/2001

1. Name of Applicant: ILLINOIS STATE BOARD OF EDUCATION			
2. Funding Year: 07/01/2001 - 06/30/2002		3. Your Entity Number 150191	
4. Applicant's Street Address, P.O.Box, or Route Number			
a. Street 100 N. FIRST STREET			
City SPRINGFIELD	State IL	Zip Code 5Digit 62777	Zip Code 4Digit 0001
b. Telephone number (217) 782- 5439		ext.	c. Fax number ( ) -
d. E-mail Address rtostado@isbe.net			
5. Type Of Applicant (Check only one box)			
<input type="radio"/> Library (including library system, library branch, or library consortium applying as a library)			
<input type="radio"/> Individual School (individual public or non-public school)			
<input type="radio"/> School District (LEA;public or non-public[e.g., diocesan] local district representing multiple schools)			
<input checked="" type="radio"/> Consortium (intermediate service agencies, states, state networks, special consortia)			
6a. Contact Person's Name: Ricardo Tostado			
6b. Street Address, P O Box, or Route Number (if different from Item 4)			

100 W. Randolph -- Suite 14-300			
City Chicago	State IL	Zip Code 5Digit 60601	Zip Code 4Digit
6c. Telephone Number (10 digits + ext) (312) 814- 3228			
6d. Fax Number (10 digits) (312) 814- 2282			
6e. E-mail Address (50 characters max) rtostado@isbe.net			

**Block 2: Summary Description of Needs or Services Requested**

**7 This Form 470 describes (check all that apply):**

a.  Tariffed services - telecommunications services, purchased at regulated prices, for which the applicant has no signed, written contract. A new Form 470 must be filed for tariffed services for each funding year.

b.  Month-to-month services for which the applicant has no signed, written contract. A new Form 470 must be filed for these services for each funding year.

c.  Services for which a new written contract is sought for the funding year in Item 2.

d.  A multi-year contract signed on or before 7/10/97 but for which no Form 470 has been filed in a previous program year.

**NOTE: Services that are covered by a qualified contract for all or part of the funding year in Item 2 do NOT require filing of Form 470. A qualified contract is a signed, written contract executed pursuant to posting a Form 470 in a previous program year OR a contract signed on/before 7/10/97 and reported on a Form 470 in a previous year as an existing contract.**

**8  Telecommunications Services**  
**Do you have a Request for Proposal (RFP) that specifies the services you are seeking ?**

a.  YES, I have an RFP. Choose one of the following: It is available on the Web at \_\_\_\_\_ or via  the Contact Person in Item 6 or  the contact listed in Item 11.

b.  NO, I do not have an RFP for these services.

**If you answered NO, you must list below the Telecommunications Services you seek. Specify each service or function (e.g., local voice service) and quantity and/or capacity (e.g., 20 existing lines plus 10 new ones). See the Eligible Services List at www.sl.universalservice.org for examples of eligible Telecommunications Services, and remember that only common carrier telecommunications companies can provide these services under the universal service support mechanism. Add additional lines if needed.**

**9  Internet Access**  
**Do you have a Request for Proposal (RFP) that specifies the services you are seeking ?**

a.  YES, I have an RFP. Choose one of the following: It is available on the Web at \_\_\_\_\_ or via  the Contact Person in Item 6 or  the contact listed in Item 11.

b.  NO, I do not have an RFP for these services.

**If you answered NO, you must list below the Internet Access Services you seek. Specify each service or function (e.g., monthly Internet service) and quantity and/or capacity (e.g., for 500 users). See the Eligible Services List at www.sl.universalservice.org for examples of eligible Internet Access Services. Add additional lines if needed.**

<b>Service or Function:</b>	<b>Quantity and/or Capacity:</b>
High Capacity Internet Access	Multiple Circuits -- T-1 through OC-48 capacity

**10**  **Internal Connections**  
**Do you have a Request for Proposal (RFP) that specifies the services you are seeking ?**

a  **YES**, I have an RFP. Choose one of the following: It is available on the Web at \_\_\_\_\_ or via  the Contact Person in Item 6 or  the contact listed in Item 11

b  **NO**, I do not have an RFP for these services.

**If you answered NO, you must list below the Internal Connections Services you seek. Specify each service or function (e.g., local area network) and quantity and/or capacity (e.g., connecting 10 rooms and 300 computers at 56Kbps or better). See the Eligible Services List at [www.sl.universalservice.org](http://www.sl.universalservice.org) for examples of eligible Internal Connections Services. Add additional lines if needed.**

<b>Service or Function:</b>	<b>Quantity and/or Capacity:</b>
Network Equipment -- Routers, Servers, Hubs	Support for Statewide Network
Network Maintenance	Support for Statewide Network

**11** (Optional) Please name the person on your staff or project who can provide additional technical details or answer specific questions from service providers about the services you are seeking. This need not be the contact person listed in Item 6 nor the signer of this form.

<b>Name:</b>	<b>Title</b>
Ricardo Tostado	Policy Analyst -- Learning Technologies
<b>Telephone number (10 digits + ext.)</b>	
(312) 814 - 3228	
<b>Fax number</b>	
(312) 814 - 2282	
<b>E-mail Address (50 characters max )</b>	
rtostado@isbe.net	

**12.**  Check here if there are any restrictions imposed by state or local laws or regulations on how or when providers may contact you or on other bidding procedures. Please describe below any such restrictions or procedures, and/or give Web address where they are posted.

**This Form 470 covers services for the Illinois Century Network portion of the CMS -- State of Illinois Network RFP. Any interested vendor will have to comply with the Rules and Regulations of the bids and RFP requirements, including depth and breadth of services and statewide coverage, service and bandwidth requirements. The vendor shall comply with all pertinent regulations, standards, or rulings established by the State of Illinois and Central Management Services (CMS), Illinois Commerce Commission (ICC), Federal Communications Commission (FCC), Department of Justice (DOJ) Bellcore, ANSI, ITU, ATIS and other standards bodies.**

**13.** (Optional) Purchases in future years: If you have plans to purchase additional services in future years, or expect to seek new contracts for existing services, summarize below (including the likely time-frames)

**Block 3: Technology Assessment**

14.  **Basic telephone service only:** If your application is for basic local and long distance voice telephone service only, check this box and skip to Item 16

15. Although the following services and facilities are ineligible for support, they are usually necessary to make effective use of the eligible services requested in this application. Unless you indicated in Item 14 that your application is ONLY for basic telephone service, you must check at least one box in (a) through (e). You may provide details for purchases being sought

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

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

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

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

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

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

**Block 4: Recipients of Service**

16. **Eligible Entities That Will Receive Service:**

Check the ONE choice that best describes this application and the eligible entities that will receive the services described in this application

You must select a state if (b) or (c) is selected **IL**

a.  **Individual school or single-site library:** Check here, and enter the billed entity in Item 17.

b.  **Statewide application (check all that apply):**

- All public schools/districts in the state
- All non-public schools in the state
- All libraries in the state

If your statewide application includes INELIGIBLE entities, check here  If checked, complete Item 18.

c.  **School district, library system, or consortium application to serve multiple eligible sites:**

Number of eligible sites	
<i>For these eligible sites, please provide the following</i>	

<b>Area Codes</b> (list each unique area code)	<b>Prefixes associated with each area code</b> (first 3 digits of phone number) separate with commas, leave no spaces
If your application includes INELIGIBLE entities, check here <input type="checkbox"/> If checked, complete Item 18	

**17. Billed Entities**

Entity Name	Entity Number
ILLINOIS STATE BOARD OF EDUCATION	150191
All Eligible Libraries in State IL	
All Non-Public Schools in State IL	
All Public Schools/Districts in State IL	

**18. Ineligible Entities**

Ineligible Participating Entity	Entity Number	Area Code	Prefix
IL Community College Board		217	785
IL Board of Higher Education		217	557

**Block 5: Certification****19. The applicant includes:(Check one or both)**

- a.  schools under the statutory definitions of elementary and secondary schools found in the Elementary and Secondary Education Act of 1965, 20 U S C Secs 8801(14) and (25), that do not operate as for-profit businesses, and do not have endowments exceeding \$50 million, and/or
- b.  libraries or library consortia eligible for assistance from a State library administrative agency under the Library Services and Technology Act of 1996 that do not operate as for-profit businesses and whose budgets are completely separate from any school (including, but not limited to) elementary and secondary schools, colleges and universities

**20. All of the individual schools, libraries, and library consortia receiving services under this application are covered by:**

- a.  individual technology plans for using the services requested in the application
- b.  higher-level technology plans for using the services requested in the application
- c.  no technology plan needed, application requests basic local and long distance telephone service only

**21. Status of technology plans (if representing multiple entities with mixed technology plan status, check both a and b):**

- a.  technology plan(s) has/have been approved by a state or other authorized body.
- b.  technology plan(s) will be approved by a state or other authorized body
- c.  no technology plan needed, application requests basic local and long distance telephone service only

22.  I certify that the services the applicant purchases at discounts provided by 47 U S C Sec 254 will be used solely for educational purposes and will not be sold, resold, or transferred in consideration for money or any other thing of value

23.  I recognize that support under this support mechanism is conditional upon the school(s) or library(ies) I represent securing access to all of the resources, including computers, training, software, maintenance, and electrical connections necessary to use the services purchased effectively

24.  I certify that I am authorized to submit this request on behalf of the above-named entities, that I have examined this request, and to the best of my knowledge, information, and belief, all statements of fact contained herein are true

25. Signature of authorized person

26. Date (mm/dd/yyyy) 06/08/2001

27. Printed name of authorized person **Ricardo Tostado**

28. Title or position of authorized person **Policy Analyst -- Learning Technologies**

29. Telephone number of authorized person **(312) 814 - 2282** ext

[New Search](#)

[Return To Search Results](#)

FCC Form

Approval by OMB  
3060-0806

**470**

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

Estimated Average Burden Hours Per Response 5.0 hours

This form is designed to help you describe the eligible telecommunications-related services you seek so that this data can be posted on the Fund Administrator website and interested service providers can identify you as a potential customer and compete to serve you

Please read instructions before completing.

(To be completed by entity that will negotiate with providers)

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

<b>Form 470 Application Number:</b> 728340000292919
<b>Applicant's Form Identifier:</b> ISBE-F470-Yr4A
<b>Application Status:</b> CERTIFIED
<b>Posting Date:</b> 08/01/2000
<b>Allowable Contract Date:</b> 08/29/2000
<b>Certification Received Date:</b> 08/07/2000

<b>1. Name of Applicant:</b> ILLINOIS STATE BOARD OF EDUCATION			
<b>2. Funding Year:</b> 07/01/2001 - 06/30/2002		<b>3. Your Entity Number</b> 150191	
<b>4. Applicant's Street Address, P.O.Box, or Route Number</b>			
<b>a. Street</b> 100 N. FIRST STREET			
<b>City</b> SPRINGFIELD	<b>State</b> IL	<b>Zip Code 5Digit</b> 62777	<b>Zip Code 4Digit</b> 0001
<b>b. Telephone number</b> (217) 782- 5439		<b>c. Fax number</b> ( ) -	
<b>d. E-mail Address</b> rtostado@smtp.isbe.state.il.us			
<b>5. Type Of Applicant (Check only one box)</b>			
<input type="radio"/> Library (including library system, library branch, or library consortium applying as a library)			
<input type="radio"/> Individual School (individual public or non-public school)			
<input type="radio"/> School District (LEA;public or non-public[e.g., diocesan] local district representing multiple schools)			
<input checked="" type="radio"/> Consortium (intermediate service agencies, states, state networks, special consortia)			
<b>6a. Contact Person's Name:</b> Ricardo Tostado			
<b>6b. Street Address, P O Box, or Route Number (if different from Item 4)</b>			

100 W. Randolph - Suite 14-300			
City Chicago	State IL	Zip Code 5Digit 60601	Zip Code 4Digit
6c. Telephone Number (10 digits + ext.) (312) 814- 3228			
6d. Fax Number (10 digits) () -			
6e. E-mail Address (50 characters max.) rtostado@smtp.isbe.state.il.us			

**Block 2: Summary Description of Needs or Services Requested**

**7 This Form 470 describes (check all that apply):**

- a.  Tariffed services - telecommunications services, purchased at regulated prices, for which the applicant has no signed, written contract. A new Form 470 must be filed for tariffed services for each funding year.
- b.  Month-to-month services for which the applicant has no signed, written contract. A new Form 470 must be filed for these services for each funding year.
- c.  Services for which a new written contract is sought for the funding year in Item 2.
- d.  A multi-year contract signed on or before 7/10/97 but for which no Form 470 has been filed in a previous program year.

**NOTE: Services that are covered by a qualified contract for all or part of the funding year in Item 2 do NOT require filing of Form 470. A qualified contract is a signed, written contract executed pursuant to posting a Form 470 in a previous program year OR a contract signed on/before 7/10/97 and reported on a Form 470 in a previous year as an existing contract.**

**8  Telecommunications Services**

***Do you have a Request for Proposal (RFP) that specifies the services you are seeking ?***

a  **YES**, I have an RFP. Choose one of the following. It is available on the Web at \_\_\_\_\_ or via  the Contact Person in Item 6 or  the contact listed in Item 11.

b  **NO**, I do not have an RFP for these services.

**If you answered NO**, you must list below the Telecommunications Services you seek. Specify each **service or function** (e.g., local voice service) and quantity and/or capacity (e.g., 20 existing lines plus 10 new ones). See the Eligible Services List at [www.sl.universalservice.org](http://www.sl.universalservice.org) for examples of eligible Telecommunications Services, and remember that only common carrier telecommunications companies can provide these services under the universal service support mechanism. Add additional lines if needed.

**9  Internet Access**

***Do you have a Request for Proposal (RFP) that specifies the services you are seeking ?***

a  **YES**, I have an RFP. Choose one of the following. It is available on the Web at \_\_\_\_\_ or via  the Contact Person in Item 6 or  the contact listed in Item 11.

b  **NO**, I do not have an RFP for these services.

**If you answered NO**, you must list below the Internet Access Services you seek. Specify each **service or function** (e.g., monthly Internet service) and quantity and/or capacity (e.g., for 500 users). See the Eligible Services List at [www.sl.universalservice.org](http://www.sl.universalservice.org) for examples of eligible Internet Access Services. Add additional lines if needed.

Service or Function:	Quantity and/or Capacity:
Internet Access	DS-3 up to OC-3
Metro East - E.St.Louis Area	DS-3 up to OC-3
Champaign / Urbana Metro Area	DS-3 up to OC-3
City of Chicago Metro Area	DS3 up to OC-3
Peoria Area	DS-3 up to OC-3
Springfield Area	DS-3 up to OC-3

**10**  **Internal Connections**  
**Do you have a Request for Proposal (RFP) that specifies the services you are seeking ?**

a  **YES**, I have an RFP. Choose one of the following: It is available on the Web at  
or via  the Contact Person in Item 6 or  the contact listed in Item 11

b  **NO**, I do not have an RFP for these services

**If you answered NO, you must list below the Internal Connections Services you seek. Specify each service or function (e.g., local area network) and quantity and/or capacity (e.g., connecting 10 rooms and 300 computers at 56Kbps or better). See the Eligible Services List at [www.sl.universalservice.org](http://www.sl.universalservice.org) for examples of eligible Internal Connections Services. Add additional lines if needed.**

**11** (Optional) Please name the person on your staff or project who can provide additional technical details or answer specific questions from service providers about the services you are seeking. This need not be the contact person listed in Item 6 nor the signer of this form.

Name: <b>Ricardo Tostado</b>	Title: <b>Policy Advisor</b>
Telephone number (10 digits + ext ) <b>(312) 814 - 3228</b>	
Fax number <b>(312) 814 - 2282</b>	
E-mail Address (50 characters max ) <b>rtostado@smtp.isbe. state.il.us</b>	

**12.**  Check here if there are any restrictions imposed by state or local laws or regulations on how or when providers may contact you or on other bidding procedures. Please describe below any such restrictions or procedures, and/or give Web address where they are posted  
**Please call the ISBE to get further information on the proposal.**

**13.** (Optional) Purchases in future years: If you have plans to purchase additional services in future years, or expect to seek new contracts for existing services, summarize below (including the likely time-frames)

**Block 3: Technology Assessment**

**14.**  **Basic telephone service only:** If your application is for basic local and long distance voice telephone service only, check this box and skip to Item 16

**15.** Although the following services and facilities are ineligible for support, they are usually necessary to make

effective use of the eligible services requested in this application. Unless you indicated in Item 14 that your application is ONLY for basic telephone service, you must check at least one box in (a) through (e). You may provide details for purchases being sought.

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

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

c. Computers. A sufficient quantity of computers  has been purchased, and/or  is being sought.

d. Computer hardware maintenance. Adequate arrangements  have been made, and/or  are being sought.

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

f. Additional details. Use this space to provide additional details to help providers to identify the services you desire.  
**These services are to serve the Statewide Illinois Century Network (ICN) structure.**

**Block 4: Recipients of Service**

**16. Eligible Entities That Will Receive Service:**

Check the ONE choice that best describes this application and the eligible entities that will receive the services described in this application.

You must select a state if (b) or (c) is selected. **IL**

a.  **Individual school or single-site library:** Check here, and enter the billed entity in Item 17.

b.  **Statewide application (check all that apply):**

- All public schools/districts in the state.
- All non-public schools in the state.
- All libraries in the state.

If your statewide application includes INELIGIBLE entities, check here . If checked, complete Item 18.

c.  **School district, library system, or consortium application to serve multiple eligible sites:**

<b>Number of eligible sites</b>	
<i>For these eligible sites, please provide the following</i>	
<b>Area Codes</b> (list each unique area code)	<b>Prefixes associated with each area code</b> (first 3 digits of phone number) separate with commas, leave no spaces

If your application includes INELIGIBLE entities, check here  If checked, complete Item 18.

17. Billed Entities	
Entity Name	Entity Number
ILLINOIS STATE BOARD OF EDUCATION	150191
All Eligible Libraries in State IL	
All Non-Public Schools in State IL	
All Public Schools/Districts in State IL	

18. Ineligible Entities			
Ineligible Participating Entity	Entity Number	Area Code	Prefix

**Block 5: Certification**

**19. The applicant includes:(Check one or both)**

a.  schools under the statutory definitions of elementary and secondary schools found in the Elementary and Secondary Education Act of 1965, 20 U S C Secs 8801(14) and (25), that do not operate as for-profit businesses, and do not have endowments exceeding \$50 million, and/or

b.  libraries or library consortia eligible for assistance from a State library administrative agency under the Library Services and Technology Act of 1996 that do not operate as for-profit businesses and whose budgets are completely separate from any school (including, but not limited to) elementary and secondary schools, colleges and universities.

**20. All of the individual schools, libraries, and library consortia receiving services under this application are covered by:**

a.  individual technology plans for using the services requested in the application

b.  higher-level technology plans for using the services requested in the application

c.  no technology plan needed, application requests basic local and long distance telephone service only

**21. Status of technology plans (if representing multiple entities with mixed technology plan status, check both a and b):**

a.  technology plan(s) has/have been approved by a state or other authorized body

b.  technology plan(s) will be approved by a state or other authorized body

c.  no technology plan needed, application requests basic local and long distance telephone service only

**22.  I certify that the services the applicant purchases at discounts provided by 47 U S C Sec 254 will be used solely for educational purposes and will not be sold, resold, or transferred in consideration for money or any other thing of value**

**23.  I recognize that support under this support mechanism is conditional upon the school(s) or library(ies) I represent securing access to all of the resources, including computers, training, software, maintenance, and electrical connections necessary to use the services purchased effectively**

**24.  I certify that I am authorized to submit this request on behalf of the above-named entities, that I have examined this request, and to the best of my knowledge, information, and belief, all statements of fact contained**

herein are true

25. Signature of authorized person

26. Date (mm/dd/yyyy) **08/01/2000**

27. Printed name of authorized person **Ricardo Tostado**

28. Title or position of authorized person **Policy Analyst - ISBE**

29. Telephone number of authorized person **(312) 814 - 2282** ext

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FCC Form

Approval by OMB  
3060-0806

470

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

Estimated Average Burden Hours Per Response 6.0 hours

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

Please read instructions before completing

(To be completed by entity that will negotiate with providers.)

<b>Block 1: Applicant Address and Identifications</b> (School, library, or consortium desiring Universal Service funding)
--

Posting Date
Allowable Contract Date <b>03/20/1998</b>
Certification Received Date <b>02/28/1998</b>

<b>1 Name of Applicant</b> ILLINOIS STATE BOARD OF EDUCATION		<b>2 Funding Year</b> 01/01/1998 - 06/30/1999	
<b>3a NCES School Code</b> (if individual school) Or <b>NCES Library Code</b> (if individual library) State - District - School/Library			
<b>3b Universal Service Control Number</b> 52470000035487		<b>3c Applicant ID Number</b> 150191	
<b>4a Type Of Applicant</b> (Check only one box.)			
<input type="radio"/> school <input type="radio"/> school district <input type="radio"/> library or library consortium under the LSTA <input checked="" type="radio"/> consortium of multiple entities			
<b>4b If Applicant is a consortium, check all other boxes that apply</b>		<input checked="" type="checkbox"/> state educational agency <input type="checkbox"/> local educational agency <input type="checkbox"/> educational service agency	
<input type="checkbox"/> includes non-governmental entities eligible for support <input type="checkbox"/> entity desires separate bills for each member of consortium <input type="checkbox"/> entity desires separate bills for some members of consortium <input type="checkbox"/> region of a state <input checked="" type="checkbox"/> statewide <input type="checkbox"/> multi-state			

<b>5. Applicant's Street Address, P.O.Box, or Route Number</b>			
Street 100 N. FIRST STREET			
City SPRINGFIELD	State IL	Zip Code 5Digit 62777	Zip Code 4Digit 0001
Telephone number - Ext (217) 7825439		E-mail Address rtostado@chi.isbe.state.il.us	
<b>6. Contact Person's Name: Ricardo Tostado</b>			
Street Address, P.O.Box, or Route Number (if different from Item 5)			
Street 100 West Randolph -- Suite 14-300			
City CHICAGO	State IL	Zip Code 5Digit 60601	Zip Code 4Digit 3405
Fill in all of the following (if available), and check the preferred mode of contact			
<input type="radio"/> Telephone Number - Ext (312) 8143228	<input type="radio"/> Fax Number - Ext (312) 8142282	<input checked="" type="radio"/> E-mail address rtostado@chi.isbe.state.il.us	<input type="radio"/> Mail

Block 2: Other Characteristics Of Applicant

7a. Number of students: 1647055	7b. Number of library patrons:
8. Number of buildings to be served: 2379	9. Number of rooms to be served: 4758

Block 3: Summary Description of Needs or Services Requested

10.  Check if applicant seeks discounts only for eligible services based on one or more existing binding contract(s) and proceed to Block 4

Sequence #	Date Contract Signed	Contact Termination Date
7702	12/24/1995	12/31/2000
7703	12/24/1995	12/31/2000
7704	01/15/1997	01/15/2001
7705	08/13/1996	12/31/2000

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

(1)	(2) Existing Services	(3) Additional Services Desired	(4) Total Services Desired	(5) Details (Optional)
-----	-----------------------	---------------------------------	----------------------------	------------------------

12. Telecommunications Services

a. Number of phones that have or require service (See instructions concerning extension phones and fax machines)

b. Number of computers that have or require service

c. Number of high bandwidth video conferencing links

d. Specify other (Optional)

Existing	Additional	Total	Details

13. Internal Connections

a. Number of buildings with at least some rooms connected

b. Number of rooms connected

c. Highest Speed of connection

d. Specify other (Optional)

Existing	Additional	Total	Details

14. Internet Access

a. Number of dial up connections necessary

b. Highest speed of dial up connections

c. Number of direct connections necessary

d. Highest speed of such direct connections

e. Specify other (Optional)

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

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

17. Purchases in future years. If you have current plans to purchase additional services in future years, describe

them below (Providing this information is optional )

#### Block 4: Technology Assessment

18. Although the following services and facilities are ineligible for support they are usually necessary if schools and libraries are to make effective use of the eligible services requested in this application

*(If your application is only for basic voice telephone service check this box*

and go to Item 19. Otherwise, you must check at least one box in each of the other lines. You may provide details for purchases being sought.)

a. Desktop communications software Software required <input checked="" type="checkbox"/> has been purchased, and/or <input type="checkbox"/> is being sought
b. Electrical systems <input checked="" type="checkbox"/> adequate electrical capacity is in place or has already been arranged, and/or <input type="checkbox"/> upgrading for additional electrical capacity is being sought
c. Computers a sufficient quantity of computers <input checked="" type="checkbox"/> has been purchased, and/or <input checked="" type="checkbox"/> is being sought
d. Computer hardware maintenance adequate arrangements <input checked="" type="checkbox"/> have been made, and/or <input type="checkbox"/> are being sought
e. Staff development <input type="checkbox"/> all staff have had an appropriate level of training or additional training has already been scheduled, and/or <input checked="" type="checkbox"/> training is being sought
f. Additional details Use this space to provide additional details to help providers to identify the services or facilities you desire

#### Block 5: Listing Consortium Participants

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

Billed Entity	Billed Entity's Zip Code	Billed Entity Code (Inserted by Administrator)	Zip Code(s) of Recipients of Service
All Public Schools in State IL			
All Private Schools in State IL			

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

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

#### Block 6: Certifications and Signature

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

- a.  schools under the statutory definitions of elementary and secondary schools found in the Elementary and Secondary Education Act of 1965, 20 U.S.C. Secs. 8801(14) and (25), that do not operate as for-profit businesses, and do not have endowments exceeding \$50 million, and/or
- b.  libraries or library consortia eligible for assistance from a State library administrative agency under the

Library services and Technology Act of 1996 that do not operate as for-profit businesses and whose budgets are completely separate from any school(including but not limited to) elementary and secondary schools, colleges, and universities

**22. All of the individual schools, libraries, and library consortia listed above in item 19 are covered by:**

a. individual technology plans and/or

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

**23. Status of technology plan(check one):**

a. technology plan(s) has/have been approved, or

b. technology plan(s) will be approved by a state or other authorized body, or

c. technology plan(s) will be submitted to Schools and Libraries Corporation for approval

**24.**  I certify that the services the applicant purchases at discounts provided by 47 U.S.C. Sec. 254 will be used solely for educational purposes and will not be sold, resold, or transferred in consideration for money or any other thing of value

**25.**  I recognize that support under this program is conditional upon the school(s) or library(ies) I represent securing access to all of the resources, including computers, training, software, maintenance, and electrical connections necessary to use the services purchased effectively

**26.**  I certify that I am authorized to submit this request on behalf of the above-named applicant, that I have examined this request, and to the best of my knowledge, information, and belief, all statements of fact contained herein are true

**29.** Printed name of authorized person

**30.** Title or position of authorized person

Asst. Associate Superintendent (Acting)

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**- ATTACHMENT E -**

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

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**Administrator's Decision on Appeal - Funding Year 2001-2002**

January 12, 2004

Ricardo Tostado  
Illinois State Board of Education  
100 W. Randolph St., Suite 14-300  
Chicago, IL 60601

Re: Billed Entity Number: 150191  
471 Application Number: 266018  
Funding Request Number(s): 794374, 794425, 795515, 795701, 795742  
Your Correspondence Dated: July 11, 2003

After thorough review and investigation of all relevant facts, the Schools and Libraries Division ("SLD") of the Universal Service Administrative Company ("USAC") has made its decision in regard to your appeal of SLD's Year 2001 Funding Commitment Decision for the Application Number indicated above. This letter explains the basis of SLD's decision. The date of this letter begins the 60-day time period for appealing this decision to the Federal Communications Commission ("FCC"). If your letter of appeal included more than one Application Number, please note that for each application for which an appeal is submitted, a separate letter is sent.

Funding Request Number: 794374, 794425, 795515, 795701, 795742  
Decision on Appeal: **Denied in full**  
Explanation:

- In your letter of appeal you express your regret that SLD has determined that you have violated program rules. You state that the funding requests were made according to program rules and were part of a State Master Contract, which allowed these requests to revert to Tariffed Services if a renewal contract was not in place. You further state that you had contacted SLD several times in order to assure that the funding requests were filed correctly and provided information to reviewers during the review process. You assert that the funding requests were covered by agreements under State Master Contract, which allows for continuation of these services "for up to (1) year, while the State moves to other service providers". The contract terms state that the services would be provided "at the monthly rates in the standard applicable tariffs". You have explained that the State recognized the expiration of the Master Contract on 12/31/01 and the need to re-negotiate a new contract. A new Form 470 (#515210000355874) was

filed to advise potential bidders. As the outcome of the bidding was not known at the time Form 471 was filed (January 2001) you anticipated the State invoking the tariff provisions allowed in the (then) current contract and filed for the funding requests as Tariffed services. This was done after consultation with SLD. You acknowledge that a new State Master Contract was not secured prior to the end of the Funding Year and that the services were provided as tariffed services under existing rates. You have asked SLD to reconsider these funding denials because the funding requests were applied for based on your interpretation of the original State Master Contract, and to your knowledge, in accordance with SLD intent on the handling of State Master Contracts. You have included background information on the Illinois Century Network (ICN) and pages from the State Master Contract with the letter of appeal.

- After thorough review of the appeal and its relevant documentation, it was determined that you have failed to post a Form 470 for the requested services prior to the close of the FY 2001 window (1/18/01), which is a violation of program rules. The funding requests being appealed are a continuation of existing services provided as tariffed services after the expiration of a State Master Contract. You have correctly applied for these services as "split" funding requests representing the existing contract and tariff/MTM services after the expiration of the State Master Contract. However, the Form 470 you have cited (# 515210000355874) was filed after the close of the FY 2001 window and therefore, cannot be used for Tariff or Month-to-Month services provided in FY 2001. You were advised of the date sequence problem during initial review and responded that the cited Form 470 (# 515210000355874) was the Form 470 filed for the renewals of the State Master Contract. This response also noted that the Form 470 would cover "the second half of the funding year". The rules of the support mechanism require applicants to post a Form 470 to the SLD website each funding year when applying for Tariff, Month-To-Month, or new contracted services. Program rules further require applicants to submit their Form 470 applications for Tariff or Month-to-Month services prior to the close of the FY window (1/18/01 in FY 2001). As you have submitted the Form 471 on 1/18/01, and posted the Form 470 for these services on 6/08/01, it is clear that you have violated program rules by requesting services that were not submitted for competitive bid prior to the filing of the Form 471. Consequently, the appeal is denied and funding will not be provided for these requests.
- Your Form 470 (Application Number: 515210000355874) was posted on 6/08/01. In your Form 470 Receipt Notification Letter, SLD notified you that that the earliest date upon which you could sign and submit your Form 471 was 7/06/01. You have not claimed that this Form 471 relates to a different Form 470 other than the Form 470 indicated above. Consequently, SLD denies your appeal because your application did not comply with the competitive bidding requirement that your Form 470 be posted on the website for 28 days prior to your signing and/or submitting your Form 471.

- Program rules for Funding Year 2001 require that Form 470 Certifications be postmarked no later than January 18, 2001 in order for the Form 470 to be valid and establish the bidding for these services. Since our records indicate that your Form 470 Certification did not meet this requirement, it cannot be used to establish the bidding for this service. During initial review you indicated that this was the establishing Form 470. Consequently, your appeal is denied for referencing a Form 470 that was not certified before the close of the filing window.

If you believe there is a basis for further examination of your application, you may file an appeal with the Federal Communications Commission (FCC). You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received or postmarked within 60 days of the above date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12<sup>th</sup> Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD web site or by contacting the Client Service Bureau. We strongly recommend that you use the electronic filing options.

We thank you for your continued support, patience, and cooperation during the appeal process.

Schools and Libraries Division  
Universal Service Administrative Company