

Exhibit A



Universal Service Administrative Company
Schools & Libraries Division

FUNDING COMMITMENT DECISION LETTER

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

May 5, 2003

TEXAS EDUCATION TELECOMMUNICATIONS NETWORK
CAROL WILLIS
5701 SPRINGDALE ROAD
AUSTIN, TX 78723-3646

Re: Form 471 Application Number: 330978
Funding Year 2002: 07/01/2002 - 06/30/2003
Billed Entity Number: 194076
Applicant's Form Identifier: TETN1

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

FUNDING COMMITMENT REPORT

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

NEXT STEPS

FILE FORM 486. Once you have reviewed this letter and have determined that some or all of your requests have been funded, your next step to facilitate receipt of discounts as featured in this letter will be to file an FCC Form 486 with the SLD. The Form 486 notifies the SLD to begin payment to your service provider and provides certified indication that your technology plan(s) has been approved by an SLD certified Technology Plan Approver. The Form 486 and instructions and the list of SLD certified Technology Plan Approvers can be found on the SLD web site at <www.sl.universalservice.org> or you can call the SLD Client Service Bureau at 1-888-203-8100 and ask that the form be sent to you. The 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 you and will not be able to be processed. As you complete Form 486, you should also contact your service provider to verify they have received notice from the SLD of your funding commitments. After the SLD processes your Form 486, we can process invoices for services that have been provided to you.

DEADLINE FOR FORM 486. Form 486 must be postmarked no later than 120 days after the Service Start Date featured on the Form 486 or no later than 120 days after the date of the Funding Commitment Decision Letter, whichever is later. If the Form 486 is postmarked after the later of those two dates, the date 120 days before the Form 486 postmark date will become the start date for discounted services. If the service start date is moved, your funding commitment may be reduced. You are advised to keep proof of the date of mailing of your form(s).

REVIEW CIPA REQUIREMENTS. On December 21, 2000, the Children's Internet Protection Act (CIPA) was signed into law. That 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. Funding Year 2002 may be the Second Funding Year for purposes of CIPA for one or more schools and/or libraries represented on your Form 486. (Funding Year 2002 is the Second Funding Year for purposes of CIPA for a school or library if a Form 486 for Internet access or internal connections was successfully data entered for Funding Year 2001. See the section of the Form 486 Instructions entitled "Impact of CIPA Requirements on Form 486" for more information on First, Second and Third Funding Years.) If Funding Year 2002 is the Second Funding Year for purposes of CIPA for one or more schools and/or libraries represented on your Form 486, those school(s) and/or library(ies) must certify that they are in compliance with CIPA unless state or local procurement rules or regulations or competitive bidding requirements prevent the making of the certification otherwise required. A school or library so prevented may request a waiver for Funding Year 2002. Certification(s) for purposes of CIPA and CIPA waiver request(s) must be made on the Form 486 or the Form 479, whichever is appropriate. See the Form 486 Instructions and the Form 479 Instructions for more information. You may also refer to the SLD web site at <www.sl.universalservice.org> or call the Client Service Bureau at 1-888-203-8100 for more information about Form 486, Form 479, and the requirements of CIPA.

FILE FORM 472 (APPLICANT) or FORM 474 (SERVICE PROVIDER). 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.

NEW DEADLINES FOR INVOICES. 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.

TO APPEAL THESE FUNDING COMMITMENT DECISIONS

If you wish to appeal the Funding Commitment Decision(s) (FCD) indicated in this letter, your appeal must be RECEIVED BY THE SCHOOLS AND LIBRARIES DIVISION (SLD) WITHIN 60 DAYS OF THE ABOVE DATE ON THIS LETTER. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

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

If you are submitting your appeal on paper, please send your appeal to: Letter of Appeal, Schools and Libraries Division, Box 125 - Correspondence Unit, 80 South Jefferson Road, Whippany, NJ 07981. Additional options for filing an appeal can be found in the "Appeals Procedure" posted in the Reference Area of the SLD web site or by calling the Client Service Bureau.

While we encourage you to resolve your appeal with the SLD first, you have the option of filing an appeal directly with the Federal Communications Commission (FCC). You should refer to CC Docket Nos. 96-45 and 97-21 on the first page of your appeal to the FCC. Your appeal must be RECEIVED BY THE FCC WITHIN 60 DAYS OF THE ABOVE DATE ON THIS LETTER. Failure to meet this requirement will result in automatic dismissal of your appeal. 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 calling the Client Service Bureau. We strongly recommend that you use either the e-mail or fax filing options because of continued substantial delays in mail delivery

to the FCC. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554.

NOTICE ON RULES AND FUNDS AVAILABILITY

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

We look forward to continuing our work with you on connecting our schools and libraries through advanced telecommunications services.

Sincerely,

Schools and Libraries Division
Universal Service Administrative Company

Enclosures

A GUIDE TO THE FUNDING COMMITMENT REPORT

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

FUNDING REQUEST NUMBER (ERN): A Funding Request Number is assigned by the SLD to each Block 5 of your Form 471 once an application has been processed. This number is used to report to Applicants and Service Providers the status of individual discount funding requests submitted on a Form 471.

FUNDING STATUS: Each ERN will have one of the following definitions:

1. An ERN that is "Funded" will be approved at the level that SLD determined is appropriate for that item. The funding level will generally be the level requested unless the SLD determines during the application review process that some adjustment is appropriate.
2. An ERN 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 ERN 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.
3. An ERN that is "As Yet Unfunded" reflects a temporary status that is assigned to an ERN when the SLD is uncertain at the time the letter is generated whether there will be sufficient funds to make commitments for requests for internal connections at a particular discount level. For example, if your application included requests for discounts on both telecommunications services and internal connections, you might receive a letter with our funding commitment for your telecommunications funding requests and a message that your internal connections requests are "As Yet Unfunded." You would receive a subsequent letter(s) regarding the funding decision on your internal connections requests.

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

SPIN (Service Provider Identification Number): A unique number assigned by the Universal Service Administrative Company to service providers seeking payment from the Universal Service Fund for participating in the universal service support mechanisms. A SPIN is also used to verify delivery of services and to arrange for payment.

SERVICE PROVIDER NAME: The legal name of the service provider.

CONTRACT NUMBER: The number of the contract between the eligible party and the service provider. This will be present only if a contract number was provided on Form 471.

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

EARLIEST POSSIBLE EFFECTIVE DATE OF DISCOUNT: The first possible date of service for which the SLD will reimburse service providers for the discounts for the service.

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

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

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

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

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

DISCOUNT PERCENTAGE APPROVED BY THE SLD: This is the discount rate that the SLD has

approved for this service.

FUNDING COMMITMENT DECISION: This represents the total amount of funding that the SLD has reserved to reimburse service providers for the approved discounts for this service for this funding year. It is important that you and the service provider both recognize that the SLD should be invoiced and the SLD may direct disbursement of discounts only for eligible, approved services actually rendered.

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

FUNDING COMMITMENT REPORT

Form 471 Application Number: 330978
Funding Request Number: 895094 Funding Status: Funded
Services Ordered: Telecommunications Service
SPIN: 143004662 Service Provider Name: Southwestern Bell Telephone Com:
Contract Number: T
Billing Account Number: 33133133133000C18
Earliest Possible Effective Date of Discount: 07/01/2002
Contract Expiration Date: 06/30/2003
Annual Pre-discount Amount for Eligible Recurring Charges: \$116,213.28
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$116,213.28
Discount Percentage Approved by the SLD: 67%
Funding Commitment Decision: \$77,862.90 - FRN approved; modified by SLD
Funding Commitment Decision Explanation: Est. charges changed per applicant
documentation. Funding request reduced to exclude dollars associated with blk 4
entities whose Letters of Agency (or other doc) don't show authority to purchase
svc's in this funding request for the entity (ies). Shared disc. was corrected.

Funding Request Number: 895095 Funding Status: Funded
Services Ordered: Telecommunications Service
SPIN: 143004789 Service Provider Name: Verizon - Southwest
Contract Number: T
Billing Account Number: 33133133133000C18
Earliest Possible Effective Date of Discount: 07/01/2002
Contract Expiration Date: 06/30/2003
Annual Pre-discount Amount for Eligible Recurring Charges: \$9,533.52
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$9,533.52
Discount Percentage Approved by the SLD: 67%
Funding Commitment Decision: \$6,387.46 - FRN approved; modified by SLD
Funding Commitment Decision Explanation: Est. charges changed per applicant
documentation. Funding request reduced to exclude dollars associated with blk 4
entities whose Letters of Agency (or other doc) don't show authority to purchase
svc's in this funding request for the entity (ies). Shared disc. was corrected.

USAC

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

TIME SENSITIVE MATERIAL

00089
TEXAS EDUCATION TELECOMMUNICATIONS NETWORK
CAROL WILLIS
5701 SPRINGDALE ROAD
AUSTIN, TX 78723-3646



IMPORTANT REMINDERS & DEADLINES

The following information is provided to assist you throughout the application process. We recommend that you keep it in an easily accessible location and that you share it with the appropriate members of your organization.

Form 486 Deadline - The Form 486 must be postmarked no later than 120 days after the Service Start Date you report on the Form 486 or no later than 120 days after the date of the Funding Commitment Decision Letter, whichever is later. If you are required to have a Technology Plan, you must indicate the SLD Certified Technology Approver who approved your plan and you must retain documentation of your monitoring of the progress toward your stated goals.

Children's Internet Protection Act (CIPA) - If FY2003 is your Third Funding Year for the purposes of CIPA and you apply for Internet Access or Internal Connections, you must be in compliance with CIPA and cannot request a waiver. The Supreme Court may issue an opinion in July 2003 changing the CIPA requirements - watch the SLD web site.

Invoice Deadline - Invoices must be postmarked no later than 120 days after the last date to receive service - including extensions - or 120 days after the date of the Form 486 Notification Letter, whichever is later. Invoices should not be submitted until the invoiced products and services have been delivered and billed, and (for BEAR Forms) the provider has been paid.

Obligation to Pay Non-Discount Portion - Applicants are required to pay the non-discount portion of the cost of the products and/or services. Service providers are required to bill applicants for the non-discount portion. The FCC has stated that requiring applicants to pay their share ensures efficiency and accountability in the program. If you are using a trade-in as part of your non-discount portion, please refer to the SLD web site.

RETAIN DOCUMENTATION - Applicants and service providers must retain documentation, including but not limited to, documents showing:

- compliance with all applicable competitive bidding requirements,
- products and/or services delivered (e.g., customer bills detailing make, model and serial number),
- resources necessary to make effective use of E-rate discounts, including the purchase of equipment such as workstations not eligible for support,
- the specific location of each item of E-rate funded equipment, and
- the applicant has paid the non-discount portion.

These documents must be retained and available for review for 5 years.

FREE SERVICES ADVISORY - Applicants and service providers are prohibited from using the Schools and Libraries Support Mechanism to subsidize the procurement of ineligible or unrequested products and services, or from participating in arrangements that have the effect of providing a discount level to applicants greater than that to which applicants are entitled.

Complete program information is posted to the Schools and Libraries Division (SLD) web site at www.sl.universalservice.org. Information is also available by contacting the SLD Client Service Bureau by e-mail at question@universalservice.org, by fax at 1-888-276-8736 or by phone at 1-888-203-8100.

Exhibit B

Affidavit of Carol Willis

I, Carol Willis, do hereby declare under penalty of perjury that the following is true and correct to the best of my knowledge, information and belief:

1. My name is Carol Willis. I am the Manager of the Texas Education Telecommunication Network (TETN). TETN provides backbone telecommunications services in Texas for 20 intermediate school organizations that serve 1220 associated independent school districts and charter schools. My responsibilities include preparation and filing of applications and other forms for telecommunication services discounts provided by the Schools and Libraries Division of the United States Administrative Corporation (SLD). I have managed the SLD filings for TETN for four years.
2. On January 24, 2002, I filed SLD Application Number 330978 to obtain discounts for SLD Funding Year 2002.
3. On July 2002, I began working with Mr. Tom Celentano, Program Integrity Assurance, Schools and Libraries Division, who was assigned to audit Application Number 330978. I responded to multiple requests for information between the months of July 2002 and April 2003.
4. On April 2003, Mr. Celentano made a final request to send him a detailed, technical description of "how the individual school districts connect to TETN's backbone network via the ESC's." Email from Tom Celentano to Carol Willis on April 3, 2003.
5. On May 5, 2003, I received the SLD Funding Decision Commitment Letter granting funding of the TETN application at approximately 67% of the requested amount.
6. Before TETN decided whether to appeal the decision or file the Form 486 to accept the funds, Mr. Celentano called me to say he had good news. He told me that I would be receiving a new funding commitment decision letter for the full eligible amount. He said that SLD had been having internal discussions about changing the treatment of statewide education backbone networks and that one result of the discussions was that TETN would be receiving its full eligible amount rather than the 67% previously approved by SLD. He instructed me to "do nothing" until I received the new funding commitment letter.
7. On August 7, 2003, I called Mr. Celentano. I had not received the new letter or any correspondence from the SLD on the matter. He called later in the day to say the letter had not been generated but was still with the department responsible for

issuing the letter. To my surprise, Mr. Celentano mentioned that the letter was based upon an appeal. TETN had not filed an appeal. Nevertheless, Mr. Celentano directed me again to do nothing until I received the new funding commitment letter.

8. On September 15, 2003, I called Mr. Celentano out of concern that I had not received the new letter. Again, Mr. Celentano told me that I was going to receive a new funding commitment letter and that I should wait for the new letter. He assured me that I should not worry about missing the 120-day deadline for filing a Form 486 based on the May 5, 2003, funding commitment decision letter.
9. On September 17, 2003, I received the promised new funding commitment letter dated September 12, 2003 that provided 100% funding of the TETN application. I filed the Form 486 for the funds on October 9, 2003.
10. On October 22, 2003, I was notified that the Service Start Date for the TETN 2002 funds was changed from July 1, 2002 to June 6, 2003. I filed an appeal to the Funding Administrator the same day. The TETN appeal was denied in full on March 30, 2004.
11. I believe that I have done everything reasonably possible to comply with SLD policy, regulation and direction in this matter.

Executed on May 18th, 2004.

Carol Willis

Carol Willis, Manager
Texas Education Telecommunication Network

State of Texas, County of TRAVIS

Subscribed and sworn before me on the 18th day of May 2004.

Debbie Jenise Williams
Notary Public

My commission expires 2/1/2006.

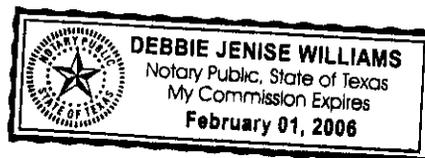


Exhibit C

SLD, USAC
September 12, 2003
Page 1



Universal Service Administrative Company
Schools & Libraries Division

APPEAL FUNDING COMMITMENT DECISION LETTER

Funding Year 5 : 07/01/2002 - 06/30/2003

September 12, 2003

CAROL WILLIS
TEXAS EDUCATION TELECOMMUNICATIONS NETWORK
5701 SPRINGDALE ROAD
AUSTIN, TX 78723 3646

Re: Form 471 Application Number: 330978
Billed Entity Number: 194076

As you know from our previous letter reporting the Administrator's Decision on Appeal, we have granted or partially granted an appeal, which results in a funding commitment(s) as identified in the attached Funding Commitment Report for the program year identified above. This letter is the official Funding Commitment Decision Letter providing you with the dollar value and other details of the funding commitment made in response to your appeal.

As you will see, the Funding Commitment Report attached to this Appeal Funding Commitment Decision Letter contains the same kind of information included in your original Funding Commitment Decision Letter. Depending on the nature of your appeal, this Funding Commitment Report may have been updated to reflect the new total amount of discount for a funding request. Applicants should use THIS updated information when completing the FCC Forms identified below.

This same information is being sent to the service provider(s) whose Service Provider Identification Number (SPIN) was featured in your funding request(s). We urge you to contact your service provider(s) to make any necessary arrangements regarding delivery of service and provision of your discounts.

SLD, USAC
September 12, 2003
Page 2

IMPLEMENTATION TIMEFRAME

The Federal Communications Commission (FCC) released on June 29, 2001, an order extending the implementation period for nonrecurring services whenever a funding commitment decision letter is issued on or after March 1 of the funding year. Pursuant to that order, any nonrecurring service for which funds are committed in this letter may be delivered and installed up to September 30, 2003. Support for recurring services, however, is available only for services provided during the period of July 1, 2002 to June 30, 2003.

Forms 486 for these services, if not already filed, must be postmarked no later than 120 days of the service start date or the date of this letter, whichever is later. Invoices for these services must be postmarked within 90 days of the date of the Form 486 Notification Letter or within 90 days of the last date to receive service, whichever is later. You should coordinate with your applicants to be sure that invoices are completed in a timely manner.

NEXT STEPS

Once you have reviewed this letter and have determined that some or all of your requests have been funded, your next step will be to facilitate receipt of discounts as featured in this letter.

RECURRING SERVICES In order to receive reimbursement, you must file Form 486, "Receipt of Service Confirmation Form," and then you or your service provider must submit invoices for eligible services delivered and installed during the funding year identified in this letter. The Form 486 notifies the SLD to begin payment to your service provider and provides certified indication that your technology plan(s) has been approved. The Form 486 instructions can be found on the SLD web site at <www.sl.universalservice.org> or you can call the SLD Client Service Bureau at 1-888-203-8100 and ask that the form be sent to you. The Form 486, dated July, 2001 in the lower right corner, MUST be used. As you complete Form 486, you should also contact your service provider(s) to verify they have received notice from the SLD of your funding commitment(s). After the SLD processes your Form 486, we can begin processing invoices for those discounted services (either the Form 472, "Billed Entity Applicant Reimbursement Form," filed by the applicant or the Form 474, "Service Provider Invoice Form," filed by the service provider).

NONRECURRING SERVICES Since these commitments come well after your application was submitted, it is possible that Contract Expiration Dates indicated on the FCC Form 471 will have passed. The attached *Funding Commitment Report for this application* includes the Contract Expiration Date for funding requests that had such a date in the Form 471. Contracts for nonrecurring services may be voluntarily extended to coincide with the appropriate deadline for implementation. However, other contractual provisions may not be extended beyond the dates established by the FCC's rules without complying with the competitive bidding process. If you have been waiting for this commitment letter before directing your

SLD, USAC
September 12, 2003
Page 3

service provider to start nonrecurring service and if the Contract Expiration Date on the Form 471 has passed, the SLD will not be able to process an FCC Form 486 with an Actual Service Start Date after the Contract Expiration Date. If this is true for you, you should first negotiate a contract extension with your service provider and then file an FCC Form 500, "Adjustment to Funding Commitment and Modification to Receipt of Service Confirmation Form," to notify the SLD of the new Contract Expiration Date. After submitting the Form 500, your next step will be to file the Form 486 with the SLD.

If you have any questions about this Appeal Funding Commitment Decision Letter, please call our Client Service Bureau at 1-888-203-8100.

TO APPEAL THIS DECISION:

If you wish to appeal the decision indicated in this letter, your appeal must be POSTMARKED within 60 days of the above date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and e-mail address (if available) for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Identify which Funding Commitment Decision(s) you are appealing. Indicate the relevant funding year and the date of the FCDL. Your letter of appeal must also include the Billed Entity Name, the Form 471 Application Number, and the Billed Entity Number from the top of your letter.
3. When explaining your appeal, copy the language or text from the Funding Commitment Report that is at the heart of your appeal to allow the SLD to more readily understand your appeal and respond appropriately. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep copies of your correspondence and documentation.
4. Provide an authorized signature on your letter of appeal.

If you are submitting your appeal on paper, please send your appeal to: Letter of Appeal, Schools and Libraries Division, Box 125 - Correspondence Unit, 80 South Jefferson Road, Whippany, NJ 07981. Additional options for filing an appeal 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 encourage the use of either the e-mail or fax filing options.

SLD, USAC
September 12, 2003
Page 4

While we encourage you to resolve your appeal with the SLD first, you have the option of filing an appeal directly with the Federal Communications Commission (FCC). You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be 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 12th 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 either the e-mail or fax filing options.

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 support mechanism 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 these funding commitments and seek repayment of any funds disbursed not in accordance with such requirements. The SLD, and other appropriate authorities (including but not limited to USAC and the FCC), may pursue enforcement actions and other means of recourse to collect erroneously disbursed funds. The timing of payment of invoices may also be affected by the availability of funds based on the amount of funds collected from contributing telecommunications companies.

Thank you for your patience during the appeals process.

Schools and Libraries Division
Universal Service Administrative Company

Enclosures

Funding Request Number 895094 **Funding Status:** COMMITTED - FULL
SPIN 143004662 **Service Provider Name:** Southwestern Bell Telephone Company
Provider Contract Number: T
Services Ordered TELCOMM SERVICES
Earliest Possible Effective Date of Discount 7/1/2002
Contract Expiration Date. 6/30/2003
Pre-Discount Cost \$190,513 56
Discount Percentage Approved by the SLD: 67 %
Fund Commitment Decision: \$127 644 09 - FRN approved as submitted

Funding Request Number. 895095 **Funding Status:** COMMITTED - FULL
SPIN 143004789 **Service Provider Name:** Venzon - Southwest
Provider Contract Number: T
Services Ordered TELCOMM SERVICES
Earliest Possible Effective Date of Discount 7/1/2002
Contract Expiration Date. 6/30/2003
Pre-Discount Cost \$15,628 80
Discount Percentage Approved by the SLD. 67 %
Fund Commitment Decision: \$10,471 30 - FRN approved as submitted

**CAROL WILLIS
TEXAS EDUCATION TELECOMMUNICATIONS NETWORK
5701 SPRINGDALE ROAD
AUSTIN, TX 78723 3646**

Exhibit D



Universal Service Administrative Company
Schools & Libraries Division

FORM 486 NOTIFICATION LETTER
(Funding Year 2002: 07/01/2002 - 06/30/2003)

October 22, 2003

TEXAS EDUCATION TELECOMMUNICATIONS NETWORK
Carol Willis
5701 SPRINGDALE RD
AUSTIN, TX 78723-3675

Re: Form 486 Application Number: 235005
Applicant's Form 486 Identifier: TETN2

This letter is to notify you that the Schools and Libraries Division (SLD) has received and accepted an FCC Form 486, Receipt of Service Confirmation Form, from you. This notification is to confirm the information that you provided. This information is being shared with the service provider whose SPIN you identified on the affected Funding Request Number(s) (FRN).

NEXT STEPS

- Work with your service provider to establish discounts (SPI) or reimbursements (BEAR)
- Invoice the SLD -
 - applicant invoice is BEAR Form for reimbursements
 - service provider invoice is SPI Form for discounts
- Pay non-discount portion, as stated in program rules
- Maintain ALL documentation, as stated in program rules

You may be receiving this letter to revise or correct a previous Form 486 Notification Letter. The information contained in this letter supersedes any previous notification you may have received, including, but not limited to, a previously adjusted Service Start Date or previously reduced funding commitment.

NOTICE ON SERVICE START DATE

There may be some situations where one or more Service Start Dates as reflected on this letter have been changed from what you indicated on the Form 486. Such changes are made by the SLD to be in compliance with program rules. You will know that a change has been made if there is an asterisk next to the Service Start Date. If the SLD changed the Service Start Date, this change may have triggered a reduction in the funding commitment. It is important that you and the service provider both recognize that the SLD should be invoiced and the SLD may direct disbursement of the discounts only on eligible, approved products and/or services actually delivered and installed on or after the Service Start Date indicated on this letter.

TO APPEAL THE SERVICE START DATE/FUNDING COMMITMENT CHANGE DECISION

If you wish to appeal the Service Start Date change(s) and/or funding commitment adjustment(s) indicated in this letter, your appeal must be POSTMARKED within 60 days of the above date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and e-mail address (if available) for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Identify which FRN Service Start Date change or Funding Commitment adjustment you are appealing. Indicate the relevant funding year and the date of this Form 486 Notification Letter. Your letter of appeal must also include the relevant Funding Request Number(s), the Billed Entity Name, the Form 471 Application Number, and the Billed Entity Number from your Form 486.
3. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep copies of your correspondence and documentation.
4. Provide an authorized signature on your letter of appeal.

If you are submitting your appeal on paper, please send your appeal to: Letter of Appeal, Schools and Libraries Division, Box 125 - Correspondence Unit, 80 South Jefferson Road, Whippany, NJ 07981. Additional options for filing an appeal 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 encourage the use of either the e-mail or fax filing options.

While we encourage you to resolve your appeal with the SLD first, you have the option of filing an appeal directly with the Federal Communications Commission (FCC). You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be 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 12th 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 either the e-mail or fax filing options.

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 Schools and Libraries Universal Service Support Mechanism. Applicants who have received funding commitments continue to be subject to audits and other reviews that the SLD and/or the FCC may undertake periodically to assure that funds that have been committed are being used in accordance with all such requirements. The SLD may be required to reduce or cancel funding commitments that were not issued in accordance with such requirements, whether due to action or inaction, including but not limited to that by the SLD, the applicant, or the service provider. 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.

A GUIDE TO THE FORM 486 NOTIFICATION LETTER FUNDING COMMITMENT REPORT

A report for each FRN for which you have notified us of a Service Start Date is attached to this letter. We are providing the following definitions for the items in that report.

Funding Request Number (FRN): A Funding Request Number is assigned by the SLD to each Block 5 of your Form 471 once an application has been processed. This number is used to report to applicants and service providers the status of individual discount funding requests submitted on a Form 471.

Form 471 Application Number: A unique identifier assigned to a Form 471 application by the SLD.

Service Provider Name: The name of the service provider that you identified as providing the service included in this FRN.

Service Provider Identification Number: The unique number assigned by USAC to the service provider you identified as providing the service included in this FRN.

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

Service Start Date: The Service Start Date (SSD) as indicated on the Form 486. If this date is marked with an asterisk, it was changed by the SLD to be in compliance with program rules and an explanation for the change has been provided. This date as shown is controlling and USAC will not reimburse discounts on products and/or services delivered or installed prior to this date.

Service Start Date Change Explanation (SHOWN ONLY IF RELEVANT): If the Service Start Date is marked with an asterisk, this field will explain why the SLD changed the date. One of the following explanations may appear:

AVSCD: The Service Start Date may not be before the Allowable Vendor Selection/Contract Date (AVSCD) from the Form 470 cited for this FRN on the Form 471. If you indicated an earlier SSD on the Form 486, the SLD changed the SSD to the AVSCD.

120-DAY 486 DEADLINE: Forms 486 must be postmarked no later than 120 days after the start of services or no later than 120 days after the date of the FCDL, whichever is later. If the Form 486 is postmarked after the later of those two dates, the SLD changed the SSD to the date 120 days before the Form 486 postmark date. That date will become the start date for discounted services. You are advised to keep proof of the date of mailing of your form(s).

Adjusted Funding Commitment (SHOWN ONLY IF RELEVANT): If the SLD changed the Service Start Date, this change may have triggered a reduction in the funding commitment. This field will only appear if there is a reduction to the funding commitment amount.

FORM 486 NOTIFICATION LETTER
FUNDING COMMITMENT REPORT
(Funding Year 2002)

Funding Request Number: 895094
Form 471 Application Number: 330978
Service Provider Name: Southwestern Bell Telephone Company
Service Provider Identification Number: 143004662
Billing Account Number: 33133133133000C18
Service Start Date: 06/11/2003*
Service Start Date Change Explanation: 120-DAY 486 DEADLINE
Adjusted Funding Commitment: \$10,637.01

Funding Request Number: 895095
Form 471 Application Number: 330978
Service Provider Name: Verizon - Southwest
Service Provider Identification Number: 143004789
Billing Account Number: 33133133133000C18
Service Start Date: 06/11/2003*
Service Start Date Change Explanation: 120-DAY 486 DEADLINE
Adjusted Funding Commitment: \$872.61

IMPORTANT REMINDERS & DEADLINES

Date: October 22, 2003
Form 486 App No: 235005
Form 486 App ID: TETN2

The following information is provided to assist you throughout the application process. We recommend that you keep it in an easily accessible location and that you share it with the appropriate members of your organization.

PROGRAM COMPLIANCE - Although this Form 486 has been fully data entered, the SLD will continue to review the compliance status of this Form 486, of each entity represented, and of each FRN listed. If the SLD discovers that the reported CIPA compliance status for an entity is not valid or that a required technology plan has not been approved by an SLD certified Technology Plan Approver, invoices featuring the affected FRNs will not be processed. Please refer to the SLD web site for complete information.

FORM 473 - Invoices received by the SLD will not be paid unless the SLD has an FCC Form 473, Service Provider Annual Certification (SPAC), on file for the funding year associated with the invoice.

INVOICE DEADLINE - Invoices must be postmarked no later than 120 days after the last date to receive service - including extensions - or 120 days after the date of the Form 486 Notification Letter, whichever is later. Invoices should not be submitted until the invoiced products and/or services have been delivered and billed, and (for BEAR Forms) the provider has been paid. Once established, the selected invoicing method - Forms 474 (SPIs) or Forms 472 (BEARs) - must be used for the entire Funding Year.

REVIEW OF INVOICES FOR COMPLIANCE WITH PROGRAM RULES - Once an invoice is in the SLD system, it is reviewed - electronically and, in some cases, manually - for compliance with program rules. This review may include requests from our Program Integrity Assurance team to provide information in support of the invoice. Processing of invoices can take up to 90 days, although usually less.

OBLIGATION TO PAY NON-DISCOUNT PORTION - Applicants are required to pay the non-discount portion of the cost of the products and/or services. Service providers are required to bill applicants for the non-discount portion. The FCC has stated that requiring applicants to pay their share ensures efficiency and accountability in the program. If you are using a trade-in as part of your non-discount portion, please refer to the SLD web site.

"FREE" INELIGIBLE SERVICES - Applicants and service providers are prohibited from using approved discounts to subsidize ineligible or unrequested products and services. Please see the "Free Services Advisory" posted in the Reference Area of the SLD web site.

RETAIN DOCUMENTATION - Applicants and service providers must retain documentation including, but not limited to, documents showing:

- compliance with all applicable competitive bidding requirements,
- products and/or services delivered (e.g., customer bills detailing make, model and serial number),
- resources necessary to make effective use of E-rate discounts, including the purchase of equipment such as workstations not eligible for support,
- the specific location of each item of E-rate funded equipment, and
- the applicant has paid the non-discount portion.

These documents must be retained and available for review for five years.

Complete program information is posted to the Schools and Libraries Division (SLD) web site at www.sl.universalservice.org. Information is also available by contacting the SLD Client Service Bureau by e-mail at question@universalservice.org, by fax at 1-888-276-8736, or by phone at 1-888-203-8100.

USAC

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

TIME SENSITIVE MATERIAL

00004
TEXAS EDUCATION TELECOMMUNICATIONS NETWORK
Carol Willis
5701 SPRINGDALE RD
AUSTIN, TX 78723-3675
|||||

Exhibit E



T E T N

Texas Education Telecommunications Network

October 22, 2003

**Governance Board
2003 - 2004**

Anita Givens, Co-Chair
Texas Education Agency

Darrell Garrison, Co-Chair
Region 16

Joe Farmer
Region 10

Paul Cruz
Texas Education Agency

Ron McMichael
Texas Education Agency

Tommy Poe
Region 6

Pat Pringle
Region 13

Brian Rawson
Texas Education Agency

Vacant
Texas Education Agency

Kyle Wargo
Region 17

Carol Willis
TETN Manager

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

To Whom It May Concern:

The purpose of this letter is to appeal the "service start date" listed on Form 486 Notification Letter dated October 22, 2003 for Funding Year 2002, funding request numbers 895094 and 895095 (exhibit A). The billed entity name is Texas Education Telecommunications Network ("TETN"), Form 471 application number 330978 and billed entity number 194076

My name is Carol Willis and I am the primary contact to discuss this appeal. The following is my contact information:

Carol Willis
5701 Springdale Road
Austin, Texas 78723
(512) 919-5372 (phone)
(512) 919-5383 (fax)
carol.willis@esc13.txed.net

I am specifically appealing the "service start date" for both FRN's 895094 and 895095. As stated on the Form 486 Notification Letter, the service start was denied due to the 120-day 486 deadline. I electronically filed the 486 Form filed on October 9, 2003 which was 27 days following the receipt of the "Appeal Funding Commitment Decision Letter" dated September 12, 2003 (exhibit B).

Background

The TETN application 330978 for Funding Year 5 underwent an audit by the SLD. After completion of the audit, a Funding Commitment Decision Letter was issued on May 5, 2003 in which the SLD reduced the funding request by approximately 33% (exhibit C). On June 19, 2003, I received a telephone call from the SLD auditor, Tom Celetano, who informed me that the funding decision had been appealed based upon the FCC policies on statewide networks. I was informed that TETN would receive its total requested amount and that I would receive a new funding commitment letter.

I was instructed to wait to receive the appeal funding commitment letter before submitting a 486 Form. These instructions were confirmed in the appeal funding

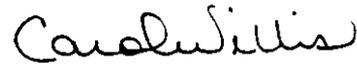
letter dated September 12, 2003 which states "applicants should use THIS updated information when completing the FCC Forms identified below."

Summary

I am requesting the "service start date" on Form 486 Notification Letter be changed from 06/11/2003 to 07/01/2002 based upon the fact that the Form 486 was filed in a timely manner. If you have any questions concerning the new funding commitment letter, please contact Tom Celentano at (973) 884-8517. Please call me if I can clarify information concerning this letter of appeal

Thank you for your consideration in this matter.

Sincerely,

A handwritten signature in cursive script that reads "Carol Willis".

Carol Willis, Manager
Texas Education Telecommunications Network

Exhibit F



Universal Service Administrative Company
Schools & Libraries Division

Administrator's Decision on Appeal - Funding Year 2002-2003

March 30, 2004

Carol Willis
Texas Education Telecommunications Network
5701 Springdale Road
Austin, TX 78723

Re: Billed Entity Number. 194076
471 Application Number. 330978
Funding Request Number(s) 895094, 895095
Your Correspondence Dated: October 22, 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 2002 Form 486 Notification Letter 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 895094 and 895095
Decision on Appeal. **Denied in full**
Explanation

- The appeal letter submitted points out that this application had previously had the funding commitment amount appealed. Since the appeal was granted, a new FCDL was issued to the entity. This new FCDL is dated 09/12/2003 and was included with the appeal letter. In your letter, you agree that the Form 486 was submitted on 10/09/2003. You are pointing out that 10/09/03 is within 120 days of the revised FCDL date of 09/12/2003. Texas Education Telecommunications Network is appealing to have the Service Start Date returned to 07/01/2002, as stated on the Form 486.
- After thorough review and investigation of all relevant facts, the SLD determined that Texas Education Telecommunications Network should have filed their Form 486 for this funding request within 120 days calculated from either the date of their original Funding Commitment Decision Letter or the Service Start Date as

indicated on the Form 486, whichever is later. The original Funding Commitment Decision Letter did commit funds. The FRNs on the original Funding Commitment Decision Letter were reduced, not denied. The applicant must file a Form 486 for these services within the established 120-day deadline. It is true that the Appeal Funding Commitment Decision Letter was dated 09/12/2003 and the Form 486 was sent in on 10/09/2003. However, the applicant should have already filed a Form 486 for the services that were already approved in the original Funding Commitment Decision Letter. Consequently, the appeal is denied

- Your Form 486 must have been received or postmarked no later than 120 days after the date of your Funding Commitment Decision Letter or no later than 120 days after the Service Start Date reported on your Form 486, whichever is later. The date of your original Funding Commitment Decision Letter for FCC Form 471 # 330978 was May 5, 2003. The Service Start Date reported on your FCC Form 486 was 7/01/2002. The postmark date of your FCC Form 486 was 10/09/2003. Since your FCC Form 486 was postmarked more than 120 days after your Service Start Date or the date of your Funding Commitment Decision Letter, whichever is later, the SLD has revised your Service Start Date to the date 120 days before your FCC Form 486 postmark date. The SLD does not have the authority to waive the Form 486 filing deadline, consequently your appeal is denied.
- FCC rules provide that FCC Form 486 certifications must be provided to the Administrator in accordance with existing program guidelines established by the Administrator. See 47 C.F.R. § 54.520(g). Existing program guidelines are explained in the Funding Commitment Decision letter. Your Funding Year 2002 Funding Commitment Decision letter notified you that the "Form 486 must be postmarked no later than 120 days after the Service Start Date featured on the Form 486 or no later than 120 days after the date of the Funding Commitment Decision Letter, whichever is later. If the Form 486 is postmarked after the later of those two dates, the date 120 days before the Form 486 postmark date will become the start date for discounted services." See Funding Commitment Decision Letter (Funding Year 2002. 07/01/2002 – 06/30/2003), page 2. Since your FCC Form 486 was postmarked more than 120 days after the Service Start Date you indicated on your FCC Form 486, the SLD has modified your service start date.

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 12th 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.

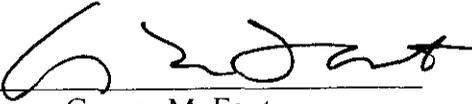
Schools and Libraries Division
Universal Service Administrative Company

CERTIFICATE OF SERVICE

Pursuant to 47 C.F.R. § 1.47, I hereby certify that I have this day served a copy of the foregoing documents by first class mail, postage prepaid, upon all parties to this case as designated below

Universal Service Administrative Company
2000 L Street, N W.
Suite 200
Washington, D C. 20036

Dated at Washington, D.C. this 24th day of May 2004.


George M Foote