

21. Attachment #: 441116-FW-M-12-SO3	
23a. Monthly Charges: \$20,025.96	23b. Ineligible monthly amt.: \$.00
23c. Eligible monthly amt.: \$20,025.96	23d. Number of months of service: 12
23e. Annual pre-discount amount for eligible recurring charges (23c x 23d): \$240,311.52	
23f. Annual non-recurring (one-time) charges: \$.00	23g. Ineligible non-recurring amt.: \$.00
23h. Annual pre-discount amount for eligible non-recurring charges (23f - 23g): \$0.00	
23i. Total program year pre-discount amount (23e + 23h): \$240,311.52	
23j. % discount (from Block 4): 84	
23k. Funding Commitment Request (23i x 23j): \$201,861.68	

FRN: 1224882 FCDL Date:	
10. Original FRN:	
11. Category of Service: Internet Access	12. 470 Application Number: 425810000303624
13. SPIN: 143008740	14. Service Provider Name: Phonoscope, LTD
15a. Non-Contracted tariffed/Month to Month Service:	15b. Contract Number: 00-11-6
15c. Covered under State Master Contract:	15d. FRN from Previous Year:
16a. Billing Account Number:	16b. Multiple Billing Account Numbers?:
17. Allowable Contract Date: 12/08/2000	18. Contract Award Date: 12/14/2000
19a. Service Start Date: 07/01/2005	19b. Service End Date:
20. Contract Expiration Date: 06/30/2006	
21. Attachment #: 441116-FW-M-82-SO4	22. Block 4 Worksheet No.: 622327
23a. Monthly Charges: \$11,789.96	23b. Ineligible monthly amt.: \$.00
23c. Eligible monthly amt.: \$11,789.96	23d. Number of months of service: 12
23e. Annual pre-discount amount for eligible recurring charges (23c x 23d): \$141,479.52	
23f. Annual non-recurring (one-time) charges: \$.00	23g. Ineligible non-recurring amt.: \$.00
23h. Annual pre-discount amount for eligible non-recurring charges (23f - 23g): \$0.00	
23i. Total program year pre-discount amount (23e + 23h): \$141,479.52	
23j. % discount (from Block 4): 84	
23k. Funding Commitment Request (23i x 23j): \$118,842.80	

FRN: 1224884 FCDL Date:	
10. Original FRN:	
11. Category of Service: Internet Access	12. 470 Application Number: 425810000303624
13. SPIN: 143008740	14. Service Provider Name: Phonoscope, LTD
15a. Non-Contracted tariffed/Month to Month Service:	15b. Contract Number: 00-11-6
15c. Covered under State Master Contract:	15d. FRN from Previous Year:
16a. Billing Account Number:	16b. Multiple Billing Account Numbers?:
17. Allowable Contract Date: 12/08/2000	18. Contract Award Date: 12/14/2000
19a. Service Start Date: 07/01/2005	19b. Service End Date:
20. Contract Expiration Date: 06/30/2006	
21. Attachment #: 441116-FW-I-143-SO5	22. Block 4 Worksheet No.: 622327
23a. Monthly Charges: \$.00	23b. Ineligible monthly amt.: \$.00
23c. Eligible monthly amt.: \$.00	23d. Number of months of service: 12
23e. Annual pre-discount amount for eligible recurring charges (23c x 23d): \$0.00	
23f. Annual non-recurring (one-time) charges:	23g. Ineligible non-recurring amt.: \$.00

\$2,562,966.12
23h. Annual pre-discount amount for eligible non-recurring charges (23f - 23g): \$2,562,966.12
23i. Total program year pre-discount amount (23e + 23h): \$2,562,966.12
23j. % discount (from Block 4): 84
23k. Funding Commitment Request (23i x 23j): \$2,152,891.54

FRN: 1224886 FCDL Date:	
10. Original FRN:	
11. Category of Service: Internet Access	12. 470 Application Number: 425810000303624
13. SPIN: 143008740	14. Service Provider Name: Phonoscope, LTD
15a. Non-Contracted tariffed/Month to Month Service:	15b. Contract Number: 00-11-6
15c. Covered under State Master Contract:	15d. FRN from Previous Year:
16a. Billing Account Number:	16b. Multiple Billing Account Numbers?:
17. Allowable Contract Date: 12/08/2000	18. Contract Award Date: 12/14/2000
19a. Service Start Date: 07/01/2005	19b. Service End Date:
20. Contract Expiration Date: 06/30/2006	
21. Attachment #: 441116-FW-M-143-SO5	22. Block 4 Worksheet No.: 622327
23a. Monthly Charges: \$20,560.54	23b. Ineligible monthly amt.: \$0.00
23c. Eligible monthly amt.: \$20,560.54	23d. Number of months of service: 12
23e. Annual pre-discount amount for eligible recurring charges (23c x 23d): \$246,726.48	
23f. Annual non-recurring (one-time) charges: \$0.00	23g. Ineligible non-recurring amt.: \$0.00
23h. Annual pre-discount amount for eligible non-recurring charges (23f - 23g): \$0.00	
23i. Total program year pre-discount amount (23e + 23h): \$246,726.48	
23j. % discount (from Block 4): 84	
23k. Funding Commitment Request (23i x 23j): \$207,250.24	

FRN: 1224895 FCDL Date:	
10. Original FRN:	
11. Category of Service: Internet Access	12. 470 Application Number: 425810000303624
13. SPIN: 143008740	14. Service Provider Name: Phonoscope, LTD
15a. Non-Contracted tariffed/Month to Month Service:	15b. Contract Number: 00-11-6
15c. Covered under State Master Contract:	15d. FRN from Previous Year:
16a. Billing Account Number:	16b. Multiple Billing Account Numbers?:
17. Allowable Contract Date: 12/08/2000	18. Contract Award Date: 12/14/2000
19a. Service Start Date: 07/01/2005	19b. Service End Date:
20. Contract Expiration Date: 06/30/2006	
21. Attachment #: 441116-FW-I-32-SO6	22. Block 4 Worksheet No.: 622327
23a. Monthly Charges: \$0.00	23b. Ineligible monthly amt.: \$0.00
23c. Eligible monthly amt.: \$0.00	23d. Number of months of service: 12
23e. Annual pre-discount amount for eligible recurring charges (23c x 23d): \$0.00	
23f. Annual non-recurring (one-time) charges: \$531,037.44	23g. Ineligible non-recurring amt.: \$0.00
23h. Annual pre-discount amount for eligible non-recurring charges (23f - 23g): \$531,037.44	
23i. Total program year pre-discount amount (23e + 23h): \$531,037.44	
23j. % discount (from Block 4): 84	
23k. Funding Commitment Request (23i x 23j): \$446,071.45	

FRN: 1224900 FCDL Date:	
10. Original FRN:	
11. Category of Service: Internet Access	12. 470 Application Number: 425810000303624
13. SPIN: 143008740	14. Service Provider Name: Phonoscope, LTD
15a. Non-Contracted tariffed/Month to Month Service:	15b. Contract Number: 00-11-6
15c. Covered under State Master Contract:	15d. FRN from Previous Year:
16a. Billing Account Number:	16b. Multiple Billing Account Numbers?:
17. Allowable Contract Date: 12/08/2000	18. Contract Award Date: 12/14/2000
19a. Service Start Date: 07/01/2005	19b. Service End Date:
20. Contract Expiration Date: 06/30/2006	
21. Attachment #: 441116-FW-M-32-SO6	22. Block 4 Worksheet No.: 622327
23a. Monthly Charges: \$4,600.96	23b. Ineligible monthly amt.: \$0.00
23c. Eligible monthly amt.: \$4,600.96	23d. Number of months of service: 12
23e. Annual pre-discount amount for eligible recurring charges (23c x 23d): \$55,211.52	
23f. Annual non-recurring (one-time) charges: \$0.00	23g. Ineligible non-recurring amt.: \$0.00
23h. Annual pre-discount amount for eligible non-recurring charges (23f - 23g): \$0.00	
23i. Total program year pre-discount amount (23e + 23h): \$55,211.52	
23j. % discount (from Block 4): 84	
23k. Funding Commitment Request (23i x 23j): \$46,377.68	

FRN: 1224906 FCDL Date:	
10. Original FRN:	
11. Category of Service: Internet Access	12. 470 Application Number: 651570000501547
13. SPIN: 143008740	14. Service Provider Name: Phonoscope, LTD
15a. Non-Contracted tariffed/Month to Month Service:	15b. Contract Number: 00-11-6
15c. Covered under State Master Contract:	15d. FRN from Previous Year:
16a. Billing Account Number:	16b. Multiple Billing Account Numbers?:
17. Allowable Contract Date: 10/15/2004	18. Contract Award Date: 12/14/2000
19a. Service Start Date: 07/01/2005	19b. Service End Date:
20. Contract Expiration Date: 06/30/2006	
21. Attachment #: 441116-FW-I-15-SO7	22. Block 4 Worksheet No.: 622327
23a. Monthly Charges: \$0.00	23b. Ineligible monthly amt.: \$0.00
23c. Eligible monthly amt.: \$0.00	23d. Number of months of service: 12
23e. Annual pre-discount amount for eligible recurring charges (23c x 23d): \$0.00	
23f. Annual non-recurring (one-time) charges: \$450,000.00	23g. Ineligible non-recurring amt.: \$0.00
23h. Annual pre-discount amount for eligible non-recurring charges (23f - 23g): \$450,000.00	
23i. Total program year pre-discount amount (23e + 23h): \$450,000.00	
23j. % discount (from Block 4): 84	
23k. Funding Commitment Request (23i x 23j): \$378,000.00	

FRN: 1224914 FCDL Date:	
10. Original FRN:	
11. Category of Service: Internet Access	12. 470 Application Number: 651570000501547

13. SPIN: 143008740	14. Service Provider Name: Phonoscope, LTD
15a. Non-Contracted tariffed/Month to Month Service:	15b. Contract Number: 00-11-6
15c. Covered under State Master Contract:	15d. FRN from Previous Year:
16a. Billing Account Number:	16b. Multiple Billing Account Numbers?:
17. Allowable Contract Date: 10/15/2004	18. Contract Award Date: 12/14/2000
19a. Service Start Date: 07/01/2005	19b. Service End Date:
20. Contract Expiration Date: 06/30/2006	
21. Attachment #: 441116-FW-M-15-SO7	22. Block 4 Worksheet No.: 622327
23a. Monthly Charges: \$2,156.70	23b. Ineligible monthly amt.: \$.00
23c. Eligible monthly amt.: \$2,156.70	23d. Number of months of service: 12
23e. Annual pre-discount amount for eligible recurring charges (23c x 23d): \$25,880.40	
23f. Annual non-recurring (one-time) charges: \$.00	23g. Ineligible non-recurring amt.: \$.00
23h. Annual pre-discount amount for eligible non-recurring charges (23f - 23g): \$0.00	
23i. Total program year pre-discount amount (23e + 23h): \$25,880.40	
23j. % discount (from Block 4): 84	
23k. Funding Commitment Request (23i x 23j): \$21,739.54	

Block 6: Certifications and Signature

24. I certify that the entities listed in Block 4 of this application are eligible for support because they are:
(check one or both)
- a. schools under the statutory definitions of elementary and secondary schools found in the **No Child Left Behind Act of 2001, 20 U.S.C. Secs. 7801(18) and (38)**, that do not operate as for-profit businesses, and do not have endowments exceeding \$50 million; and/or
- b. libraries or library consortia eligible for assistance from a State library administrative agency under the Library Services and Technology Act of 1996 that do not operate as for-profit businesses and whose budgets are completely separate from any schools including, but not limited to elementary, secondary schools, colleges, or universities

25. I certify that the entity I represent or the entities listed on this application have secured access, separately or through this program, to all of the resources, including computers, training, software, internal connections, maintenance, and electrical capacity, necessary to use the services purchased effectively. I recognize that some of the aforementioned resources are not eligible for support. I certify that the entities I represent or the entities listed in this application have secured access to all of the resources to pay the discounted charges for eligible services from funds to which access has been secured in the current funding year. I certify that the Billed Entity will pay the non-discount portion of the cost of the goods and services to the service provider(s).

a.	Total funding year pre-discount amount on this Form 471 (Add the entities from Item 23i on all Block 5 Discount Funding Requests.)	\$4,309,032.84
b.	Total funding commitment request amount on this Form 471 (Add the entities from Items 23K on all Block 5 Discount Funding Requests.)	\$3,619,587.60
c.	Total applicant non-discount share (Subtract Item 25b from Item 25a.)	\$689,445.24
d.	Total budgeted amount allocated to resources not eligible for E-rate support	\$4,508,656.00
e.	Total amount necessary for the applicant to pay the non-discount share of the services requested on this application AND to secure access to the resources necessary to make effective use of the discounts. (Add Items 25c and 25d.)	\$5,198,101.24
f.	<input type="checkbox"/> Check this box if you are receiving any of the funds in Item 25e directly from a service provider listed on any Forms 471 filed by this Billed Entity for this funding year, or if a service provider listed on any of the Forms 471 filed by this Billed Entity for this funding year assisted you in locating funds in Items 25e.	

26. I certify that all of the schools and libraries or library consortia listed in Block 4 of this application are covered by technology plans that are written, that cover all 12 months of the funding year, and that have been or will be approved by a state or other authorized body, and an SLD-certified technology plan approver, prior to the commencement of service. The plans are written at the following level(s):
- an individual technology plan for using the services requested in this application; and/or
 - higher-level technology plan(s) for using the services requested in this application; or
 - no technology plan needed; applying for basic local, cellular, PCS, and/or long distance telephone service and/or voice mail only.
27. I certify that I posted my Form 470 and (if applicable) made my RFP available for at least 28 days before considering all bids received and selecting a service provider. I certify that all bids submitted were carefully considered and the most cost-effective service offering was selected, with price being the primary factor considered, and is the most cost-effective means of meeting educational needs and technology plan goals.
28. I certify that the entity responsible for selecting the service provider(s) has reviewed all applicable FCC, state, and local procurement/competitive bidding requirements and that the entity or entities listed on this application have complied with them.
29. 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, except as permitted by the Commission's rules at 47 C.F.R. Sec. 54.500(k). Additionally, I certify that the Billed Entity has not received anything of value or a promise of anything of value, other than services and equipment requested under this form, from the service provider(s) or any representative or agent thereof or any consultant in connection with this request for services.
30. I certify that I and the entity(ies) I represent have complied with all program rules and I acknowledge that failure to do so may result in denial of discount funding and/or cancellation of funding commitments. There are signed contracts covering all of the services listed on this Form 471 except for those services provided under non-contracted tariffed or month-to-month arrangements. I acknowledge that failure to comply with program rules could result in civil or criminal prosecution by the appropriate law enforcement authorities.
31. I acknowledge that the discount level used for shared services is conditional, for future years, upon ensuring that the most disadvantaged schools and libraries that are treated as sharing in the service, receive an appropriate share of benefits from those services.
32. I certify that I will retain required documents for a period of at least five years after the last day of service delivered. I certify that I will retain all documents necessary to demonstrate compliance with the statute and Commission rules regarding the application for, receipt of, and delivery of services receiving schools and libraries discounts, and that if audited, I will make such records available to the Administrator. I acknowledge that I may be audited pursuant to participation in the schools and libraries program.
33. I certify that I am authorized to order telecommunications and other supported services for the eligible entity(ies) listed on this application. I certify that I am authorized to submit this request on behalf of the eligible entity(ies) listed on this application, that I have examined this request, that all of the information on this form is true and correct to the best of my knowledge, that the entities that are receiving discounts pursuant to this application have complied with the terms, conditions and purposes of this program, that no kickbacks were paid to anyone and that false statements on this form can be punished by fine or forfeiture under the Communications Act, 47 U.S.C. Secs. 502, 503(b), or fine or imprisonment under the Title 18 of the United States Code, 18 U.S.C. Sec. 1001 and civil violations of the False Claims Act.
34. I acknowledge that FCC rules provide that persons who have been convicted of criminal violations or held civilly liable for certain acts arising from their participation in the schools and libraries support mechanism are subject to suspension and debarment from the program. I will institute reasonable measures to be informed, and will notify USAC should I be informed or become aware that I or any of the entities listed on this application, or any person associated in any way with my entity and/or entities listed on this application, is convicted of a criminal violation or held civilly liable for acts arising from their participation in the schools and libraries support mechanism.

35. I certify that if any of the Funding Requests on this Form 471 are for discounts for products or services that contain both eligible and ineligible components, that I have allocated the cost of the contract to eligible and ineligible companies as required by the Commission's rules at 47 C.F.R. Sec. 54.504(g)(1),(2).

36. I certify that this funding request does not constitute a request for internal connections services, except basic maintenance services, in violation of the Commission requirement that eligible entities are not eligible for such support more than twice every five funding years beginning with Funding Year 2005 as required by the Commission's rules at 47 C.F.R. Sec. 54.506(c).

37. I certify that the non-discounted portion of the costs for eligible services will not be paid by the service provider. The pre-discount costs of eligible services features on this Form 471 are net of any rebates or discounts offered by the service provider. I acknowledge that, for the purpose of this rule, the provision, by the provider of a supported service, of free services or products unrelated to the supported service or product constitutes a rebate of some or all of the cost of the supported services.

40. Printed name of authorized person **WILLIAM L EDWARDS**

41. Title or position of authorized person **Assistant Superintendent**

42a. Street Address, P.O Box or Route Number **3830 Richmond Ave
Level 2 East
Houston, TX 77027**

42b. Telephone number of authorized person: **(713) 892-7880**

42c. Fax number of authorized person: **(713) 892-6749**

42d. E-mail of authorized person: **bedwards@houstonisd.org**

42e. Name of authorized person's employer **Abelardo Saavedra**



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FCC Form 471

Services Ordered and Certification Form



Applicant's Form Identifier: 471-2005FW

Entity Number: 141223

Contact Person: JACQUELINE MARTIN

Phone Number: (713) 892-6222 Ext. 307

Block 6: Certifications and Signature

Do not write in this area

471 Application Number: 441116

24. I certify that the entities listed in Block 4 of this application are eligible for support because they are: (check one or both)

a. schools under the statutory definitions of elementary and secondary schools found in the No Child Left Behind Act of 2001, 20 U.S.C. Secs. 7801(18) and (38), that do not operate as for-profit businesses, and do not have endowments exceeding \$50 million; and/or

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

25. I certify that the entity I represent or the entities listed on this application have secured access, separately or through this program, to all of the resources, including computers, training, software, internal connections, maintenance, and electrical capacity, necessary to use the services purchased effectively. I recognize that some of the aforementioned resources are not eligible for support. I certify that the entities I represent or the entities listed in this application have secured access to all of the resources to pay the discounted charges for eligible services from funds to which access has been secured in the current funding year. I certify that the Billed Entity will pay the non-discount portion of the cost of the goods and services to the service provider(s).

a.	Total funding year pre-discount amount on this Form 471 (Add the entries from Item 23i on all Block 5 Discount Funding Requests.)	\$4,309,032.84
b.	Total funding commitment request amount on this Form 471 (Add the entries from Items 23k on all Block 5 Discount Funding Requests.)	\$3,619,587.60
c.	Total applicant non-discount share (Subtract Item 25b from Item 25a.)	\$689,445.24
d.	Total budgeted amount allocated to resources not eligible for E-rate support	\$4,508,656.00
e.	Total amount necessary for the applicant to pay the non-discount share of the services requested on this application AND to secure access to the resources necessary to make effective use of the discounts. (Add Items 25c and 25d.)	\$5,198,101.24
f.	<input type="checkbox"/> Check this box if you are receiving any of the funds in Item 25e directly from a service provider listed on any Forms 471 filed by this Billed Entity for this funding year, or if a service provider listed on any of the Forms 471 filed by this Billed Entity for this funding year assisted you in locating funds in Items 25e.	

26. I certify that all of the schools and libraries or library consortia listed in Block 4 of this application are covered by technology plans that are written, that cover all 12 months of the funding year, and that have been or will be approved by a state or other authorized body, and SLD-certified technology plan approver, prior to the commencement of service. The plans are written at the following level(s):

- a. an individual technology plan for using the services requested in this application; and/or
- b. higher-level technology plan(s) for using the services requested in this application; or
- c. no technology plan needed; applying for basic local, cellular, PCS, and/or long distance telephone service and/or voice mail only.
27. I certify that I posted my Form 470 and (if applicable) made my RFP available for at least 28 days before considering all bids received and selecting a service provider. I certify that all bids submitted were carefully considered and the most cost-effective service offering was selected, with price being the primary factor considered, and is the most cost-effective means of meeting educational needs and technology plan goals.
28. I certify that the entity responsible for selecting the service provider(s) has reviewed all applicable FCC, state, and local procurement/competitive bidding requirements and that the entity or entities listed on this application have complied with them.
29. 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, except as permitted by the Commission's rules at 47 C.F.R. Sec. 54.500(k). Additionally, I certify that the Billed Entity has not received anything of value or a promise of anything of value, other than services and equipment requested under this form, from the service provider(s) or any representative or agent thereof or any consultant in connection with this request for services.
30. I certify that the entity(ies) I represent have complied with all program rules and I acknowledge that failure to do so may result in denial of discount funding and/or cancellation of funding commitments. There are signed contracts covering all of the services listed on this Form 471 except for those services provided under non-contracted tariffed or month-to-month arrangements. I acknowledge that failure to comply with program rules could result in civil or criminal prosecution by the appropriate law enforcement authorities.
31. I acknowledge that the discount level used for shared services is conditional, for future years, upon ensuring that the most disadvantaged schools and libraries that are treated as sharing in the service, receive and appropriate share of benefits from those services.
32. I certify that I will retain required documents for a period of at least five years after the last day of service delivered. I certify that I will retain all documents necessary to demonstrate compliance with the statute and Commission rules regarding the application for, receipt of, and delivery of services receiving schools and libraries discounts, and that if audited, I will make such records available to the Administrator. I acknowledge that I may be audited pursuant to participation in the schools and libraries program.
33. I certify that I am authorized to order telecommunications and other supported services for the eligible entity(ies) listed on this application. I certify that I am authorized to submit this request on behalf of the eligible entity(ies) listed on this application, that I have examined this request, that all of the information on this form is true and correct to the best of my knowledge, that the entities that are receiving discounts pursuant to this application have complied with the terms, conditions and purposes of this program, that no kickbacks were paid to anyone and that false statements on this form can be punished by fine or forfeiture under the Communications Act, 47 U.S.C. Secs. 502, 503(b), or fine or imprisonment under the Title 18 of the United States Code, 18 U.S.C. Sec. 1001 and civil violations of the False Claims Act.
34. I acknowledge that FCC rules provide that persons who have been convicted of criminal violations or held civilly liable for certain acts arising from their participation in the schools and libraries support mechanism are subject to suspension and debarment from the program. I will institute reasonable measures to be informed, and will notify USAC should I be informed or become aware that I or any of the entities listed on this application, or any person associated in any way with my entity and/or entities listed on this application, is convicted of a criminal violation or held civilly liable for acts arising from their participation in the schools and libraries support mechanism.
35. I certify that if any of the Funding Requests on this Form 471 are for discounts for products or

services that contain both eligible and ineligible components, that I have allocated the cost of the contract to eligible and ineligible companies as required by the Commission's rules at 47 C.F.R. Sec. 54.504(g) (1),(2).

36. I certify that this funding request does not constitute a request for internal connections services, except basic maintenance services, in violation of the Commission requirement that eligible entities are not eligible for such support more than twice every five funding years beginning with Funding Year 2005 as required by the Commission's rules at 47 C.F.R. Sec. 54.506(c).

37. I certify that the non-discounted portion of the costs for eligible services will not be paid by the service provider. The pre-discount costs of eligible services features on this Form 471 are net of any rebates or discounts offered by the service provider. I acknowledge that, for the purpose of this rule, the provision, by the provider of a supported service, of free services or products unrelated to the supported service or product constitutes a rebate of some or all of the cost of the supported services.

38. Signature of authorized person Cert ID = 83307

39. Date 2/18/2005

40. Printed name of authorized person WILLIAM L EDWARDS

41. Title or position of authorized person Assistant Superintendent

42a. Street Address, P.O Box or Route Number 3830 Richmond Ave
Level 2 East
Houston, TX 77027-5838

42b. Telephone number of authorized person: (713) 892-7880

42c. Fax number of authorized person: (713) 892-6749

42d. E-mail of authorized person: bedwards@houstonisd.org

42e. Name of authorized person's employer Abelardo Saavedra

ATTENTION: If you are signing Form 471 using the PIN assigned to you by SLD, you are reminded that using the PIN is equivalent to your handwritten signature on the form. Your use of the PIN to affirm these certifications means that should they prove untrue, you will be held to the same enforcement standards as those who affirm the certifications on paper. Also, by using the PIN, you are affirming that you have the authority to make these certifications and represent the entity featured in Block One of this funding request.

Please Check to affirm your compliance

471 Application Number: 441116
HOUSTON INDEP SCHOOL DISTRICT
3830 RICHMOND AVE
HOUSTON, TX 77027 -5802

The Americans with Disabilities Act, the individuals with Disabilities Education Act and the Rehabilitation Act may impose obligations on entities to make the services purchased with these discounts accessible to and usable by people with disabilities.

NOTICE: Section 54.504 of the Federal Communications Commission's rules requires all schools and libraries ordering services that are eligible for and seeking universal service discounts to file this Service Ordered and Certification Form (FCC Form 471) with the Universal Service Administrator. 47 C.F.R. § 54.504. The collection of information stems from the Commission's authority under Section 254 of the Communications Act of 1934, as amended. 47 U.S.C. § 254. The data in the report will be used to ensure that schools and libraries comply with the competitive bidding requirement contained in 47 C.F.R. § 54.504. All schools and libraries planning to order services eligible for universal service discounts must file this form themselves or as part of a consortium.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

The FCC is authorized under the Communications Act of 1934, as amended, to collect the information we request in this form. We will use the information you provide to determine whether approving this application is in the public interest. If we believe there may be a violation or a potential violation of a FCC statute, regulation, rule or order, your application may be referred to the Federal, state, or local agency responsible for investigating, prosecuting, enforcing, or implementing the statute, rule, regulation or order. In certain cases, the information in your application may be disclosed to the Department of Justice or a court or adjudicative body when (a) the FCC; or (b) any employee of the FCC; or (c) the United States Government is a party of a proceeding before the body or has an interest in the proceeding. In addition,

consistent with the Communications Act of 1934, FCC regulations and orders, the Freedom of Information Act, 5 U.S.C. § 552, or other applicable law, information provided in or submitted with this form or in response to subsequent inquiries may be disclosed to the public.

If you owe a past due debt to the Federal government, the information you provide may also be disclosed to the Department of the Treasury Financial Management Service, other Federal agencies and/or your employer to offset your salary, IRS tax refund or other payments to collect that debt. The FCC may also provide the information to these agencies through the matching of computer records when authorized.

If you do not provide the information we request on the form, the FCC may delay processing of your application or may return your application without action.

The foregoing Notice is required by the Paperwork Reduction Act of 1995, Pub. L. No. 104-13, 44 U.S.C. § 3501, et seq.

Public reporting burden for this collection of information is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, completing, and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the reporting burden to the Federal Communications Commission, Performance Evaluation and Records Management, Washington DC 20554.

Please retain a copy of this page and submit a copy with any communications to the SLD. Please enclose a copy of this confirmation page when mailing your Item 21 attachments.

[Return to SLD Home Page](#)

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Schools and Libraries Division

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

In the Matter of)	
)	
Request for Review of the)	
Decision of the)	
Universal Service Administrator by)	
)	
Houston Independent School District)	File No. SLD-398831
Houston, Texas)	
)	
Schools and Libraries Universal Service)	CC Docket No. 02-6
Support Mechanism)	

ORDER

Adopted: October 27, 2005

Released: October 27, 2005

By the Telecommunications Access Policy Division, Wireline Competition Bureau:

1. In this Order, the Telecommunications Access Policy Division grants a Request for Review filed by Houston Independent School District (Houston) seeking review of a decision by the Schools and Libraries Division of the Universal Service Administrative Company (USAC).¹ As explained below, we find that USAC erred in denying Houston's Funding Year 2004 application for discounted services under the schools and libraries universal service support mechanism on the ground that Houston's funding request was for services ineligible for discounts under program rules. Based upon our review of the record, we find that Houston's funding request was for services eligible for support under the schools and libraries universal service support mechanism. Accordingly, for the reasons set forth below, we grant the Request for Review and remand Houston's application to USAC for further consideration consistent with this Order.

2. Under the schools and libraries universal service support mechanism, commonly referred to as the E-rate program, eligible schools, libraries, and consortia that include eligible schools and libraries, may apply for discounts for eligible telecommunications services, Internet access, and internal connections.² The Commission vested in USAC the responsibility for administering the application process for the universal service support mechanism.³ Accordingly, USAC reviews the applications for discounts

¹Letter from Schools and Libraries Division, Universal Service Administrative Company, to William Edwards, Houston Independent School District, dated January 18, 2005 (Administrator's Decision on Appeal); Letter from William Edwards, Houston Independent School District, to Federal Communications Commission, filed March 18, 2005 (Request for Review). Section 54.719(c) of the Commission's rules provides that any person aggrieved by an action taken by a division of the Universal Service Administrative Company may seek review from the Commission. 47 C.F.R. § 54.719(c).

²47 C.F.R. §§ 54.502, 54.503.

³47 C.F.R. § 54.705(a)(1). The Schools and Libraries Committee oversees the administration of the schools and libraries support mechanism. *Id.* See also *Changes to the Board of Directors of the National Exchange Carrier Association, Inc., Federal State Joint Board on Universal Service*, Third Report and Order and Fourth Order on

that it receives, and issues funding commitments in accordance with the Commission's rules. Under the schools and libraries universal service support mechanism, applicants may only seek support for eligible services.⁴ Pursuant to the Administrator's operating procedures, USAC performs a Program Integrity Assurance (PIA) review to verify that the discounts recipients seek are for eligible services, provided to eligible entities, and for eligible uses.⁵

3. In its Funding Year 2004 application, Houston sought discounts for the provision of Internet access over a fiber optic wide area network (WAN) operated and managed by Phonoscope, LTD (Phonoscope).⁶ Houston's Funding Year 2004 application, filed on February 3, 2004, was an extension of applications USAC had previously approved for Funding Years 2002 and 2003.⁷ The record shows that the fiber optic WAN is part of Phonoscope's integrated, facilities-based Metropolitan Area Network spanning five counties in the Houston area.⁸ The amount of funding requested in Houston's application was \$4,422,810.08.⁹ On June 30, 2004, USAC denied funding for the entire application on the basis that thirty percent or more of the funding request was for dark fiber and a private network, which are ineligible under program rules.¹⁰ On July 22, 2004, Houston filed an appeal with USAC, asserting that USAC misconstrued its funding request and that, in actuality, the funds were requested for a managed "lit" fiber connection serving Houston area schools.¹¹ Houston further explained that Phonoscope has

Reconsideration in CC Docket No. 97-21 and Eighth Order on Reconsideration in CC Docket No. 96-45, 13 FCC Rcd 25058, 25075-76, paras. 30-31 and 34 (1998) (*Eighth Reconsideration Order*) (describing the functions of the Schools and Libraries Committee). Under the rules adopted in the Commission's Eighth Reconsideration Order, the Schools and Libraries Committee's functions include, but are not limited to, "development of applications and associated instructions," and "administration of the application process, including activities to ensure compliance with Federal Communications Commission rules and regulations."

⁴See 47 C.F.R. § 54.504; Instructions for Completing the Schools and Libraries Universal Service, Services Ordered and Certification Form, OMB 3060-0806, at 20 (October 2003) (FCC Form 471 Instructions) (stating that applicants may not seek support for ineligible services, entities and uses). See also USAC website, <<http://www.sl.universalservice.org/data/pdf/i471y7.pdf>>.

⁵See USAC website, PIA, <<http://www.sl.universalservice.org/reference/6pia.asp>>.

⁶See FCC Form 471, Houston Independent School District, filed February 3, 2004 (Houston FCC Form 471). The Funding Request Numbers (FRNs) at issue in this case are: 1135973, 1136206, 1136285, 1136449, 1136548, and 1136899.

⁷See Request for Review at 2.

⁸See Letter from Rhonda Druke, Phonoscope, LTD, to Schools and Libraries Division, Universal Service Administrative Company, dated July 8, 2004.

⁹*Id.*

¹⁰Letter from Schools and Libraries Division, Universal Service Administrative Company, to William Edwards, Houston Independent School District, dated June 30, 2004, at 5-6 (Funding Commitment Decision Letter). Dark fiber refers to fiber optic cable for which the service provider has not provided modulating equipment, i.e., the fiber is "unlit." See 2003 Eligible Services List, <<http://www.sl.universalservice.org/data/pdf/EligibleServicesList>> (dated October 10, 2003) (2003 Eligible Services List).

¹¹Letter from William Edwards, Houston Independent School District, to Schools and Libraries Division, Universal Service Administrative Company, dated July 22, 2004. On August 6, 2004, Houston amended its appeal by correcting the referenced Funding Applications Number. Letter from Jacqueline Martin, Houston Independent School District, to Schools and Libraries Division, Universal Service Administrative Company, dated August 6, 2004. It appears from the record that USAC considered the appeal filed on August 6. See Administrator's Decision on Appeal.

managed the inner workings of the WAN using its own fiber, switches, and modulating equipment since Funding Year 2001.¹² On January 18, 2005, USAC denied the appeal, reiterating its earlier finding that Houston's application requested support for the installation and management of dark fiber and a private network, which are ineligible for discounts.¹³ On March 18, 2005, Houston filed the instant Request for Review.¹⁴

4. In its Request for Review, Houston argues that USAC inaccurately described its Funding Year 2004 application as a request for support for dark fiber and a private network.¹⁵ Houston asserts that its funding request is related to the provision of telecommunications, or more specifically, Internet access over "lit" fiber and is not part of a private network.¹⁶ As evidence of these assertions, Houston provides vendor quotes (from Phonoscope) for each FRN illustrating that Phonoscope is providing one "Gig Managed Ethernet Circuit" to each of Houston's sites over a Phonoscope-owned fiber optic network infrastructure.¹⁷ Houston argues that use of the terms "Gig Managed Ethernet Circuit" and "provisioned" in the vendor quotes relate to active, not dark, fiber.¹⁸

5. Houston also argues that attaching Phonoscope equipment necessary to transmit signals over the fiber facility demonstrates that its funding request is for "lit" fiber instead of unsupported dark fiber. Houston explains that Phonoscope uses Gigabit Interface Connectors (GBICs), which are essential modulating devices for Gigabit Ethernet systems, to manage its fiber network and deliver signals for Houston area schools.¹⁹ The GBICs are maintained at each Houston site as an uplink to the Phonoscope network.²⁰ The Phonoscope uplink GBIC at each site is the first inline piece of equipment for the final hand-off link between the provider and Houston.²¹ According to Houston, the fiber providing Internet connectivity to each site is useless without the Phonoscope GBICs; Houston may not obtain telecommunications services if it attempts to bypass the provider's GBICs and connect its local area network equipment directly to the uplink fiber.²² Houston states that the GBICs in Houston's local

¹²*Id.*

¹³Administrator's Decision on Appeal at 1.

¹⁴*See* Request for Review at 4.

¹⁵*Id.* at 2.

¹⁶*Id.*

¹⁷*See id.* at 4, Attachment 3. Houston provided these vendor quotes in response to a PIA request for additional information. *See* Letter from Schools and Libraries Division, Universal Service Administrative Company, to Jacqueline Martin, Houston Independent School District, dated May 19, 2004. A quote for FRN 1135973, for example, states that "Phonoscope is pleased to provide you with this clarification quote for the annual management of a three Gig Managed Ethernet Circuit to each of the 11 HISD [Houston] hub sites listed below provisioned over a Phonoscope owned fiber optic network infrastructure." *See* Letter from David Caddle, Phonoscope, LTD to Jim Leichty, Houston Independent School District, dated January 16, 2004.

¹⁸*See id.*

¹⁹In its Request for Review, Houston states that it is unclear whether USAC is basing its determination on Phonoscope's use of Gigabit Interface Connectors, which are also used by lessors of dark fiber. *See* Request for Review at 5-6.

²⁰*See* Request for Review at 6.

²¹*Id.*

²²*Id.*

switches exist solely to accept the "lit" fiber hand-off from Phonoscope.²³ Thus, Houston argues that the managed fiber network provided by Phonoscope is not dark fiber.²⁴

6. We have reviewed the underlying record and conclude that USAC erred in denying Houston's request for support. As discussed above, USAC determined that Houston's funding request was for dark fiber and a private network, both of which are ineligible under program rules. It appears that USAC's determination was based on language contained in the Houston-Phonoscope service agreement.²⁵ Our review of the entire Phonoscope Agreement, related addendums and other supporting documentation indicates that the Internet fiber optic WAN at issue is indeed "lit" and is not a private network. The record demonstrates that the Internet fiber optic network at issue is not a private network because it is provided over a common carrier Metropolitan backbone.²⁶ In fact, Houston's WAN is provided, in part, utilizing Phonoscope fiber routes that service other customers.²⁷

7. Program rules permit schools and libraries to receive support to obtain telecommunications services and Internet access using lit fiber.²⁸ To receive support for services using lit fiber as a Priority One service, the school or library must purchase a functioning service from either a telecommunications service provider or Internet access provider, which in turn is responsible for ensuring that both the fiber and the equipment to light the fiber are provided.²⁹ The record in the instant case indicates that Houston is buying a service that includes Phonoscope equipment necessary to transmit signals over fiber facilities instead of using its own equipment to effectively "light" the fiber. In fact, since Funding Year 2001, Phonoscope has provided, operated, and managed Gigabit Ethernet Circuits for each of Houston's sites over a Phonoscope-owned fiber optic network infrastructure. Telecommunications services, as well as Internet connectivity, would not be possible for the Houston area schools at issue without the Phonoscope modulating equipment.³⁰ Thus, we find that the fiber optic WAN

²³*Id.*

²⁴*Id.*

²⁵See Fiber Optic Network Lease Agreement of District Wide Area Fiber Optic Network for Houston Independent School District, RFP # 00-11-6 (2000) (Phonoscope Agreement). Section VI of the Phonoscope Agreement provides, in pertinent part:

Use: The [Houston Independent School] District agrees that only District's own signals will be carried over the Dark Fiber specified in this Agreement, and specifically agrees not to resell the use of the Dark Fiber for the purposes of transmitting a third Party's signal. The District shall not extend the Applicable Fiber in any manner nor shall the District access or allow any third party to access, any of Phonoscope's splice points.

Id. at 9.

²⁶See Letter from Rhonda Druke, Phonoscope, LTD, to Schools and Libraries Division, Universal Service Administrative Company, dated July 8, 2004.

²⁷*Id.*

²⁸See 2003 Eligible Services List. See also *In the Matter of Schools and Libraries Universal Service Support Mechanism*, CC Docket No. 02-6, Third Report and Order and Second Further Notice of Proposed Rulemaking, 18 FCC Rcd 26912, 26934, para. 76 (2003) (*Third Report and Order*).

²⁹See *Third Report and Order*, 18 FCC Rcd at 26934, para. 76.

³⁰See Request for Review at 6.

provided by Phonoscope is "lit" and is therefore eligible for E-rate support. As a result, we grant Houston's Request for Review.

8. ACCORDINGLY, IT IS ORDERED, pursuant to authority delegated under sections 0.91, 0.291 and 54.722(a) of the Commission's rules, 47 C.F.R. §§ 0.91, 0.291 and 54.722(a), that the Request for Review filed by Houston Independent School District, Houston, Texas, on March 18, 2005, IS GRANTED and REMANDED to USAC for further action consistent with this decision.

FEDERAL COMMUNICATIONS COMMISSION

Narda M. Jones
Chief
Telecommunications Access Policy Division
Wireline Competition Bureau

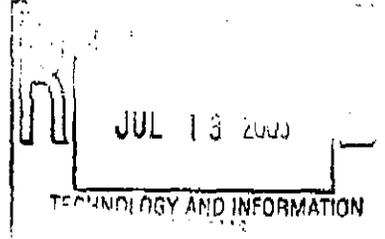


Universal Service Administrative Company
Schools & Libraries Division

FUNDING COMMITMENT DECISION LETTER
(Funding Year 2005: 07/01/2005 - 06/30/2006)

July 7, 2005

JACQUELINE MARTIN
HOUSTON INDEP SCHOOL DISTRICT
3830 RICHMOND AVE
LEVEL 2 EAST
HOUSTON, TX 77027-5802



Re: Form 471 Application Number: 441116
Funding Year 2005: 07/01/2005 - 06/30/2006
Billed Entity Number: 141223
Billed Entity FCC RN:
Applicant's Form Identifier: 471-2005FW

Thank you for your Funding Year 2005 E-rate application and for any assistance you provided throughout our review. Here is the current status of the funding request(s) featured in the Funding Commitment Report at the end of this letter.

- The amount, \$3,619,587.60 is "Denied."

Please refer to the Funding Commitment Report on the page following this letter for specific funding request decisions and explanations.

The Important Reminders and Deadlines immediately preceding this letter are provided to assist you throughout the application process.

NEXT STEPS

- Work with your service provider to determine if you will receive discounted bills or if you will request reimbursement from USAC after paying your bills in full
- Review technology planning approval requirements
- Review CIPA Requirements
- File Form 486
- Invoice the SLD using the Form 474 (service provider) or Form 472 (Billed Entity) - as products and services are being delivered and billed

FUNDING COMMITMENT REPORT

On the pages following this letter, we have provided a Funding Commitment Report for the Form 471 application cited above. The enclosed report includes a list of the Funding Request Number(s) (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) after you file your Form 486. Immediately preceding the Funding Commitment Report, you will find a guide that provides a definition for each line of the Report.

TO APPEAL THIS DECISION:

If you wish to appeal a decision in this letter, your appeal must be received by the SLD or postmarked within 60 days of the date of 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 (if available) e-mail address for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Include the following to identify the letter and the decision you are appealing:
 - Appellant name,

- Applicant name and service provider name, if different from appellant,
- Applicant BEN and service provider SPIN,
- Form 471 Application Number as assigned by the SLD,
- "Funding Commitment Decision Letter for Funding Year 2005," AND
- The exact text or the decision that you are appealing.

3. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep a copy of your entire appeal, including any correspondence and documentation.
4. If you are the applicant, please provide a copy of your appeal to the service provider(s) affected by the SLD's decision. If you are the service provider, please provide a copy of your appeal to the applicant(s) affected by the SLD's decision.
5. Provide an authorized signature on your letter of appeal.

To submit your appeal to the SLD by e-mail, use the "Submit a Question" feature on our web site at www.sl.universalservice.org. Click "Continue," choose "Appeals" from the Topics Inquiry on the lower portion of your screen, and click "Go" to begin your appeal submission. The system will prompt you through the process. The SLD will automatically reply to incoming e-mails to confirm receipt.

To submit your appeal to the SLD by fax, fax your appeal to (973) 599-6542.

To submit your appeal to the SLD on paper, send your appeal to:

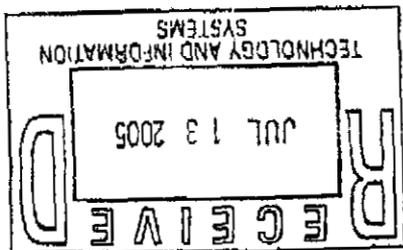
Letter of Appeal
 Schools and Libraries Division
 Box 125 - Correspondence Unit
 80 South Jefferson Road
 Whippany, NJ 07981

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 received by the FCC 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. We strongly recommend that you use either the electronic filing options described in the "Appeals Procedure" posted in the Reference Area of our web site. 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 Schools and Libraries Universal Service Support Mechanism. Applicants who have received funding commitments continue to be subject to audits and other reviews that the Universal Service Administrative Company (USAC) 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 improperly 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.

Schools and Libraries Division
 Universal Service Administrative Company



A GUIDE TO THE FUNDING COMMITMENT REPORT

A report for each E-rate funding request from your application is attached to this letter. We are providing the following definitions for the items in that report.

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

FUNDING REQUEST NUMBER (FRN): A Funding Request Number is assigned by the SLD to each Block 5 of your Form 471. This number is used to report to applicants and service providers the status of individual funding requests submitted on a Form 471.

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

1. An FRN that is "Funded" is approved at the level that the SLD determined is appropriate for this FRN. The funding level will generally be the level requested unless the SLD determines during the application review process that some adjustment is appropriate.
2. An FRN that is "Not Funded" is one for which no funds were committed. The reason for the decision will be briefly explained in the "Funding Commitment Decision Explanation." An FRN may be "Not Funded" because the request does not comply with program rules, or because the total amount of funding available for this Funding Year was insufficient to fund all requests.
3. An FRN that is "As Yet Unfunded" reflects a temporary status that is assigned to an FRN when the SLD is uncertain at the time the letter is generated whether there will be sufficient funds to make commitments for requests for Internal Connections at a particular discount level. For example, if your application included requests for discounts on both Telecommunications Services and Internal Connections, you might receive a letter with funding commitments for your Telecommunications Services funding requests and a message that your Internal Connections requests are "As Yet Unfunded." You would receive one or more subsequent letters regarding the funding decision on your Internal Connections requests.

CATEGORY OF SERVICE: The type of service ordered from the service provider, as shown on your Form 471.

FORM 470 APPLICATION NUMBER: The Form 470 Application Number associated with this FRN from Block 5, Item 12 of the 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 your 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 your Form 471.

SERVICE START DATE: The Service Start Date for this FRN from Block 5, Item 19 of your Form 471.

CONTRACT EXPIRATION DATE: The Contract Expiration Date for this FRN from Block 5, Item 20b of your Form 471. This will be present only if a contract expiration date was provided on your Form 471.

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

NUMBER OF MONTHS RECURRING SERVICE PROVIDED IN FUNDING YEAR: The number of months of service that has been approved in the funding year. This will be present only for recurring services.

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 approved for 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 23I, as determined through the application review process.

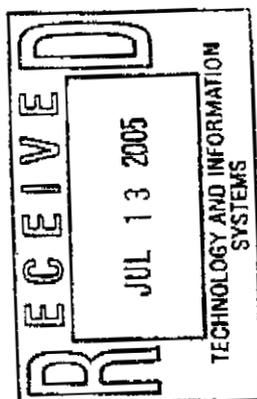
DISCOUNT PERCENTAGE APPROVED BY THE SLD: The discount rate that the SLD has approved for this service.

FUNDING COMMITMENT DECISION: This represents the total amount of funding that the SLD has reserved to reimburse your service provider for the approved discounts for this service for this funding year. It is important that you and your 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 provides an explanation of the amount in the "Funding Commitment Decision."

FCDL DATE: The date of this Funding Commitment Decision Letter (FCDL).

WAVE NUMBER: The wave number assigned to FCDLs issued on this date.



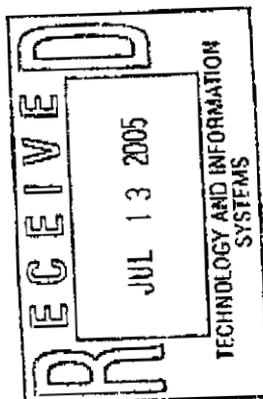
FUNDING COMMITMENT REPORT
Billed Entity Name: HOUSTON INDEP SCHOOL DISTRICT
BEN: 141223
Funding Year: 2005

Form 471 Application Number: 441116
Funding Request Number: 1224875
Funding Status: Not Funded
Category of Service: Internet Access
Form 470 Application Number: 425810000
SPIN: 143008740
Service Provider Name: Phonoscope, LTD
Contract Number: 00-11-6
Billing Account Number: N/A
Service Start Date: 07/01/2005
Contract Expiration Date: 06/30/2006
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$55,419.84
Pre-discount Amount: \$55,419.84
Discount Percentage Approved by the SLD: N/A
Funding Commitment Decision: \$0.00 - Incl. svcs./ or product(s)
Funding Commitment Decision Explanation: 30% or more of this FRN includes a request for Dark Fiber which is an ineligible product(s)/service(s) based on program rules.

FCDL Date: 07/07/2005
Wave Number: 002

Funding Request Number: 1224877
Funding Status: Not Funded
Category of Service: Internet Access
Form 470 Application Number: 425810000
SPIN: 143008740
Service Provider Name: Phonoscope, LTD
Contract Number: 00-11-6
Billing Account Number: N/A
Service Start Date: 07/01/2005
Contract Expiration Date: 06/30/2006
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$240,311.52
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$240,311.52
Discount Percentage Approved by the SLD: N/A
Funding Commitment Decision: \$0.00 - Incl. svcs./ or product(s)
Funding Commitment Decision Explanation: 30% or more of this FRN includes a request for Dark Fiber which is an ineligible product(s)/service(s) based on program rules.

FCDL Date: 07/07/2005
Wave Number: 002



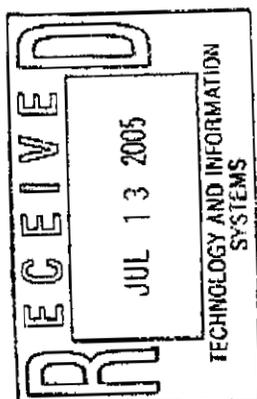
FUNDING COMMITMENT REPORT
Billed Entity Name: HOUSTON INDEP SCHOOL DISTRICT
BEN: 141223
Funding Year: 2005

Form 471 Application Number: 441116
Funding Request Number: 1224882
Funding Status: Not Funded
Category of Service: Internet Access
Form 470 Application Number: 425810000
SPIN: 143008740
Service Provider Name: Phonoscope, LTD
Contract Number: 00-11-6
Billing Account Number: N/A
Service Start Date: 07/01/2005
Contract Expiration Date: 06/30/2006
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$141,479.52
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$141,479.52
Discount Percentage Approved by the SLD: N/A
Funding Commitment Decision: \$0.00 - Inel. svcs./ or product(s)
Funding Commitment Decision Explanation: 30% or more of this FRN includes a request for Dark Fiber which is an ineligible product(s)/service(s) based on program rules.

FCDL Date: 07/07/2005
Wave Number: 002

Funding Request Number: 1224884
Funding Status: Not Funded
Category of Service: Internet Access
Form 470 Application Number: 425810000
SPIN: 143008740
Service Provider Name: Phonoscope, LTD
Contract Number: 00-11-6
Billing Account Number: N/A
Service Start Date: 07/01/2005
Contract Expiration Date: 06/30/2006
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$2,562,966.12
Pre-discount Amount: \$2,562,966.12
Discount Percentage Approved by the SLD: N/A
Funding Commitment Decision: \$0.00 - Inel. svcs./ or product(s)
Funding Commitment Decision Explanation: 30% or more of this FRN includes a request for Dark Fiber which is an ineligible product(s)/service(s) based on program rules.

FCDL Date: 07/07/2005
Wave Number: 002



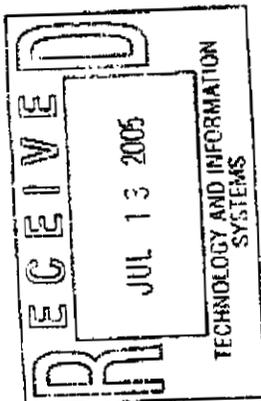
FUNDING COMMITMENT REPORT
Billed Entity Name: HOUSTON INDEP SCHOOL DISTRICT
BEN: 141223
Funding Year: 2005

Form 471 Application Number: 441116
Funding Request Number: 1224886
Funding Status: Not Funded
Category of Service: Internet Access
Form 470 Application Number: 425810000
SPIN: 143008740
Service Provider Name: Phonoscope, LTD
Contract Number: 00-11-6
Billing Account Number: N/A
Service Start Date: 07/01/2005
Contract Expiration Date: 06/30/2006
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$246,726.48
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$246,726.48
Discount Percentage Approved by the SLD: N/A
Funding Commitment Decision: \$0.00 - Incl. svcs./ or product(s)
Funding Commitment Decision Explanation: 30% or more of this FRN includes a request for Dark fiber which is an ineligible product(s)/service(s) based on program rules.

FCDL Date: 07/07/2005
Wave Number: 002

Funding Request Number: 1224895
Funding Status: Not Funded
Category of Service: Internet Access
Form 470 Application Number: 425810000
SPIN: 143008740
Service Provider Name: Phonoscope, LTD
Contract Number: 00-11-6
Billing Account Number: N/A
Service Start Date: 07/01/2005
Contract Expiration Date: 06/30/2006
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$531,037.44
Pre-discount Amount: \$531,037.44
Discount Percentage Approved by the SLD: N/A
Funding Commitment Decision: \$0.00 - Incl. svcs./ or product(s)
Funding Commitment Decision Explanation: 30% or more of this FRN includes a request for Dark Fiber which is an ineligible product(s)/service(s) based on program rules.

FCDL Date: 07/07/2005
Wave Number: 002



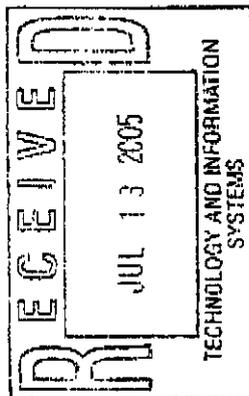
FUNDING COMMITMENT REPORT
Billed Entity Name: HOUSTON INDEP SCHOOL DISTRICT
BEN: 141223
Funding Year: 2005

Form 471 Application Number: 441116
Funding Request Number: 1224900
Funding Status: Not Funded
Category of Service: Internet Access
Form 470 Application Number: 425810000
SPIN: 143008740
Service Provider Name: Phonoscope, LTD
Contract Number: 00-11-6
Billing Account Number: N/A
Service Start Date: 07/01/2005
Contract Expiration Date: 06/30/2006
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$55,211.52
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$55,211.52
Discount Percentage Approved by the SLD: N/A
Funding Commitment Decision: \$0.00 - Incl. svcs./ or product(s)
Funding Commitment Decision Explanation: 30% or more of this ERN includes a request for Dark fiber which is an ineligible product(s)/service(s) based on program rules.

FCDL Date: 07/07/2005
Wave Number: 002

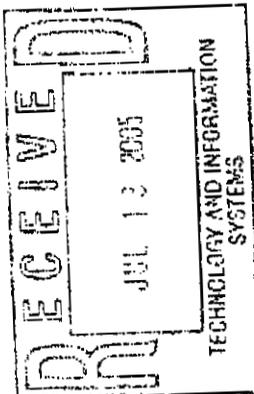
Funding Request Number: 1224906
Funding Status: Not Funded
Category of Service: Internet Access
Form 470 Application Number: 651570000
SPIN: 143008740
Service Provider Name: Phonoscope, LTD
Contract Number: 00-11-6
Billing Account Number: N/A
Service Start Date: 07/01/2005
Contract Expiration Date: 06/30/2006
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$450,000.00
Pre-discount Amount: \$450,000.00
Discount Percentage Approved by the SLD: N/A
Funding Commitment Decision: \$0.00 - Incl. svcs./ or product(s)
Funding Commitment Decision Explanation: 30% or more of this ERN includes a request for Dark Fiber which is an ineligible product(s)/service(s) based on program rules.

FCDL Date: 07/07/2005
Wave Number: 002



FUNDING COMMITMENT REPORT
Billed Entity Name: HOUSTON INDEP SCHOOL DISTRICT
BEN: 141223
Funding Year: 2005

Form 471 Application Number: 441116
Funding Request Number: 1224914
Funding Status: Not Funded
Category of Service: Internet Access
Form 470 Application Number: 651570000
SPIN: 143008740
Service Provider Name: Phonoscope, LTD
Contract Number: 00-11-6
Billing Account Number: N/A
Service Start Date: 07/01/2005
Contract Expiration Date: 06/30/2006
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$25,880.40
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$25,880.40
Discount Percentage Approved by the SLD: N/A
Funding Commitment Decision: \$0.00 - Inel. svcs./ or product(s)
Funding Commitment Decision Explanation: 30% or more of this FRN includes a request for Dark Fiber which is an ineligible product(s)/service(s) based on program rules.
FCDL Date: 07/07/2005
Wave Number: 002



IMPORTANT REMINDERS & DEADLINES

Billed Entity Number : 141223
Name of Billed Entity: HOUSTON INDEP SCHOOL DISTRICT

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.

FCC REGISTRATION NUMBERS (FCC RNs) - Effective November 1, 2004, the FCC's Fifth Order (FCC 04-190 released August 13, 2004) requires E-rate program participants to have FCC Registration Numbers. Please continue to review our web site for additional guidance.

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, that plan must cover all 12 months of the funding year. You must indicate the name of the SLD-Certified Technology Plan Approver (TPA) prior to the commencement of discounted services for this funding year. You must indicate the name of the SLD-Certified TPA who approved your plan in your Form 486, and you must retain your approval letter and documentation of your monitoring of the progress toward your stated goals.

CHILDREN'S INTERNET PROTECTION ACT (CIPA) - Please review the CIPA guidance in the Form 486 Instructions, Section II, "IMPACT OF CIPA REQUIREMENTS ON FORM 486."

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 are being 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 applicant to pay their share ensures efficiency and accountability in the program. FCC 04-190 concluded that a presumptively reasonable timeframe for a beneficiary to pay its non-discount share is 90 days after the completion of services. If you are using a trade-in as part of your non-discount portion, please refer to the web site for more information.

DOCUMENTATION RETENTION - FCC rules require that documents demonstrating compliance with the statute and Commission rules must be retained for a period of at least five years after the last day of service delivered. See "Document Retention Requirements" in FCC 04-190 for a descriptive list of many of the documents you must retain.

SUSPENSION AND DEBARMENT - Persons who have been convicted of criminal violations or held civilly liable for certain acts arising from their participation in the Schools and Libraries Support Mechanism are subject to suspension and debarment from the program.

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 - including more information on these reminders - is posted to the SLD section of the USAC web site at www.sl.universalservice.org. You may also contact the SLD Client Service Bureau by e-mail using the "Submit a Question" link on the web site, by fax at 1-888-276-8736 or by phone at 1-888-203-8100.

