



City of Chicago
Richard M. Daley, Mayor

Department of Law

Mara S. Georges
Corporation Counsel

Aviation, Environmental and
Regulatory Division
Suite 900

30 North LaSalle Street
Chicago, Illinois 60602-2580
(312) 744-9010
(312) 744-6798 (FAX)
(312) 744-9104 (TTY)

<http://www.cityofchicago.org>

March 1, 2007

RECEIVED & INSPECTED
MAR 2 2007
FCC - MAILROOM

Via Federal Express

Federal Communications Commission
Office of the Secretary
9300 East Hampton Drive
Capitol Heights, MD 20743

Re: Appeal of USAC Denial of the CPL Appeal (dated January 3, 2007)
Funding Year 2006: 07/01/2006 - 06/30/2007
Billed Entity: Chicago Public Library
Billed Entity Number: 135748
SPIN 143001912
Funding Request Number 1468966
Form 471 Application Number: 527145

Dear Sir/Madam:

I have enclosed for filing an original and four (4) copies of the Chicago Public Library's Verified Request for Review of a Decision of the Universal Service Administrator and a Request for Waiver of section 54.504© of the Federal Communications Commission's Rules (with attached exhibits). I have also filed an electronic copy of the above, but without the attached exhibits.

If you have any questions or require additional information, please contact the undersigned by e-mail at jpace@cityofchicago.org, or by phone at 312-744-6997.

Sincerely,

Jack A. Pace
Senior Counsel
Attorney for the Chicago Public Library

cc: Mr. Karim Adib, Chicago Public Library
USAC



No. of Copies rec'd 044
L M A B C D E



RECEIVED & INSPECTED
MAR 2 2007
FCC - MAILROOM

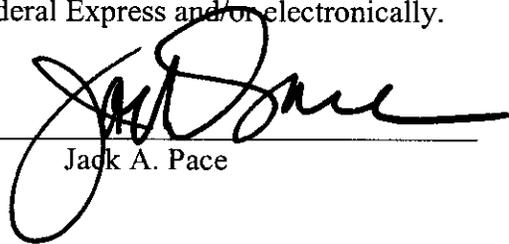
BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)
)
Request for Review of a Decision of the)
Universal Service Administrator by)
the Chicago Public Library)
)
Schools and Libraries Universal Service)
Support Mechanism)
)
and)
)
Request for Waiver of Section 54.504 (c))
of the Federal Communication Commission's)
Rules by the Chicago Public Library)

CC Docket No. 02-6
CC Docket No. 96-45

PROOF OF SERVICE

I, Jack A. Pace, Senior Counsel, the City of Chicago Law Department, certify that on the 1st day of March, 2007, on or before 5:00 p.m., I served a copy of THE CHICAGO PUBLIC LIBRARY'S VERIFIED REQUEST FOR REVIEW OF A DECISION OF THE UNIVERSAL SERVICE ADMINISTRATOR AND A REQUEST FOR WAIVER OF SECTION 54.504(c) OF THE FEDERAL COMMUNICATION COMMISSION'S RULE on the parties listed on the attached service list by U.S. mail, postage prepaid, Federal Express and/or electronically.



Jack A. Pace

Jack A. Pace
Senior Counsel
City of Chicago, Department of Law
30 N. La Salle Street, Suite 900
Chicago, Illinois 60602
312-744-6997 (telephone)
312-744-6798 (facsimile)
jpace@cityofchicago.org

SERVICE LIST

Federal Communications Commission
Office of the Secretary
9300 East Hampton Drive
Capitol Heights, Maryland 20743
(Federal Express)

Federal Communications Commission
Office of General Counsel
445 12th Street, SW
Room TW-A325
Washington, D.C. 20554

USAC
Schools and Libraries Division
100 S. Jefferson Rd.
P.O. Box 902
Whippany, New Jersey 007981

**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION**
Washington, D.C. 20554

In the Matter of)	
)	
Request for Review of a Decision of the)	
Universal Service Administrator by)	
the Chicago Public Library)	
)	
Schools and Libraries Universal Service)	CC Docket No. 02-6
Support Mechanism)	CC Docket No. 96-45
)	
and)	
)	
Request for Waiver of Section 54.504 (c))	
of the Federal Communication Commission's)	
Rules by the Chicago Public Library)	

**THE CHICAGO PUBLIC LIBRARY'S VERIFIED
REQUEST FOR REVIEW OF A DECISION OF THE UNIVERSAL
SERVICE ADMINISTRATOR AND A REQUEST FOR WAIVER OF SECTION
54.504(c) OF THE FEDERAL COMMUNICATION COMMISSION'S RULES**

The Chicago Public Library ("CPL"), through its attorney, Mara S. Georges, Corporation Counsel, City of Chicago, pursuant to the Federal Communications Commission's ("FCC") Rules of Practice, hereby requests a review of a decision of the Universal Service Administrator ("USAC") and hereby requests a waiver of section 54.504(c) of the FCC's Rules. In support thereof, the Chicago Public Library states the following.

Statement of Facts

On September 26, 2006, USAC denied funding for telecommunications services received by CPL pursuant to the master contract with SBC in the amount of \$378,000.00. USAC's explanation for the denial of this funding was limited to the following: "No contract was in place when the Form 471 certification was filed." On November 20, 2006, the CPL filed an appeal to USAC. See, Group Exhibit 1.¹ On January 3, 2007, USAC denied the CPL's appeal.² See, Exhibit 2.

The CPL has been purchasing telecommunications services from SBC pursuant to a master contract since at least 1997. Significantly, except for the 2006 funding year which is at issue in this proceeding, USAC has repeatedly granted the CPL's annual requests for universal service support funding for these telecommunications services. At the time the 2006 FCC Form 471 application was filed, the CPL was receiving telecommunications services from SBC through this master contract, pending the outcome of a RFP process that placed the contract out for competitive bid. Because of the pending RFP, SBC had recently agreed to a series of short contract extension agreements, with the parties anticipating that the master contract would be replaced with a new contract in the near future. USAC was advised of these facts on the FCC Form 471, Item 21 attachment filed with USAC on March 13, 2006. See, Group Exhibit 1 (Exhibit B).

¹ Group Exhibit 1 is the CPL's appeal to USAC. The appeal contains a cover letter and five exhibits, identified as Exhibits A-E. In the instant appeal, the CPL will cite the exhibits contained in the appeal to USAC using their original labels. For example, Exhibit A will be cited as follows: See, Group Exhibit 1 (Exhibit A).

² The CPL is the billed entity; the billed entity number is no. 135748, the funding request number is no. 1468966 and the Form 471 application number is no. 527145.

At the time of the 2006 FCC Form 471 filing, the particular contract extension then in effect was scheduled to expire on June 1, 2006, a date that by happenstance was a date prior to the commencement of the 2006 funding year period, which was July 1, 2006. While the CPL anticipated, of course, that the June 1, 2006 contract expiration date would be extended again (which it was) if the RFP process was not completed by that date,³ the CPL believed it would be more prudent not to identify a service provider for the 2006 funding year until either the RFP process was completed or a further contract extension was executed with SBC.

Accordingly, the CPL identified what it believed to be the applicable instructions on USAC's website in completing the FCC Form 471. USAC's website states as follows:

Scenario A - State master contracts expiring before the funding year.
A state master contract may expire BEFORE the start of the funding year for an application. In this case, your state intends to select a service provider as part of a competitive bidding process to provide services under a new state master contract, but that process has not been completed and you are not sure who that service provider will be.

See, Exhibit 3.

The CPL in good faith believed that its circumstances fit within the definition of Scenario A above and completed the FCC Form 471 application according to its direction. Under these circumstances, instead of identifying the applicant's current service provider, USAC instructs applicants to, among other things, insert a generic spin number: 143999999 in item 13 of Block 5 of FCC Form 471 and to insert "state replacement contract" in item 14 of Block 5 of FCC Form 471 for the name of the service provider. See, Group Exhibit 1 (Exhibit C). The CPL also filed

³ A previous extension had been granted and certainly, the CPL (as well as other agencies) could not adequately perform its functions and fulfill its civic responsibilities without telecommunications services as of June 2, 2006.

with USAC FCC Form 471, Item 21 (attachment) that advised USAC about the existence of the master contract, the pending RFP process and the current contract extension agreement. See, Group Exhibit 1 (Exhibit B).

On July 28, 2006, after an additional extension had been executed (in April, 2006) that would be in effect for the entire 2006 funding year, the CPL advised USAC of this fact in writing and requested that it change the service provider information to reflect this fact. See, Group Exhibit 1 (Exhibit D). USAC complied with CPL's July 28, 2006 request.⁴

Argument

A. Standard of Review

In denying the CPL's appeal, USAC stated that "the FCC has consistently upheld USAC's denial of funding when there is no contract in place for the funding request. In support, USAC relied on a single FCC order: Request for Review by Waldwick School District, Schools and Libraries Universal Service Support Mechanism, File No. SLD-256981, CC Docket No. 02-6, Order, 18 FCC Rcd. 22994, DA 03-3526 (rel. Nov. 5, 2003) ("Waldwick")

While the CPL certainly agrees that as a general matter the FCC will enforce its rules in reviewing USAC funding decisions, the FCC has also shown a willingness to waive its rules when the particular facts make strict compliance inconsistent with the public interest. See, In the Matter of Request for Review of a Decision of the Universal Service Administrator by the Cincinnati City School District, File No. SLD-376499, CC Docket No. 02-6, Order, 21 FCC

⁴ USAC's funding denial letter of September 26, 2006 identified SBC as the service provider and contained the new SPIN requested by the CPL in the July 28, 2006 letter.

Rcd. 5994, DA 06-1107 (rel. May 26, 2006); see also, In the Matter of Request For Waiver of the West Virginia Department of Education, Charleston, West Virginia, CC Docket 06-6, Order, DA 05-2179 (rel. July 27, 2005) (“In addition, the Commission may take into account considerations of hardship, equity, or more effective implementation of overall policy on an individual basis.”)

Indeed, the facts in Waldwick , the FCC decision cited by USAC, make that case clearly distinguishable from the instant case. In Waldwick, the FCC found that the applicant provided inaccurate information to USAC by declaring that Bergen County would be the service provider when in fact the applicant did not have a signed contract with that provider. See, Waldwick at para. 8. Here, the CPL at all times provided accurate information to USAC. In addition, the CPL in good faith followed the instructions on USAC’s website in submitting its FCC Form 471 for the 2006 funding year.

B. USAC’s Denial of Funding Is Without Merit

USAC stated the following in denying CPL’s appeal:

Upon thorough review of the appeal letter and relevant documents, USAC has determined that when you submitted your Form 471 application on February 16, 2006, you did not have a signed contract in place with your service provider for the 2006 funding year. During the application review, the response provided to the USAC on July 28, 2006 advised that no contract or contract extension was in place when the Form 471 certification was filed. FCC rules state that a contract must be signed and dated on or after the Allowable Contract Date as calculated by the Form 470 posting date, but prior to the submission of the Form 471. In this case, you have not demonstrated that you have complied with FCC Rules: therefore, the appeal is denied.

See, Exhibit 2.

1. For All Practical Purposes, The CPL Had A Binding Agreement With SBC For The 2006 Funding Year At The Time The 2006 FCC Form 471 Was Filed.

Based on all of the information provided to USAC by the CPL during the 2006 application process, USAC could have reasonably concluded that the CPL was subject to a binding agreement to receive telecommunications services from SBC for the 2006 funding year.

The information provided to USAC clearly indicated that the CPL had no choice but to continue to receive services from SBC for the 2006 funding year pursuant to the master contract, pending the outcome of the RFP process. The record shows that the master contract with SBC had been in place for several years and that the CPL had no authority to choose an alternative provider. The contract extension date then in effect was merely a device to continue the "status quo" of the master contract until the RFP process was concluded. Clearly, the June 1, 2006 date was just a placeholder and nothing more; it certainly should not have been interpreted as a final termination date. As a practical matter, it is simply inconceivable that SBC would have placed the CPL in the position of not having telecommunications services as of June 2, 2006.

Specifically, the record shows that the CPL provided the following information to USAC. At the time the FCC Form 471 certification was filed for funding year 2006 by the CPL, the master contract with SBC was in full force and effect and had been recently extended to June 1, 2006, pending the results of an RFP. USAC was advised of the existence of the master contract and the contract extension on the FCC Form 471, Item 21 attachment filed with USAC on March 13, 2006. See, Group Exhibit 1 (Exhibit B). As stated in the Item 21 attachment, FRN: 1468966:

Enclosed please find the "CONTINUATION OF CENTREX SERVICES' SIGNED DECEMBER 19, 2003 and Letter of Agreement signed September 16, 2005, which further extends the contract to June, 2006 and provides automatic 90-day extensions until

the City of Chicago provides a 30-day notice of its intention not to renew. As indicated in the September, 2005 letter, the City [sic] seeking to replace the services through the request for proposal "RFP" process. The City currently does not have a projected award date and will most likely proceed with several 90-day extensions.

See, Group Exhibit 1 (Exhibit B).

The CPL was in fact receiving services from SBC pursuant to that contract at the time it filed the FCC Form 471. In this regard, the CPL sent USAC a printout of February, 2006 Centrex billing detail in response to a August 3, 2006 letter (e-mail) from USAC to CPL. This billing detail represents billing for the services provided to the CPL pursuant to the master contract in effect at the time the Form 471 certification was filed. See, Group Exhibit 1 (Exhibit E).

On April 25, 2006, because it was unlikely that the RFP process would be completed as soon as originally believed, an additional contract extension was executed extending the termination date of the master contract to June 1, 2007. See, Exhibit 4. The CPL notified USAC of this fact in a July 28, 2006 letter. See, Group Exhibit 1 (Exhibit D). In this letter, the CPL requested that its Form 471 be updated with a new SPIN 143001912 and with SBC Illinois as the service provider. Id. In response to the letter, USAC made these changes to the Form 471, as reflected in USAC's Funding Commitment Decision Letter dated September 26, 2006. See, Exhibit 2.

At no time did the master contract with SBC expire. Indeed, at all times from February 16, 2006 to the end of the 2006 funding year, the CPL received telecommunications services from SBC pursuant to the master contract. Therefore, for all practical purposes, the CPL had a binding agreement with SBC at the time of the 2006 FCC Form 471 was filed for the entire 2006 funding year.

2. In The Alternative, The CPL Seeks A Waiver of Section 54.504 © Of The Commission's Rules.

If the FCC determines that a binding contract was not in place at the time of the FCC Form 471 filing, the CPL requests a waiver of section 54.504(c) of the Commission's rules for good cause to enable the CPL to receive funding support for the 2006 funding year.

As stated earlier, the CPL completed its FCC Form 471 filing for the 2006 funding year at a time when the contract extension negotiated by a third party for the provision of telecommunications services used by the CPL was set to expire prior to the commencement of the 2006 funding year. The CPL did not have the ability or authority to extend the contract to include the 2006 funding year, and was awaiting a decision on the RFP that was pending. Under these circumstances, the CPL chose to timely file the FCC Form 471 with the best information it had available rather than wait to file after the RFP process was concluded or an additional contract extension had been executed. Clearly, the CPL's application would have been denied as untimely if it had waited until the filing window had closed.

In nearly identical circumstances to the instant case, the FCC has determined that an applicant should be granted a waiver of section 54.504(c) for good cause. See, In the Matter of Request For Waiver of the West Virginia Department of Education, Charleston, West Virginia, CC Docket 06-6, Order, DA 05-2179 (rel. July 27, 2005) ("West Virginia Dept. of Education") In West Virginia Dept. of Education, the current master contract with the state department of education could not be extended for the next funding year until after the time for filing the FCC Form 471 had closed. Thus, a West Virginia school could either file its Form 471 application without a contract in place or wait until a contract extension was executed and file after the filing window had closed. Under either circumstance, the FCC reasoned, the school's application

would be denied. Accordingly, the FCC decided that it was appropriate to waive section 54.504© of the Commission's Rules to permit West Virginia schools to submit a FCC Form 471 without having a signed contract in place. The FCC should grant a waiver here as well for the same reason.

In addition, as the record shows, while it may be technically correct that the CPL missed the program deadline, an additional extension agreement for the 2006 funding year was executed on April 26, 2006 — before the funding year commenced and before SBC began providing services. See, Exhibit 4. Under these circumstances, where the policy behind the rule was satisfied, the FCC has waived section 54.504(c) of the Commission's Rules. See, In the Matter of Requests for Review by Richmond County School District, Hamlet, NC, File Nos. SLD-451211, 452514, 464649, 21 FCC Rcd. 6570, CC Docket 06-6, DA 06-1265 (rel. June 13, 2006).

The CPL's conduct throughout the 2006 application process was exemplary and it should not be penalized for circumstances beyond its control. The record shows that the CPL provided USAC with accurate and reliable information throughout the FCC Form 471 application process. Using what it thought was the proper procedures based on USAC's FCC Form 471 guidelines, the CPL provided accurate information to USAC as to the status of its service provider and the status of the contractual basis for the telecommunication services for which it was seeking funding. The CPL kept USAC updated on the status of the RFP process and provided billing information at the request of USAC demonstrating that it was in fact receiving telecommunications services from SBC. Finally, in furtherance of a critical policy objective supporting universal service, the CPL was taking advantage of the RFP process to obtain services at the lowest possible cost. See, West Virginia Dept. of Education, supra. For these

reasons, the CPL submits that good cause exists for the FCC to waive the requirements of section 54.504(c) in the instant case.

Conclusion

The CPL respectfully requests that the FCC reverse the decision by USAC to deny funding to the CPL by either (a) finding that a binding contract was in place at the time of the FCC Form 471 filing, or in the alternative, (b) waive the requirements of section 54.504(c) for good cause shown.

Respectfully submitted,

CHICAGO PUBLIC LIBRARY

Mara S. Georges
Corporation Counsel
City of Chicago



Jack A. Pace
Senior Counsel
City of Chicago, Department of Law
30 N. La Salle Street, Suite 900
Chicago, Illinois 60602
312-744-6997 (telephone)
312-744-6798 (facsimile)
jpace@cityofchicago.org

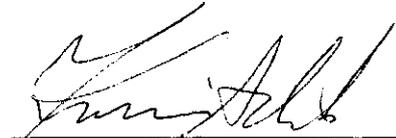
BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)
)
Request for Review of a Decision of the)
Universal Service Administrator by)
the Chicago Public Library)
)
Schools and Libraries Universal Service) CC Docket No. 02-6
Support Mechanism) CC Docket No. 96-45
)
and)
)
Request for Waiver of Section 54.504 (c))
of the Federal Communication Commission's)
Rules by the Chicago Public Library)

VERIFICATION

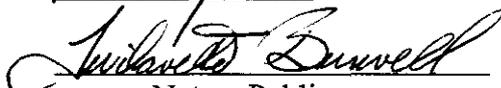
Karim Adib, under oath, states as follows:

1. I am Director of Library Automation for the Chicago Public Library. I have worked for the Chicago Public Library from about March 25, 2002 to the present. Based on, and as a result of, my experience working for the Chicago Public Library, I have personal knowledge of the facts stated in the Chicago Public Library's Request for Review of a Decision of the Universal Service Administrator and a Request for Waiver of Section 54.504(c) of the Federal Communications Commission's Rules and I believe them to be correct to the best of my knowledge and belief.

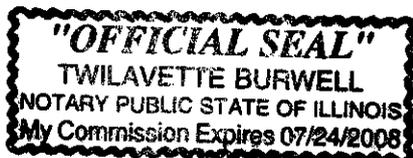


Karim Adib

Signed and sworn before
me this 28th day of
February, 2007.



Notary Public





City of Chicago
Richard M. Daley
Mayor

Chicago Public Library

Administration
Mary A. Dempsey
Commissioner

Board of Directors
Jayne Carr Thompson
President

Cristina Benitez
Paul H. Dykstra
Melody L. Hobson
John W. Jordan II
Christina M. Tchen
Cherryl T. Thomas

400 South State Street
Chicago, Illinois 60605
(312) 747-4300
(312) 747-4314 (TTY)

www.chicagopubliclibrary.org

November 20, 2006

Via Federal Express

Letter of Appeal
Schools and Libraries Division- Correspondence Unit
USAC
100 S. Jefferson Rd
P.O. Box 902
Whippany, New Jersey 07981

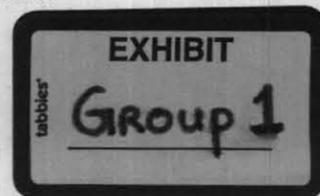
Re: Appeal of Funding Commitment Decision Letter
(dated September 26, 2006)
Funding Year 2006: 07/01/2006 - 06/30/2007
Billed Entity: Chicago Public Library
Billed Entity Number: 135748
SPIN 143001912
Funding Request Number 1468966
Form 471 Application Number: 527145

Dear Sir/Madam:

With this letter and the attached exhibits, the Chicago Public Library (hereafter "CPL") is appealing USAC's Funding Commitment Decision Letter dated September 26, 2006, in which USAC denied \$378,000.00 in funding. USAC's explanation for the denial of this funding was as follows: "No contract was in place when the Form 471 certification was filed." I have attached a copy of the Funding Commitment Decision Letter as Exhibit A.

USAC's funding decision is in error. The CPL had a contract for telecommunications services in place at the time the Form 471 certification was filed. As in prior funding years, the CPL was receiving telecommunications services pursuant to a master contract originally awarded in 1989. This is the same master contract that was the basis for funding awarded by USAC to the CPL in previous funding years.

The CPL notified USAC of the master contract for funding year 2006 in the Form 471, item 21, Block 5 attachment letter, dated March 13, 2006 from Mr. Karim Adib. USAC received this letter on March 21, 2006. A copy of the letter with the signed certified mail receipt is enclosed as Exhibit B. As stated in the Item 21 attachment, FRN: 1468966:



Chicago Public Library: READ, LEARN, DISCOVER!

November 20, 2006 Appeal Letter
from Mr. Adib to USAC Page -2

Enclosed please find the "CONTINUATION OF CENTREX SERVICES' SIGNED DECEMBER 19, 2003 and Letter of Agreement signed September 16, 2005, which further extends the contract to June, 2006 and provides automatic 90-day extensions until the City of Chicago provides a 30-day notice of its intention not to renew. As indicated in the September, 2005 letter, the City [sic] seeking to replace the services through the request for proposal "RFP" process. The City currently does not have a projected award date and will most likely proceed with several 90-day extensions. (Emphasis added)

As noted above, at the time the Form 471 certification was filed for funding year 2006, the master contract was in full force and effect and had been recently extended. Without further extensions, however, the master contract would have expired in June, 2006, a date prior to July 1 of the 2006 funding year. Accordingly, the CPL followed the USAC guidelines for the filing of a Form 471 in the event a state master contract is scheduled to expire prior to July 1 of the funding year.

Specifically, in item 14, Block 5 of Form 471, the CPL stated that the funding request was being made pursuant to a "State Replacement Contract". In item 13, Block 5 of Form 471, the CPL used SPIN 143999999, as required by the USAC guidelines. Finally, USAC's guidelines for item 18, Block 5 of Form 471 states, "the Contract Award Date should be the day after the expiration of the expiring master contract. Thus, pursuant to these guidelines, the CPL inserted the date 06/01/2006 as the contract award date in item 18, Block 5 of Form 471. I have attached a copy of the Form 471 for funding year 2006 as Exhibit C.

In addition, the CPL notified USAC in a July 28, 2006 letter from Mr. Karim Adib that the master contract had once again been extended. In this letter, the CPL requested that its Form 471 be updated with a new SPIN 143001912 and with SBC Illinois as the service provider. I have attached a copy of this letter as Exhibit D. In response to this letter, USAC made these changes to the Form 471, as reflected in USAC's Funding Commitment Decision Letter dated September 26, 2006. See Exhibit A.

Finally, in an August 4, 2006 e-mail from the CPL to USAC, Mr. Ulo Ormiste attached a printout of February, 2006 Centrex billing detail in response to a August 3, 2006 letter (e-mail) from Mr. Palmer of USAC to Mr. Karim Adib of the CPL. This billing detail represents billing for the

November 20, 2006 Appeal Letter

from Mr. Adib to USAC Page - 3 -.

services provided to the CPL pursuant to the master contract in effect at the time the Form 471 certification was filed. Mr. Ormiste later confirmed in a telephone conversation with Mr. Palmer that this billing information satisfied the request for additional information set forth in Mr. Palmer's August 3, 2006 letter (e-mail). I have attached a copy of Mr. Ormiste's e-mail and the billing detail that had been previously sent to USAC as Exhibit E.

In summary, the CPL is unaware of any deficiencies in its Form 471 filing for funding year 2006 that would support a decision to deny funding as set forth by USAC in its Funding Commitment Decision Letter dated September 26, 2006. As demonstrated above, the CPL provided to USAC clear and comprehensive documentation that a contract was in effect at the time it filed its Form 471 certification. Accordingly, the CPL respectfully requests that USAC reverse its Funding Commitment Decision Letter dated September 26, 2006.

I certify that I am authorized to submit this appeal on behalf of the CPL and that all of the information in this appeal is true and correct to the best of my knowledge. If you have any questions or require additional information, please contact the undersigned by e-mail at kadib@chipublic.org or by phone at 312-747-4250 or by fax at 312-747-4728. Thank you for your attention to this matter.

Sincerely,



Karim Adib
Director of Library Automation
Chicago Public Library

cc: Ricardo Tostado, SBC Illinois
Jack A. Pace, City of Chicago Department of Law



Universal Service Administrative Company
Schools & Libraries Division

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

September 26, 2006

Karim Adib
CHICAGO PUBLIC LIBRARY
400 S STATE ST
CHICAGO, IL 60605-1203

Re: Form 471 Application Number: 527145
Billed Entity Number (BEN): 135748
Billed Entity FCC RN: 0011805306
Applicant's Form Identifier: CPL-YR9-471-2

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, \$378,000.00 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.

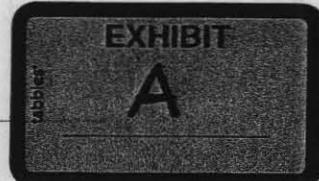
NEXT STEPS

- 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 527145 as assigned by USAC,
 - "Funding Commitment Decision Letter for Funding Year 2006," 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 USAC's decision. If you are the service provider, please provide a copy of your appeal to the applicant(s) affected by USAC's decision.
5. Provide an authorized signature on your letter of appeal.

To submit your appeal to USAC by email, email your appeal to appeals@sl.universalservice.org. USAC will automatically reply to incoming emails to confirm receipt.

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

To submit your appeal to USAC on paper, send your appeal to:

Letter of Appeal
 Schools and Libraries Division - Correspondence Unit
 100 South Jefferson Road
 P.O. Box 902
 Whippany, New Jersey 07981

While we encourage you to resolve your appeal with USAC 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 date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. We strongly recommend that you use the electronic filing options described in the "Appeals Procedure" posted in the Reference Area of our website. 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

An applicants' receipt of funding commitments is contingent on their compliance with all statutory, regulatory, and procedural requirements of the Schools and Libraries Program. Applicants who have received funding commitments continue to be subject to audits and other reviews that 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. USAC 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 USAC, the applicant, or the service provider. USAC, and other appropriate authorities (including but not limited to 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 funding request in 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 USAC.

FUNDING REQUEST NUMBER (FRN): A Funding Request Number is assigned by USAC 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.

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

1. "Funded" - the FRN is approved for support. The funding level will generally be the level requested unless USAC determined during the application review process that some adjustment is appropriate.
2. "Not Funded" - the FRN 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 the Funding Year was insufficient to fund all requests.
3. "As Yet Unfunded" - a temporary status assigned to an FRN when USAC is uncertain at the time the letter is sent about whether sufficient funds exist to make commitments for requests for Internal Connections Other than Basic Maintenance or Basic Maintenance of 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 with an "As Yet Unfunded" status on your Internal Connections requests. You would receive one or more subsequent letters regarding the funding decisions 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 USAC to service providers seeking payment from the Universal Service Fund Programs. 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, 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, 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, if a contract expiration date was provided on your Form 471.

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

NUMBER OF MONTHS RECURRING SERVICE PROVIDED IN FUNDING YEAR: The number of months of service that has been approved for the funding year, 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 USAC: The discount rate that USAC approved for this service.

FUNDING COMMITMENT DECISION: The total amount of funding that USAC has reserved to reimburse your service provider for the approved discounts for this service for this funding year. It is important that both you and your service provider recognize that USAC should be invoiced and that disbursement of funds will be made 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.

LAST ALLOWABLE DATE FOR DELIVERY AND INSTALLATION FOR NON-RECURRING SERVICES: The last date approved by the FCC for delivery and installation of eligible non-recurring services (e.g., equipment). (The last allowable date for delivery and installation of recurring services is always the last day of the fund year, that is, June 30, 2007 for Funding Year 2006.)

FUNDING COMMITMENT REPORT

Billed Entity Name: CHICAGO PUBLIC LIBRARY

BEN: 135748

Funding Year: 2006

Form 471 Application Number: 527145

Funding Request Number: 1468966

Funding Status: Not Funded

Category of Service: Telecommunications Service

Form 470 Application Number: 191210000560394

SPIN: 143001912

Service Provider Name: Illinois Bell Telephone Company

Contract Number: SRC 20030220-0000

Billing Account Number: 312 744-4000

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: \$420,000.00

Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00

Pre-discount Amount: \$420,000.00

Discount Percentage Approved by the USAC: N/A

Funding Commitment Decision: \$0.00 - Contract Violation

Funding Commitment Decision Explanation: No contract was in place when the Form 471 certification was filed

FCDL Date: 09/26/2006

Wave Number: 023

Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2007

March 13, 2006

Certified Mail 7004 2510 0001 9708 9933

SLD Forms
ATTN: SLD Form 471
3833 Greenway Drive
Lawrence KS 66046

Dear SLD Form 471 Processing Unit,

Enclosed please find four (4) Form 471 Item 21 Attachments
for the Chicago Public Library:

CPL-Y9-471-1A	FRN 1449541	Application 525663
CPL-Y9-471-1B	FRN 1478936	Application 525663
CPL-Y9-471-1C	FRN 1479479	Application 525663
CPL-Y9-471-02	FRN 1468966	Application 527145

Thank you for your kind attention to this matter.

Karim Adib
Director of Library Automation
Computer Services 0N-8
Chicago Public Library
400 South State Street
Chicago, Illinois 60605

(312) 747-4250



Chicago Public Library
Applicant Form ID: CPL-YR9-471-2
Attachment: CPL-YR9-471-02
Contact: Karim Adib kadib@chipublib.org (312) 747-4250

471 Application Number: 527145
Entity Number: 135748
FRN: 1468966

As a department of the City of Chicago, The Chicago Public Library receives its CENTREX based services through participation in an existing master contract between the City of Chicago and SBC/Ameritech. This contract was originally negotiated and awarded in 1989. It has subsequently been extended by several "Continuation of Service" agreements.

Enclosed please find the "CONTINUATION OF CENTREX SERVICES" signed December 19, 2003 and Letter of Agreement signed September 16, 2005, which further extends the contract to June, 2006 and provides automatic 90-day extensions until the City of Chicago provides a 30-day notice of its intention not to renew. As indicated in the September, 2005 letter, the City seeking to replace the services through the Request for Proposal "RFP" process. The City currently does not have a projected award date and will most likely proceed with several 90-day extensions.

Pursuant to the instructions of the USAC/SLD website the Library is submitting this request at the Year 8 funding year pre-discount amount of \$420,000.00.

Chicago Public Library

Applicant Form ID: CPL-YR9-471-1

Attachment: CPL-YR9-471-1A

Contact: Karim Adib kadib@chipublib.org (312) 747-4250

471 Application Number: 525663

Entity Number: 135748

FRN: 1449541

The Library provides two (2) DS1 circuits to the majority of its branches. In order to provide redundancy and increased system stability, each circuit is routed through a separate SBC/Ameritech Central Office: Wabash or Franklin. The circuits are then aggregated on to a channelized DS3 and in turn are connected to the Library's Computer Center via an SONET OC-12 Ring connecting the Library, Franklin and Wabash. In addition it maintains four (4) ISDN PRI circuits to permit ISDN and Analog dialups.

(145) DS1 Circuits \$22,925.00 per month

These circuits are billed to SBC/Ameritech Account 312 Z89-1933-899 1

(4) ISDN PRI Circuits \$ 4,475.00 per month

These circuits are billed to SBC/Ameritech Account 312 R16-2833 146 6

Monthly Total: \$27,400.00