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Express Mail EB 748562415 US

February 25, 2009

Received & Inspected

FEB 26 2009

FCC Mail Room

Ms. Marlene H. Dortch
Secretary, Federal Communications Commission
445 12th Street, S.W., Washington, D.C. 20554

RE: APPEAL Spring Cove School District / CC Docket No. 96 - 45; CC Docket No. 97 - 21

This is an appeal from a decision by the Schools and Libraries Division of the USAC.

Enclosed are the original and four copies of the Appeal. An extra copy is also enclosed.

Please time stamp the extra copy and return it to me in the enclosed self addressed-stamped envelope.

Respectfully submitted,


Nathaniel Hawthorne

District of Columbia Bar No. : 237693
27600 Chagrin Blvd., Ste. 265
Cleveland, OH 44122
tel.: 216/514.4798
e-mail: nhawthorne@earthlink.net

Attorney for
Spring Cove School District

Cc: Spring Cove School District

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Admitted: District of Columbia, Ohio, Illinois

Express Mail EB 748562415 US

Received & Inspected
FEB 26 2009
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Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of the)	File No. SLD -
)	
Appeal of the Decision of the)	
)	
Universal Service Administrator by)	
the)	
)	
Spring Cove School District)	
)	
)	
)	CC Docket No. 96 - 45
Federal-State Joint Board on)	
Universal Service)	
Changes to the Board of Directors of)	
The National Exchange Carrier)	
Association, Inc.)	CC Docket No. 97 - 21

Appeal
Request for Expedited Relief

February 25, 2009

Ms. Marlene H. Dortch
Secretary, Federal Communications Commission
445 12th Street, S.W., Washington, D.C. 20554

This is an appeal from a decision by the Schools and Libraries Division of the USAC.
Enclosed are the original and four copies of the Appeal. An extra copy is also enclosed.
Please time stamp the extra copy and return it to me in the enclosed self addressed-
stamped envelope.

(1) Funding Commitment Decision Letter Appealed Exhibit A

Form 471 Application Number: 623265
Funding Year 8; 07/01/2008-06/30/2009
BEN: 125609
Date of Funding Denial Notice: January 5, 2009
Date of Appeal: February 18, 2009

(2) SLD Contact Information

Linda Alexander
Spring Cove School District
Ste 260-27600 Chagrin Blvd.
Cleveland Ohio 44122-4449
Tel. (216) 514-3336
Fax. (216)514-3337

(3) Funding Request Numbers Appealed

FRN:1719267 (Web Hosting)

(4) USAC's Reason for Funding Denial

Funding is denied because:

“30% or more of this FRN includes a request for Ineligible Hosting of
Application software for Outreach module.”

(5) The “30% rule” was incorrectly applied by the SLD

47 CFR Sec. 54.504 (d) provides, *in relevant part*, “*Mixed eligibility requests*. If
30 percent or more of a request for discounts made in an FCC Form 471 is for
ineligible services, the request shall be denied in its entirety.” However, *DA 05-*
54, provides, that “the 30 percent policy*** applies to requests for ineligible
services, not for unsubstantiated amounts of eligible services. *** if funding
requests are submitted in amounts that go beyond what they can substantiate, their
funding requests will be reduced to the amount that is substantiated.” *DA 05-*

54, Para 5 (Emphases added) The DA 05-54 holding is that funding requests can be reduced, but not denied, for unsubstantiated charges.

Despite the FCC's Rule and clear holding the USAC yet maintains :

**** if 30% or more of an applicant's funding request is for ineligible products and/or services, USAC will deny the FRN."

<http://www.usac.org/sl/applicants/step07/funding-requests.aspx>

(6) Chronology of Events

- a) The Applicant was asked to and did provide a SchoolNet Invoice. **Exhibit B**
- b) The Applicant was asked to have SchoolNet provide a detailed explanation of the Licensing fees. **Exhibit C**
- c) The Applicant provided USAC with a cost allocation chart. **Exhibit D**
- d) USAC provided Applicant with a definition of eligible Web Hosting components. **Exhibit E**
- e) SchoolNet provided USAC with a revised statement of precisely what the Applicant purchased from SchoolNet. SchoolNet stated that the Applicant purchased:
 - i. Bandwidth;
 - ii. Disk space for applicant provided content;
 - iii. FTP transfer capacity to maintain files; **Exhibit F**
- f) The "eligible document" that USAC provided tracks precisely with what Applicant purchased from SchoolNet. **Exhibit E**
- g) SchoolNet provided Exhibit E which is a "correction" to documents that were previously provided showing a "30%" ineligible calculation. **Exhibit F**

USAC denied the Application.

(7) USAC's denial was unreasonable and contrary to the rules and regulations of the Federal Communications Commission for the following reasons:

First, the vendor submitted a clarification of what was provided to the Applicant. With no bases, USAC decided the issue of credibility in its own favor. [As an aside the salesman that provided the original quote no longer worked for SchoolNet.] Based on USAC'S apparent reasoning, a vendor can never provide corrective data. If there is a bases for not accepting the corrective data, USAC should make that clear.

Second, USAC determined that 30% of the requested service was ineligible BUT denied the entire FRN. Assuming, arguendo, that 30% of the FRN was ineligible, based on DA 05-54, the funding requests should have been reduced, but not denied, for unsubstantiated charges.

Conclusion:

The vendor submitted a clarification of what was provided to the Applicant. Based on the documentation provided by USAC to the Applicant, ALL charges should be granted.

Spring Cove is Requesting the Following Action by the FCC:

(a) Within 90 days or less Order funding for the telecommunications services requested in the 471 Application, specifically FRN:

(b) Set aside funds to totally fund Spring Cove School District 's request.

Respectfully submitted,

Nathaniel Hawthorne

Nathaniel Hawthorne

District of Columbia Bar No. : 237693
27600 Chagrin Blvd., Ste. 265
Cleveland, OH 44122
tel.: 216/514.4798
e-mail: nhawthorne@earthlink.net

Attorney for
Spring Cove School District

Cc: Spring Cove School District

Exhibit A



FUNDING COMMITMENT DECISION LETTER
(Funding Year 2008: 07/01/2008 - 06/30/2009)

January 5, 2009

LINDA ALEXANDER
SPRING COVE SCHOOL DISTRICT
STE 260-27600 CHAGRIN BLVD
CLEVELAND, OH 44122-4449

Re: Form 471 Application Number: 623265
Billed Entity Number (BEN): 125609
Billed Entity FCC RN: 0012839411
Applicant's Form Identifier: SPRINGCOVEYR11#1

Thank you for your Funding Year 2008 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, \$85,294.56 is "Approved."
- The amount, \$5,865.20 is "Denied."

Please refer to the Report 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 FCC Form 486, Receipt of Service Confirmation Form. A guide that provides a definition for each line of the Report is available in the Reference Area of our website.

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 applicant) - as products and services are being delivered and billed

TO APPEAL THIS DECISION:

You have the option of filing an appeal with the SLD or directly with the Federal Communications Commission (FCC).

If you wish to appeal a decision in this letter to USAC, 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 623265 as assigned by USAC,
 - "Funding Commitment Decision Letter for Funding Year 2008," AND

- The exact text or the decision that you are appealing.

3. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep a copy of your entire appeal, including any correspondence and documentation.
4. If you are the applicant, please provide a copy of your appeal to the service provider(s) affected by USAC's decision. If you are the service provider, please provide a copy of your appeal to the applicant(s) affected by USAC's decision.
5. Provide an authorized signature on your letter of appeal.

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

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

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

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

If you wish to appeal a decision in this letter to 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 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

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

FUNDING COMMITMENT REPORT
Billed Entity Name: SPRING COVE SCHOOL DISTRICT
BEN: 125609
Funding Year: 2008

Comment on RAL corrections: The applicant did not submit any RAL corrections.

Form 471 Application Number: 623265
Funding Request Number: 1718967
Funding Status: Funded
Category of Service: Telecommunications Service
Form 470 Application Number: 326800000643566
SPIN: 143001398
Service Provider Name: Verizon Pennsylvania Inc.
Contract Number: T
Billing Account Number: N/A
Multiple Billing Account Numbers: N
Service Start Date: 07/01/2008
Service End Date: 06/30/2009
Contract Award Date: N/A
Contract Expiration Date: N/A
Site Identifier: 17828
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$2,700.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$2,700.00
Discount Percentage Approved by the USAC: 80%
Funding Commitment Decision: \$2,160.00 - ERN approved as submitted

ECDL Date: 01/05/2009

Wave Number: 033

Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2009

FUNDING COMMITMENT REPORT
Billed Entity Name: SPRING COVE SCHOOL DISTRICT
BEN: 125609
Funding Year: 2008

Comment on RAL corrections: The applicant did not submit any RAL corrections.

Form 471 Application Number: 623265
Funding Request Number: 1719057
Funding Status: Funded
Category of Service: Telecommunications Service
Form 470 Application Number: 326800000643566
SPIN: 143019614
Service Provider Name: Embarq Corporation
Contract Number: T
Billing Account Number: N/A
Multiple Billing Account Numbers: N
Service Start Date: 07/01/2008
Service End Date: 06/30/2009
Contract Award Date: N/A
Contract Expiration Date: N/A
Shared Worksheet Number: 998697
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$24,000.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$24,000.00
Discount Percentage Approved by the USAC: 62%
Funding Commitment Decision: \$14,880.00 - ERN approved as submitted

FCDL Date: 01/05/2009
Wave Number: 033
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2009

FUNDING COMMITMENT REPORT

Billed Entity Name: **SPRING COVE SCHOOL DISTRICT**
BEN: 125609
Funding Year: 2008

Comment on RAL corrections: The applicant did not submit any RAL corrections.

Form 471 Application Number: 623265
Funding Request Number: 1719082
Funding Status: Funded
Category of Service: Telecommunications Service
Form 470 Application Number: 326800000643566
SPIN: 143019614
Service Provider Name: Embarq Corporation
Contract Number: T
Billing Account Number: N/A
Multiple Billing Account Numbers: N
Service Start Date: 07/01/2008
Service End Date: 06/30/2009
Contract Award Date: N/A
Contract Expiration Date: N/A
Shared Worksheet Number: 998697
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$6,000.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$6,000.00
Discount Percentage Approved by the USAC: 62%
Funding Commitment Decision: \$3,720.00 - ERN approved as submitted

FCDL Date: 01/05/2009

Wave Number: 033

Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2009

FUNDING COMMITMENT REPORT
Billed Entity Name: SPRING COVE SCHOOL DISTRICT
BEN: 125609
Funding Year: 2008

Comment on RAL corrections: The applicant did not submit any RAL corrections.

Form 471 Application Number: 623265
Funding Request Number: 1719171
Funding Status: Funded
Category of Service: Telecommunications Service
Form 470 Application Number: 326800000643566
SPIN: 143000677
Service Provider Name: Verizon Wireless
Contract Number: MTM
Billing Account Number: N/A
Multiple Billing Account Numbers: N
Service Start Date: 07/01/2008
Service End Date: 06/30/2009
Contract Award Date: N/A
Contract Expiration Date: N/A
Shared Worksheet Number: 998697
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$26,472.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$26,472.00
Discount Percentage Approved by the USAC: 62%
Funding Commitment Decision: \$16,412.64 - FRN approved as submitted

ECDL Date: 01/05/2009
Wave Number: 033
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2009

FUNDING COMMITMENT REPORT
Billed Entity Name: SPRING COVE SCHOOL DISTRICT
BEN: 125609
Funding Year: 2008

Comment on RAL corrections: The applicant did not submit any RAL corrections.

Form 471 Application Number: 623265
Funding Request Number: 1719185
Funding Status: Funded
Category of Service: Internet Access
Form 470 Application Number: 326800000643566
SPIN: 143000677
Service Provider Name: Verizon Wireless
Contract Number: MTM
Billing Account Number: N/A
Multiple Billing Account Numbers: N
Service Start Date: 07/01/2008
Service End Date: 06/30/2009
Contract Award Date: N/A
Contract Expiration Date: N/A
Shared Worksheet Number: 998697
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$600.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$600.00
Discount Percentage Approved by the USAC: 62%
Funding Commitment Decision: \$372.00 - FRN approved as submitted

FCDL Date: 01/05/2009

Wave Number: 033

Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2009

FUNDING COMMITMENT REPORT
Billed Entity Name: SPRING COVE SCHOOL DISTRICT
BEN: 125609
Funding Year: 2008

Comment on RAL corrections: The applicant did not submit any RAL corrections.

Form 471 Application Number: 623265
Funding Request Number: 1719214
Funding Status: Funded
Category of Service: Internet Access
Form 470 Application Number: 419640000577430
SPIN: 143028377
Service Provider Name: Atlantic Broadband (Penn) LLC
Contract Number: C
Billing Account Number: N/A
Multiple Billing Account Numbers: N
Service Start Date: 07/01/2008
Service End Date: N/A
Contract Award Date: 02/15/2006
Contract Expiration Date: 12/31/2009
Shared Worksheet Number: 998697
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$57,480.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$57,480.00
Discount Percentage Approved by the USAC: 62%
Funding Commitment Decision: \$35,637.60 - FRN approved as submitted

ECDL Date: 01/05/2009
Wave Number: 033
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2009

FUNDING COMMITMENT REPORT
Billed Entity Name: SPRING COVE SCHOOL DISTRICT
BEN: 125609
Funding Year: 2008

Comment on RAL corrections: The applicant did not submit any RAL corrections.

Form 471 Application Number: 623265
Funding Request Number: 1719242
Funding Status: Not Funded
Category of Service: Internet Access
Form 470 Application Number: 326800000643566
SPIN: 143027202
Service Provider Name: Wiredmax Corporation
Contract Number: MTM
Billing Account Number: N/A
Multiple Billing Account Numbers: N
Service Start Date: 07/01/2008
Service End Date: 06/30/2009
Contract Award Date: N/A
Contract Expiration Date: N/A
Shared Worksheet Number: 998697
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$3,120.00
Pre-discount Amount: \$3,120.00
Discount Percentage: Approved by the USAC: 62%
Funding Commitment Decision: \$0.00 - Applicant request
Funding Commitment Decision Explanation: FRN canceled in consultation with the applicant.

FCDL Date: 01/05/2009

Wave Number: 033

Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2009

FUNDING COMMITMENT REPORT
Billed Entity Name: SPRING COVE SCHOOL DISTRICT
BEN: 125609
Funding Year: 2008

Comment on RAL corrections: The applicant did not submit any RAL corrections.

Form 471 Application Number: 623265
Funding Request Number: 1719267
Funding Status: Not Funded
Category of Service: Internet Access
Form 470 Application Number: 326800000643566
SPIN: 143025884
Service Provider Name: SchoolNet, Inc.
Contract Number: C
Billing Account Number: N/A
Multiple Billing Account Numbers: N
Service Start Date: 07/01/2008
Service End Date: N/A
Contract Award Date: 02/04/2008
Contract Expiration Date: 06/30/2009
Shared Worksheet Number: 998697
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$9,460.00
Pre-discount Amount: \$9,460.00
Discount Percentage Approved by the USAC: 62%
Funding Commitment Decision: \$0.00 - Ineligible, Services/Products
Funding Commitment Decision Explanation: DRI: 30% or more of this ERN includes a request for Ineligible Hosting of Application software for Outreach module
ECDL Date: 01/05/2009
Wave Number: 033
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2009

FUNDING COMMITMENT REPORT
Billed Entity Name: SPRING COVE SCHOOL DISTRICT
BEN: 125609
Funding Year: 2008

Comment on RAL corrections: The applicant did not submit any RAL corrections.

Form 471 Application Number: 623265
Funding Request Number: 1747313
Funding Status: Funded
Category of Service: Telecommunications Service
Form 470 Application Number: 326800000643566
SPIN: 143019614
Service Provider Name: Embarq Corporation
Contract Number: T
Billing Account Number: N/A
Multiple Billing Account Numbers: N
Service Start Date: 07/01/2008
Service End Date: 06/30/2009
Contract Award Date: N/A
Contract Expiration Date: N/A
Shared Worksheet Number: 998697
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$4,800.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$4,800.00
Discount Percentage Approved by the USAC: 62%
Funding Commitment Decision: \$2,976.00 - FRN approved as submitted

FCDL Date: 01/05/2009
Wave Number: 033
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2009

FUNDING COMMITMENT REPORT
Billed Entity Name: SPRING COVE SCHOOL DISTRICT
BEN: 125609
Funding Year: 2008

Comment on RAL corrections: The applicant did not submit any RAL corrections.

Form 471 Application Number: 623265
Funding Request Number: 1747332
Funding Status: Funded
Category of Service: Telecommunications Service
Form 470 Application Number: 326800000643566
SPIN: 143001192
Service Provider Name: AT&T Corp
Contract Number: T
Billing Account Number: N/A
Multiple Billing Account Numbers: N
Service Start Date: 07/01/2008
Service End Date: 06/30/2009
Contract Award Date: N/A
Contract Expiration Date: N/A
Shared Worksheet Number: 998697
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$4,800.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$4,800.00
Discount Percentage Approved by the USAC: 62%
Funding Commitment Decision: \$2,976.00 - FRN approved as submitted

FCDL Date: 01/05/2009

Wave Number: 033

Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2009

FUNDING COMMITMENT REPORT
Billed Entity Name: SPRING COVE SCHOOL DISTRICT
BEN: 125609
Funding Year: 2008

Comment on RAL corrections: The applicant did not submit any RAL corrections.

Form 471 Application Number: 623265
Funding Request Number: 1747348
Funding Status: Funded
Category of Service: Telecommunications Service
Form 470 Application Number: 326800000643566
SPIN: 143019614
Service Provider Name: Embarq Corporation
Contract Number: C
Billing Account Number: N/A
Multiple Billing Account Numbers: N
Service Start Date: 07/01/2008
Service End Date: N/A
Contract Award Date: 02/07/2008
Contract Expiration Date: 06/30/2011
Site Identifier: 17858
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$5,133.60
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$5,133.60
Discount Percentage Approved by the USAC: 60%
Funding Commitment Decision: \$3,080.16 - ERN approved as submitted

FCDL Date: 01/05/2009

Wave Number: 033

Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2009

FUNDING COMMITMENT REPORT

Billed Entity Name: SPRING COVE SCHOOL DISTRICT

BEN: 125609

Funding Year: 2008

Comment on RAL corrections: The applicant did not submit any RAL corrections.

Form 471 Application Number: 623265

Funding Request Number: 1747356

Funding Status: Funded

Category of Service: Telecommunications Service

Form 470 Application Number: 326800000643566

SPIN: 143019614

Service Provider Name: Embarq Corporation

Contract Number: C

Billing Account Number: N/A

Multiple Billing Account Numbers: N

Service Start Date: 07/01/2008

Service End Date: N/A

Contract Award Date: 02/07/2008

Contract Expiration Date: 06/30/2011

Site Identifier: 17857

Number of Months Recurring Service Provided in Funding Year: 12

Annual Pre-discount Amount for Eligible Recurring Charges: \$5,133.60

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

Pre-discount Amount: \$5,133.60

Discount Percentage Approved by the USAC: 60%

Funding Commitment Decision: \$3,080.16 - FRN approved as submitted

FCDL Date: 01/05/2009

Wave Number: 033

Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2009

Exhibit B

FAX COVER SHEET

To: Louis S. Batoff - Program Integrity Assurance
Fax: 1.973.599.6521
From: Linda Alexander
Date: April 21, 2008
Pages: 2 (Including Cover)
RE: Spring Cove School District
Application #623265

SLD REQUEST:

You were recently sent a written request for additional information needed by the Program Integrity Assurance (PIA) team to review your Funding Year 2008 Form 471 application to ensure that it is in compliance with the rules of the Universal Service program. This is a reminder that the response due date is approaching. To date, none of the requested information has been received. The information needed to complete the review is listed below.

FRN 1719267. Please provide a copy of the vendor invoice or contract t from SchoolNet to support the funding request in the amount of \$9460.00

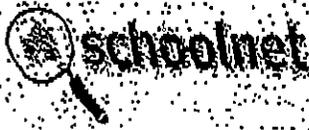
RESPONSE

Please see attached agreement with School Net.

Any additional questions, please do not hesitate to contact me.

Linda Alexander, email: lalexander000@ameritech.net
Tel: 216.682.0169 Fax: 216.514.3337

The information contained in this facsimile message may be confidential and /or legally privileged information intended only for use of the individual or entity named above. If the reader of this message is not the intended recipient, you are hereby notified that copying, dissemination, or distribution of confidential or privileged information is strictly prohibited. If you have received this communication in error, please immediately notify us by telephone, and we will arrange for the return of the facsimile



Addendum to Master Agreement

This addendum ("Addendum") entered into as of January 24, 2008 between Spring Cove School District ("DISTRICT") and SchoolNet, Inc. ("SchoolNet") will serve as an amendment to the agreement made on July 1, 2004 between the parties and any previously executed amendments thereto (collectively, the "Agreement"). All terms not otherwise defined herein shall have the meanings given to them in the Agreement.

- Product Licensing:** This Addendum shall provide for the continuation of product licensing of the Outreach Module for the period from July 1, 2008 to June 30, 2009 (the "Renewal Period") for a total of up to 2,043 students.
- Professional Services:** Ongoing support services, professional development and any other professional services shall be separately contracted under additional addenda, based on SchoolNet's then-current rates. SchoolNet's rate card will be provided upon request. SchoolNet reserves the right to change SchoolNet's rates on thirty (30) days' prior written notice.
- Pricing and Payment Schedule:** The total cost for the Product Licensing during the Renewal Period will be \$9,460 as summarized in the table below.

Payment Due Date	Description of Payment	Total Payment Amount
Upon Renewal Date	Licensing Fees	\$9,460
Total:		\$9,460

All payments shall be invoiced prior to the due dates specified above, and are due on such due date.

Thank you for your continued relationship with us. We look forward to serving you for many years to come.

SchoolNet, Inc.

C. Andrew Johns
Chief Operating Officer/Chief Financial Officer

Approved:
Spring Cove School District

Name:
Title: Superintendent

2/5/08

Apr 04, 2008

LINDA ALEXANDER

SPRING COVE SCHOOL DISTRICT

Telephone:

(216) 6820169

Application Number

623265

Response Due Date: APRIL 21, 2008

The Program Integrity Assurance (PIA) team is in the process of reviewing all Funding Year 2008 Form 471 Applications for schools and libraries discounts to ensure that they are in compliance with the rules of the Universal Service program. We are currently in the process of reviewing your Funding Year 2008 Form 471 Application. To complete our review, we need some additional information. The information needed to