

**Billings School District 2**  
**415 N 30<sup>th</sup> Street**  
**Billings, MT 59101**

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May 14, 2007

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

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

**Request for Review and Waiver** of Universal Service Administrative Company ("USAC")  
Administrator's Decision on Appeal letter dated March 13, 2007, regarding Form 471  
Application Number 525485

**Authorized person who can best discuss this Appeal with you**

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**Application Information**

<u>Entity</u>	Billings School District 2
<u>Billed Entity Number</u>	134781
<u>Funding Year</u>	FY9 (2006-2007)
<u>Form 471 Application Number</u>	525485 <sup>2</sup>
<u>Funding Request Number</u>	1448250
<u>Total Funding Commitment Request</u>	\$252,720.00 (amended to \$219,737.14)
<u>Document To Be Reviewed</u>	Administrator's Decision on Appeal Letter dated March 13, 2007, re Form 471 Application Number 525485 <sup>3</sup>
<u>Decision To Be Reviewed</u>	Denied

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<sup>1</sup> Mr. Harris is a member in good standing before the highest court in the District of Columbia and the United States Supreme Court. See 47 CFR § 1.23.

<sup>2</sup> FCC Form 471 # 525485, funding year 7/1/2006 – 6/30/2007, posted and certified on 2/14/2006 by Billings School District 2.

<sup>3</sup> Letter from Universal Service Administrative Company, Schools and Libraries Division, to Steven Tenzer, eRate Consulting Services LLC, dated March 13, 2007 (Administrator's Decision on Appeal – Funding Year 2006-07).

## Request for Review

The Billings School District 2 (hereinafter, "Billings") respectfully requests that the Federal Communications Commission (hereinafter, "FCC" or the "Commission") accept this letter of appeal and enter an order reversing the decision of the Schools and Libraries Division (SLD) of USAC to deny the December 1, 2006 appeal by Billings regarding FRN 1448250, and to enter an order instructing SLD to approve funding of \$219,737.14 (as amended in the December 1, 2006 appeal letter) for this FRN.

## Discussion of Authority

The E-rate program permits eligible schools, libraries, and consortia that include eligible schools and libraries to apply for funding in the form of discounts on eligible telecommunications services, Internet access, and internal connections.<sup>4</sup> USAC's rules provide that an eligible school, library, or consortium that includes eligible schools or libraries must seek competitive bids for all services eligible for support.<sup>5</sup> In accordance with USAC's rules, an applicant must file with USAC an FCC Form 470 requesting services.<sup>6</sup> After the FCC Form 470 is posted to USAC's web site, the applicant must wait 28 days before entering into an agreement with a service provider for the requested services and submitting an FCC Form 471.<sup>7</sup> Section 54.504(c) of USAC's rules also states that the FCC Form 471 requesting support for the services ordered by the applicant shall be submitted "upon signing a contract for eligible services."<sup>8</sup> Specifically, the instructions for FCC Form 471 state that applicants must have a "signed contract" or a "legally binding agreement" with the service provider "for all services" ordered on the FCC Form 471.<sup>9</sup>

## Discussion of the ADL Explanation:

In its Administrator's Decision on Appeal Letter (ADL) of March 13, 2007, the Schools and Libraries Division of USAC appears to have denied Billings' request on the ground that it involved on-premises Priority 1 equipment that was not an integral component of a telecommunications or Internet access service. The referenced letter makes a series of statements in the first bullet of its explanation, as follows:

- *This funding request was properly evaluated.*<sup>10</sup>

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<sup>4</sup> 47 C.F.R. §§ 54.501-54.503.

<sup>5</sup> 47 C.F.R. §§ 54.504, 54.511(c).

<sup>6</sup> 47 C.F.R. § 54.504(b); see also Schools and Libraries Universal Service, Description of Services Requested and Certification Form, OMB 3060-0806 (September 1999) (FCC Form 470).

<sup>7</sup> 47 C.F.R. § 54.504(b)(4); see also Schools and Libraries Universal Service, Services Ordered and Certification Form, OMB 3060-0806 (September 1999) (FCC Form 471).

<sup>8</sup> 47 C.F.R. § 54.504(c); see also *Request for Review of Waldwick School District, Schools and Libraries Universal Service Support Mechanisms*, File No. SLD-234540, CC Docket No. 02-6, Order, 18 FCC Rcd 22994, 22995, para. 3 (Wireline Comp. Bur. 2003) (*Waldwick Order*); *Request for Review of St. Joseph High School, Schools and Libraries Universal Service Support Mechanisms*, File No. SLD-234540, CC Docket Nos. 96-45, 97-21, Order, 17 FCC Rcd 22499, 22500-01, para. 4 (Wireline Comp. Bur. 2002) (*St. Joseph Order*).

<sup>9</sup> Instructions for Completing the Schools and Libraries Universal Service, Services Ordered and Certification Form, OMB 3060-0806 (November 2001) (FCC Form 471 Instructions) at 19.

<sup>10</sup> Letter from Schools and Libraries Division, Universal Service Administrative Company, to Karen Palmer, Billings School District 2, dated October 3, 2006 (FCDL re Form 471 # 525485).

USAC's explanation, at best, is confusing. The evaluation of the funding request in the Funding Commitment Decision Letter of October 3, 2006 states "30% or more of this FRN includes a request for WAN construction which is an ineligible product(s) / service(s) based on program rules."<sup>11</sup> This assertion incorrectly evaluated the facts as set forth in the attached Service Agreement between Billings and Bresnan Communications; the WAN as specifically described in that agreement provides for connectivity that is an integral part of the digital transmission services (DTS) to the schools in Billings. Further, Billings' December 1, 2006 appeal makes it clear that the non-recurring charges were for installation costs, not for construction.<sup>12</sup>

However, the explanation in SLD's ADL of March 13, 2007 does not mention this original denial explanation from October 3, 2006. Billings reasonably assumes that their appeal of this original denial was approved by the SLD, but that further review led to the denial explanation in the ADL of March 13, 2007. As such, Billings asks the Commission either to: (a) affirm this tacit approval of the Billings' December 1, 2006 appeal; (b) alternatively, Billings respectfully asks the Commission to accept the arguments in the December 1, 2006 appeal and reverse the denial in SLD's October 3, 2006 Funding Commitment Denial Letter; or (c) grant Billings a waiver of any deficiencies alleged and approve its funding requests.

- *Program rules require that the on-premise Priority 1 equipment must be an integral component of the telecommunications or Internet access service.*<sup>13</sup>

The various on-premise equipment items (Extreme Networks Edge Switch and Aurora Networks CWDM Transport) are integral parts of the WAN<sup>14</sup>; Billings is unaware of any challenge to this. Ownership of the equipment by the service provider, Bresnan Communications, is clearly stated in the service agreement with Billings:<sup>15</sup>

9. **Ownership of Equipment:** All equipment and lines furnished by Bresnan, whether on Customer's premises or not, are the sole property of Bresnan and are provided upon condition that they will be installed, changed and maintained exclusively by Bresnan as it deems appropriate in its sole discretion subject to the obligations of Bresnan to Customer under this Agreement. Bresnan equipment and lines may be replaced, reconfigured, updated, moved, removed or changed by Bresnan upon Customer consent as long as such change will not result in additional cost to Customer. Bresnan may (at any time at its sole discretion) replace, reconfigure, update, move, remove or change any of its equipment, facilities and lines, as it deems appropriate. Equipment, facilities and lines furnished by Bresnan on Customer's premises, shall be returned to Bresnan in good condition, reasonable wear and tear thereof excepted. In case of damage, loss or destruction of any of Bresnan's equipment, facilities or lines while in possession of Customer or on Customer's premises or property, and not due to the negligence of Bresnan nor fire, storm or other casualty, Customer shall pay to Bresnan the lesser of the value of the equipment, facility or line damaged, lost or destroyed or the cost of restoring it to its original condition, less ordinary wear and tear.

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<sup>11</sup> Id.

<sup>12</sup> Letter of Appeal from Billings School District 2 to Schools and Libraries Division – Correspondence Unit, dated December 1, 2006, re: "Appeal of Funding Commitment Decision Letter Issued on October 3, 2006".

<sup>13</sup> ADL dated March 13, 2007, p.1.

<sup>14</sup> Network Services Agreement between Bresnan Communications, LLC, and Billings Public School District #2, p.6.

<sup>15</sup> ADL dated March 13, 2007, p.2.

- *Support for services that include charges for on-premise equipment is provided by the same service provider that provides the eligible telecommunications or internet access service of which it is a part.*<sup>16</sup>

Billings submits that they comply with this statement, based upon the following:

1. The service agreement between Billings and Bresnan is a network services agreement in which the service provider, Bresnan Communications, provides digital transmission services (DTS) to the schools in Billings over the WAN in question. The definition of DTS is:

A telecommunications service that provides transmission from an eligible school ... to other locations beyond the school ... is eligible for discount. Digital transmission services refer to data links that connect multiple points using any available technology. ... Digital transmission services used to link local networks are commonly called "wide area networks" (WANs).<sup>17</sup>

This definition accurately fits the service described in the services agreement between Billings and Bresnan Communications<sup>18</sup>. The network utilizes fiber optic cable, listed as an eligible technology for DTS.

2. Bresnan Communications is an eligible telecommunications provider.<sup>19</sup>
3. The digital transmission service satisfies the requirement that Bresnan provide eligible telecommunication service over its WAN, of which the on-premise equipment is an integral component. Note that in its on-line procedural guide for applicants, SLD provides an example of a WAN that accurately fits the Billings WAN provided by Bresnan:

**Example A.** Assume that the computers of a school district and library system are connected and share information among the various sites and use the network for voice telecommunications services, data transmission, and Internet access. The connections between the buildings are leased from an eligible telecommunications carrier. The price of the connections is eligible for support.<sup>20</sup>

In the case of Billings, the network is used for data transmission to and from external sources over public right of way and shared among the various facilities of the district (which includes 28 school buildings in as many disparate locations), and the connections between the buildings are leased from an eligible telecommunications carrier. As such, the services provided, and the leasing costs of infrastructure to provide those services, are costs eligible for erate funding per USAC's definition of Wide Area Networks.<sup>21</sup>

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<sup>16</sup> Id. at p.1.

<sup>17</sup> Schools and Libraries' Eligible Services List for Funding Year 2007, p.2-3.

<sup>18</sup> Network Services Agreement between Bresnan and Billings. See *Description of Services* (p.1) and *Exhibit A* (p.6).

<sup>19</sup> SPIN Contact Search Results for Bresnan Communications, LLC (SPIN 143027752).

<sup>20</sup> Web page [www.universalservice.org/sl/applicants/step06/wide-area-network-fact-sheet.aspx](http://www.universalservice.org/sl/applicants/step06/wide-area-network-fact-sheet.aspx): "Step 6: Wide Area Network (WAN) Fact Sheet - Schools and Libraries – USAC".

<sup>21</sup> Id.

- *Each separate funding request that is comprised of such a complete telecommunications or Internet access service must specify the same service provider.*<sup>22</sup>

The only funding request for service from Bresnan Communications, FRN 1448250, is for **both** the eligible digital transmission service and the WAN, as is established above. Note that there are two other FRNs in this application:

FRN 1448179: One Eighty Communications provides local and long distance service via T1 lines, and makes no use of the WAN.

FRN 1448002: TransAria, Inc. provides internet access to Billings-owned equipment located at the Lincoln Center facility as shown on the diagram in Exhibit A of the services agreement between Billings and Bresnan Communications<sup>23</sup>. Data from the internet is made available to the DTS by a connection between the Billings-owned equipment and the WAN.

- *Please refer to the USAC website a <http://www.universalservice.org/sl/applicants/step06/on-premise-priority1-equipment.aspx> for on-premise Priority 1 equipment program rules.*

The main thrust of the referenced web page<sup>24</sup> is the so-called "Tennessee Test" questionnaire, which Billings responded to on August 28, 2006,<sup>25</sup> as part of the Program Integrity Assurance ("PIA") review of 471 Application number 525485. Billings' respondent, Karen Palmer, misunderstood question 8, and requested clarification in subsequent e-mail and telephone correspondence on August 29, 2006.<sup>26</sup> Upon review, Ms. Palmer verbally corrected this response to "No"; however, she received no written confirmation from Mr. Pelesky.<sup>27</sup>

The amended responses by Billings to these eight questions firmly establishes that Billings was in compliance with the "on premise Priority 1 equipment program rules" and that this service is eligible for funding in all respects.

### **Alternatively, Billings Makes This Request For Waiver of Any Discrepancies In Petitioner's Application For Good Cause Shown**

While the Commission can and should determine that the factual determinations by USAC in prior proceedings related to Billings were not accurate, the FCC may nonetheless waive any provision of its rules on its own motion and for good cause shown.<sup>28</sup> A rule may be waived where the particular facts make strict compliance inconsistent with the public interest.<sup>29</sup> In addition, the FCC may take into account considerations of hardship, equity, or more

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<sup>22</sup> ADL dated March 13, 2007, p.1.

<sup>23</sup> Network Services Agreement between Bresnan and Billings, p.6.

<sup>24</sup> Web page <http://www.universalservice.org/sl/applicants/step06/on-premise-priority1-equipment.aspx>: "Step 6: On-Premise Priority 1 Equipment - Schools and Libraries – USAC".

<sup>25</sup> Letter from Karen Palmer to Christopher Pelesky (USAC), "CP-Erate App#525485(2)", dated August 28, 2006.

<sup>26</sup> Email exchange between Karen Palmer to Christopher Pelesky (USAC) on August 28 and 29, 2006.

<sup>27</sup> Email from Karen Palmer to Steve Tenzer, eRate Consulting Services LLC, March 23, 2007.

<sup>28</sup> 47 C.F.R. § 1.3.

<sup>29</sup> Northeast Cellular Telephone Co. v. FCC, 897 F.2d 1164, 1166 (D.C. Cir. 1990) (Northeast Cellular).

effective implementation of overall policy on an individual basis.<sup>30</sup> Waiver is appropriate if special circumstances warrant a deviation from the general rule, and such deviation would better serve the public interest than strict adherence to the general rule.<sup>31</sup>

In 2006, the FCC entered an order addressing procedural mistakes, missteps, and errors which occur in the application process for funding under the Schools and Libraries Division of USAC. The Order in *Bishop Perry Middle School, New Orleans, LA, et al* recognizes the disadvantage many school districts such as Billings face where:

“... the primary jobs of most of the people filling out these forms include school administrators, technical coordinators, and teachers, as opposed to positions dedicated to pursuing federal grants, especially in small school districts.”<sup>32</sup>

More recently, the Commission addressed procedural mistakes in submission of USAC Forms in *Requests for Waiver of Decisions of the Universal Service Administrator by Academy for Excellence, Apple Valley, California, et al.*, SLD-539076, 539722, et al., CC Docket No. 02-6 (March 9, 2007). In *Apple Valley*, 44 applicants sought a waiver of Commission rules or of USAC decisions denying funding outside of the FCC Form 471 filing window. Petitioners asserted that their mistakes and the delays in the filing were, in part, the result of

someone on the applicant’s staff [having] failed to file on time due to misunderstanding or personal emergencies, or ... the delay in the filing or the receipt by USAC of the FCC Form 471 was due to circumstances out of the applicant’s control. (staff illnesses or relatives of staff members who were ill). Other applicants indicated that its representatives “inadvertently failed to file the application forms in a timely manner. Still other Petitioners claim that the rules and instructions for filing the FCC Form 471 are vague and unclear and that the resulting misunderstandings led to forms being filed after the filing window.

*Id.* The Commission, citing its *Bishop-Perry Order*,<sup>33</sup> found that

complete rejection of these applications is not warranted, given that the violation at issue is procedural, not substantive. Like the applicants in the *Bishop-Perry Order*, the applicants at issue here have demonstrated that rigid adherence to filing procedures does not further the purposes of section 254(h) of the Telecommunications Act of 1996 or serve the public interest.<sup>34</sup>

Like the applicants in *Apple Valley* and *Bishop Perry*, denial of Billing’s funding requests is, at worst, a result of inaccurate description of services to be provided or a misunderstanding or misinterpretation of USAC procedural rules, an oversight, or inadvertence. Karen Palmer is the Director of Technology for Billings and not a grant administrator; she performs e-rate duties on top of her full-time responsibilities for the technology systems for all schools in the district. While Ms. Palmer’s initial misunderstanding of one of USAC’s questions contributed to denial of this FRN, she subsequently corrected Billings’ response. The FCC’s *Bishop Perry* decision offers a remedy for procedural errors, as in this matter, where “...

<sup>30</sup> *WAIT Radio v. FCC*, 418 F.2d 1153, 1157 (D.C. Circuit 1969), *affirmed by WAIT Radio v. FCC*, 459 F.2d 1203 (D.C. Cir. 1972).

<sup>31</sup> *Northeast Cellular*, 897 F.2d at 1166.

<sup>32</sup> *Bishop Perry Middle School, New Orleans, LA, et al.*, File No. SLD-487170, *et al.*, CC Docket No. 02-6, order released May 19, 2006, at para. 11.

<sup>33</sup> *Id.* at para. 14.

<sup>34</sup> *Apple Valley, California*, File No. SLD-539076, order released March 9, 2007.

there is no evidence of waste, fraud or abuse, misuse of funds, or a failure to adhere to core program requirements.”<sup>35</sup>

**Conclusion:**

In light of the above, we respectfully request that the Commission review the underlying proceedings and adopt and incorporate in a final order the arguments and evidence above and in Billings’ December 1, 2006 appeal. Alternatively, Billings requests that the Commission issue a waiver of any discrepancies in its applications for funding and instruct SLD to approve funding of \$219,737.14 (as amended in the December 1, 2006 appeal letter) for FRN 1448250. Billings further requests that the Commission grant to it all other relief to which it deems Billings entitled.

Billings appreciates the Commission’s review and consideration of its appeal. We are available to respond to questions or to provide any further information requested by the Commission.

**Authorized signature for this Appeal<sup>36</sup>**



5/14/2007

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<sup>35</sup> Id. at para. 14.

<sup>36</sup> “Letter of Agency ” from Karen Palmer, Director of Technology, Billings School District 2, authorizing employees of eRate Consulting Services, LLC, to perform e-rate services on behalf of Billings.

BILLINGS SCHOOL DISTRICT 2  
BEN 134781  
471 # 525485, FRN 1448250  
Letter of Appeal  
Federal Communications Commission  
May 14, 2007

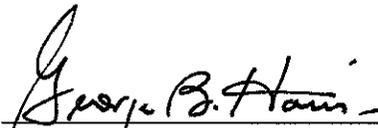
NOTE 1 - Notice of Appearance\_GBH

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

In the Matter of	)	
	)	
Requests for Review or Waiver of Decisions of the Universal Service Administrator by	)	
	)	
Billings School District 2 Billings, MT	)	File Nos. SLD-02-06
	)	
Schools and Libraries Universal Service Support Mechanism	)	CC Docket No. 96-45
	)	

**NOTICE OF APPEARANCE**

COMES NOW George B. Harris and files this notice of appearance and representation of the Petitioner, Billings School District 2 in the above-styled matter pursuant to 47 CFR § 1.23. In support of this notice, the undersigned represents that he has been a member in good standing of the Br of the Supreme Court of the United States since February 22, 1993 and is not under any final order of any authority having power to suspend or disbar an attorney in the practice of law within any state, territory, or the District of Columbia that suspends, enjoins, restrains, disbars, or otherwise restricts him in the practice of law.



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BILLINGS SCHOOL DISTRICT 2  
BEN 134781  
471 # 525485, FRN 1448250  
Letter of Appeal  
Federal Communications Commission  
May 14, 2007

**NOTE 2 - Form 471 #525485**

FCC Form 471	Do not write in this area.	Approval by OMB 3060-0806
<p><b>Schools and Libraries Universal Service</b>  <b>Description of Services Ordered and Certification Form 471</b>  <b>Estimated Average Burden Hours per Response: 4 hours</b></p> <p>This form asks schools and libraries to list the eligible telecommunications-related services they have ordered and estimate the annual charges for them so that the Fund Administrator can set aside sufficient support to reimburse providers for services.</p> <p><b>Please read instructions before beginning this application. (You can also file online at <a href="http://www.sl.universalservice.org">www.sl.universalservice.org</a>.)</b>  <b>The instructions include information on the deadlines for filing this application.</b></p>		
Applicant's Form Identifier (Create your own code to identify THIS form 471)		Form 471 Application#
FY2006F471		525485
<b>Block 1: Billed Entity Information</b> (The "Billed Entity" is the entity paying the bills for the service listed on this form.)		
<b>1 a</b>	Name of Billed Entity	BILLINGS SCHOOL DISTRICT 2
<b>2 a</b>	Funding Year: July 1,	2006 Through June 30: 2007
		Billed Entity Number: 134781
<b>4 a</b>	Street Address, P.O. Box, or Routing Number	415 N 30TH ST
	City	BILLINGS
	State	MT
		Zip Code 59101 1252
<b>5 a</b>	Type of Application	<input type="checkbox"/> Individual School (individual public or non-public school) <input checked="" type="checkbox"/> School District (LEA; public or non-public [e.g. diocesan] local district representing multiple schools) <input type="checkbox"/> Library ( including library system, library outlet/branch or library consortium as defined under LSTA) <input type="checkbox"/> Consortium <input type="checkbox"/> Check here if any members of this consortium are ineligible or non-governmental entities)
<b>6</b>	Contact Person's Name	Karen Palmer
First, if the Contact Person's Street Address is the same as in Item 4, check this box. <input type="checkbox"/> If not, please complete the entries for the Street Address below.		
<b>b</b>	Street Address, P.O. Box, or Routing Number	415 N 30TH ST
	City	BILLINGS
	State	MT
		Zip Code 59101 1252



Entity Number	<u>134781</u>	Applicant's Form Identifier	<u>FY2006F471</u>
Contact Person	<u>Karen Palmer</u>	Phone Number	<u>406-247-3757</u>
<p>This information will facilitate the processing of your applications. Please complete all rows that apply to services for which you are requesting discounts. Complete this information on the FIRST Form 471 you file, to encompass this and all other Forms 471 you will file for this funding year. You need not complete this information on subsequent Forms 471. Provide your best estimates for the services ordered across ALL of your Forms 471.</p> <p><b>Schools/school districts complete Item 7. Libraries complete Item 8. Consortia complete Item 7 and/or Item 8.</b></p>			
<b>Block 2: Impact of Services Ordered on Schools</b>			
IF THIS APPLICATION INCLUDES SCHOOLS...		BEFORE ORDER AFTER ORDER	

7a	Number of students to be served		15184
b	Telephone service: Number of classrooms with phone service	830	830
c	Dial-up Internet access: Number of connections (up to 56kbps)	0	0
d	Direct broadband services: Number of buildings served at the following speeds:		
	Less than 10 mbps	0	0
	Between 10 mbps and 200 mbps	31	31
	Greater than 200 mbps	0	0
e	Direct connections to the Internet: Number of drops	1	1
f	Number of classrooms with Internet access	830	830
g	Number of computers or other devices with Internet access	3500	3500

**Block 3: Impact of Services Ordered on Libraries**  
**NOT APPLICABLE AS THIS APPLICATION IS FOR DISTRICT**

**Worksheet A No:** 792858      **Student Count:** 14405  
**Weighted Product (Sum. Column 8):** 7558.2      **Shared Discount:** 52%

**1. School Name:** ALKALI CREEK ELEMENTARY SCHOOL  
**2. Entity Number:** 67317      **NCES:** MT 56 1597  
**3. Rural/Urban:** Urban  
**4. Student Count:** 320      **5. NSLP Students:** 109      **6. NSLP Students/Students:** 34.062%  
**7. Discount:** 50%      **8. Weighted Product:** 160  
**9. Pre-K/Adult Ed/Juv:** N      **10. Alt Disc Mech:** N

**1. School Name:** ARROWHEAD ELEMENTARY SCHOOL  
**2. Entity Number:** 67293      **NCES:** MT 56 1585  
**3. Rural/Urban:** Urban  
**4. Student Count:** 435      **5. NSLP Students:** 18      **6. NSLP Students/Students:** 4.137%  
**7. Discount:** 40%      **8. Weighted Product:** 174  
**9. Pre-K/Adult Ed/Juv:** N      **10. Alt Disc Mech:** N

**1. School Name:** BENCH ELEMENTARY SCHOOL  
**2. Entity Number:** 67318      **NCES:** MT 56 1272  
**3. Rural/Urban:** Urban  
**4. Student Count:** 351      **5. NSLP Students:** 199      **6. NSLP Students/Students:** 56.695%  
**7. Discount:** 80%      **8. Weighted Product:** 280.8  
**9. Pre-K/Adult Ed/Juv:** N      **10. Alt Disc Mech:** N

**1. School Name:** BIG SKY ELEMENTARY SCHOOL  
**2. Entity Number:** 67312      **NCES:** MT 56 1638  
**3. Rural/Urban:** Urban  
**4. Student Count:** 391      **5. NSLP Students:** 74      **6. NSLP Students/Students:** 18.925%  
**7. Discount:** 40%      **8. Weighted Product:** 156.4  
**9. Pre-K/Adult Ed/Juv:** N      **10. Alt Disc Mech:** N

**1. School Name:** BILLINGS SENIOR HIGH SCHOOL  
**2. Entity Number:** 67284      **NCES:** MT 56 1250  
**3. Rural/Urban:** Urban  
**4. Student Count:** 1749      **5. NSLP Students:** 412      **6. NSLP Students/Students:** 23.556%

7. Discount: 50%                      8. Weighted Product: 874.5  
9. Pre-K/Adult Ed/Juv: N            10. Alt Disc Mech: N

1. School Name: BILLINGS WEST HIGH SCHOOL  
2. Entity Number: 67307            NCES: MT 56 1251  
3. Rural/Urban: Urban  
4. Student Count: 2119            5. NSLP Students: 285            6. NSLP Students/Students: 13.449%  
7. Discount: 40%                      8. Weighted Product: 847.6  
9. Pre-K/Adult Ed/Juv: N            10. Alt Disc Mech: N

1. School Name: BITTERROOT ELEMENTARY SCHOOL  
2. Entity Number: 67319            NCES: MT 56 1471  
3. Rural/Urban: Urban  
4. Student Count: 359            5. NSLP Students: 147            6. NSLP Students/Students: 40.947%  
7. Discount: 60%                      8. Weighted Product: 215.4  
9. Pre-K/Adult Ed/Juv: N            10. Alt Disc Mech: N

1. School Name: BOULDER ELEMENTARY SCHOOL  
2. Entity Number: 67294            NCES: MT 56 1307  
3. Rural/Urban: Urban  
4. Student Count: 312            5. NSLP Students: 76            6. NSLP Students/Students: 24.358%  
7. Discount: 50%                      8. Weighted Product: 156  
9. Pre-K/Adult Ed/Juv: N            10. Alt Disc Mech: N

1. School Name: BROADWATER ELEMENTARY SCHOOL  
2. Entity Number: 67277            NCES: MT 56 1255  
3. Rural/Urban: Urban  
4. Student Count: 264            5. NSLP Students: 144            6. NSLP Students/Students: 54.545%  
7. Discount: 80%                      8. Weighted Product: 211.2  
9. Pre-K/Adult Ed/Juv: N            10. Alt Disc Mech: N

1. School Name: BURLINGTON ELEMENTARY SCHOOL  
2. Entity Number: 67298            NCES: MT 56 1256  
3. Rural/Urban: Urban  
4. Student Count: 235            5. NSLP Students: 98            6. NSLP Students/Students: 41.702%  
7. Discount: 60%                      8. Weighted Product: 141  
9. Pre-K/Adult Ed/Juv: N            10. Alt Disc Mech: N

1. School Name: CASTLE ROCK 7-8 SCHOOL  
2. Entity Number: 67314            NCES: MT 56 1631  
3. Rural/Urban: Urban  
4. Student Count: 711            5. NSLP Students: 194            6. NSLP Students/Students: 27.285%  
7. Discount: 50%                      8. Weighted Product: 355.5  
9. Pre-K/Adult Ed/Juv: N            10. Alt Disc Mech: N

1. School Name: CENTRAL HEIGHTS ELEM SCHOOL  
2. Entity Number: 67310            NCES: MT 56 1308  
3. Rural/Urban: Urban  
4. Student Count: 301            5. NSLP Students: 100            6. NSLP Students/Students: 33.222%  
7. Discount: 50%                      8. Weighted Product: 150.5  
9. Pre-K/Adult Ed/Juv: N            10. Alt Disc Mech: N

1. School Name: EAGLE CLIFFS ELEMENTARY SCHOOL  
2. Entity Number: 67316            NCES: MT 56 1639  
3. Rural/Urban: Urban  
4. Student Count: 443            5. NSLP Students: 113            6. NSLP Students/Students: 25.507%  
7. Discount: 50%                      8. Weighted Product: 221.5  
9. Pre-K/Adult Ed/Juv: N            10. Alt Disc Mech: N

1. School Name: HIGHLAND ELEMENTARY SCHOOL  
2. Entity Number: 67300            NCES: MT 56 1260  
3. Rural/Urban: Urban  
4. Student Count: 249            5. NSLP Students: 79            6. NSLP Students/Students: 31.726%  
7. Discount: 50%                      8. Weighted Product: 124.5

9. Pre-K/Adult Ed/Juv: N      10. Alt Disc Mech: N

1. School Name: LEWIS & CLARK 7-8 SCHOOL  
 2. Entity Number: 67304      NCES: MT 56 1632  
 3. Rural/Urban: Urban  
 4. Student Count: 587      5. NSLP Students: 193      6. NSLP Students/Students: 32.879%  
 7. Discount: 50%      8. Weighted Product: 293.5  
 9. Pre-K/Adult Ed/Juv: N      10. Alt Disc Mech: N

1. School Name: MCKINLEY ELEMENTARY SCHOOL  
 2. Entity Number: 67272      NCES: MT 56 1262  
 3. Rural/Urban: Urban  
 4. Student Count: 278      5. NSLP Students: 180      6. NSLP Students/Students: 64.748%  
 7. Discount: 80%      8. Weighted Product: 222.4  
 9. Pre-K/Adult Ed/Juv: N      10. Alt Disc Mech: N

1. School Name: MEADOWLARK ELEMENTARY SCHOOL  
 2. Entity Number: 67313      NCES: MT 56 1439  
 3. Rural/Urban: Urban  
 4. Student Count: 326      5. NSLP Students: 93      6. NSLP Students/Students: 28.527%  
 7. Discount: 50%      8. Weighted Product: 163  
 9. Pre-K/Adult Ed/Juv: N      10. Alt Disc Mech: N

1. School Name: MILES AVENUE ELEMENTARY SCHOOL  
 2. Entity Number: 67309      NCES: MT 56 1263  
 3. Rural/Urban: Urban  
 4. Student Count: 268      5. NSLP Students: 148      6. NSLP Students/Students: 55.223%  
 7. Discount: 80%      8. Weighted Product: 214.4  
 9. Pre-K/Adult Ed/Juv: N      10. Alt Disc Mech: N

1. School Name: NEWMAN ELEMENTARY SCHOOL  
 2. Entity Number: 67280      NCES: MT 56 1275  
 3. Rural/Urban: Urban  
 4. Student Count: 303      5. NSLP Students: 214      6. NSLP Students/Students: 70.627%  
 7. Discount: 80%      8. Weighted Product: 242.4  
 9. Pre-K/Adult Ed/Juv: N      10. Alt Disc Mech: N

1. School Name: ORCHARD ELEMENTARY SCHOOL  
 2. Entity Number: 67281      NCES: MT 56 1265  
 3. Rural/Urban: Urban  
 4. Student Count: 281      5. NSLP Students: 222      6. NSLP Students/Students: 79.003%  
 7. Discount: 90%      8. Weighted Product: 252.9  
 9. Pre-K/Adult Ed/Juv: N      10. Alt Disc Mech: N

1. School Name: POLY DRIVE ELEMENTARY SCHOOL  
 2. Entity Number: 67295      NCES: MT 56 1266  
 3. Rural/Urban: Urban  
 4. Student Count: 281      5. NSLP Students: 45      6. NSLP Students/Students: 16.014%  
 7. Discount: 40%      8. Weighted Product: 112.4  
 9. Pre-K/Adult Ed/Juv: N      10. Alt Disc Mech: N

1. School Name: PONDEROSA ELEMENTARY SCHOOL  
 2. Entity Number: 67283      NCES: MT 56 1480  
 3. Rural/Urban: Urban  
 4. Student Count: 361      5. NSLP Students: 292      6. NSLP Students/Students: 80.886%  
 7. Discount: 90%      8. Weighted Product: 324.9  
 9. Pre-K/Adult Ed/Juv: N      10. Alt Disc Mech: N

1. School Name: RIVERSIDE MIDDLE SCHOOL  
 2. Entity Number: 67282      NCES: MT 56 1645  
 3. Rural/Urban: Urban  
 4. Student Count: 515      5. NSLP Students: 247      6. NSLP Students/Students: 47.961%  
 7. Discount: 60%      8. Weighted Product: 309  
 9. Pre-K/Adult Ed/Juv: N      10. Alt Disc Mech: N

1. **School Name:** ROSE PARK ELEMENTARY SCHOOL  
 2. **Entity Number:** 67299      **NCES:** MT 56 1268  
 3. **Rural/Urban:** Urban  
 4. **Student Count:** 222      5. **NSLP Students:** 76      6. **NSLP Students/Students:** 34.234%  
 7. **Discount:** 50%      8. **Weighted Product:** 111  
 9. **Pre-K/Adult Ed/Juv:** N      10. **Alt Disc Mech:** N

1. **School Name:** SANDSTONE ELEMENTARY SCHOOL  
 2. **Entity Number:** 67315      **NCES:** MT 56 1584  
 3. **Rural/Urban:** Urban  
 4. **Student Count:** 423      5. **NSLP Students:** 127      6. **NSLP Students/Students:** 30.023%  
 7. **Discount:** 50%      8. **Weighted Product:** 211.5  
 9. **Pre-K/Adult Ed/Juv:** N      10. **Alt Disc Mech:** N

1. **School Name:** SKYVIEW HIGH SCHOOL  
 2. **Entity Number:** 67322      **NCES:** MT 56 1628  
 3. **Rural/Urban:** Urban  
 4. **Student Count:** 1543      5. **NSLP Students:** 248      6. **NSLP Students/Students:** 16.072%  
 7. **Discount:** 40%      8. **Weighted Product:** 617.2  
 9. **Pre-K/Adult Ed/Juv:** N      10. **Alt Disc Mech:** N

1. **School Name:** WASHINGTON ELEMENTARY SCHOOL  
 2. **Entity Number:** 67311      **NCES:** MT 56 1270  
 3. **Rural/Urban:** Urban  
 4. **Student Count:** 207      5. **NSLP Students:** 155      6. **NSLP Students/Students:** 74.879%  
 7. **Discount:** 90%      8. **Weighted Product:** 186.3  
 9. **Pre-K/Adult Ed/Juv:** N      10. **Alt Disc Mech:** N

1. **School Name:** WILL JAMES MIDDLE SCHOOL  
 2. **Entity Number:** 67302      **NCES:** MT 56 1646  
 3. **Rural/Urban:** Urban  
 4. **Student Count:** 571      5. **NSLP Students:** 76      6. **NSLP Students/Students:** 13.309%  
 7. **Discount:** 40%      8. **Weighted Product:** 228.4  
 9. **Pre-K/Adult Ed/Juv:** N      10. **Alt Disc Mech:** N

#### Block 5: Discount Funding Request(s)

FRN: 1448002      FCDL Date: 10/03/2006	
10. <b>Original FRN:</b>	
11. <b>Category of Service:</b> Internet Access	12. <b>470 Application Number:</b> 346030000553865
13. <b>SPIN:</b> 143024329	14. <b>Service Provider Name:</b> TransAria, Inc.
15a. <b>Non-Contracted tariffed/Month to Month Service:</b>	15b. <b>Contract Number:</b> N/A
15c. <b>Covered under State Master Contract:</b>	15d. <b>FRN from Previous Year:</b>
16a. <b>Billing Account Number:</b> N/A	16b. <b>Multiple Billing Account Numbers?:</b>
17. <b>Allowable Contract Date:</b> 12/20/2005	18. <b>Contract Award Date:</b> 01/16/2006
19a. <b>Service Start Date:</b> 07/01/2006	19b. <b>Service End Date:</b>
20. <b>Contract Expiration Date:</b> 06/30/2009	
21. <b>Attachment #:</b> 01-2006	22. <b>Block 4 Worksheet No.:</b> 792858
23a. <b>Monthly Charges:</b> \$3,198.00	23b. <b>Ineligible monthly amt.:</b> \$.00
23c. <b>Eligible monthly amt.:</b> \$3,198.00	23d. <b>Number of months of service:</b> 12
23e. <b>Annual pre-discount amount for eligible recurring charges ( 23c x 23d):</b> \$38,376.00	
23f. <b>Annual non-recurring (one-time) charges:</b> 0      23g. <b>Ineligible non-recurring amt.:</b> 0	
23h. <b>Annual pre-discount amount for eligible non-recurring charges ( 23f - 23g):</b> \$0.00	
23i. <b>Total program year pre-discount amount ( 23e + 23h):</b> \$38,376.00	
23j. <b>% discount (from Block 4):</b> 52	
23k. <b>Funding Commitment Request ( 23i x 23j):</b> \$19,955.52	

FRN: 1448179 FCDL Date: 10/03/2006	
<b>10. Original FRN:</b>	
<b>11. Category of Service:</b> Telecommunications Service	<b>12. 470 Application Number:</b> 346030000553865
<b>13. SPIN:</b> 143009818	<b>14. Service Provider Name:</b> One Eighty Communications, Inc.
<b>15a. Non-Contracted tariffed/Month to Month Service:</b>	<b>15b. Contract Number:</b> N/A
<b>15c. Covered under State Master Contract:</b>	<b>15d. FRN from Previous Year:</b>
<b>16a. Billing Account Number:</b> N/A	<b>16b. Multiple Billing Account Numbers?:</b>
<b>17. Allowable Contract Date:</b> 12/20/2005	<b>18. Contract Award Date:</b> 01/16/2006
<b>19a. Service Start Date:</b> 07/01/2006	<b>19b. Service End Date:</b>
<b>20. Contract Expiration Date:</b> 06/30/2009	
<b>21. Attachment #:</b> 02-2006	<b>22. Block 4 Worksheet No.:</b> 792858
<b>23a. Monthly Charges:</b> \$11,627.35	<b>23b. Ineligible monthly amt.:</b> \$2,166.90
<b>23c. Eligible monthly amt.:</b> \$9,460.45	<b>23d. Number of months of service:</b> 12
<b>23e. Annual pre-discount amount for eligible recurring charges ( 23c x 23d):</b> \$113,525.40	
<b>23f. Annual non-recurring (one-time) charges:</b> 0	<b>23g. Ineligible non-recurring amt.:</b> 0
<b>23h. Annual pre-discount amount for eligible non-recurring charges ( 23f - 23g):</b> \$0.00	
<b>23i. Total program year pre-discount amount ( 23e + 23h):</b> \$113,525.40	
<b>23j. % discount (from Block 4):</b> 52	
<b>23k. Funding Commitment Request ( 23i x 23j):</b> \$59,033.21	

FRN: 1448250 FCDL Date: 10/03/2006	
<b>10. Original FRN:</b>	
<b>11. Category of Service:</b> Telecommunications Service	<b>12. 470 Application Number:</b> 346030000553865
<b>13. SPIN:</b> 143027752	<b>14. Service Provider Name:</b> Bresnan Communications, LLC
<b>15a. Non-Contracted tariffed/Month to Month Service:</b>	<b>15b. Contract Number:</b> N/A
<b>15c. Covered under State Master Contract:</b>	<b>15d. FRN from Previous Year:</b>
<b>16a. Billing Account Number:</b> N/A	<b>16b. Multiple Billing Account Numbers?:</b>
<b>17. Allowable Contract Date:</b> 12/20/2005	<b>18. Contract Award Date:</b> 01/16/2006
<b>19a. Service Start Date:</b> 07/01/2006	<b>19b. Service End Date:</b>
<b>20. Contract Expiration Date:</b> 06/30/2011	
<b>21. Attachment #:</b> 03-2006	<b>22. Block 4 Worksheet No.:</b> 792858
<b>23a. Monthly Charges:</b> \$15,500.00	<b>23b. Ineligible monthly amt.:</b> \$0.00
<b>23c. Eligible monthly amt.:</b> \$15,500.00	<b>23d. Number of months of service:</b> 12
<b>23e. Annual pre-discount amount for eligible recurring charges ( 23c x 23d):</b> \$186,000.00	
<b>23f. Annual non-recurring (one-time) charges:</b> 300000	<b>23g. Ineligible non-recurring amt.:</b> 0
<b>23h. Annual pre-discount amount for eligible non-recurring charges ( 23f - 23g):</b> \$300,000.00	
<b>23i. Total program year pre-discount amount ( 23e + 23h):</b> \$486,000.00	
<b>23j. % discount (from Block 4):</b> 52	
<b>23k. Funding Commitment Request ( 23i x 23j):</b> \$252,720.00	

**Block 6: Certifications and Signature**

Application ID:525485

Do not write in this area.

<b>Entity Number</b>	134781	<b>Applicant's Form Identifier</b>	FY2006F471
<b>Contact Person</b>	Karen Palmer	<b>Phone Number</b>	406-247-3757

**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 23l on all Block 5 Discount Funding Requests.)	\$637,901.40
b.	Total funding commitment request amount on this Form 471 (Add the entities from Items 23K on all Block 5 Discount Funding Requests.)	\$331,708.73
c.	Total applicant non-discount share (Subtract Item 25b from Item 25a.)	\$306,192.67
d.	Total budgeted amount allocated to resources not eligible for E-rate support	\$49,066.80
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.)	\$355,259.47
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):
- 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 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.

38. Signature of authorized person \_\_\_\_\_

39. Signature Date **2/14/06**

**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 Services 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 any applicable 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 submit this form to:**

**SLD-Form 471  
P.O. Box 7026  
Lawrence, Kansas 66044-7026**

**For express delivery services or U.S. Postal Service, Return Receipt Requested,  
mail this form to:**

**SLD Forms  
ATTN: SLD Form 471  
3833 Greenway Drive  
Lawrence, Kansas 66046  
(888) 203-8100**

Print

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BILLINGS SCHOOL DISTRICT 2  
BEN 134781  
471 # 525485, FRN 1448250  
Letter of Appeal  
Federal Communications Commission  
May 14, 2007

**NOTE 3,13,15,16,22 - Billings ADL 525485 3-13-07**



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

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

March 13, 2007

Steven Tenzer  
eRate Consulting Services, LLC  
141 New Road  
Suite 2I  
Parsippany, NJ 07054

Re: Applicant Name: BILLINGS SCHOOL DISTRICT 2  
Billed Entity Number: 134781  
Form 471 Application Number: 525485  
Funding Request Number(s): 1448250  
Your Correspondence Dated: December 01, 2006

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): 1448250  
Decision on Appeal: **Denied**  
Explanation:

- Upon thorough review of the appeal letter and the relevant documentation, USAC has reviewed and assessed your appeal. USAC determined that this funding request was properly evaluated. Program rules require that the on-premise Priority 1 equipment must be an integral component of the telecommunications or Internet access service. Support for services that include charges for on-premise Priority 1 equipment is permissible when the on-premise equipment is provided by the same service provider that provides the eligible telecommunications or internet access service of which it is a part. Each separate funding request that is comprised of such a complete telecommunications or Internet access service must specify the same service provider. Please refer to the USAC website at <http://www.usac.org/sl/applicants/step06/on-premise-priority1-equipment.aspx> for

on-premise Priority 1 equipment program rules. On appeal, you have failed to demonstrate that USAC erred in its original decision. Consequently, the appeal is denied.

- Your Form 471 application included costs for the following ineligible products and/or services: Wide Area Network (WAN). FCC Rules provide that funding may be approved only for eligible products and services. 47 C.F.R. secs. 54.502, 54.503. The USAC website contains a list of eligible products and services. See the website, [www.usac.org/sl](http://www.usac.org/sl), Eligible Services List. FCC Rules further require that if 30% or more of the applicant's funding request includes ineligible products and/or services, then the funding request must be denied, otherwise the funding request will be reduced accordingly. 47 C.F.R. sec. 54.504(d).

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: Karen Palmer

Steven Tenzer  
eRate Consulting Services, LLC  
141 New Road  
Suite 2I  
Parsippany, NJ 07054

Billed Entity Number: 134781  
Form 471 Application Number: 525485  
Form 486 Application Number:

BILLINGS SCHOOL DISTRICT 2  
BEN 134781  
471 # 525485, FRN 1448250  
Letter of Appeal  
Federal Communications Commission  
May 14, 2007

NOTE 10,11 - 471 525485 - FCDL 10-3-06

# USAC

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

**TIME SENSITIVE MATERIAL**

00641  
Karen Palmer  
BILLINGS SCHOOL DISTRICT 2  
415 N 30TH ST  
BILLINGS, MT 59101-1252



## IMPORTANT REMINDERS & DEADLINES

Form 471 Application Number: 525485  
Billed Entity Number: 134781  
Name of Billed Entity: BILLINGS SCHOOL DISTRICT 2

**YOUR NEXT STEPS IN THE APPLICATION PROCESS:** Following are steps to assist you through the application process. Web page URLs are included to facilitate access to additional information on USAC's website.

**REVIEW TECHNOLOGY PLANNING REQUIREMENTS** - Program rules require a technology plan based on an assessment of needs and that those plans be approved before the start of services. See "Develop a Technology Plan" at <http://www.usac.org/sl/applicants/step02/> for information about technology plan requirements and approvals.

**REVIEW CHILDREN'S INTERNET PROTECTION ACT (CIPA) REQUIREMENTS** - CIPA compliance is required for requests for Internet Access, Internal Connections and Basic Maintenance discounts. For information about CIPA requirements and certifications, see "Children's Internet Protection Act (CIPA)" at <http://www.usac.org/sl/applicants/step10/cipa.aspx> for information about CIPA and its requirements.

**FILE FORM 486** - You must notify USAC of the start of service, the name of your USAC-certified technology plan approver and your compliance with CIPA on Form 486. See "Begin Receipt of Services" on our website at <http://www.usac.org/sl/applicants/step10/>.

**FORM 486 DEADLINE** - The Form 486 must be postmarked no later than 120 days after the Service Start Date featured in the Form 486 Notification Letter or no later than 120 days after the date of the Funding Commitment Decision Letter, whichever is later. Use the "Deadlines" calculator on our website at <http://www.usac.org/sl/tools/deadlines> to calculate your Form 486 deadline.

**INVOICE USAC** - After eligible services have been delivered, invoice USAC to request reimbursement of approved discounts. For information about requesting reimbursement from USAC, see "Invoice USAC" on our website at <http://www.usac.org/sl/applicants/step11/>.

**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. Use the "Deadlines" calculator on our website at <http://www.usac.org/sl/tools/deadlines> to calculate your invoice deadline.

**DOCUMENT RETENTION** - Documents related to the receipt of discounts must be retained for at least five years after the last day of service delivered. For more information, see "Document Retention Requirements" on our website at <http://www.usac.org/sl/about/document-retention-requirements/default.aspx>.

**OBLIGATION TO PAY NON-DISCOUNT PORTION/FREE SERVICES ADVISORY** - 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. For further information, see "Obligation to Pay Non-Discount Portion" on our website at <http://www.usac.org/sl/applicants/step11/obligation-to-pay.aspx> and "Free Services Advisory" at <http://www.usac.org/sl/applicants/step06/free-services-advisory.aspx>.

**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 Program are subject to suspension and debarment from the program. More information and a current list of persons who have been suspended or debarred is posted in "Suspensions and Debarments" on our website at <http://www.usac.org/sl/about/suspensions-debarments.aspx>.

**COMPLETE PROGRAM INFORMATION** - including more information on these reminders - is posted to the Schools and Libraries area of USAC's website at [www.usac.org/sl](http://www.usac.org/sl). You may also contact our Client Service Bureau using the "Submit a Question" link on our website, toll-free by fax at 1-888-276-8736 or toll-free by phone at 1-888-203-8100.



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

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

October 3, 2006

Karen Palmer  
BILLINGS SCHOOL DISTRICT 2  
415 N 30TH ST  
BILLINGS, MT 59101-1252

Re: Form 471 Application Number: 525485  
Billed Entity Number (BEN): 134781  
Billed Entity FCC RN: 0001626449  
Applicant's Form Identifier: FY2006F471

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, \$78,988.73 is "Approved."
- The amount, \$252,720.00 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 525485 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](mailto: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: BILLINGS SCHOOL DISTRICT 2  
BEN: 134781  
Funding Year: 2006

Form 471 Application Number: 525485  
Funding Request Number: 1448002  
Funding Status: Funded  
Category of Service: Internet Access  
Form 470 Application Number: 346030000553865  
SPIN: 143024329  
Service Provider Name: TransAria, Inc.  
Contract Number: N/A  
Billing Account Number: N/A  
Service Start Date: 07/01/2006  
Contract Expiration Date: 06/30/2009  
Number of Months Recurring Service Provided in Funding Year: 12  
Annual Pre-discount Amount for Eligible Recurring Charges: \$38,376.00  
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00  
Pre-discount Amount: \$38,376.00  
Discount Percentage Approved by the USAC: 52%  
Funding Commitment Decision: \$19,955.52 - FRN approved; modified by SLD  
Funding Commitment Decision Explanation: The shared discount was reduced to a level that could be validated by third party data.

FCDL Date: 10/03/2006  
Wave Number: 024  
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2007

Funding Request Number: 1448179  
Funding Status: Funded  
Category of Service: Telecommunications Service  
Form 470 Application Number: 346030000553865  
SPIN: 143009818  
Service Provider Name: One Eighty Communications, Inc.  
Contract Number: N/A  
Billing Account Number: N/A  
Service Start Date: 07/01/2006  
Contract Expiration Date: 06/30/2009  
Number of Months Recurring Service Provided in Funding Year: 12  
Annual Pre-discount Amount for Eligible Recurring Charges: \$113,525.40  
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00  
Pre-discount Amount: \$113,525.40  
Discount Percentage Approved by the USAC: 52%  
Funding Commitment Decision: \$59,033.21 - FRN approved; modified by SLD  
Funding Commitment Decision Explanation: The shared discount was reduced to a level that could be validated by third party data. The FRN was modified from \$9739.45 to \$9460.45/month to agree with the applicant documentation.

FCDL Date: 10/03/2006  
Wave Number: 024  
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2007

FUNDING COMMITMENT REPORT  
Billed Entity Name: BILLINGS SCHOOL DISTRICT 2  
BEN: 134781  
Funding Year: 2006

Form 471 Application Number: 525485  
Funding Request Number: 1448250  
Funding Status: Not Funded  
Category of Service: Telecommunications Service  
Form 470 Application Number: 346030000553865  
SPIN: 143027752  
Service Provider Name: Bresnan Communications, LLC  
Contract Number: N/A  
Billing Account Number: N/A  
Service Start Date: 07/01/2006  
Contract Expiration Date: 06/30/2011  
Number of Months Recurring Service Provided in Funding Year: 12  
Annual Pre-discount Amount for Eligible Recurring Charges: \$186,000.00  
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$300,000.00  
Pre-discount Amount: \$486,000.00  
Discount Percentage Approved by the USAC: 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 WAN construction which is an ineligible product(s)/service(s) based on program rules.

FCDL Date: 10/03/2006

Wave Number: 024

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

BILLINGS SCHOOL DISTRICT 2  
BEN 134781  
471 # 525485, FRN 1448250  
Letter of Appeal  
Federal Communications Commission  
May 14, 2007

**NOTE 12 - Billings - BEN 134781 Appeal 471 525485**

**Billings School District 2**  
**415 N 30<sup>TH</sup> Street**  
**Billings, MT 59101**

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December 1, 2006

Letter of Appeal

Schools and Libraries Division – Correspondence Unit  
P.O. Box 92  
100 South Jefferson Road  
Whippany, NJ 07981

**Re:** Appeal of Funding Commitment Decision Letter Issued on October 3, 2006

**Authorized person who can best discuss this Appeal with you**

Matt Hetman  
eRate Consulting Services, LLC  
141 New Road, Suite 2I  
Parsippany, NJ 07054

Phone: (888) 249-1661 ext 324  
Fax: (866) 534-1584  
Email: [mhetman@erateconsulting.com](mailto:mhetman@erateconsulting.com)  
(preferred mode of contact)

Steve Tenzer  
eRate Consulting Services, LLC  
141 New Road, Suite 2I  
Parsippany, NJ 07054

Phone: (888) 249-1661 ext 322  
Fax: (866) 534-1584  
Email: [stenzer@erateconsulting.com](mailto:stenzer@erateconsulting.com)  
(preferred mode of contact)

**Application Information**

<u>Entity</u>	Billings School District 2
<u>Billed Entity Number</u>	134781
<u>Funding Year</u>	FY9(2006-2007)
<u>Form 471 Application Number</u>	525485 <sup>1</sup>
<u>Funding Request Number</u>	1448250
<u>Total Funding Commitment Request</u>	\$252,720.00
<u>Document Being Appealed</u>	Funding Commitment Decision Letter (FCDL) dated October 3, 2006 for 471 # 525485 <sup>2</sup>

**FCDL Items Being Appealed:**

Funding Commitment Decision "\$0.00 – Incl. Svcs./ or products(s)"<sup>3</sup>  
FCDL Explanation "30% or more of this FRN includes a request for WAN construction which is an ineligible product(s) / service(s) based on program rules."<sup>3</sup>

<sup>1</sup> FCC Form 471 # 525485, funding year 7/1/2006 – 6/30/2007, posted and certified on 2/14/2006 by Billings School District 2.

<sup>2</sup> Letter from Schools and Libraries Division, Universal Service Administrative Company, to Karen Palmer, Billings School District 2, dated October 3, 2006 (FCDL re Form 471 # 525485).

<sup>3</sup> Ibid., p.6 of 6.

**Appeal:**

In the spirit of the Bishop Perry ruling we request the Schools and Libraries Division reverse its decision to deny funding for FRN 1448250, approve a reduced requested commitment of \$219,737.14, and correct an erroneous response to a PIA reviewer's questions.

- Incorrect Terminology in Response to PIA Review Question: During the PIA review, the term "construction" was incorrectly used in response to a PIA Review request for information. "Construction" in no way describes the non-recurring installation costs in this FRN, and its usage led directly to the inappropriate denial of this FRN.
- Reduction of Funding Commitment Request: Due to an error by the applicant in preparing the FRN, the pre-discount amount requested of \$486,000 was overstated by \$63,428.47 of charges that were allocable to ineligible locations. The funding commitment request of \$252,720 should be reduced to \$219,737.14.
- Error in Response to PIA Review Question: Due to a lack of understanding of a question posed by the PIA reviewer on August 23, 2006 (question #8 of item2),<sup>4</sup> the applicant made an error in her response on August 28, 2006 by answering YES.<sup>5</sup> In a follow-up discussion on that date, the meaning of the question was clarified by the PIA reviewer, at which time the applicant verbally corrected the response to question #8 from YES to NO. This correction was never confirmed in writing; we ask to do so at this time.<sup>6</sup>

**Incorrect Terminology: Construction:**

On July 31, 2006 the PIA reviewer requested "more specific information regarding the one-time installation charge."<sup>7</sup> On August 4, 2006, Karen Palmer emailed a letter from the service provider, Bresnan Communications (Bresnan) in response to the reviewer's request. Bresnan incorrectly used the term "plant construction" to describe the installation charge. The installation did not include any construction, which is defined by USAC as "... the creation, modification, or repair of physical facilities, such as the removal, creation, repair, or replacement of walls and doorways."<sup>8</sup>

In actuality, the installation charge was the fee assessed for deployment of the fiber optics cable and the interconnection of the Billings school locations to the Bresnan network, as

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<sup>4</sup> Letter from Christopher Pelesky (USAC PIA reviewer) to Karen Palmer, Billings School Dist 2, "CP-Erate App#525485(2)", dated August 23, 2006, p.2, item 2.

<sup>5</sup> Letter from Karen Palmer to Christopher Pelesky, "CP-Erate App#525485(2)", dated August 28, 2006.

<sup>6</sup> Email from Karen Palmer to Steve Tenzer (eRate Consulting Services), "Clarification and Correction of USAC Review Question," dated December 1, 2006.

<sup>7</sup> Email from Christopher Pelesky (USAC PIA reviewer) to Karen Palmer, "Erate App#525485", dated 7/31/2006 3:08 PM, email response from Karen Palmer to Christopher Pelesky dated 8/4/2006 9:39 AM, and letter from Brett Maas to Karen Palmer.

<sup>8</sup> USAC "Eligible Services List, Schools and Libraries Support Mechanism, For Fund Year 2006", p.59 - "Construction Costs (Miscellaneous)".

is made clear by a letter from Bresnan on 11/29/06.<sup>9</sup> The installation fee in no way includes any plant construction as defined by USAC. Construction was incorrect terminology and resulted in an erroneous decision from the PIA review process.

Reduction of Funding Commitment Request:

In preparing this appeal, we discovered that certain costs should have been allocated to ineligible entities, and that the resulting ineligible cost removed from the funding request.

In the original submission of this FRN, the total monthly costs of \$17,500 (\$500 each for 35 locations) were reduced for four ineligible entities, resulting in an eligible monthly amount of \$15,500. We have now identified an additional two entities, which further reduces the eligible monthly amount to \$14,500.<sup>10</sup>

The non-recurring installation fee of \$300,000 was assessed for the same 35 locations cited above; removing the six ineligible locations reduces the eligible non-recurring amount by \$51,428.57 to \$248,571.43.

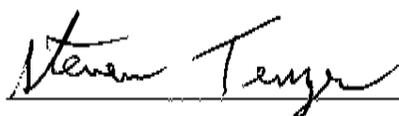
The attached marked-up Form 471, block 5 contains the necessary corrections to FRN 1448250.<sup>11</sup>

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In conclusion, we respectfully request that you reverse your decision to deny funding of FRN 1448250. In the true spirit of the Bishop Perry order, we ask you not to penalize Billings School District #2 for the incorrect and misleading terminology submitted by their inexperienced e-rate coordinator. In addition, we ask you to reduce the funding request to correct errors in the original submission.

Thank you for your time and consideration.

**Authorized signature for this Appeal<sup>12</sup>**



Date: 12/1/2006

Steven Tenzer  
eRate Consulting Services, LLC  
141 New Road, Suite 2I  
Parsippany, NJ 07054  
Phone: (888) 249-1661 ext 322

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<sup>9</sup> Letter from Brett Maas, regional Sales Manager, Bresnan Business Services, to Karen Palmer, Billings School Dist 2, dated November 29, 2006.

<sup>10</sup> "Billings Public School - Bresnan Network Install Locations", and "Exhibit B" of contract between Billings School District 2 and Bresnan Business Services.

<sup>11</sup> FCC Form 471 # 525485, Block 5 modified for FRN 1448250.

<sup>12</sup> "Letter of Agency" from Karen Palmer, Director of Technology, Billings School District 2, authorizing employees of eRate Consulting Services, LLC, to perform e-rate services on behalf of Billings.

Fax: (866) 534-1584

Email: [stenzer@erateconsulting.com](mailto:stenzer@erateconsulting.com)

BILLINGS SCHOOL DISTRICT 2  
BEN 134781  
471 # 525485, FRN 1448250  
Letter of Appeal  
Federal Communications Commission  
May 14, 2007

NOTE 14,18,23 - Billings-Bresnan\_contract

**Bresnan Business Services**  
**Network Services Agreement**

This Agreement (the "Agreement") is made between Bresnan Communications, LLC, ("Bresnan"), One Manhattanville Road, Purchase New York 10577 and Billings Public School District #2, 415 North 30<sup>th</sup> Street, Billings, MT 59101("Customer"). Billings Public Schools: Billings Public Schools is a combination of Billings Elementary School District 2 and Billings High School District 2. The Districts operate pursuant to Montana law and are governed by two Board of Trustees.

This Agreement is effective January 24, 2006.

**1. Description of Services:**

- a. Bresnan will provide a private data network for use by Customer for two-way data communications, as specified in Exhibit A ("the System") to locations for the monthly fees specified in Exhibit B.
- b. Customer shall have full and complete control, responsibility and liability for all signals distributed over the System. Customer shall employ their own employees, agents and/or independent contractors for handling, storage, retrieval, processing, transmitting and/or receiving any electronic signals Customer distributes over the System, and shall provide all commercial or other power supplies needed for its use of the System.

**2. Purpose:** The Services provided hereunder are for the exclusive use of Customer and shall not be resold.

**3. Disclaimer:** Except as otherwise provided by law, Bresnan will have no responsibility whatsoever for the content of any material transmitted or received by Customer and shall have no obligation or liability to any party with respect to the content thereof or any copyright or other right therein.

**4. Term:** This Agreement is effective on the date specified in the introduction. The parties intend for the Service to be adequately tested and balanced for Customer's use on or before for an initial period of 36 Months plus an automatic 24 month renewal period, commencing on the date of installation.

**5. Compensation**

- a. Customer agrees to pay Bresnan the following amounts hereunder: \$17,500.00 each month during the term of the agreement and a one-time \$300,000.00 Installation Charge. The Installation charge will be payable in two \$150,000.00 installments as follows: \$150,000.00 due at acceptance of the Agreement and \$150,000.00 due at the time Billings Public Schools receive it's first E-rate allocation payment installment.
- b. Customer shall be solely responsible for payment of sales tax, business and occupation tax, and other similar taxes imposed by any government authority upon Customer or Bresnan because of Customer's activities under this Agreement, if any. In addition, Customer shall be responsible for any franchise fees imposed upon or collected from Bresnan by any franchising authority. All amounts payable by Customer are due within thirty (30) days of the receipt of invoice. Any late amounts shall accrue interest at one and one-half percent (1.5%) per month or the highest lawful rate, whichever is less, compounded monthly from

the date such amounts are due until such amounts and accrued late charges are received by Bresnan.

6. **FCC Compliance:** Customer shall utilize the private data network in a manner consistent with applicable state and federal laws as to comply with the rules of the Federal Communications Commission ("FCC") as the same may be, from time to time, amended, and notwithstanding that such rules may have been rescinded, superseded, or rendered void by judicial determination. Bresnan shall promptly notify Customer if it becomes aware of any actions of Customer, which may not comply with FCC rules and regulations.
7. **Testing, Maintenance and Repair:** All equipment to be connected to the System in connection with this Agreement shall be tested upon commencement of the Agreement by Bresnan and Customer. Bresnan shall not be responsible for any degradation caused by Customer's equipment. When the maintenance or repair of equipment of the System requires the disruption of service, Bresnan shall provide Customer with forty-eight (48) hours prior notice when feasible. Repairs shall be made promptly and always within twenty-four (24) hours under normal circumstances.
8. **Access to Premises:** Bresnan acknowledges that the locations are public schools and as such Bresnan may not have unlimited access to locations at all times during the term of this Agreement and subject to Board Policy, authorized representatives of Bresnan shall be furnished the right of reasonable ingress to and egress from Customer's locations for any purposes connected with the services to be rendered hereunder. Entrance to be furnished hereunder shall be provided through and only while accompanied by authorized personnel of Customer.
9. **Ownership of Equipment:** All equipment and lines furnished by Bresnan, whether on Customer's premises or not, are the sole property of Bresnan and are provided upon condition that they will be installed, changed and maintained exclusively by Bresnan as it deems appropriate in its sole discretion subject to the obligations of Bresnan to Customer under this Agreement. Bresnan equipment and lines may be replaced, reconfigured, updated, moved, removed or changed by Bresnan upon Customer consent as long as such change will not result in additional cost to Customer. Bresnan may (at any time at its sole discretion) replace, reconfigure, update, move, remove or change any of its equipment, facilities and lines, as it deems appropriate. Equipment, facilities and lines furnished by Bresnan on Customer's premises, shall be returned to Bresnan in good condition, reasonable wear and tear thereof excepted. In case of damage, loss or destruction of any of Bresnan's equipment, facilities or lines while in possession of Customer or on Customer's premises or property, and not due to the negligence of Bresnan nor fire, storm or other casualty, Customer shall pay to Bresnan the lesser of the value of the equipment, facility or line damaged, lost or destroyed or the cost of restoring it to its original condition, less ordinary wear and tear.
10. **Limitations of Liability**
  - a. **Liability for Service Interruptions:** To the extent that any part or portion of the Services is unavailable, interrupted, degraded or otherwise unsatisfactory for any reason, Bresnan and Customer agree that Customer's sole and exclusive remedy shall be the credit allowances for interruptions as provided in Section 11.
  - b. **Liability for Damages to Property:** Bresnan shall not be liable for any damages whatsoever to property at any of Customer's premises resulting from the installation, maintenance, repair or removal of equipment and associated wiring unless the damage

is caused by Bresnan's willful misconduct or negligence.

- c. **Liability for Services and Equipment Not Provided by Bresnan:** Bresnan shall not be liable for any damages whatsoever associated with services or equipment, which it does not furnish, or for any act or omission of any entity other than Bresnan furnishing to Customer facilities or equipment used for or with the Services.
- d. **Liability for Force Majeure Events:** Bresnan shall not be liable for any failure of performance by reasons beyond its reasonable control including, but not limited to, casualty, condemnation or loss of rights-of-way.
- e. **Liability for Negligence or Fault of Customer:** Bresnan shall not be liable for any interruptions or damages due to the fault or negligence of Customer or due to the failure or malfunction of Customer -provided equipment or facilities.
- f. **Liability Regarding Governmental Authorization:** Bresnan shall use its best efforts to obtain and keep in effect all government authorizations necessary in order to provide Services under this Agreement. Bresnan shall be entitled to take, and shall have no liability for, any action necessary including termination, to bring the Services into conformance with any governmental regulations or authorizations, and Customer shall fully cooperate in and take such action as may reasonably be requested by Bresnan as part of such compliance.
- g. **No Special Damages:** In no event shall Bresnan be liable for special, consequential, exemplary, or punitive damages as a result of its performance or non-performance of this Agreement.

11. **Credit Allowances:** A credit allowance will be given to customer when Service is interrupted, except as specified below. An interruption period begins when Customer reports an interruption in Service to Bresnan.

- a. **Credit allowance does not apply to interruption:** (i) caused by Customer; (ii) due to a failure of power or equipment provided by Customer or others; (iii) during any period in which Bresnan is not given access to the service premises; and (iv) due to scheduled maintenance and repair.
- b. **Interruption of 24 hours or less**

<b><u>Interruption Length</u></b>	<b><u>Credit</u></b>
Less than 30 minutes	None
30 minutes - 2 hours 59 minutes	1/10 of a day
3 hours - 5 hours 59 minutes	1/5 of a day
6 hours - 8 hours 59 minutes	2/5 of a day
9 hours - 11 hours 59 minutes	3/5 of a day
12 hours - 14 hours 59 minutes	4/5 of a day
15 hours - 24 hours	One day

- c. **Interruptions Over 24 Hours:** Interruptions over 24 hours will be credited 1/5 day for each 3-hour period or fraction thereof. No more than one full day's credit will be allowed for any period of 24 hours.

12. **Liens:** Customer will not directly or indirectly create, incur, assume or suffer to exist any lien with respect to the property of Bresnan, rights or title relating thereto, or any interest therein, or in this Agreement. Customer will promptly, at its own expense, take such action as may be necessary to duly discharge any lien if the same shall arise at any time.
13. **Representations**
- a. Customer represents that it has the authority to execute deliver and carry out the term of this Agreement. Customer further represents and warrants that it has obtained all necessary governmental permits to operate legally and that it has the financial capability to perform its obligations under the terms of this Agreement.
- b. Bresnan covenants and represents to Customer that Bresnan is a limited liability company duly organized, and validly existing, and in good standing under the laws of the State of Montana, is qualified to do business in the state of Montana, and has full power and authority to execute, deliver, and carry out the terms of this Agreement.
14. **Indemnification:** Except as otherwise provided for herein or under applicable law, Customer shall indemnify, protect, defend and hold Bresnan harmless from any and all claims, demands and liabilities for damages or losses arising out of Customer's breach of any covenant, term or agreement of this Agreement, Customer's use of the System, or Customer's provision of services pursuant thereto, and any activities contemplated or permitted under this Agreement. Bresnan shall indemnify, protect, defend and hold Customer harmless from any and all claims, demands and liabilities for damages or losses arising out of Bresnan's breach of any covenant, term or attachment of the Agreement; provided that such indemnification shall be limited as set forth in Section 10.
15. **Early Termination:** Upon the occurrence of any event of default, and at any time thereafter, so long as the same shall be continuing, either party may, at its option, declare this Agreement to be in default, and upon ten (10) days written notice, so long as all outstanding events of default shall not have been remedied, may, in addition to any other remedies provided herein, terminate this Agreement. No express or implied waiver by either party of any event of default shall in any way be, or be construed to be, a waiver of any further subsequent event of default.
16. **Severability:** If any term or provision of this Agreement shall, to any extent be held invalid or unenforceable, the remainder of this Agreement shall not be affected thereby and each and every other term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.
17. **No Joint Agency:** Nothing contained herein shall be construed to constitute the parties partners with or agent for one another for any purpose, action or transaction, including those related to the performance of this Agreement. Nothing herein shall be construed to constitute the parties as joint employers.
18. **Entire Agreement:** This Agreement, including any attachments, constitutes the entire agreement between the Parties with respect to the matters contemplated herein and supersedes all prior oral and written agreements or understandings with respect to the matters provided for herein. This Agreement may not be amended except by an instrument in writing and signed by both parties.
19. **Choice of Law:** This Agreement shall be interpreted and enforced under the laws of the State

of Montana and any relevant federal law.

20. **Assignment:** Bresnan may assign this Agreement upon written notice to Customer and Customer's written acceptance of the assignment. Customer may not assign this Agreement without Bresnan's prior written consent; provided such consent shall not be unreasonably withheld. The covenants conditions and agreements made and entered into in this Agreement by the parties hereto are declared binding on their respective successors and assigns.
21. **Warranties:** THERE ARE NO AGREEMENTS, WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED EITHER IN FACT OR BY OPERATION OF LAW, STATUTORY OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE OR USE, EXCEPT THOSE EXPRESSLY SET FORTH HEREIN.
22. **Notices:** All notices, requests, demands, and other communication made hereunder shall be in writing and shall be deemed duly given if personally delivered or sent by registered or certified mail, postage prepaid, as follows, or to such other address or person as either party may designate by notice to the other party hereunder.

**If to Bresnan:** Bresnan Communications, LLC  
One Manhattanville Road  
Purchase, New York 10577  
Attn: Legal Department

**If to Customer:** Billings Public School District #2  
Lincoln Center  
415 North 30<sup>th</sup> Street  
Billings, MT 59101

IN WITNESS WHEREOF, the parties have executed this Agreement on the date and year first above written.

**BRESNAN COMMUNICATIONS, LLC**

By: *Ted White*  
Name: *Ted White*  
Title: *Regional Vice President*

**Billings Public School District #2**

By: *Katharine A. Kelker*  
Name: Kathy Kelker  
Title: Chairperson of the Board of Trustees of Billings Elementary School District 2 and of the Board of Trustees of Billings High School District 2.

Attest: \_\_\_\_\_  
Leo Hudetz Clerk of Billings Elementary School District 2 and of Billings High School District 2.

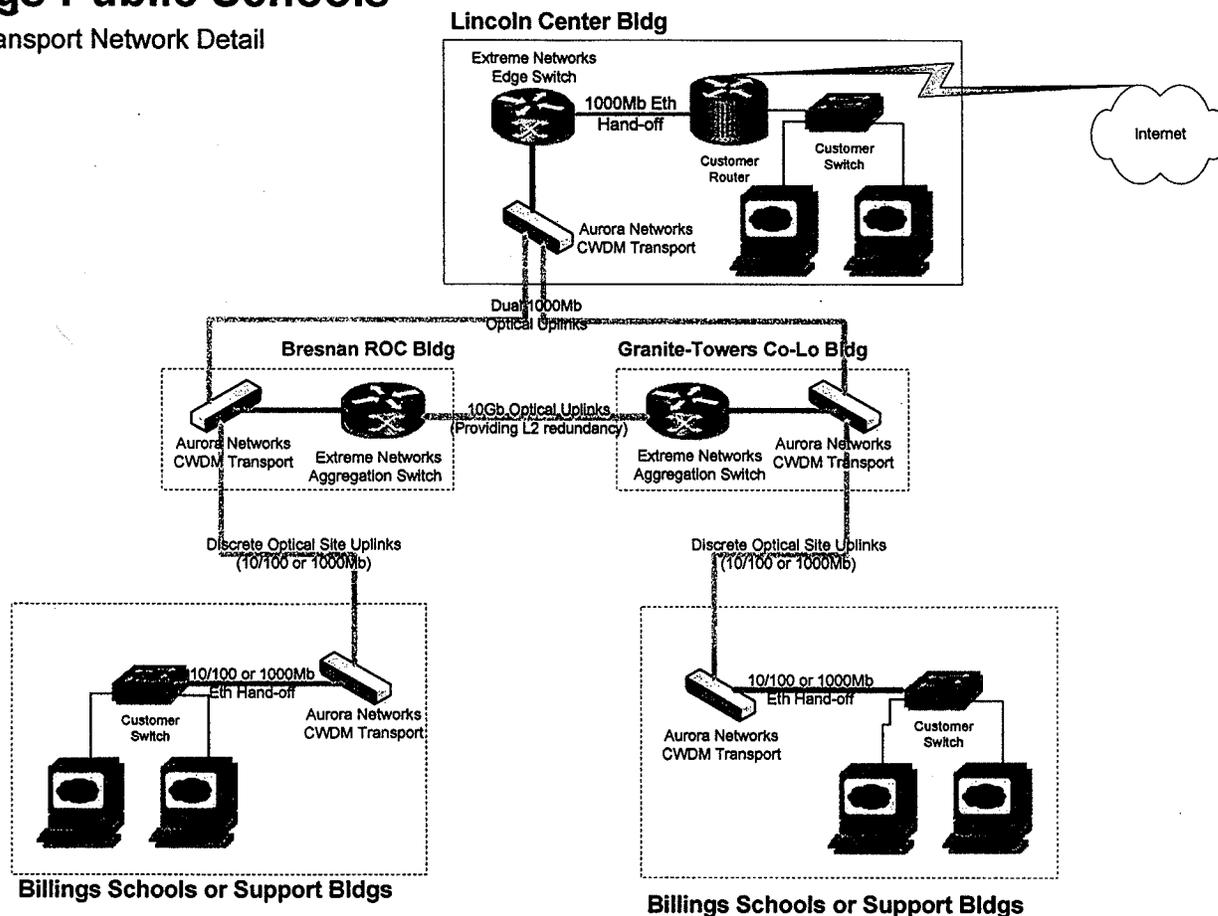
# Exhibit A

Bresnan will provide the following services to Customer:

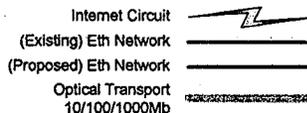
## The System

### Billings Public Schools

L2/L3 Transport Network Detail



Description			
Bresnan Communications			
Billings Public Schools WAN Network Design			
Filename	Drawn By	Modification Date	
Billings-Public-Shoots-v1.2.vsd	Phil Soli	12/19/2005	
	406.672.1616	Approved Date	



## Exhibit B

### Locations

School Name	Location	Service Level	MRC
Alkali Creek	681 Alkali Creek Rd	100Mps	\$500.00
Arrowhead	2510 38th Street West	100Mps	\$500.00
Beartooth	1345 Elaine	100Mps	\$500.00
Bench	505 Milton Road	100Mps	\$500.00
Big Sky	3231 Granger Avenue E	100Mps	\$500.00
Bitterroot	1801 Bench Blvd	100Mps	\$500.00
Boulder	2202 32nd Street West	100Mps	\$500.00
Broadwater	415 Broadwater	100Mps	\$500.00
Burlington	2135 Lewis	100Mps	\$500.00
Central Heights	120 Lexington	100Mps	\$500.00
Eagle Cliffs	1201 Kootenai	100Mps	\$500.00
Highland	729 Parkhill Drive	100Mps	\$500.00
McKinley	820 North 31st Street	100Mps	\$500.00
Meadowlark	221 29th Street West	100Mps	\$500.00
Miles Avenue	1601 Miles Ave.	100Mps	\$500.00
Newman	605 South Billings Blvd	100Mps	\$500.00
Orchard	120 Jackson	100Mps	\$500.00
Poly Drive	2410 Poly Drive	100Mps	\$500.00
Ponderosa	4188 King Avenue East	100Mps	\$500.00
Rose Park	1812 19th Street West	100Mps	\$500.00
Sandstone	1440 Nutter Blvd	100Mps	\$500.00
Washington	1044 Cook Avenue	100Mps	\$500.00
<b>Middle School Buildings</b>			
Castle Rock	1441 Governor's Blvd	1000Mps	\$500.00
Lewis & Clark	1315 Lewis Avenue	1000Mps	\$500.00
Riverside	3700 Madison	1000Mps	\$500.00
Will James	1200 30th Street West	1000Mps	\$500.00
<b>High School Buildings</b>			
Career Center	3723 Central Avenue	1000Mps	\$500.00
Crossroad Alternative	1320 Grand Avenue	100Mps	\$500.00
Senior High	425 Grand Avenue	1000Mps	\$500.00
Skyview High	1775 High Sierra Blvd	1000Mps	\$500.00
West High	2201 St. Johns Avenue	1000Mps	\$500.00
<b>Other Buildings</b>			
Lincon Center	415 North 30th Street	2000Mps	\$500.00
Facilities Services	101 Tenth Street West	1000Mps	\$500.00
Rimrock EC	2802 13th Street West	100Mps	\$500.00
<u>Warehouse</u>	<u>1470 Industrial Ave</u>	<u>1000Mps</u>	<u>\$500.00</u>
<b>Total</b>			<b>\$17,500.00</b>

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NOTE 17 - 2007-eligible-services-list\_p2-3

## Telecommunications Services

### Eligibility Requirements for All Telecommunications Services:

To be eligible for support, Telecommunications Services must be provided by a telecommunications carrier, that is, one who offers telecommunications on a common carriage basis.

A telecommunications service is "the offering of telecommunications for a fee directly to the public, or to such classes of users as to be effectively available directly to the public..." [47 U.S.C. 153(46)]. Telecommunications is defined as "the transmission, between or among points specified by the user, of information of the user's choosing, without change in the form or content of the information as sent and received" [47 U.S.C. 153(43)].

All telecommunications carriers are required under FCC rules to be common carriers and to file FCC Form 499A (*Telecommunications Reporting Worksheet*).

Except as otherwise indicated in this section, support in this funding category is only available for telecommunications services or for services that are an integral component part of a telecommunications service. Support in this category of service is not available for equipment purchases by applicants.

In addition, some service offerings provide a combination of both Internet Access and Telecommunications Services. For example, a service provider may offer local phone service, long distance service, cellular service, and Internet access for one price. For administrative convenience, such a combined offering, if provided by an eligible telecommunications carrier, may be requested in the Telecommunications Services category of service. Alternatively, funding may be requested as two separate requests, with the price of the offering appropriately allocated between the Telecommunications Services and Internet Access categories.

If Internet access is being requested in the Telecommunications Services category, applicants must indicate that Internet access is being sought when filing FCC Form 470. Please note that funding of Internet access in the Telecommunications Services category does not relieve applicants of responsibilities they may have under the Children's Internet Protection Act.

Function	Description
Digital Transmission Services	A telecommunications service that provides transmission from an eligible school or library facility to other locations beyond the school or library is eligible for discount. Digital transmission services refer to data links that connect multiple points using any available technology. An eligible digital transmission service may be used to connect an eligible location to the Internet or <a href="#">Internet2</a> . Digital transmission services used to link

	<p>local networks are commonly called "wide area networks" (WANs).</p> <p>Eligible digital transmission technologies include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• <a href="#">Asynchronous Transfer Mode (ATM)</a></li> <li>• <a href="#">Digital Subscriber Line (DSL)</a></li> <li>• <a href="#">DS-1</a>, DS-2, DS-3</li> <li>• <a href="#">Fiber optics</a></li> <li>• <a href="#">Frame Relay</a></li> <li>• <a href="#">Integrated Services Digital Network (ISDN, BRI, PRI)</a></li> <li>• <a href="#">OC-1</a>, OC-3, OC-12, OC-n</li> <li>• <a href="#">Satellite service</a></li> <li>• <a href="#">Switched Multimegabit Data Service (SMDS)</a></li> <li>• <a href="#">T-1</a>, T-2, T-3, Fractional T-1</li> <li>• Wireless</li> </ul> <p>Components required as an integral part of a digital transmission service are eligible for discount, such as:</p> <ul style="list-style-type: none"> <li>• costs of a <a href="#">permanent virtual circuit (PVC)</a></li> <li>• costs of <a href="#">trunk lines</a></li> <li>• reasonable installation costs</li> </ul> <p>The telecommunications component of:</p> <ul style="list-style-type: none"> <li>• a <a href="#">distance learning</a> capability,</li> <li>• <a href="#">video service</a>, or</li> <li>• <a href="#">interactive television</a> is eligible for discount.</li> </ul>
Paging	<p><a href="#">Paging services</a> are eligible when integral, immediate, and proximate to the education of students. Services occurring at eligible locations are presumed to meet this standard, as well as, for example, paging services used by a bus driver delivering students to school, a library staff member in a mobile van, and teachers on field trips.</p>
Telephone Service	<p>"Telephone Service" refers to communication that takes place using the public switched telephone network. Costs to subscribe to a telephone service are generally eligible for discount. Examples of telephone services include:</p> <ul style="list-style-type: none"> <li>• <a href="#">800 service</a></li> <li>• <a href="#">Centrex</a></li> <li>• <a href="#">Local phone service</a></li> <li>• <a href="#">Long distance telephone service</a></li> <li>• <a href="#">POTS</a> ("Plain Old Telephone Service")</li> <li>• <a href="#">Radio loop</a></li> <li>• <a href="#">Wireless telephone services</a>, e.g., <a href="#">cellular service</a> and Personal Communications Services (PCS)</li> <li>• Shared telephone service (only that portion of the shared service relating to the eligible use and location is eligible)</li> <li>• Telecommunications services and voice mail services</li> </ul>

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NOTE 19 - SPIN\_Contact\_Display\_Bresnan

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

## Reference Area - Schools and Libraries Division

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
143027752	Bresnan Communications, LLC	Kathy M Kirchner	1860 Monad Road , Billings, MT 59102	406294- 6608	Y	2003 2004 2005 2006 2007

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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NOTE 20,21 - USAC - WAN fact sheet



## Step 6: Wide Area Network (WAN) Fact Sheet

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Leasing a Wide Area Network is eligible for Schools and Libraries support but building or purchasing a WAN is not eligible.

This fact sheet provides information on the definition of a wide area network, examples of discounts on WANs, the definition of internal connections, evaluation of the applicant owner prohibition, and amortization of capital investment costs.

1. [Definition of a Wide Area Network](#)
2. [Examples of Discounts on Wide Area Networks](#)
3. [Definition of Internal Connections](#)
4. [Evaluation of the Applicant Ownership Prohibition](#)
5. [Amortization of Capital Investment Costs](#)

### 1. Definition of a Wide Area Network

A wide area network (WAN) is a voice, data, or video network that provides connections from one or more computers or networks within an eligible school or library to one or more computers or networks that are **external** to such eligible school or library. Excluded from this definition is a network that provides connections between or among buildings of a single school campus or between or among buildings of a single library outlet or branch, when those connections do not cross a public right of way.

Federal Communications Commission rules provide that, to the extent that states, schools, or libraries build or purchase a wide area network, the cost of such wide area networks is **not** eligible for support. However, wide area network capability can be obtained as a telecommunications service under the Schools and Libraries Program. Additionally, wide area network service can be eligible for discount as Internet access, if leasing of the wide area network is the most cost-effective means of obtaining Internet access. In that case, the service must be limited strictly to basic conduit access to the Internet.

Applicants can obtain support for the services of wide area networks by leasing these services under the program rules that apply to telecommunications services and Internet access, but not by procuring WAN components as internal connections. The term "lease" refers to arrangements whereby the ownership of the facility remains with the service provider. No ownership attributes are undertaken by the lessee (applicant). Whether or not an arrangement constitutes a lease will be based on a review of contractual terms and conditions.

An understanding of how USAC defines local area networks, other internal connections, and wide area networks is important to ensure that applicants submit funding requests that contain only eligible products and services. In addition, applicants should understand the eligibility requirements for the categories of service, such as telecommunications services, Internet access, and internal connections. For example, telecommunications services can only be provided by an eligible telecommunications carrier. See [Eligible Services Framework](#) for further information.

FCC rules provide that the actual wires that carry data across public rights-of-way and the components located outside a school or library facility are WAN components and are evaluated for eligibility under telecommunications services and Internet access. Networking components located within a school or library facility are most often internal connections rather than WAN components.

However, there is an exception to this general rule. If certain conditions are met, components located at a school or library can be considered part of "end-to-end" telecommunications services or Internet access and can then be supported under these categories of service, rather than as internal connections. See [On-Premise Priority 1 Equipment](#) for further information.

FCC rules establish a rebuttable presumption that a connection does not constitute an internal connection if it crosses a public right-of-way.

### 2. Examples of Discounts on Wide Area Networks

**Example A.** Assume that the computers of a school district and library system are connected and share information among the various sites and use the network for voice telecommunications services, data transmission, and Internet access. The connections between the buildings are leased from an eligible telecommunications carrier. The price of the connections is eligible for support.

**Example B.** Assume that the computers of a school district and library system are connected among the various sites in order to share access to the Internet. The connections between sites are leased from a non-telecommunications carrier such as a cable company and are the most cost-effective means of accessing the Internet. The cost of leasing the connections is eligible for support as Internet access so long as the service is limited to basic conduit access to the Internet.

**Example C.** Assume that the computers of a school district and library system are connected and share information among the various sites and use the network for voice telecommunications and for the transmission of data. The connections between sites were *purchased* and installed by the school district and library system. These connections **are**

**not eligible** for support because the connections are purchased and installed by the school district and library system.

**Example D.** Assume that the computers of a school district and library system are connected and share information among the various sites and also use the network for voice telecommunications, transmission of point-to-point video, and Internet access. The connections between sites are *leased from a non-telecommunications carrier*. Assume further that this method of accessing the Internet is the most cost-effective. The proportionate price of the leased lines for obtaining Internet access is eligible for support but the costs attributable to the telecommunications services are not eligible. This eligible cost must be determined in accordance with USAC's [cost allocation guidelines](#). The remaining price attributable to the leased connections for voice telecommunications and the point-to-point video service **is not eligible** for support because the service is not being provided by an eligible telecommunications carrier.

### 3. Definition of Internal Connections

As previously indicated, there is a rebuttable presumption that a connection does not constitute an internal connection (i.e., it is a wide area network) if it crosses a public right-of-way. See [Eligible Services List](#) and [Frequently Asked Questions about Eligibility of Products and Services](#).

### 4. Evaluation of the Applicant Ownership Prohibition

Costs of eligible telecommunications services and Internet access must not provide ownership interest to applicants. Eligible costs in these two categories of service are for provision of services only, not applicant ownership.

The FCC has recognized that some business arrangements between an applicant and service provider, even if labeled a lease of services, can reach essentially the same result as a prohibited WAN purchase by applicants. USAC will not provide support on an agreement that is titled or described as a lease when, in effect, the terms of the agreement constitute a purchase.

Factors evaluated when making this determination include whether the applicant has exclusive access to the WAN facilities, whether a lease-purchase agreement exists, and whether a substantial payment for upfront capital costs is part of the agreement. Contracts with an option for the applicant to purchase WAN facilities will not be supported.

Support is not provided for the initial construction costs for WAN facilities being built for the exclusive use of an applicant, except in established rural areas where no acceptable alternatives exist. Except in such rural areas, applicants are expected to use the shared infrastructure facilities of service providers in order to obtain the most cost-effective service.

Although program support may not be used for the full construction costs of Wide Area Network facilities in a non-rural area, it may be used for a proportionate cost of WAN facilities that can be shared among multiple organizations.

USAC will review contractual terms, the technical configuration, and up-front construction costs to determine whether exclusive use is being provided. Costs in funding requests may be compared against the total costs of a service provider's construction project. These review steps allow USAC to determine whether the funding request is consistent with a simple lease of facilities (eligible) or whether it reaches essentially the same result as a prohibited WAN purchase by an applicant (not eligible).

### 5. Amortization of Capital Investment Costs

Eligible telecommunications services and Internet access can include service provider equipment costs and/or a non-recurring charge for capital investment by the service provider. However, in cases where the upfront or non-recurring charge is greater than \$500,000, this charge must be prorated over a period of at least three years.

Costs of eligible telecommunications services and Internet access must not provide ownership interest to applicants. Eligible costs in these two categories of service are for provision of services only, not applicant ownership.

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**Step 5** Calculate the Discount Level

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**Step 7** Submit Your Application for Program Support

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Last modified on 11/14/2006

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**NOTE 24 - USAC - on-premise Pr1 equipment**



## Step 6: On-Premise Priority 1 Equipment

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Equipment located at the applicant site can receive funding as part of a telecommunications or Internet access service in certain limited conditions.

This page provides information on:

1. [The Underlying Principle of On-Premise Priority 1 Equipment Service Charges](#)
2. [Eligibility Conditions for Discounts that Include Charges for Lease of On-Premise Equipment](#)
3. [Fundamental Requirements for Eligibility as Priority 1](#)
4. [How USAC Administers On-Premise Priority 1 funding requests](#)
5. [Examples of Acceptable and Unacceptable Configurations](#)

In general, equipment that is located at the applicant site is considered for funding under the eligibility requirements for internal connections. However, if the on-premise equipment is an integral part of an end-to-end Priority 1 service (i.e., telecommunications services or Internet access), recurring or non-recurring charges for that service may include the cost of on-premise equipment used by the provider to provide that Priority 1 service.

Strict conditions apply to the provision of support for Priority 1 services that include on-premise equipment.

The conditions set forth below for eligibility of on-premise Priority 1 equipment are based on an order released by the FCC involving a challenge by the state of Tennessee (FCC 99-216, released August 11, 1999). USAC uses the principles set forth in the *Tennessee Order* as a processing standard for funding requests that include service provider charges for the use of on-premise equipment.

### 1. The Underlying Principle of On-Premise Priority 1 Equipment Service Charges

It is important to understand what characteristics distinguish on-premise equipment eligible as part of an end-to-end Priority 1 service from internal connections equipment (Priority 2).

Components of internal connections are "necessary" to transport information within a school campus or library branch. Internal connections do not include connections extending beyond a school campus or library branch. FCC rules indicate that "(t)here is a rebuttable presumption that a connection does not constitute an internal connection if it crosses a public right of way." Thus, connections beyond an applicant's premises are presumed to be a part of Priority 1 services (either telecommunications services or Internet access) and connections within an applicant's premises are presumed to be internal connections.

In the normal application of this rule, the actual demarcation point between the local network and the Priority 1 services is typically at a wiring closet or computer room within the facilities. This is consistent with historical precedent of network systems, which traditionally rely on a specific dividing line or "demarcation" between a location's inside facilities and outside facilities. (A demarcation at the exact property boundary line would not be practical.)

In the *Tennessee Order*, the FCC affirmed that components located at the applicant site were presumed to be internal connections, but also discussed the basis by which this presumption could be overcome. The specific conditions relied upon by the FCC are described in the next section. In addition, several underlying requirements are an integral part of the approach and these are described in Section 3.

The FCC has indicated that support may be provided for basic termination equipment, such as a CSU/DSU, cable modem, network interface device, or copper-to-fiber converter. In the case of such a single basic termination component at the applicant's site, the requirement to meet all conditions as provided in this document does not apply. The term "single" is used to apply to no more than one component per site. Configurations of more than a single basic termination component, such as configurations utilizing routers or other complex equipment, must meet the requirements indicated in the following sections.

### 2. Eligibility Conditions for Support that Include Charges for Lease of On-Premise Equipment

The on-premise Priority 1 equipment must be an integral component of the telecommunications or Internet access service. Support for services that includes charges for on-premise Priority 1 equipment is permissible when all of the following conditions are met:

- [The on-premise equipment will be provided by the same service provider that provides the eligible telecommunications or Internet access service of which it is a part.](#)
- [Responsibility for maintaining the equipment rests with the service provider and not the school or library.](#)
- [Ownership of the equipment will not transfer to the school or library in the future, and the relevant contract or lease does not include an option to purchase the equipment by the school or library.](#)
- [Upfront, capital charges of the on-premise equipment are less than 67% of total charges \(recurring plus non-recurring\) in the funding year.](#)
- [The equipment will not be used by the school or library for any purpose other than receipt of the eligible telecommunications or Internet access service of which it is a part.](#)
- [The Local Area Network of the school or library is functional without dependence on the equipment.](#)
- [There is no contractual, technical, or other limitation that would prevent the service provider from using its network equipment, in part, for other customers.](#)

**A. Same Service Provider.** The on-premise Priority 1 equipment is part of the service provider's infrastructure that is used to provide an eligible telecommunications or Internet access service. All parts of this eligible telecommunications or Internet access service must be obtained from a single service provider.

Requests for services on the *Services Ordered and Certification Form* (Form 471) require the applicant to identify a single service provider for each funding request, so this provision is automatically enforced when the full service is described by a single funding request (i.e., a single Form 471, Block 5).

An applicant is allowed to describe a single telecommunications or Internet access service with on-premise equipment in more than one funding request of a Form 471, but only if the applicant provides clear information in the attachments required by Item 21 of Form 471, so that USAC understands the nature of the complete configuration. These multiple funding requests must be featured on a single Form 471. Each separate funding request that is comprised of such a complete telecommunications or Internet access service must specify the same service provider. In other words, the same Service Provider Identification Number (SPIN) must be indicated in each request.

**B. Maintenance is the Responsibility of the Service Provider.** Since the on-premise components are merely a part of service provider infrastructure used to provide a telecommunications or Internet access service, then the service provider must maintain the components as part of the service provided. The charges of the service provider can include a separate maintenance fee. The applicant may not contract with a different party for maintenance of the service provider facilities, nor may the applicant provide its own maintenance of service provider components.

**C. No Transfer of Ownership or Lease-Purchase Option.** The on-site components cannot be owned by the applicant at any time or in the future. An explicit or implicit option for the applicant to purchase the components must not exist.

If a transfer of ownership is discovered at a future date, USAC will require the return of any funds improperly obtained. Criminal penalties may also apply.

**D. Initial Capital Costs Cannot Exceed Certain Thresholds.** Service providers are limited in their ability to recoup the initial costs of construction or installation. Such upfront reimbursements must be limited to less than 67% of total charges. This 67% limit is evaluated by dividing the initial capital costs by all charges of the service **over the funding year**, subject to these further criteria: Initial capital costs include costs for equipment and its installation, but not costs for maintenance.

- The initial capital costs comprising the numerator for this calculation include only the costs for on-site equipment and its related installation. Initial capital costs for equipment and installation located outside of applicant facilities need not be included.
- An applicant cannot avoid requirements regarding upfront charges by merely spreading what would otherwise be a one-time charge over multiple recurring payments in a single funding year. USAC will compare monthly charges during the first year of a contract with monthly charges in subsequent years when making this evaluation.

Additionally, contracts that require applicants to pay most or all of the cost of service provider infrastructure over an abbreviated time period raise the issue of whether the most cost-effective service has been selected.

Note that an additional program rule may require that initial capital costs be amortized. This additional requirement applies regardless of whether any service provider infrastructure is located at the applicant site. See [Wide Area Network \(WAN\) Fact Sheet](#).

**E. On-site Components Cannot Be Used for Any Other Purpose.** Since the on-premise Priority 1 components are a part of the service provider's infrastructure, and not the applicant's, the components cannot be used by the applicant for any purpose beyond the telecommunications or Internet access service being obtained from that service provider.

For example, assume that a network router located at the applicant site is part of a telecommunications or Internet access service under the on-premise provisions. This router cannot be used to distribute any other information, such as local area network traffic, beyond the Priority 1 telecommunications or Internet access service. The on-premise Priority 1 service must have a single demarcation point to the applicant's local network. However, in the case of multiple on-premise Priority 1 services, there may be a single demarcation point to the applicant's local network for each service (i.e. Voice, Video or Data).

Further, assume that routers at multiple school or library locations are interconnected in order to provide Internet access to these locations. Funding for Priority 1 Internet access may include recurring or non-recurring charges for the routers only if those routers are used exclusively to provide Internet access. If information is exchanged directly among the school or library locations across the WAN links, the routers would not be eligible to lease as part of a Priority 1 Internet access service. WAN links used to provide Internet access also must be the most cost-effective means for obtaining Internet access.

**F. The Local Network is not Dependent on the Equipment.** The internal network at the site must continue to function without connection to the service provider on-premise equipment. Applicants cannot overcome this requirement by installing redundant components because that would be contrary to the requirement to select the most cost-effective service. For instance, on-premise components such as network hubs and network switches that are used to distribute transmissions to multiple locations within a local area network would not meet this requirement because if they were removed then the communication paths among the various network points would be broken. Similarly, a PBX that routes calls within a school or library would not be eligible for support as Priority 1 on-premise equipment.

**G. Must Allow Sharing of Facilities.** The underlying concept of the on-premise Priority 1 approach is that service providers can choose to locate some of their own infrastructure at the applicant site if certain conditions are met. The FCC Order indicates that service providers must have the flexibility to make this infrastructure available on a shared basis to other customers, since such

sharing arrangements can result in reduced costs. The applicant may be the only party using the equipment, but there can be no contractual, technical, or other limitation that would prevent the service provider from using equipment that would normally be shared in other similar arrangements with other customers. Applicants must be willing to accept the possibility that the service provider would use the on-premise Priority 1 equipment for additional customers.

### 3. Fundamental Requirements for Eligibility as Priority 1

The conditions described above have several implications. Additionally, overall program rules and eligibility requirements apply regardless of whether on-premise components are included.

**Limited to WAN components.** The FCC's *Tennessee Order* involved the demarcation between local area network and wide area network. Components that are a part of a local area network are not included.

On-premise equipment must be essential to provision of Priority 1 service. The on-premise equipment must be an integral part of the Priority 1 telecommunications service or Internet access service, such that the service could not be provided without the component in question.

**Must have a specific demarcation.** A single dividing line between a Priority 1 service and the local network components is a fundamental part of the FCC's *Tennessee Order*. Internal wiring (or wireless capability) that connects multiple locations within a school or library is inherently a part of the local network. A single demarcation is allowable for each service.

**Must be continuous.** The components that make up the end-to-end service must be directly connected and cannot have cabling, network hubs, or other components within this directly connected architecture, unless these other components are also part of end-to-end service and meet all other requirements.

**Must be economically justifiable.** Configurations that attempt to meet the conditions by including redundant components or components that do not provide reasonable functional utility are contrary to program requirements to choose the most cost-effective service.

**The Priority 1 Service must meet the program definitions for a telecommunications or Internet access service per FCC rules.**

A **telecommunications service** is defined as "the offering of telecommunications for a fee directly to the public, or to such classes of users as to be effectively available directly to the public, regardless of the facilities used." **Telecommunications** is defined as "the transmission, between or among points specified by the user, of information of the user's choosing, without change in the form or content of the information as sent and received." Eligible Internet access is limited to "basic conduit access" to the Internet, including e-mail. See FCC 97-157, released May 8, 1997. Separate charges for content or additional information services and capability are not eligible.

See the [Eligible Services List](#) for further information about how these definitions are interpreted.

### 4. How USAC Administers On-Premise Priority 1 Funding Requests

USAC may evaluate three initial areas when determining the eligibility of an on-premise Priority 1 funding request:

- [Has the applicant demonstrated compliance with each specific condition as provided in Section 2 of this document?](#)
- [Is cost information sufficient to confirm compliance with the requirement that upfront, capital charges are less than 67% of total charges in the funding year?](#)
- [Is the location and configuration of equipment consistent with the requirements for on-premise Priority 1 equipment? A diagram that shows how the components are interconnected with an applicant's internal connections components may be required to confirm that the proposed configuration is acceptable.](#)

Additional information also may be requested, if appropriate, for the funding request at hand.

The Form 471 Item 21 attachment is used to provide information required in the above review. Applicants can speed the review process by including clear and sufficient information in this attachment including an indication of which portions of the funding request are on-premise (both the lease of on-premise equipment and installation of on-premise equipment).

During USAC's review process, if any on-site components are determined not to qualify as part of Priority 1 services, they will be evaluated as internal connections. Thus, a funding request could be found to contain a combination of a Priority 1 service and internal connections. In this circumstance, the funding request is evaluated based on the procedure described in [Service Category Adjustments](#).

This adjustment of service categories may result in the denial of all or part of the funding request. For this reason, applicants should ensure that the requests for funding for on-premise Priority 1 services are consistent with the administrative procedures.

### 5. Examples of Acceptable and Unacceptable Configurations

The following diagrams have been created to assist applicants and service providers in understanding the acceptable and unacceptable configurations for on-premise Priority 1 equipment (the diagrams will open in separate browser windows):

- [Router that does not meet the on-premise Priority 1 conditions](#)
- [Router that may meet the on-premise Priority 1 conditions](#)
- [Multiple Service request with a Router that does not meet the on-premise Priority 1 conditions](#)
- [Multiple Service request with a Router that may be the on-premise Priority 1 conditions](#)
- [Wide area network configuration that might meet the on-premise Priority 1 conditions](#)

See also [Frequently Asked Questions About Eligibility of Products and Services](#), which contains additional information about on-

premise Priority 1 equipment and other eligibility issues.

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<a href="#">Step 5</a> Calculate the Discount Level	<a href="#">Step 7</a> Submit Your Application for Program Support
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Last modified on 4/5/2007

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BILLINGS SCHOOL DISTRICT 2  
BEN 134781  
471 # 525485, FRN 1448250  
Letter of Appeal  
Federal Communications Commission  
May 14, 2007

NOTE 25 - Response to PIA 8-28-06

# ***Billings Public Schools***

Director of Technology, 415 North 30<sup>th</sup> Street, Billings, MT 59101; (406) 247-3757, Fax (406) 247-3747



August 28, 2006

To: PIATeam7

Re: CP-Erate App#525485

To Whom It May Concern:

Below please find the answers to question #2 on your August 23<sup>rd</sup> request for further information.

2) For the equipment installed on FRN 1448250 please answer the following questions. The FCC has indicated that equipment at the applicant site is presumed to be Internal Connections, but that this presumption can be overcome in certain circumstances. In order for us to evaluate your request, please provide the following information. You may consult with your service provider for assistance, if desired. Please provide a YES/NO response to the following questions, and include your *signature and title; or if responding via email, name and title.*

- 1.) Is the leased on-premise equipment an integral component of a Telecommunications or Internet Access service? **YES**
- 2.) Will the leased on-premise equipment be provided by the same service provider that provides the associated Telecommunications Service or Internet Access service? **YES**
- 3.) Does responsibility for maintaining the equipment rest with the service provider? **YES**
- 4.) Will ownership of the equipment transfer to the school or library in the future? **NO**
- 5.) Does the relevant contract or lease include an option for the applicant to purchase the equipment? **NO**
- 6.) Will the leased equipment be used at the applicant site for any purpose other than receipt of the eligible Telecommunications Services or Internet Access of which it is a part? **NO**
- 7.) Will the school's or library's internal communications network function without dependence on the equipment? **YES**
- 8.) Are there any contractual, technical, or other limitations that would prevent the service provider from using equipment that would normally be shared in other similar arrangements with other customers? **YES**

Thank you,

Karen ES Palmer, Director of Technology  
Billings Public Schools  
415 North 30<sup>th</sup> Street  
Billings, MT 59101  
(406) 247-3757  
Fax: (406) 247-3747  
[palmerk@billings.k12.mt.us](mailto:palmerk@billings.k12.mt.us)

BILLINGS SCHOOL DISTRICT 2  
BEN 134781  
471 # 525485, FRN 1448250  
Letter of Appeal  
Federal Communications Commission  
May 14, 2007

**NOTE 26 - Emails\_KPalmer\_CPelesky\_8-28&29-06**

**Richard Larson**

---

**From:** Pelesky, Christopher [CPELESK@sl.universalservice.org]  
**Sent:** Tuesday, August 29, 2006 4:06 PM  
**To:** Karen Palmer  
**Subject:** RE: Response to CP-Erate App#525485(2)

Karen,

I'm going to have my Services department review the information for a determination. I'll keep you posted.

Thank you for your cooperation. I apologize for the delay.

Sincerely,

**Christopher Pelesky**

PIA Initial Reviewer

Schools & Libraries

Tel# 973-581-7513

Fax# 973-599-6578

E-Mail: [cpelesk@sl.universalservice.org](mailto:cpelesk@sl.universalservice.org)

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**From:** Karen Palmer [mailto:palmerk@billings.k12.mt.us]  
**Sent:** Tuesday, August 29, 2006 10:27 AM  
**To:** Pelesky, Christopher  
**Subject:** RE: Response to CP-Erate App#525485(2)

Chris –

I think I misunderstood the question. I read it as asking if there were contractual obligations that would prevent the vendor from putting other customers on the same network...meaning share our fiber. Is that not what it is asking? I'm heading into a meeting now, but will check me email frequently.  
Karen

---

Karen Palmer, Director of Technology  
Billings Public Schools

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**From:** Pelesky, Christopher [mailto:CPELESK@sl.universalservice.org]

4/27/2007

**Sent:** Tuesday, August 29, 2006 8:22 AM  
**To:** Karen Palmer  
**Subject:** RE: Response to CP-Erate App#525485(2)

Karen,

I apologize for the phone tag that we've been playing lately. In reference to your answer for #8 in Q2Erate.pdf which you stated as:

8.) Are there any contractual, technical, or other limitations that would prevent the service provider from using equipment that would normally be shared in other similar arrangements with other customers? **YES**

what is in place that requires the service provider to use specialized equipment that wouldn't be used under normal, similar situations to your own?

Sincerely,  
**Christopher Pelesky**  
 PIA Initial Reviewer  
 Schools & Libraries  
 Tel# 973-581-7513  
 Fax# 973-599-6578  
 E-Mail: [cpelesk@sl.universalservice.org](mailto:cpelesk@sl.universalservice.org)

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**From:** Karen Palmer [mailto:palmerk@billings.k12.mt.us]  
**Sent:** Monday, August 28, 2006 6:22 PM  
**To:** Pelesky, Christopher  
**Cc:** Hall, Michael (OPI); Karen Palmer  
**Subject:** Response to CP-Erate App#525485(2)

Chris –  
 Attached please find my response to your August 23, 2006 request for information relating to Form 471 Application #525485. Four documents are attached as follows:

Response08282006.pdf	Letter of Response
Revised 471.pdf	Revised 471 reflecting removal of closed school
Bresnan Equipment List.pdf	List of Bresnan Owned Edge equipment
Q2Erate.pdf	Answers to Yes/No Question #2

Should you require anything further or have questions about the documentation sent, please contact me using the information below.

4/27/2007

Thank you,  
Karen

---

Karen Palmer, Director of Technology  
Billings Public Schools  
415 North 30<sup>th</sup> Street  
Billings, MT 59101  
(406) 247-3757 Phone  
(406) 247-3747 Fax  
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BILLINGS SCHOOL DISTRICT 2  
BEN 134781  
471 # 525485, FRN 1448250  
Letter of Appeal  
Federal Communications Commission  
May 14, 2007

NOTE 27 - E-mail KP-ST - Q\_No8\_Change\_of\_Response

## Steve Tenzer

---

**From:** Karen Palmer [palmerk@billings.k12.mt.us]  
**Sent:** Friday, March 23, 2007 1:43 PM  
**To:** Steve Tenzer  
**Subject:** Information Related to BPS Appeal

Steve –

In response to your request for any written reference to the change made in question 8 from Yes to No, I can only find the attached email which Chris Pelesky and I exchanged prior to our phone call in which we determined my answer should have been No based on a misunderstanding of the question.

Thank you,  
Karen

---

Karen Palmer, Director of Technology  
Billings Public Schools  
415 North 30th Street  
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Phone: (406) 247-3757  
Fax: (406) 247-3747  
palmerk@billings.k12.mt.us  
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BILLINGS SCHOOL DISTRICT 2  
BEN 134781  
471 # 525485, FRN 1448250  
Letter of Appeal  
Federal Communications Commission  
May 14, 2007

**NOTE 36 - LOA from Billings SD**

# Billings Public Schools

Director of Technology, 415 North 30<sup>th</sup> Street, Billings, MT 59101; (406) 247-3757, Fax (406) 247-3747



Letter of Agency for Funding Year: YR9(2006-2007)  
Billed Entity Number: 134781

I hereby authorize eRate Consulting Services, LLC and its employees; Jonathan M. Slaughter, Steve Tenzer, Carlos Alvarez, Eileen O'Reilly, Rich Larson, Matt Hetman and Toni Ferguson to submit FCC Form 470, FCC Form 471, and other E-rate forms to the Schools and Library Division on behalf of our school district for all eligible services outlined in the most current "Eligible Services List" published by USAC.

I understand that in submitting these forms on our behalf, you are making certifications for our school district. By signing this letter of agency, I make the following certifications:

- (a) I certify that the schools in our district are all schools under the statutory definitions of elementary and secondary schools found in the Elementary and Secondary Education Act of 1965, do not operate as for-profit businesses, and do not have endowments exceeding \$50 million.
- (b) I certify that the schools in our district have secured access to all of the resources, including computers, training, software, maintenance, and electrical connections necessary to make effective use of the services purchased as well as to pay the discounted charges for eligible services.
- (c) I certify that all schools in our district are covered, or will be covered at the time funded services are provided, by E-rate approved technology plans (unless discounts are only being requested for basic local and long distance telephone service).
- (d) I certify that our school district is compliant, or will be compliant at the time funded services are provided, with the Children's Internet Protection Act (unless discounts are only being requested for telecommunications services.)
- (e) I certify that the services that our school district purchases using E-rate discounts (as described in the law 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.
- (f) I certify that the entities eligible for support that I am representing have complied with all applicable state and local laws regarding procurement of services for which support is being sought.
- (g) I certify that our school district has complied with all E-rate program rules and I acknowledge that failure to do so may result in denial of discount funding and/or cancellation of funding commitments.
- (h) I understand 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 the benefits from those services.
- (i) I certify that I am authorized to sign this letter of agency and, to the best of my knowledge, information, and belief, all information provided to Erate Consulting Services, LLC for E-rate submission is true.
- (j) I authorize Erate Consulting Services, LLC to act as our agent in a limited capacity with any service providers to request Customer Service Records. We are NOT granting Erate Consulting, LLC authority to make any changes on our behalf.

I understand that persons willfully make false statements on E-rate forms or through this letter of agency can be punished by fine or forfeiture under the Communications Act, 47 U.S.C. Secs. 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. Sec. 1001

Signature:

Name:

Title:

Karen ES Palmer

Director of Technology