

EXHIBIT B

ADMINISTRATOR'S APPEAL DECISION LETTER FOR:

E-RATE APPLICATION 538116

FUNDING REQUEST: 1490265

Chris A. Quintanilla
Lotus Academy
Youth Empowerment Services
1231 N. Broad Street, Floor 4
Philadelphia, PA 19122-4021

Billed Entity Number: 20582
Form 471 Application Number: 538116
Form 486 Application Number:



Administrator's Decision on Appeal - Funding Year 2006-2007

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FEB 21 2007
BY: [Signature]

February 21, 2007

Chris A. Quintanilla
Lotus Academy
Youth Empowerment Services
1231 N. Broad Street, Floor 4
Philadelphia, PA 19122-4021

Re: Applicant Name: LOTUS ACADEMY
Billed Entity Number: 20582
Form 471 Application Number: 538116
Funding Request Number(s): 1490265
Your Correspondence Dated: January 08, 2007

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 USAC's Funding Year 2006 Funding Commitment Decision Letter for the Application Number indicated above. This letter explains the basis of USAC'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 you will receive a separate letter for each application.

Funding Request Number(s): 1490265
Decision on Appeal: **Denied**
Explanation:

- During the Program Integrity Assurance Review of your FCC Form 471, you submitted a copy of the technology plan, which covers the products and/or services requested on your FCC Form 471. Upon careful review of your technology plan, USAC denied your request for funding because one or more of the five required elements: {Establishing clear goals and a realistic strategy for using telecommunications and information technology to improve education or library services; AND/OR Having a professional development strategy to ensure that staff know how to use these new technologies to improve education or library services; AND/OR Including an assessment of the telecommunication services, hardware, software, and other services that will be needed to improve education or library services; AND/OR Providing for a sufficient budget to acquire and

maintain the hardware, software, professional development, and other services that will be needed to implement the strategy; AND/OR Including an evaluation process that enables the school or library to monitor progress toward the specified goals and make midcourse corrections in response to new developments and opportunities as they arise.} related to the content of the plan was/were missing. In this case, the budget information was missing. In your appeal, you have not shown that USAC's determination was incorrect. Consequently, USAC denies your appeal.

FCC Rules require applicants to certify on their FCC Form 470 and FCC Form 471 that the entities receiving products and/or services other than basic telephone service are covered by an individual and/or higher-level technology plan that has been, or is in the process of being approved. 47 C.F.R. sec. 54.504(b)(2)(iii) and (iv); 47 C.F.R. sec. 54.504(c)(1)(iv) and (v). The applicants are required to obtain approvals of their technology plans from their state, the Administrator, or an independent entity approved by the Commission and certified by USAC as qualified to provide such approval. On their FCC Form 486, applicants confirm that their plan was approved before they began receiving services. Pursuant to the FCC's Fifth Report and Order (FCC 04-190, released August 13, 2004), FCC Rules require technology plans to include five mandatory content elements relating to the applicant's educational development strategies. See 47 C.F.R. sec. 54.508 for technology plan requirements.

If your appeal has been approved, but funding has been reduced or denied, you may appeal these decisions to either USAC or the FCC. For appeals that have been denied in full, partially approved, dismissed, or canceled, you may file an appeal with the 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 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 section of the USAC website 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

cc: Hugh C. Clark, Esq.