

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of)
)
Application for Review of Decision of) CC Docket No. 02-6
The Schools and Libraries Division of the)
Universal Service Administrative Company)
)
Appeal of Commitment Adjustment)
Funding Year: 2004-2005)
Form 471 Application Number: 418363)
Funding Request Number 1152976)
Applicant: Prince George's County Schools)

**APPEAL OF
NEXTEL COMMUNICATIONS OF THE MID-ATLANTIC, INC.**

Nextel Communications of the Mid-Atlantic, Inc., d/b/a Sprint ("Sprint Nextel"), pursuant to Section 54.719 of the Commission's Rules, respectfully appeals the Administrator's Decision on Appeal dated October 17, 2007, and the Demand Payment letters dated September 7, 2007 and October 23, 2007 regarding FRN 1152976. Because Sprint Nextel never received the original "Notification of Improperly Disbursed Funds Letter" regarding this FRN, USAC has dismissed subsequent communications from Sprint Nextel as an untimely appeal. Sprint Nextel therefore requests that the Commission reconsider both the "improperly disbursed funds" amount and USAC's denial of Sprint Nextel's appeal.

**1. Sprint Nextel Did Not Have An Opportunity to Appeal the Original
"Notification of Improperly Disbursed Funds"**

The sequence of events associated with FRN 1152976 is as follows:

- June 22, 2007 - USAC purportedly sent Sprint Nextel a Notification of Improperly Disbursed Funds letter. Sprint Nextel's records do not show receipt of this letter, and we have been unable to obtain a registered mail receipt or other

confirmation from USAC to demonstrate that this letter was actually served to Sprint Nextel (see affidavit of Christina Halley, Sprint Nextel's E-rate Program Manager, included as Attachment 1). Insofar as Sprint Nextel is aware, written notification of improperly disbursed funds is the only means by which USAC advises a service provider or an applicant of its findings in this regard. Finally, our records also do not show any contact between Sprint Nextel and Prince George's County Public Schools ("PGCPS") (the affected applicant) between June 22 and September 7 to discuss the alleged June 22 Notification letter, as would normally occur to ensure that USAC repayment matters are properly addressed.

- September 7, 2007 - Sprint Nextel received a Demand Payment Letter from USAC requesting re-payment of \$219,166.20 in allegedly improperly disbursed funds within 30 days (*i.e.*, by October 8, 2007). (September 7 Letter is included as Attachment 2.) This September 7 letter constituted the first notification Sprint Nextel had received from USAC of the specific dollar amount that USAC intended to recover in relation to FRN 1152976, and thus the first opportunity Sprint Nextel had to appeal the "improperly disbursed" amount.
- September 26, 2007 – Sprint Nextel submitted its appeal of the September 7 Letter to USAC. In its appeal, Sprint Nextel explained that it had never received the original demand payment letter and that the September 7 Letter was the first opportunity it had to appeal the amount. Sprint Nextel's challenge to USAC's September 7 letter was well within the time frame allowed for an appeal. (Sprint Nextel appeal included as Attachment 3.)
- October 17, 2007 – USAC Decision on Appeal letter advising Sprint Nextel that its appeal was rejected because it was postmarked more than 60 days after the date of the Notification of Improperly Disbursed Funds Letter. (USAC Decision on Appeal letter included as Attachment 4.)
- October 23, 2007 – USAC sent Sprint Nextel a second demand payment letter advising that the debt was "past due and delinquent" as of October 8, 2007 (second demand payment letter included as Attachment 5). To avoid the consequences of red light status, on October 30, 2007, Sprint Nextel remitted full payment for the disputed amount (\$219,166.20) to USAC, notwithstanding the instant appeal.¹

As is clear from the sequence of events outlined above, Sprint Nextel's response to the correspondence received from USAC was timely. Because we did not receive the initial correspondence (the June 22 Notification of Improperly Disbursed Funds) which

¹ Should the FCC grant the instant appeal, Sprint Nextel will work with USAC to arrange repayment.

triggered the process, USAC's subsequent denial of our appeal as untimely represents a denial of due process rights. To the extent that a waiver of the appeal filing deadline is necessary, Sprint Nextel requests that the Commission grant such a waiver and accept the instant appeal.

2. USAC Has Overstated the Amount of "Improperly Disbursed Funds"

In its September 7 Demand Payment Letter, USAC demanded repayment of \$219,166.20 in "improperly disbursed funds" associated with telecommunications services provided to Prince George's County Public Schools. Specifically, USAC states that Sprint Nextel "invoiced USAC in excess of the amount billed and services provided to the applicant."² Sprint Nextel acknowledges that it inadvertently invoiced USAC for voice services associated with handsets that were activated but not yet installed, and we have reimbursed USAC for these charges. However, the remaining charges -- the monthly service charges, associated taxes and regulatory and other fees -- associated with installed handsets are E-rate eligible, and should not be subject to a repayment demand. Therefore, Sprint Nextel requests that the Demand Payment amount be reduced by \$36,112.95, from \$219,166.20 to \$183,053.25. The \$36,112.95 in eligible charges are comprised of the following elements:

Monthly Service Charges Associated With Installed Handsets: Sprint Nextel's records show that PGCPS was billed for voice service for 1357 wireless handsets under FRN 1152976, at a monthly rate of \$32.79 per handset before taxes, regulatory fees, and other usage charges, beginning in November 2004, when we received the Form 486 from the customer. Although it is Sprint Nextel's standard practice to deliver handsets directly

² September 7 Letter, p. 3.

to the customer, our records show that the activated handsets were instead delivered to a Sprint Nextel facility at the customer's request, because PGCPS advised that it lacked a secure storage location. Unfortunately, installation of the handsets did not occur as expeditiously as planned, and as a result, PGCPS was billed for a certain number of handsets that were activated but not yet installed. The E-rate funds received for the monthly service charge for the activated but not yet installed handsets, for the period November 2004 – June 2005, totaled \$167,579.59.³ Sprint Nextel has refunded this amount to USAC.

During this same time frame, Sprint Nextel also billed PGCPS for handsets that were installed and in use. Sprint Nextel was reimbursed a total of \$66,902.09 in E-rate funds for these charges (*see* Exhibit 1 of Sprint Nextel's September 26, 2007 appeal). Because these charges were associated with eligible voice services from handsets that were installed and in use by the customer, this \$66,902.09 in E-rate support was properly disbursed and should not be subject to recovery.

Taxes, Regulatory Fees, and Other Charges: Sprint Nextel was previously advised that the applicant requested E-rate funding only for the monthly voice service charge (not for related taxes, fees and other charges) in its Item 21 attachment. To the extent that the repayment demand amount contained in the September 7 Letter includes E-rate support provided for taxes, regulatory fees, and certain other charges (Direct Connect, messaging, voice mail, Talkgroup usage, and overages, net of credits), the repayment amount should be reduced. Because these other charges are all E-rate eligible, they should not be subject to refund to the extent that they were associated with installed handsets.

³ The calculations underlying this figure are included in Exhibit 1 of Sprint Nextel's September 26, 2007 appeal.

All wireless service customers (both E-rate and non-E-rate) are assessed taxes and regulatory fees in addition to their applicable monthly service charge, as well as additional charges for usage outside the basic service plan (*e.g.*, Direct Connect charges). Such taxes and fees are clearly eligible, according to the Eligible Services List in effect in Funding Year 2004.⁴

Nextel's competitive bid response to PGCPs' RFP specifically stated that additional charges beyond the monthly service charge (such as USF, TRS and E911 fees, and various federal, state and local taxes) may apply, and PGCPs' Item 21 Attachment referenced the pricing information included with Nextel's competitive bid response. PGCPs' clear and obvious intent was to request E-rate funding for all eligible wireless service charges, including the monthly service charge and the related taxes and fees. Sprint Nextel has reimbursed USAC for \$15,473.66 in E-rate support received for taxes and fees associated with handsets that were not yet installed.⁵ However, consistent with the FCC's policy of not penalizing applicants (or service providers) for unintentional ministerial or clerical errors,⁶ USAC should not demand repayment of E-rate support for the taxes and fees associated with handsets that were installed and in use.

* * * * *

⁴ "Federal taxes, state taxes and other similar, reasonable charges incurred in obtaining eligible Telecommunications Services, Internet access, and internal connections are eligible." *See* Eligible Services List dated October 10, 2003, p. 31.

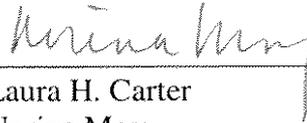
⁵ *See* Exhibit 2 of Sprint Nextel's September 26, 2007 appeal.

⁶ *See, e.g., Request for Review of the Decision of the Universal Service Administrator by Bishop Perry Middle School, New Orleans, LA, et al.*, File Nos. SLD-487170 *et al.*, Order released May 19, 2006 (DA 06-54). The overly limited verbiage used by PGCPs in its Item 21 Attachment clearly constitutes a "ministerial or clerical error."

USAC had demanded repayment of \$219,166.20 in funds that were allegedly disbursed improperly, and Sprint Nextel has remitted payment for this entire amount to avoid red light consequences. However, \$36,112.95 of this amount were E-rate eligible charges (monthly recurring charges, taxes, regulatory fees and other charges associated with activated and installed handsets), and this amount was appealed in a timely manner based on the information available to Sprint Nextel. Sprint Nextel therefore requests that the Commission grant the instant appeal and direct USAC to reimburse Sprint Nextel \$36,112.95 for the overpayment made.

Respectfully submitted,

SPRINT NEXTEL CORPORATION,
on behalf of
NEXTEL COMMUNICATIONS OF THE
MID-ATLANTIC, INC.



Laura H. Carter
Norina Moy
2001 Edmund Halley Drive
Reston, VA 20191
(703) 433-4503

November 13, 2007

ATTACHMENT 1



CC Docket No. 02-6
Affidavit of Christina Halley

Commonwealth of Virginia),
), ss
County of Fairfax)

Christina Halley, being of lawful age and duly sworn on oath, states:

1. I am the E-Rate Program Manager for Sprint Nextel Corporation ("Sprint Nextel" or "the Company"). In this capacity, I am the contact person for correspondence and inquiries from the Universal Service Administrative Company ("USAC") to Sprint Nextel and its subsidiaries on matters involving the Company's participation in the federal Schools and Libraries Program ("E-rate program").

2. Sprint Nextel's and my own business records do not show receipt of a "Notification of Improperly Disbursed Funds" letter from USAC dated June 22, 2007 regarding Funding Request Number 1152976 for funding year 2004-2005. The first notification I received from USAC regarding these disputed payments was a "Demand Payment Letter" dated September 7, 2007. To the best of my recollection, I did not have any verbal or written communications with either USAC or the affected applicant regarding the notification of improperly disbursed funds for Funding Request Number 1152976 between June 22, 2007 and September 7, 2007.
3. After Sprint Nextel filed its appeal of the September 7, 2007 Demand Payment Letter, I spoke with USAC about the fact that Sprint Nextel had never received the June 22 Notification of Improperly Disbursed Funds Letter. The USAC representative advised that USAC had sent this letter to Sprint Nextel by US Mail without return receipt acknowledgement, and that USAC therefore could not provide any evidence of delivery of this letter to Sprint Nextel.

Dated: November 12, 2007

Christina M Halley
Christina Halley

Subscribed and sworn to before me
this 12 day of November, 2007

Janice R. Mendoza
Notary Public
My Commission expires Nov 30, 2011

ATTACHMENT 2



Schools & Libraries Division

Demand Payment Letter**Funding Year 2004: 7/01/2004 - 6/30/2005**

September 7, 2007

Christina Halley**Nextel Communications Of The Mid-Atlantic, Inc.****12524 Sunrise Valley Drive - 1st Floor - VARESF0102-1844****Reston, VA 20196-3438 2866**

Re: SPIN: 143000904
Form 471 Application Number: 418363
Funding Year: 2004
FCC Registration Number: 0013368451
Applicant Name: PRINCE GEORGE'S COUNTY SCHOOLS
Billed Entity Number: 126359
Applicant Contact Person: Wesley Watts

You were recently sent a Notification of Improperly Disbursed Funds Letter informing you of the need to recover funds from you for the Funding Request Number(s) (FRNs) listed on the Funding Disbursement Report of that letter. A copy of that Report is also attached to this letter. Immediately preceding the Report is a guide that defines each line of the Report.

The balance of this debt is due within 30 days from the date of this letter. Failure to pay the debt within 30 days from the date of this letter could result in interest, late payment fees, administrative charges and implementation of the "Red Light Rule." Please see the "Informational Notice to All Universal Service Fund Contributors, Beneficiaries, and Service Providers" at <http://www.universalservice.org/fund-administration/tools/latest-news.aspx#083104> for more information regarding the consequences of not paying the debt in a timely manner.

If the Schools and Libraries Division (SLD) has determined that both the applicant and the service provider are responsible for a program rule violation, then, pursuant to the Order on Reconsideration and Fourth Report and Order (FCC 04-181), the SLD will seek recovery of the improperly disbursed amount from BOTH parties and will continue to seek recovery until either or both parties have fully paid the debt. If the SLD has determined that both the applicant and the service provider are responsible for a program rule violation, this was indicated in the Disbursed Funds Recovery Explanation on the Funding Disbursement Report.

If the SLD is attempting to collect all or part of the debt from both the applicant and the service provider, then you should work with the applicant to determine who will be repaying the debt to avoid duplicate payment. Please note, however, that the debt is the responsibility of both the applicant and service provider. Therefore, you are responsible for ensuring that the debt

is paid in a timely manner.

Please remit payment for the full "Funds to be Recovered from Service Provider" amount shown in the Report. To ensure that your payment is properly credited, please include a copy of the Report with your check. Make your check payable to the Universal Service Administrative Company (USAC).

If sending payment by U. S. Postal Service or major courier service (e.g. Airborne, Federal Express, and UPS) please send check payments to:

Universal Service Administrative Company
1259 Paysphere Circle
Chicago, IL 60674

If you are located in the Chicago area and use a local messenger rather than a major courier service, please address and deliver the package to:

Universal Service Administrative Company
Lockbox 1259
540 West Madison 4th Floor
Chicago, IL 60661

Local messenger service should deliver to the Lockbox Receiving Window at the above address.

Payment is due within 30 days from the date of this letter.

Complete program information is posted to the SLD section of the USAC web site at www.universalservice.org/sl/. You may also contact the SLD Technical Client Service Bureau by e-mail using the "Submit a Question" link on the SLD web site, by fax at 1-888-276-8736 or by phone at 1-888-203-8100.

Universal Services Administrative Company
Schools and Libraries Division

cc: Wesley Watts
PRINCE GEORGE'S COUNTY SCHOOLS

Funding Disbursement Report
Form 471 Application Number: 418363

Funding Request Number: 1152976 *Voice JRN*
Contract Number:
Services Ordered: TELCOMM SERVICES
Billing Account Number:
Funding Commitment: \$469,885.44
Funds Disbursed to Date: \$219,166.20
Funds to be Recovered from Service Provider: \$219,166.20

Disbursed Funds Recovery Explanation:

After a thorough investigation, it has been determined that funds were improperly disbursed on this funding request. During the course of an audit it was determined that funds were disbursed for products and/or services that were not delivered. Specifically, the service provider invoiced USAC in excess of the amount billed and services provided to the applicant. FCC rules authorize USAC to disburse funds to service providers for providing supported services to eligible entities. These rules are violated if the service provider invoices USAC and receives payment for services and/or products in excess of what it delivered to the eligible entity. Since the services were invoiced via a SPI, this violation was caused by an act or omission of the service provider because the service provider is responsible for ensuring that it only receives support for services and/or products that it actually provides to its customers. Accordingly, USAC will seek recovery of the \$219,166.20 of improperly disbursed funds from the service provider.

ATTACHMENT 3



Sprint Nextel Corporation
MS: VARESF0102 - 1st Floor
12524 Sunrise Valley Drive
Reston, VA 20196-3438
Office: (703) 689-5533 Fax: (800) 881-8420

Christina Halley
christina.halley@sprint.com
Public Sector Division

September 26, 2007

Schools and Libraries Division
Dept. 125-Correspondence Unit
100 South Jefferson Road
Whippany, NJ 07981

Re: Letter of Appeal
Funding Request Number: 1152976
Form 471 Application Number: 418363
Funding Year: 2004
Billed Entity Number: 126359
FCC Registration Number: 0013368451
Applicant Name: Prince George's County Schools

Dear Sir:

Nextel Communications of the Mid-Atlantic, Inc., d/b/a Sprint ("Sprint Nextel") respectfully appeals the Demand Payment letter dated September 7, 2007 ("September 7 Letter") regarding FRN 1152976. In the September 7 Letter, USAC has demanded repayment of \$219,166.20 in "improperly disbursed funds" associated with telecommunications services provided to Prince George's County Public Schools ("PGCPS").¹ Specifically, USAC states that Sprint Nextel "invoiced USAC in excess of the amount billed and services provided to the applicant."² Sprint Nextel acknowledges that it inadvertently invoiced USAC for voice services associated with handsets that were activated but not yet installed, and we intend to reimburse USAC for these charges. However, the remaining charges -- the monthly service charges, associated taxes and regulatory and other fees -- associated with installed handsets are E-rate eligible, and should not be subject to a repayment demand. Therefore, Sprint Nextel requests that the Demand Payment amount be reduced by \$36,112.95, from \$219,166.20 to \$183,053.25.

¹ Although USAC states in the September 7 Letter (p. 1) that it sent Sprint Nextel a Notification of Improperly Disbursed Funds Letter for FRN 1152976, Sprint Nextel has been unable to locate a copy of such letter or confirm its receipt. Thus, the September 7 Letter is the first opportunity Sprint Nextel has had to appeal the amount of the funds that were purportedly disbursed improperly. We were unable to reconcile USAC's repayment demand amount with E-rate funds actually received on the basis of information contained in the September 7 Letter; thus, to the extent that the Notification of Improperly Disbursed Funds Letter contains additional information relevant to the calculation of the refund amount, Sprint Nextel reserves the right to amend its appeal as appropriate.

² September 7 Letter, p. 3.

1. Monthly Service Charges Associated With Installed Handsets

Sprint Nextel's records show that PGCPS was billed for voice service for 1357 wireless handsets under FRN 1152976, at a monthly rate of \$32.79 per handset before taxes, regulatory fees, and other usage charges, beginning in November 2004, when we received the Form 486 from the customer. Although it is Sprint Nextel's standard practice to deliver handsets directly to the customer, our records show that the activated handsets were instead delivered to a Sprint Nextel facility at the customer's request, because PGCPS advised that it lacked a secure storage location. Unfortunately, installation of the handsets did not occur as expeditiously as planned, and as a result, PGCPS was billed for a certain number of handsets that were activated but not yet installed. The E-rate funds received for the monthly service charge for the activated but not yet installed handsets, for the period November 2004 – June 2005, totaled \$167,579.59.³ Sprint Nextel will refund this amount to USAC.

During this same time frame, Sprint Nextel also billed PGCPS for handsets that were installed and in use. Sprint Nextel was reimbursed a total of \$66,902.09 in E-rate funds for these charges (*see* Exhibit 1). Because these charges were associated with eligible voice services from handsets that were installed and in use by the customer, this \$66,902.09 in E-rate support was properly disbursed and should not be subject to recovery.

2. Taxes, Regulatory Fees, and Other Charges

Sprint Nextel was previously advised that the applicant requested E-rate funding only for the monthly voice service charge (not for related taxes, fees and other charges) in its Item 21 attachment. To the extent that the repayment demand amount contained in the September 7 Letter includes E-rate support provided for taxes, regulatory fees, and certain other charges (Direct Connect, messaging, voice mail, Talkgroup usage, and overages, net of credits), the repayment amount should be reduced. Because these other charges are all E-rate eligible, they should not be subject to refund to the extent that they were associated with installed handsets.

All wireless service customers (both E-rate and non-E-rate) are assessed taxes and regulatory fees in addition to their applicable monthly service charge, as well as additional charges for usage outside the basic service plan (*e.g.*, Direct Connect charges). Such taxes and fees are clearly eligible, according to the Eligible Services List in effect in Funding Year 2004.⁴

³ As can be seen in Exhibit 1, this amount was based on the difference between total activated handsets (1357) and the number of handsets actually installed (information provided by USAC), by month, multiplied by the \$32.79 monthly service fee, and adjusted to reflect PGCPS' 64% E-rate discount level. Because PGCPS selected the discounted invoice billing option, Sprint Nextel forwarded the invoices, adjusted to reflect PGCPS' 64% E-rate discount, to USAC for reimbursement.

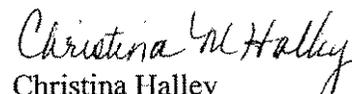
Nextel's competitive bid response to PGCP's RFP specifically stated that additional charges beyond the monthly service charge (such as USF, TRS and E911 fees, and various federal, state and local taxes) may apply, and PGCP's Item 21 Attachment referenced the pricing information included with Nextel's competitive bid response. PGCP's clear and obvious intent was to request E-rate funding for all eligible wireless service charges, including the monthly service charge and the related taxes and fees. Sprint Nextel will reimburse USAC for \$15,473.66 in E-rate support received for taxes and fees associated with handsets that were not yet installed.⁵ However, consistent with the FCC's policy of not penalizing applicants (or service providers) for unintentional ministerial or clerical errors,⁶ USAC should not demand repayment of E-rate support for the taxes and fees associated with handsets that were installed and in use.

* * * * *

The September 7 Letter requests repayment of \$219,166.20 in funds that were allegedly disbursed improperly. As noted above, Sprint Nextel commits to reimburse USAC \$167,579.59 for the monthly service charges associated with activated but not yet installed handsets, and \$15,473.66 in taxes and fees for these same handsets. All other charges were for eligible services on installed handsets, and therefore are not subject to reimbursement. Based on the information provided in this appeal, Sprint Nextel therefore requests that SLD reduce the repayment amount from \$219,166.20 to \$183,053.25.

If you have any questions regarding this appeal, or require additional information from Sprint Nextel, please contact me at (703) 689-5533 (telephone), (800) 881-8420 (fax), or via e-mail at Christina.Halley@sprint.com.

Sincerely,


Christina Halley
E-Rate Program Manager

c: Wesley Watts, Prince George's County Schools

⁴ "Federal taxes, state taxes and other similar, reasonable charges incurred in obtaining eligible Telecommunications Services, Internet access, and internal connections are eligible." See Eligible Services List dated October 10, 2003, p. 31.

⁵ See Exhibit 2.

⁶ See, e.g., *Request for Review of the Decision of the Universal Service Administrator by Bishop Perry Middle School, New Orleans, LA, et al.*, File Nos. SLD-487170 et al., Order released May 19, 2006 (DA 06-54). The overly limited verbiage used by PGCP's in its Item 21 Attachment clearly constitutes a "ministerial or clerical error."

EXHIBIT 1

MONTHLY WIRELESS SERVICE CHARGES

	Units Installed	MRC	Charges for Installed Units	Billed Charges	Refund to USAC
Nov-04	0	7.67	0.00	10,409.39	
Nov-04	0	32.79	0.00	44,496.03	
Dec-04	0	32.79	0.00	44,496.03	
Jan-05	117	32.79	3,836.43	44,496.03	
Feb-05	214	32.79	7,017.06	44,496.03	
Mar-05	423	32.79	13,870.17	44,496.03	
Apr-05	583	32.79	19,116.57	44,496.03	
May-05	826	32.79	27,084.54	44,496.03	
Jun-05	1025	32.79	33,609.75	44,496.03	
		Total	104,534.52	366,377.63	
Discount percentage			0.64	0.64	
Discounted cost of svce			66,902.09	234,481.68	167,579.59

1st wk of Nov

EXHIBIT 2

TAXES AND FEES

	Units Installed	Units Billed	Prediscount total	Discounted amt Billed to USAC	Pro-rated, Pre-disct total	Pro-rated disctd amt	Refund due to USAC
Nov-04	0	1357	\$2,329.23	\$1,490.71	\$0.00	\$0.00	\$1,490.71
Dec-04	0	1357	\$2,142.78	\$1,371.38	\$0.00	\$0.00	\$1,371.38
Jan-05	117	1357	\$2,328.71	\$1,490.37	\$200.78	\$128.50	\$1,361.87
Feb-05	214	1357	\$2,348.22	\$1,502.86	\$370.32	\$237.00	\$1,265.86
Mar-05	423	1357	\$7,170.00	\$4,588.80	\$2,235.01	\$1,430.41	\$3,158.39
Mar-05	423	1357	\$1,174.62	\$751.76	\$366.15	\$234.34	\$517.42
Apr-05	583	1357	\$8,175.40	\$5,232.26	\$3,512.35	\$2,247.90	\$2,984.35
May-05	826	1357	\$8,157.56	\$5,220.84	\$4,965.47	\$3,177.90	\$2,042.94
Jun-05	1025	1357	\$8,179.40	\$5,234.82	\$6,178.25	\$3,954.08	\$1,280.74
Total			\$42,005.92	\$26,883.79	\$17,828.33	\$11,410.13	\$15,473.66

ATTACHMENT 4



Universal Service Administrative Company
Schools & Libraries Division

Administrator's Decision on Appeal – Funding Year 2004-2005

October 17, 2007

Christina M. Halley
Sprint Nextel Corporation
12524 Sunrise Valley Drive
1st Floor - VARESF0101-1844
Reston, VA 20196-3438

Re: Applicant Name:	PRINCE GEORGE'S COUNTY SCHOOLS
Billed Entity Number:	126359
Form 471 Application Number:	418369
Funding Request Number(s):	1152976
Decision Letter Date:	June 22, 2007
Date Appeal Postmarked:	September 26, 2007
Your Correspondence Dated:	September 26, 2007

Our records show that your appeal was postmarked more than 60 days after the date your Notification of Improperly Disbursed Funds Letter was issued, as shown above. Federal Communications Commission (FCC) rules require applicants to postmark appeals within 60 days of the date on the decision letter being appealed. FCC rules do not permit the Universal Service Administrative Company (USAC) to consider your appeal.

If you believe there is a basis for further examination of your application, 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 POSTMARKED within 60 days of the above 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.

Schools and Libraries Division
Universal Service Administrative Company

cc: Wesley Watts

Box 125 – Correspondence Unit, 80 South Jefferson Road, Whippany, New Jersey 07981
Visit us online at: www.sl.universalservice.org

ATTACHMENT 5



**Demand Payment Letter
SECOND REQUEST**

Funding Year 2004: 7/01/2004 - 6/30/2005

October 23, 2007

**Christina Halley
Nextel Communications Of The Mid-Atlantic, Inc.
12524 Sunrise Valley Drive - 1st Floor - VARESF0102-1844
Reston, VA 20196-3438 2866**

- PAST DUE NOTICE -

**THIS NOTICE PROVIDES IMPORTANT INFORMATION ABOUT YOUR
ACCOUNT AND YOUR RIGHTS AND OBLIGATIONS UNDER LAW**

Re: SPIN:	143000904
Form 471 Application Number:	418363
Funding Year:	2004
FCC Registration Number:	0013368451
Applicant Name:	PRINCE GEORGE'S COUNTY SCHOOLS
Billed Entity Number:	126359
Applicant Contact Person:	Wesley Watts

You were recently sent a Demand Payment Letter informing you of the need to recover funds for the Funding Request Number(s) (FRNs) listed on the Funding Disbursement Report attached to this letter. Our records indicate that you have not responded to the Demand Payment Letter. As of October 08, 2007, the debt was past due and delinquent.

**THE FOLLOWING PROVISIONS CONTAIN IMPORTANT INFORMATION AND A
DESCRIPTION OF LEGAL RIGHTS, OBLIGATIONS, AND OPPORTUNITIES**

- 1. Debtor is cautioned that failure to make the demanded payment or make other satisfactory arrangements will result in further sanctions, including, but not limited to, the initiation of proceedings to recover the outstanding debt, together with any applicable administrative charges, penalties, and interest pursuant to the provisions of the Debt Collection Act of 1982 (Public Law 97-365) and the Debt Collection Improvement Act of 1996 (Public Law 104-134), as amended (the DCIA), as set forth below.**
- 2. If we do not receive full payment of the outstanding debt within 30 days of the date of this letter (Demand Date), pursuant to the DCIA, you may incur additional charges and costs, and the debt may be transferred to the Federal Communications Commission (Commission or FCC) and/or the United States Department of Treasury (Treasury) for debt collection. The FCC has determined that the funds are owed to the United States pursuant to the provisions of 31 U.S.C. § 3701 and 47 U.S.C. § 254. Because the unpaid**

amount is a debt owed to the United States, we are required by the DCIA to impose interest and to inform you what may happen if you do not pay the full outstanding debt. Under the DCIA, the United States will charge interest from the date of this notice, you will be required to pay the administrative costs of processing and handling a delinquent debt as set by the Treasury (currently 18% of the debt), and you will be charged an additional penalty of 6% a year for any part of the debt that is more than 90 days past due. Interest on the outstanding debt (DCIA Interest) will be assessed at the published investment rate for the Treasury tax and loan accounts (Treasury Current Value of Funds Rate). If, however, you pay the full amount of the outstanding debt within 30 days of the Demand Date, the DCIA Interest will be waived. These requirements are set out at 31 U.S.C. § 3717.

3. When we transfer the debt (to the Commission or later to the Treasury), you may be subject to other administrative proceedings. Your failure to pay the debt may be reported to credit bureaus (see 31 U.S.C. § 3711(e)), the debt will be considered for administrative offset (see 31 U.S.C. § 3716), the debt may be further transferred to collection agencies (see 31 U.S.C. §§ 3711-3718), and also the debt may be referred to the United States Department of Justice or agency counsel for litigation. In that situation, you may be subject to additional administrative costs that result from the litigation. Moreover, pursuant to 31 U.S.C. §3720 (B), a person owing an outstanding non-tax debt that is in delinquent status shall not be eligible for Federal financial assistance. You should be aware that the discharge of any portion of the debt may be reported to the Internal Revenue Service as potential taxable income.

Opportunity of Inspection and Review

4. You have an opportunity to inspect and copy the invoices and the records pertinent to the debt. The Notification of Commitment Adjustment Letter constituted notice of your opportunity to appeal the validity of the debt.

Opportunity to Request Repayment Agreement

5. You have an opportunity to request a written repayment agreement (which includes a Promissory Note) to pay the full amount of the debt. In that case, however, you must first provide evidence that demonstrates financial inability to pay the debt in one payment. Your claim of financial inability to pay in one payment is subject to verification (see 31 C.F.R. § 901.8). If your request is approved for further processing, you will be required to execute a written agreement suitable to the Commission. You should be aware that repayment agreements regularly impose a number of obligations on the debtor, including additional administrative charges, audit obligations, and surety bond requirements. For more information on the obligations associated with repayment agreements, see "USAC Repayment Request Procedure" <http://www.universalservice.org/fund-administration/contributors/paying-your-invoice/payment-extension-plans.aspx>. If you desire to exercise any of the above described rights, you must do so in writing which must be delivered to and received at the address below within 30 (thirty) days of the Demand Date. Any required evidence must be submitted at the same time that you submit your request. Failure to provide the written request (and, as appropriate, the required evidence) within the stated time is a waiver of these opportunities.

You may notify us in writing by mail or facsimile transmission at the following address and telephone number:

Schools and Libraries Division- Program Compliance II,
Dept. 125 - Correspondence Unit,
100 South Jefferson Road,
Whippany, NJ 07981
Phone Number: 973-581-5395
Fax Number: 973-599-6582

If the Schools and Libraries Division (SLD) has determined that both the applicant and the service provider are responsible for a program rule violation, then, pursuant to the Order on Reconsideration and Fourth Report and Order (FCC 04-181) (Fourth Report and Order), the SLD will seek recovery of the improperly disbursed amount from BOTH parties and will continue to seek recovery until either or both parties have fully paid the debt. If the SLD has determined that both the applicant and the service provider are responsible for a program rule violation, this will be indicated in the Funding Commitment Adjustment Explanation on the Funding Commitment Adjustment Report.

If SLD is attempting to collect all or part of the debt from both the applicant and the service provider, then you should work with your service provider to determine who will be repaying ~~the debt to avoid duplicate payment. Please note, however, that the debt is the responsibility of~~ both the applicant and service provider. Therefore, you are responsible for ensuring that the debt is paid in a timely manner.

Please remit payment for the full Funds to be Recovered from Applicant amount shown in the Report. To ensure that your payment is properly credited, please include a copy of the Report with your check. Make your check payable to the Universal Service Administrative Company (USAC).

If sending payment by U. S. Postal Service or major courier service (e.g. Airborne, Federal Express, and UPS) please send check payments to:

Universal Service Administrative Company
1259 Paysphere Circle
Chicago, IL 60674

If you are located in the Chicago area and use a local messenger rather than a major courier service, please address and deliver the package to:

Universal Service Administrative Company
Lockbox 1259
540 West Madison 4th Floor
Chicago, IL 60661

Local messenger service should deliver to the Lockbox Receiving Window at the above address.

PAYMENT MUST BE RETURNED IMMEDIATELY.

Complete program information is posted to the SLD section of the USAC web site at www.universalservice.org/sl/. You may also contact the SLD Technical Client Service Bureau by e-mail using the "Submit a Question" link on the SLD web site, by fax at 1-888-276-8736 or by phone at 1-888-203-8100.

Universal Service Administrative Company
Schools and Libraries Division

cc: Wesley Watts
PRINCE GEORGE'S COUNTY SCHOOLS

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Appeal of Nextel Communications of the Mid-Atlantic Inc. was filed electronically on this 13th day of November 2007 to the parties listed below.



Monika M. Mathur

VIA EMAIL

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