



# Mt. Lebanon School District

7 Horsman Drive • Pittsburgh, Pennsylvania 15228-1107 • 412-344-2100

www.mtisd.org

January 2, 2007

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

Re: Request for Review of Decision of Universal Service Administrator,  
CC Docket No. 02-6

Billed Entity Name	Mt. Lebanon School District
Billed Entity Number (BEN)	125265
471 Application Number	533062
Funding Request Numbers (FRN)	1473307
Funding Year	2006
FCDL Date	9/19/06

## **Mt. Lebanon School District Request for Review and Waiver**

The September 19, 2006 Funding Commitment Decisions Letter for Form 471 Application Number 533062, FRN 1473307 denied funding on the basis that "This FRN is for a request for Telecommunications Service from a carrier that does not provide telecommunications on a common carrier basis."

The Service Provider for the FRN, as listed on the Funding Commitment Decisions Letter, is Arch Wireless, Inc., SPIN 143018525. See Exhibit 1, Funding Commitment Decisions Letter for 471 # 533062, FRN 1473307. According to the SLD's web site, the SPIN is for Metro Call, which is listed as a telecommunications company that does in fact provide service on a common carrier basis. See Exhibit 2 which is from the SLD's SPIN Search tool and shows that there is a "Y" in the column under "Eligible Telecomm Provider." Metro Call purchased the Arch Wireless Company and the transaction was completed in or about November of 2004 (See Exhibit 3 and 4 for US DOJ Press Release and News Article stating that Metrocall's shareholders approved the transaction in November).

The Applicant respectfully requests that the FCC accept this appeal although it was filed more than 60 days after the date of issuance of the Funding Commitment Decisions Letter. The Applicant mistakenly believed that under the Bishop Perry order, the SLD was going to proactively review ALL funding commitment decisions letters to insure that denials were not based on ministerial and clerical errors, and the Applicant thought that this funding denial would be rescinded voluntarily by the SLD because the SLD erroneously decided that the SPIN was for a telecommunications carrier that was not a common carrier. Indeed, during PIA review, the applicant explicitly informed the SLD that although the applicant was not aware of any ministerial or clerical errors in connection with the application, should PIA discover such an error, the applicant requested PIA to notify the applicant and provide an opportunity to correct the problem. Had PIA notified the applicant that the SPIN for the FRN was not an eligible telecommunications provider, which is the basis of the funding denial, the applicant would have been able to communicate with PIA and correct this misunderstanding and establish that in fact the service provider is a telecommunications common carrier.



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The Applicant's failure to file the appeal within 60 days of the FCDL date does not create a situation where waste, fraud or abuse of program resources will occur. Under the Bishop Perry Order, clerical or ministerial mistakes that do not give rise to potential waste, fraud or abuse are permitted to be corrected, even when such mistakes result in missed deadlines. In a recent appeal decision, Friendship House Appeal, File No. SLD-314307, CC Docket No. 02-6 (Order released December 4, 2006), the FCC waived the 60 day deadline for filing an appeal, given that the appeal was meritorious and was necessitated by SLD's commission of a substantive error. The same situation is present in the instant case. Indeed, this is a situation where SLD should have discovered the error giving rise to the funding denial and should have taken steps to proactively correct this error, so as to eliminate the need altogether for filing the appeal.

The Applicant respectfully requests the FCC to reinstate funding approval for FRN 1473307 for the above-stated reasons.

Respectfully submitted,

Christopher Stengel  
Director of Technology  
Mt. Lebanon School District



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

**FUNDING COMMITMENT DECISION LETTER**  
(Funding Year 2006: 07/01/2006 - 06/30/2007)

September 19, 2006

Debra Kriete  
MT LEBANON SCHOOL DISTRICT  
1421 Round Hill Road  
Harrisburg, PA 17110

**Re: Form 471 Application Number: 533062**  
**Billed Entity Number (BEN): 125265**  
**Billed Entity FCC RN: 0015395304**  
**Applicant's Form Identifier: FY06-All**

Thank you for your Funding Year 2006 application for Universal Service Support and for any assistance you provided throughout our review. The current status of the funding request(s) in the Form 471 application cited above and featured in the Funding Commitment Report(s) (Report) at the end of this letter is as follows.

- The amount, \$55,991.02 is "Approved."
- The amount, \$643.92 is "Denied."

Please refer to the Report on the page following this letter for specific funding request decisions and explanations. The Universal Service Administrative Company (USAC) is also sending this information to your service provider(s) so preparations can begin for implementing your approved discount(s) after you file Form 486 (Receipt of Service Confirmation Form). A guide that provides a definition for each line of the Report precedes the Report.

A list of Important Reminders and Deadlines is included with this letter 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 USAC using the Form 474 (service provider) or Form 472 (Billed Entity) - as products and services are being delivered and billed

**TO APPEAL THIS DECISION:**

If you wish to appeal a decision in this letter, your appeal must be received by USAC 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) email 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 Identification Number (SPIN),
  - Form 471 Application Number 533062 as assigned by USAC,
  - "Funding Commitment Decision Letter for Funding Year 2006," AND
  - The exact text or the decision that you are appealing.

FUNDING COMMITMENT REPORT  
Billed Entity Name: MT LEBANON SCHOOL DISTRICT  
BEN: 125265  
Funding Year: 2006

Form 471 Application Number: 533062  
Funding Request Number: 1473307  
Funding Status: Not Funded  
Category of Service: Telecommunications Service  
Form 470 Application Number: 975000000570450  
SPIN: 143018525  
Service Provider Name: Arch Wireless , Inc.  
Contract Number: MTM  
Billing Account Number: N/A  
Service Start Date: 07/01/2006  
Contract Expiration Date: 06/30/2007  
Number of Months Recurring Service Provided in Funding Year: 12  
Annual Pre-discount Amount for Eligible Recurring Charges: \$1,609.80  
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00  
Pre-discount Amount: \$1,609.80  
Discount Percentage Approved by the USAC: N/A  
Funding Commitment Decision: \$0.00 - Invalid Telecom Carrier  
Funding Commitment Decision Explanation: This FRN is a request for  
Telecommunications Service from a carrier that does not provide telecommunications on  
a common carriage basis.

FCDL Date: 09/19/2006  
Wave Number: 022  
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2007

EXHIBIT 1 TO APPEAL

SPIN SEARCH RESULTS ON SLD WEB SITE

[SLD Home](#)    [Site Map](#)    [Search Site](#)    [Contact SLD](#)

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*Reference Area - Schools and Libraries Division*

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Reference

### SPIN and BEAR Contact Search Results

**Note to Applicants: Please check the address information to ensure you are contacting the correct Service Provider.**  
 The absence of a "Y" in the Eligible Telecomm Provider column may simply indicate that the company has not yet been researched by the SLD to determine if it is eligible to provide telecommunications services. Applicants are reminded that they should confirm this and all other information with their Service Provider.

**Page 1 of 1**  
**Results 1 - 1 of 1**

SPIN	Service Provider Name	Contact Name	Contact Address	Contact Phone	Eligible Telecomm Provider	SPAC Filed
143018525	MetroCall, Inc.	Joe W Upton	3000 Technology Drive, Ste 400 , Plano, TX 75074	972801-0458	Y	1999 2000 2001 2002 2003 2004 2005 2006

  

Questions about the SLD Program? Call our Client Service Bureau at (888) 203-8100.

For web site questions or comments please use the [Get Help!](#) form.

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# Department of Justice

FOR IMMEDIATE RELEASE  
TUESDAY, NOVEMBER 16, 2004  
WWW.USDOJ.GOV

AT  
(202) 514-2007  
TDD (202) 514-1888

**DEPARTMENT OF JUSTICE ANTITRUST DIVISION ISSUES STATEMENT ON THE  
CLOSING OF ITS INVESTIGATION OF  
ARCH WIRELESS' ACQUISITION OF METROCALL HOLDINGS**

*Investigation Focused on Whether Merger of Two Paging Carriers Would  
Create Market Power*

WASHINGTON, D.C. – The Department of Justice's Antitrust Division issued the following statement today after the Department announced the closing of its antitrust investigation into Arch Wireless Inc.'s proposed acquisition of Metrocall Holdings Inc.:

"The facts did not support a conclusion that this merger will give a combined Arch/Metrocall market power in the markets in which they compete. Purchasers of paging services will likely continue to have a number of other choices after the merger, including other paging carriers. Although this particular transaction should not threaten to harm competition or consumers, we will continue to be vigilant in our enforcement of the antitrust laws in this area.

"There has been a substantial decrease in the number of pager units in service over the past five years, declining from more than 45 million units in 1999 to under 12 million today. Therefore, the Division focused its investigation on customers that may continue to need to use pagers. None of the theories of competitive harm considered was supported by the facts. The Division found neither likely harm from coordinated interaction nor substantive proof of potential unilateral effects post-merger. The services of other paging carriers and self-provisioning of pager services by customers provide alternatives to the paging services of the merging parties. In addition, new wireless technologies such as wi-fi should continue to broaden the alternatives available to customers of the merging parties."

(Background information is attached.)

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04-750

## **BACKGROUND TO CLOSING OF INVESTIGATION OF PROPOSED ACQUISITION BY ARCH WIRELESS OF METROCALL HOLDINGS**

The Antitrust Division of the Department of Justice recently closed its investigation of the proposed acquisition by Arch Wireless, Inc. ("Arch") of Metrocall Holdings, Inc. ("Metrocall"). Arch is the largest provider of paging services in the country, with approximately 37 percent of all pager units in service. Metrocall is the second largest nationally with an approximate 30 percent share. Under their agreement, Arch shareholders would control 72.5 percent of the merged firm. The announced purchase price was \$275 million.

The Antitrust Division began investigating the proposed transaction soon after it was publicly announced on March 29, 2004. The Division has obtained substantial information from Arch and Metrocall and third parties. The Division interviewed over one hundred industry participants, including paging competitors, customers, suppliers of equipment to customers that want to provide their own paging systems, and providers of other technologies that may provide substitutes for paging services.

The Division's review focused on the proposed merger's potential effects on the sale of paging services to business customers.

### **Sale of Paging Services**

Paging is a declining industry. Over the past five years the number of units in service has declined from over 45 million to under 12 million. Several participants in this business have gone through bankruptcy, and substantial consolidation has occurred. There are in addition to Arch and Metrocall other firms that provide paging services nationwide and a large number of firms that provide services on a regional or local basis.

In its investigation the Division focused on the sale of one-way paging services. One-way paging is significantly less expensive than two-way service. Although both of the parties offer two-way service, this represented a small percentage of their sales. Use of two-way service has declined rapidly, due to substantial competition from other similarly-priced technologies such as mobile wireless telephony.

In analyzing one-way paging, the Division determined that customers only buy services from providers that have networks with the ability to provide service in their local or regional area, and that the mix of competitors varies from area to area. Over 90 percent of paging coverage purchased is local or regional. Therefore, the Division focused its investigation on local markets, examining the extent to which Metrocall and Arch compete for the sale of paging services in the many metropolitan statistical areas throughout the U.S. Based on this investigation, it appears that, in local and regional markets, the combined firm would have market shares ranging from under 15 percent to over 80 percent.

The evidence showed that in recent years many paging customers have replaced their paging units with other common technologies, such as cellular or PCS telephony. Therefore, the Division focused its investigation on those customers who, for technical or business reasons, were less likely to switch to a mobile wireless telephony service. For example, the Division interviewed many hospital customers, which typically require a wireless means of transmitting messages that will not create any radio frequency interference with medical equipment, and will have greater network reliability (especially in crisis situations), longer battery life, and better building penetration, factors that may lead customers to favor pagers over cellular and PCS telephones.

The Division concluded that the merger likely would not substantially lessen competition in any relevant market. Harm from coordinated interaction appears unlikely due to the differentiated nature of paging services, the large number of factors a supplier considers in determining the price for each customer, the different levels of services provided (including time for replacement of lost or broken units and placing of transmitters), and differences across paging firms.

The Division also concluded that harm from unilateral conduct by the merged firm is also unlikely, despite the parties' large combined market share. Arch/Metrocall will have a number of viable competitors post-merger: several other national or superregional paging providers and many smaller regional competitors that currently compete for and serve the paging needs of customers, including hospitals. Many customers consider these other providers to be attractive alternatives to using Arch or Metrocall. In addition, many paging users provide their own systems for all or part of their paging needs. Finally, some former paging customers have begun to use emerging technologies, such as wireless local area networks to meet their local paging needs; as the quality of these services improves and their cost declines, these may become increasingly attractive to users.

The Division provides this statement pursuant to its policy on the issuance of investigation closing statements. This statement is limited by the Division's obligation to protect the confidentiality of certain information obtained in its investigations. As in most of its investigations, the Division's evaluation of this matter has been highly fact-specific, and many of the relevant underlying facts are not public. Consequently, readers should not draw overly broad conclusions regarding how the Division is likely to analyze other collaborations or activities, or transactions involving particular firms. This statement does not bind the Division in any future enforcement action. The Division's statement on issuance of closing statements is available at:  
<http://www.usdoj.gov/atr/public/guidelines/201888.htm>.

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[www.wirelessweek.com](http://www.wirelessweek.com)

## Arch Closes Metrocall Merger

By Susan Rush  
November 17, 2004

Now that Arch Wireless and Metrocall Holdings have completed their pending merger, the companies will now operate as subsidiaries of the newly formed holding company USA Mobility.

The combined company touts itself as the largest paging company and expects to be a leader in the wireless messaging space.

At the end of March, the two companies announced plans to merge as "equals." At the time of the announcement, the companies said the merger would better position them to compete, expand the product portfolio, improve financial performance and increase cash flow per share for each of the company's existing shareholders.

As part of the completed deal, Metrocall shareholders will receive \$150 million in cash, plus 27.5 percent of the shares of the new company. Each Arch Wireless common share has been converted to one share of USA Mobility common stock.

Earlier this month, the U.S. Department of Justice investigative staff recommended that the department not challenge Arch's proposed merger with Metrocall Holdings, closing the DOJ investigation of the transaction. On Nov. 8, company shareholders approved the merger.

USA Mobility began trading today on the Nasdaq National Market under the symbol USMO.

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