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Request for Review and  
Waiver of Decisions of  
the Universal Service Administrator  
by WiscNet

CC Docket No. 02-6

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Shaun Ashere

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

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**In the Matter of**

Notification of Commitment Adjustment Letters by  
USAC Schools and Libraries Division to WiscNet,  
Madison, Wisconsin.

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CCDocket No. 02-6

**REQUEST FOR REVIEW AND WAIVER OF DECISIONS  
OF THE UNIVERSAL SERVICE ADMINISTRATOR**

*May 18, 2007*

**Appellant**

Shaun Abshere, Associate Director  
WiscNet (SPIN 143004351)  
740 Regent St., #203  
Madison, WI 53715  
608-265-3790, fax 608-262-9085, sabshere@wiscnet.net

**Introduction**

WiscNet appeals the eleven Notification of Commitment Adjustment (CON AD) letters received by our organization on March 22, 2007. All eleven letters relate to Internet access provided by WiscNet in our role as Wisconsin's non-profit state research and education network. Pertinent information on these letters is listed in the table below:

| Funding Year | Applicant      | 4701            | 4711   | ERN     | COMAD Funds Rescinded |
|--------------|----------------|-----------------|--------|---------|-----------------------|
| 2001         | CESA 10        | 690850000310836 | 218650 | 584704  | \$ 2,209.44           |
| 2002         | CESA 10        | 559190000395340 | 309567 | 804935  | \$ 9,314.44           |
| 2003         | CESA 10        | 793830000436485 | 361287 | 978313  | \$ 5,832.23           |
| 2004         | CESA 10        | 999220000458848 | 394370 | 1078781 | \$ 4,703.07           |
| 2001         | Chippewa Falls | 295770000324641 | 247882 | 602452  | \$ 8,836.80           |
| 2002         | Chippewa Falls | 322600000390541 | 304747 | 785451  | \$ 8,687.48           |
| 2003         | Chippewa Falls | 473280000432006 | 369402 | 1006945 | \$12,753.45           |
| 2001         | Edgar          | 149640000316640 | 234973 | 549810  | \$ 2,923.20           |
| 2001         | Stevens Point  | 987620000298181 | 226120 | 521210  | \$ 8,910.00           |
| 2002         | Stevens Point  | 574350000374351 | 294243 | 753267  | \$15,288.00           |
| 2003         | Stevens Point  | 801300000435621 | 344180 | 927094  | \$15,482.17           |

#### **Fundamental Issues and WiscNet Request to the Commission**

WiscNet is a 17-year-old non-profit membership association founded by the University of Wisconsin-Madison and 23 higher education institutions. All WiscNet staff-members are employees of the University of Wisconsin System. Our first K-12 member-institution joined in 1995. K-12 and library member-representatives have served on our elected, unpaid Board of Directors since 1996. We now serve 450 K-20, library, and government institutions in Wisconsin. During the ten years of the E-rate program, USAC committed \$12.2 million to eligible WiscNet members for Internet access services.

WiscNet appeals to the Commission because the fundamental question entailed as a necessary result from USAC issuing the COMAD letters is decidable *only* by the Commission:

Does the Commission intend that K-12 and library applicants for E-rate funding shall not participate in the governance of non-profit state research and education networks whose mission is to serve K-20 education and research, including acting as a service provider in the E-rate program?

In the COMAD letters, USAC claims that WiscNet tainted the fair and open competitive procurement of Internet access services by the four eligible K-12 entities (Cooperative Educational Service Agency 10; Stevens Point Area School District; Edgar School District; Chippewa Falls School District) because these school districts listed as "contact person" on their

FCC Form 470 filings employees who also serve as WiscNet Board Directors and institutional member-representatives to WiscNet (respectively Ross Wilson, Scott Colantonio, Sue Kuehnmuensch, and James Hadlock).

As described below, the facts concerning these member-representatives' relationship with WiscNet as Board Directors demonstrate that there were no conflicts of interest or improprieties in their entities' competitive procurement for Internet access. Furthermore, the facts concerning Wisconsin's highly-competitive market for eligible Internet access services do not support the claim of a WiscNet-compromised bidding process.

Accordingly, we respectfully ask the Commission to rule that participation in WiscNet activities by school and library member-representatives, including service as Board Directors, does not disqualify WiscNet from serving those entities. We also ask the Commission to cancel the USAC COMAD letters or, alternatively, to grant WiscNet a waiver of any applicable regulations.

#### There is No Conflict of Interest

WiscNet supports the Commission's concerns about waste, fraud, and abuse in the E-rate program and agrees that a fair and open bidding process is a key deterrent to fraud. WiscNet supports and observes the rule that service providers cannot assist in the preparation or submission of Forms 470 or with any steps in a competitive procurement prior to an award to the successful provider.

USAC claims in the COMAD letters that, under the Commission's rules, it is a conflict of interest and improper service involvement in the E-rate procurement process for an individual to serve as a Director on the WiscNet Board while simultaneously acting as Form 470 contact person. USAC made this determination without examining the actual nature of the role of WiscNet member-representatives. Review of the facts demonstrates that there is no conflict of interest in light of the requirements of the Commission's rules.

Specifically the following facts rebut the USAC determination:

1. WiscNet member-representatives are selected and solely employed by their institutions and represent their institutions' interests.

2. WiscNet **Directors** are elected by their fellow member-representatives.
3. WiscNet does **not** employ or compensate **Directors** for their service.
4. WiscNet **Directors** have no ownership interest in WiscNet.
5. WiscNet **Directors** do not **participate** in the decision to submit a proposal for E-rate eligible services to their **own entity** or any **other** eligible entity.
6. WiscNet **Directors** do not participate in the preparation or submission of a proposal for E-rate-eligible services to their **own** entity or any other eligible entity.
7. WiscNet **Directors** do **not** provide information **that is confidential** or additional to the public data provided in **their** institutions' **Forms 470**.
8. **All** proposals made by WiscNet employees to any eligible and ineligible entity use the **same** statewide fee schedule. There are no **special discounts**, subsidies, rebates or similar incentives applied to that fee schedule **that benefit** a WiscNet **Director's** institution. WiscNet is **not** permitted to offer any price that is not **consistent** with the statewide fee schedule.
9. No eligible entity **has** surrendered control of its **bidding** process to WiscNet employees **nor has** any WiscNet employee **sought such** control.
10. **WiscNet** **Directors** do **not** benefit financially from a **decision** to select WiscNet as **service** provider for an E-rate-eligible **service**.

#### **WiscNet Did Not Compromise the Bidding Process**

The USAC COMAD indicates that ~~the~~ designation of WiscNet **Directors** as contacts on Form 470 could compromise the bidding process. However, as shown below, there is a highly-competitive ~~market~~ **market** in Wisconsin for eligible ~~Internet~~ **Internet** access **service providers**. Thus, there is no basis for the USAC determination. Specifically:

1. Since Funding **Year 2000**, the number of competing **service providers** per **funding** year in Wisconsin has been **70** or greater; during the COMAD **letter's** funding years (**2001 through 2004**), the ratio of providers to applicants was 1 to 5.
2. The COMAD letters' funding years had the **greatest annual** **service provider** counts during ~~the~~ **IO-year funding period**.

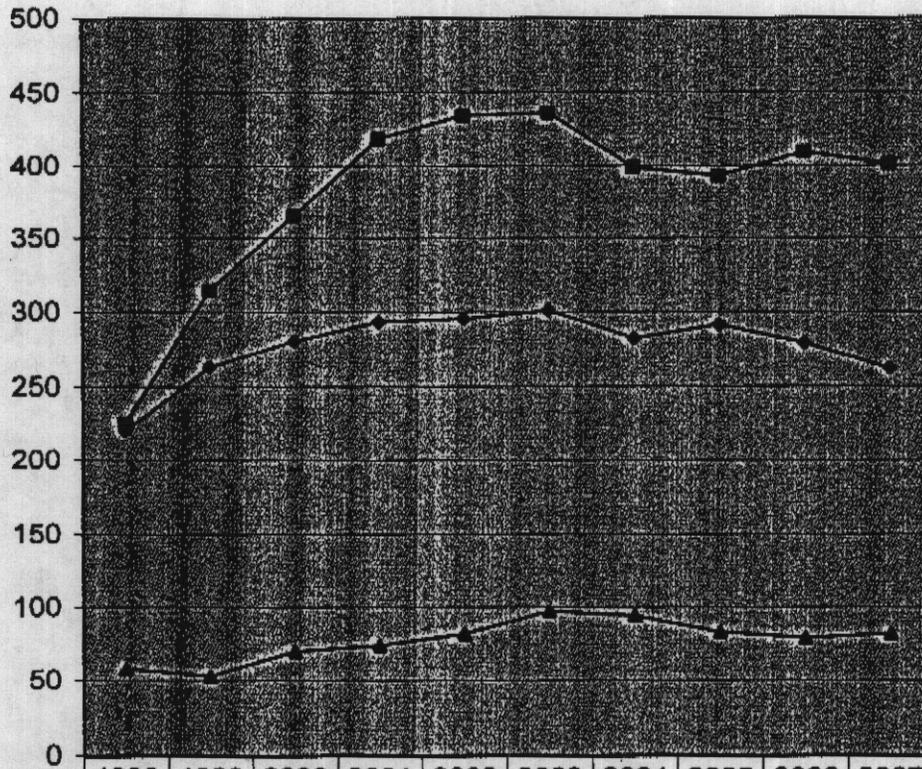
3. Those same COMAD year8 also had the greatest counts of service applicants filing Forms 470 during the 10-year funding period.
4. During the COMAD letters' years and *after*, WiscNet's share of the Internet access market declined when the annual count of approved Forms 471 selecting WiscNet are compared to the annual count of Form 470s requesting Internet access.

These facts are demonstrated by the chart below.

**WisconsinForm 470 Applicants, Internet Service Providers and WiscNet FRNs by Funding Year**

(Source: SLD Data Retrieval Tool)

WiscNet FRN WI Applicants WI Providers



|               | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|---------------|------|------|------|------|------|------|------|------|------|------|
| WiscNet FRN   | 220  | 263  | 280  | 293  | 295  | 301  | 282  | 291  | 279  | 262  |
| WI Applicants | 225  | 314  | 366  | 418  | 434  | 436  | 399  | 393  | 409  | 401  |
| WI Providers  | 58   | 53   | 70   | 74   | 82   | 97   | 94   | 83   | 79   | 82   |

**Action Requested**

Based on the above information, WiscNet respectfully requests that the Commission make a determination that there has been no violation of the competitive bidding regulations and an

order reversing **eleven COMAD** letters. Further, the Commission should determine that participation in WiscNet activities by school and library member-representatives, including service as Board Directors, **does not disqualify WiscNet from serving** those entities.

To the extent that the Commission determines that there was a competitive bidding violation, WiscNet submits that the Commission should waive its relevant rules because "there is no evidence at this time in the records that the petitioner engaged in activity to defraud or abuse the E-rate program."<sup>1</sup> and that the "the policy underlying these rules, therefore, was not compromised due to Petitioner's errors."<sup>2</sup> In particular, the Commission should determine that, in light of the WiscNet policies that eliminate any opportunity for favoritism towards WiscNet and because WiscNet Directors do not have any ability to benefit from awarding contracts to WiscNet, a waiver is justified, and that USAC's eleven COMAD letters should be cancelled. Alternatively, the Commission should waive its relevant rules because it serves the educational interests of WiscNet and the interests of eligible entities that are WiscNet's members<sup>3</sup> and the "applicants have demonstrated that rigid compliance with the application procedures does not further the purposes of section 254(h) or serve the public interest."<sup>4</sup> Furthermore, any commitment adjustment will not benefit any other Internet provider. Any waiver should include a determination that participation in WiscNet activities by school and library member-representatives, including service as Board Directors, does not disqualify WiscNet from serving those entities.

If, nevertheless, the Commission determines that there was a competitive bidding violation and does not waive its regulations, WiscNet requests a substantial reduction in the amount

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<sup>1</sup> Paragraph 9, *Requests for Review of Decisions of the Universal Service Administrator by Academy of Excellence, Phoenix, AZ, Et Al., Schools and Libraries Universal Service Support Mechanism. Granted the Requests for Review* (Dkt No. 02-6). Action by the Commission. Adopted: 04/18/2007 by Order (FCC No. 07-60, released May 9, 2007).

<sup>2</sup> Paragraph 9, *Application for Review of the Decision of the Universal Service Administrator by Aberdeen School District, Aberdeen, WA, Et Al., Schools and Libraries Universal Service Support Mechanism. Granted the Requests for Review and/or Requests for Waiver* (Dkt No. 02-6). Action by the Commission. Adopted: 04/18/2007 by Order (FCC No. 07-63), (released May 9, 2007).

<sup>3</sup> *Request for Review of the Decision of the Universal Service Administrator by Bishop Perry Middle School, CC Docket No. 02-6, File Nos. SLD-487170 et al.* [released May 19, 2006]. Paragraph 2, the Commission recognizes that under the Communications Act of 1934, as amended, it is "helping to ensure that eligible schools and libraries actually obtain access to discounted telecommunications and information services."

<sup>4</sup> *Id* At paragraph 11.

owed, **in** accord with language in the **Commission's Fifth Order.**<sup>5</sup> Further, the **Commission** should determine that participation in WiscNet activities by **school and** library member-representatives, including **service as** Board Directors, does not disqualify WiscNet **from serving** those **entities** so long as WiscNet follows **the** guidance that **the Commission will set forth on this** matter.

## Conclusion

**During WiscNet's 17 years as Wisconsin's non-profit research and education network, our** member-representatives and employees have connected and sustained a statewide community **of** public and private **institutions** committed to lifelong education, **scientific research** and public service. We have used the **resources** funded in part by the E-rate program to advance **our** common agenda. **The crucial relationships in our** community are participation, governance and accountability, **embodied** in the committed institutional member-representative who **serves our community by service** in our Board **of** Directors and other member-led activities.

WiscNet is one **of** many **state** research and education communities in the United **States** that rely upon their **member institutions** for governance and participation. Should the **Commission** deny **this** appeal and sustain **these** COMAD letters, then **the Commission** will **sunder** the fundamental **relationship** that **our** K-12 and Library members have to **our** statewide communities. **To preserve their E-rate funding, our E-rate-eligible member institutions** will forbid **their** employees to participate **in** the governance **of our state** research and education networks, to **the** detriment of **the** entire education community and **our society** at large.

**Should the Commission grant this** appeal through ordering **one of the first three** of the actions that **we** propose, the **Commission preserves** our communities and their educational **and social benefits.**

**Thank you for** your attention to this matter.

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<sup>5</sup> *Fifth Report and Order*. CC Docket No. 02-6 (released August 13, 2004). Paragraph 31, "Finally, we decline to implement a rule generally requiring *full recovery* [emphasis added] when a pattern of violations is discovered, recognizing the *punitive nature of such a rule.*"

Sincerely,

A handwritten signature in black ink that reads "Shaun Abshere". The signature is written in a cursive style with a large initial 'S'.

Shaun Abshere, Associate Director, WiscNet

**Funding Commitment Adjustment Report**  
**Form 471 Application Number: 361287**

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|   |                 |
|---|-----------------|
| Funding Request Number:                             | 978313          |
| Contract Number:                                    | CESA10-0304-yc  |
| Services Ordered:                                   | INTERNET ACCESS |
| Billing Account Number:                             | CESA101         |
| Original Funding Commitment:                        | \$5,832.23      |
| <b>Commitment</b> Adjustment Amount:                | \$5,832.23      |
| Adjusted Funding Commitment:                        | \$0.00          |
| Funds Disbursed to Date:                            | \$5,832.23      |
| Funds to be Recovered <b>from</b> Service Provider: | \$5,832.23      |

Funding Commitment Adjustment Explanation:

After a **thorough** investigation, it has been determined that **this** funding commitment must be rescinded in full. **During** the course of review it **was** determined that service provider contact information appeared **on** the cited **Form 470**. **The contact person on the cited Form 470 Application Number: 793830000436485** was **Ross Wilson**. **Ross Wilson is also** a board **member** for WiscNet. WiscNet **was** selected a service provider pursuant to the posting of **this Form 470**. FCC rules require applicants to submit a **Form 470** to initiate the competitive bidding process, and to conduct a fair and open process. If the applicant has posted a **Form 470** that contains contact information for a service provider that participates in the competitive bidding process, the applicant **has** violated **this** requirement, and FCC rules consider **this Form 470** to be **tainted**. All Funding Requests that relate to **this Form 470** are required to be **denied** because the **Form 470** is tainted. Accordingly, the commitment **has** been rescinded in full and USAC will **seek** recovery of any disbursed funds. USAC has determined that both the applicant and the service provider are responsible for this rule violation; if any funds were disbursed, USAC will seek recovery of the improperly disbursed **funds** from both the applicant **and** the service provider,

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**Funding Commitment Adjustment Report**  
**Form 471 Application Number: 218650**

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|  |                   |
|--|-------------------|
| Funding Request Number:                      | 584704            |
| Contract Number:                             | CESA10-0102-G     |
| Services Ordered:                            | INTERNET ACCESS   |
| Billing Account Number:                      | CESA101           |
| Original Funding Commitment:                 | \$4,778.90        |
| Commitment Adjustment Amount:                | \$4,778.90        |
| Adjusted Funding Commitment:                 | \$0.00            |
| <b>Funds Disbursed to Date:</b>              | <b>\$2,209.44</b> |
| Funds to be Recovered from Service Provider: | \$2,209.44        |
| Funding Commitment Adjustment Explanation:   |                   |

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. During the course of review it was determined that service provider contact information appeared on the cited Form 470. The contact person on the cited Form 470 Application Number: 690850000310836 was Ross Wilson. Ross Wilson is also a board member for WiscNet. WiscNet was selected a service provider pursuant to the posting of this Form 470. FCC rules require applicants to submit a Form 470 to initiate the competitive bidding process, and to conduct a fair and open process. If the applicant has posted a Form 470 that contains contact information for a service provider that participates in the competitive bidding process, the applicant has violated this requirement, and FCC rules consider this Form 470 to be tainted. All Funding Requests that relate to this Form 470 are required to be denied because the Form 470 is tainted. Accordingly, the commitment has been rescinded in full and USAC will seek recovery of any disbursed funds. USAC has determined that both the applicant and the service provider are responsible for this rule violation; if any funds were disbursed, USAC will seek recovery of the improperly disbursed funds from both the applicant and the service provider.

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**Funding Commitment Adjustment Report**  
**Form 471 Application Number: 309367**

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|  |                   |
|--|-------------------|
| Funding Request Number:                      | 804935            |
| Contract Number:                             | CESA10-0203-nc    |
| Services Ordered                             | INTERNET ACCESS   |
| Billing Account Number:                      | CESA101           |
| Original Funding Commitment:                 | <b>\$9,314.46</b> |
| Commitment Adjustment Amount:                | <b>\$9,314.46</b> |
| Adjusted Funding Commitment:                 | \$0.00            |
| Funds Disbursed to Date:                     | <b>\$9,314.44</b> |
| Funds to be Recovered from Service Provider: | <b>\$9,314.44</b> |

Funding Commitment Adjustment Explanation:

After a thorough investigation, it has been determined that **this funding commitment must be rescinded in full**. During the course of review it was determined that service provider contact information appeared on the cited Form 470. The contact person on the cited Form 470 Application Number: **559190000395340** was **Ross Wilson**. **Ross Wilson** is also a board member for WiscNet. WiscNet was selected a service provider pursuant to the posting of **this Form 470**. FCC rules require applicants to submit a Form 470 to initiate the competitive bidding process, and to conduct a fair and open process. If the applicant has posted a Form 470 that **contains** contact information for a service provider that participates in the competitive bidding process, **the applicant has violated this requirement**, and FCC rules consider **this Form 470 to be tainted**. All Funding Requests that relate to this Form 470 are **required to be denied** because the Form 470 is tainted. Accordingly, the commitment **has been rescinded in full and** USAC will seek recovery of any disbursed funds. **USAC has determined** that both the applicant and the service provider **are responsible for this rule violation**; if any funds were disbursed, USAC will seek recovery of the improperly disbursed funds from **both the applicant and the service provider**.

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**Funding Commitment Adjustment Report**  
**Form 411 Application Number: 394370**

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|   |                 |
|---|-----------------|
| Funding Request Number:                             | <b>1078781</b>  |
| Contract Number:                                    | CESA10-0405-nc  |
| Services Ordered:                                   | INTERNET ACCESS |
| Billing Account Number:                             | CESA101         |
| <b>Original</b> Funding Commitment:                 | \$4,703.10      |
| Commitment Adjustment Amount:                       | \$4,703.10      |
| <b>Adjusted</b> Funding Commitment:                 | \$0.00          |
| Funds Disbursed to Date:                            | \$4,703.07      |
| Funds to be Recovered <b>from</b> Service Provider: | \$4,703.07      |

**Funding Commitment Adjustment Explanation:**

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. During the **course** of review it **was** determined that service provider contact information appeared on the cited Form 470. The contact person on the cited Form 470 Application Number: 999220000458848 was Ross Wilson. **Ross** Wilson is also a **board** member for WiscNet. WiscNet **was** selected a service provider pursuant to the posting of this Form 470. FCC rules require applicants to submit a Form 470 to **initiate** the competitive **bidding** process, and to conduct a fair and open process. If the applicant **has** posted a Form 470 that contains contact information for a service provider **that** participates in the competitive bidding process, the applicant has violated this requirement, and **FCC rules** consider **this Form 470** to be tainted. All Funding Requests that relate **to this** Form 470 are required **to be** denied because the Form 470 is tainted. Accordingly, the commitment has been rescinded in **full and** USAC will seek recovery of **any** disbursed funds. USAC **has** determined that **both** the applicant and the service provider are responsible for this rule violation; if any funds were **disbursed**, USAC will seek recovery of the improperly **disbursed** funds from both the applicant and the service provider.

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Funding Commitment Adjustment Report  
**Form 471 Application Number: 294243**

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|  |                        |
|--|------------------------|
| Funding Request Number:                      | 753267                 |
| Contract Number:                             | StevensPointSD-0203-nc |
| Services Ordered                             | <b>INTERNET ACCESS</b> |
| Billing <b>Account</b> Number:               | StevensPoi1            |
| Original Funding Commitment:                 | \$15,288.00            |
| Commitment Adjustment Amount:                | \$15,288.00            |
| Adjusted Funding Commitment:                 | \$0.00                 |
| Funds Disbursed to Date:                     | \$15,288.00            |
| Funds to be Recovered from Service Provider: | \$15,288.00            |

Funding Commitment Adjustment **Explanation:**

**After a** thorough investigation, it **has** been determined that **this** funding commitment **must** be rescinded in **full**. **During** the course of review it was determined that service provider contact information appeared on the cited Form 470. **The** contact person on the cited Form **470** Application **Number: 574350000374351** was **Scott** Colantonio. **Scott** Colantonio is also a board member for WiscNet. WiscNet **was** selected a service provider pursuant to the posting of this Form 470. **FCC** rules **require** applicants to submit a Form **470** to initiate the competitive bidding process, **and** to conduct a fair and open process. **If** the applicant **has** posted a **Form 470** that contains contact information for a service provider that participates **in** the competitive bidding process, the applicant **has** violated **this** requirement, and **FCC** rules consider **this** Form **470** to be tainted. **All** Funding Requests that relate to this **Form 470** are required to be denied because the Form **470** is tainted. Accordingly, the commitment **has** been rescinded in full **and** USAC will **seek** recovery of **any** disbursed funds. USAC has determined that **both** the applicant and **the** service provider are responsible for this rule violation; if **any** funds were disbursed, USAC will seek recovery of the improperly disbursed funds from both the applicant and the service provider.

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**Funding Commitment Adjustment Report  
Form 471 Application Number: 226120**

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|  |                        |
|--|------------------------|
| Funding Request Number:                      | <b>521210</b>          |
| <b>Contract</b> Number:                      | StevensPointSD-0102-g  |
| Services Ordered:                            | <b>INTERNET ACCESS</b> |
| Billing Account Number:                      | StevensPoil            |
| Original Funding Commitment:                 | <b>\$17,820.00</b>     |
| Commitment Adjustment Amount:                | \$17,820.00            |
| Adjusted Funding Commitment:                 | \$0.00                 |
| Funds Disbursed to Date:                     | \$8,910.00             |
| Funds to be Recovered from Service Provider: | \$8,910.00             |

**Funding Commitment Adjustment Explanation:**

After a thorough investigation, it has been determined that **this funding** commitment must be **rescinded** in full. **During** the course of review it **was** determined that ~~service~~ provider contact information appeared on ~~the~~ cited Form 470. The contact person on the cited Form **470** Application Number: 987620000298181 **was** Scott Colantonio. Scott Colantonio is **also** a **board** member for WiscNet. WiscNet **was selected** a **service** provider pursuant to the posting of **this** Form 470. FCC rules **require** applicants to submit a Form 470 to initiate **the** competitive **bidding** process, and to conduct a fair and open process. If ~~the~~ applicant **has** posted a Form **470** that **contains** contact information for a Service provider that participates in the competitive bidding process, the applicant has violated **this** requirement, and FCC rules consider **this Form 470** to be tainted. All Funding Requests that relate to **this** Form 470 are **required** to be denied because the Form 470 is tainted. Accordingly, ~~the~~ commitment has been rescinded in full and USAC will seek **recovery** of any disbursed funds. USAC **has** determined that **both** the applicant and the service provider are responsible for this rule violation; if **any** funds were disbursed, USAC will seek **recovery** of the ~~improperly~~ **disbursed** funds ~~from~~ both the applicant and the service provider.

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**Funding Commitment Adjustment Report**  
**Form 471 Application Number: 344180**

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Funding Request Number: 927094  
Contract Number: C  
Services Ordered: INTERNET ACCESS  
Billing Account Number: 7153455432  
Original Funding Commitment: \$15,482.17  
Commitment ~~Adjustment~~ Amount: \$15,482.17  
**Adjusted** Funding Commitment: \$0.00  
Funds Disbursed to Date: \$15,482.17  
Fund5 to be Recovered ~~from~~ Service Provider: \$15,482.17

**Funding Commitment Adjustment Explanation:**

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. During the course of review it was determined that service provider contact information appeared on the cited Form 470. The contact person on the cited Form 470 Application Number: 801300000435621 was Scott Colantonio. Scott Colantonio is also a board member for WiscNet. WiscNet was selected a service provider pursuant to the posting of this Form 470. FCC rules require applicants to submit a Form 470 to initiate the competitive bidding process, and to conduct a fair and open process. If the applicant has posted a Form 470 that contains contact information for a service provider that participates in the competitive bidding process, the applicant has violated this requirement, and FCC rules consider this Form 470 to be tainted. All Funding Requests that relate to this Form 470 are required to be denied because the Form 470 is tainted. Accordingly, the commitment has been rescinded in full and USAC will seek recovery of any disbursed funds. USAC has determined that both the applicant and the service provider are responsible for this rule violation; if any funds were disbursed, USAC will seek recovery of the improperly disbursed funds from both the applicant and the service provider.

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Funding Commitment Adjustment Report  
Farm 471 Application Number: 234973

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|  |                 |
|--|-----------------|
| Funding Request Number:                      | 549810          |
| Contract Number:                             | EdgarSD-0102-g  |
| Services Ordered:                            | INTERNET ACCESS |
| Billing Account Number:                      | EdgarSD1        |
| Original <b>Funding</b> Commitment:          | \$2,923.20      |
| Commitment Adjustment Amount:                | \$2,923.20      |
| Adjusted Funding Commitment:                 | \$0.00          |
| <b>Funds</b> Disbursed to Date:              | \$2,923.20      |
| Funds to be Recovered from Service Provider: | \$2,923.20      |

Funding Commitment Adjustment Explanation:

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. During the course of review it was determined that service provider contact information appeared on the cited Form 470. The contact person on the cited Form 470 Application Number: 149640000316640 was Carolyn S. Kuhnmuench. Carolyn S. Kuhnmuench was also a board member for WiscNet. WiscNet was selected a service provider pursuant to the posting of this Form 470. FCC rules require applicants to submit a Form 470 to initiate the competitive bidding process, and to conduct a fair and open process. If the applicant has posted a Form 470 that contains contact information for a service provider that participates in the competitive bidding process, the applicant has violated this requirement, and FCC rules consider this Form 470 to be tainted. All Funding Requests that relate to this Form 470 are required to be denied because the Form 470 is tainted. Accordingly, the commitment has been rescinded in full and USAC will seek recovery of any disbursed funds. USAC has determined that both the applicant and the service provider are responsible for this rule violation; if any funds were disbursed, USAC will seek recovery of the improperly disbursed funds from both the applicant and the service provider.

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**Funding Commitment Adjustment Report  
Form 471 Application Number: 304747**

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|  |                         |
|--|-------------------------|
| Funding Request Number:                      | <b>785451</b>           |
| Contract Number:                             | ChippewaFallsSD-0203-nc |
| Services Ordered                             | <b>INTERNET ACCESS</b>  |
| Billing Account Number:                      | ChippewaFal             |
| <b>Original Funding Commitment:</b>          | <b>\$15,274.98</b>      |
| <b>Commitment Adjustment Amount :</b>        | <b>\$15,274.98</b>      |
| Adjusted Funding Commitment:                 | \$0.00                  |
| Funds Disbursed to Date:                     | <b>\$8,687.48</b>       |
| Funds to be Recovered from Service Provider: | <b>\$8,687.48</b>       |

**Funding Commitment Adjustment Explanation:**

After a thorough investigation, it has been determined that **this funding** commitment **must** be rescinded **in full**. During the course of review it was determined that service provider contact information appeared on the cited **Form 470**. The contact person on the cited **Form 470** Application Number **32260000390541** was **Jim Hadlock**. **Jim Hadlock** is also a board member for **WiscNet**. **WiscNet** was selected a service provider pursuant to the **posting** of this **Form 470**. FCC rules require applicants to submit a **Form 470** to initiate the competitive bidding process, and to conduct a **fair and open** process. If the applicant **has posted a Form 470** that contains contact **information for** a service provider that participates **in the** competitive bidding process, the applicant **has** violated this requirement, and FCC rules consider **this Form 470** to be tainted. All **Funding** Requests that relate to this **Form 470** are required to be denied because the **Form 470** is tainted, Accordingly, the commitment **has been** rescinded **in full** and USAC will **seek** recovery of **any** disbursed funds. USAC **has** determined that both the applicant **and** the service provider are responsible for **this** rule violation; if any funds were disbursed, USAC will **seek** recovery of the improperly disbursed **funds** from both the applicant and the service provider.

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Funding Commitment Adjustment Report  
Form 471 Application Number: 247882

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|  |                        |
|--|------------------------|
| Funding Request Number:                      | 602452                 |
| Contract Number:                             | ChippewaFallsSD-0102-g |
| Services Ordered:                            | INTERNET ACCESS        |
| Billing Account Number:                      | ChippewaFal            |
| Original Funding Commitment:                 | \$18,803.98            |
| Commitment Adjustment Amount:                | \$18,803.98            |
| Adjusted Funding Commitment:                 | \$0.00                 |
| Funds Disbursed to Date:                     | \$8,836.80             |
| Funds to be Recovered from Service Provider: | \$8,836.80             |

Funding Commitment Adjustment Explanation:

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. During the course of review it was determined that service provider contact information appeared on the cited Form 470. The contact person on the cited Form 470 Application Number: 295770000324641 was Jim Hadlock. Jim Hadlock is also a board member for WiscNet. WiscNet was selected a service provider pursuant to the posting of this Form 470. FCC rules require applicants to submit a Form 470 to initiate the competitive bidding process, and to conduct a fair and open process. If the applicant has posted a Form 470 that contains contact information for a service provider that participates in the competitive bidding process, the applicant has violated this requirement, and FCC rules consider this Form 470 to be tainted. All Funding Requests that relate to this Form 470 are required to be denied because the Form 470 is tainted. Accordingly, the commitment has been rescinded in full and USAC will seek recovery of any disbursed funds. USAC has determined that both the applicant and the service provider are responsible for this rule violation; if any funds were disbursed, USAC will seek recovery of the improperly disbursed funds from both the applicant and the service provider.

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Funding Commitment Adjustment Report  
Form 471 Application Number: 369402

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|  |                         |
|--|-------------------------|
| Funding Request Number:                      | 1006945                 |
| Contract Number:                             | ChippewaFallsSD-0304-nc |
| Services Ordered:                            | INTERNET ACCESS         |
| Billing Account Number:                      |                         |
| Original Funding Commitment:                 | \$12,753.45             |
| Commitment Adjustment Amount:                | \$12,753.45             |
| Adjusted Funding Commitment:                 | \$0.00                  |
| Funds Disbursed to Date:                     | \$12,753.45             |
| Funds to be Recovered from Service Provider: | \$12,753.45             |

Funding Commitment Adjustment Explanation:

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. During the course of review it was determined that service provider contact information appeared on the cited Form 470. The contact person on the cited Form 470 Application Number: 473280000432006 was Jim Hadlock. Jim Hadlock is also a board member for WiscNet. WiscNet was selected a service provider pursuant to the posting of this Form 470. FCC rules require applicants to submit a Form 470 to initiate the competitive bidding process, and to conduct a fair and open process. If the applicant has posted a Form 470 that contains contact information for a service provider that participates in the competitive bidding process, the applicant has violated this requirement, and FCC rules consider this Form 470 to be tainted. All Funding Requests that relate to this Form 470 are required to be denied because the Form 470 is tainted. Accordingly, the commitment has been rescinded in full and USAC will seek recovery of any disbursed funds. USAC has determined that both the applicant and the service provider are responsible for this rule violation; if any funds were disbursed. USAC will seek recovery of the improperly disbursed funds from both the applicant and the service provider.

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