



**Trillion Partners, Inc.
9208 Waterford Centre Blvd., Suite 150
Austin, Texas 78758**

November 9, 2010

Federal Communications Commission *Delivered via ECFS & email*
Attention: Ms. Gina Spade, Deputy Division Chief
Ms. Erica Myers, Wireline Competition Bureau
Ms. Dana Bradford, Wireline Competition Bureau

Telecommunications Access Policy Division
445 12th Street SW
Washington, DC 20554

Re:

Appeal
School District: Walton County School District, Defuniak Springs, FL
Funding Year: 2010
FRN Denied: 1967924
Form 471 Application Denied: 726967
Reason for Denial: Gifts

Dear Gina, Erica and Dana:

On November 3, 2010, Trillion filed a Master Appeal Summary with the FCC on ECFS, as well as provided the Master Appeal Summary to you via E-Mail and in hard copy. In the Master Appeal, Trillion provides the rationale as to why USAC's mass denial of funding is without merit. Please accept this Individual appeal for Walton County School District, along with the Master Appeal Summary, as well as the Appeal that will be filed by the applicant, as the appeal in its totality.

USAC alleges that Walton County School District received valuable gifts which tainted a fair and open competitive bidding process as the basis for denial of funding. Trillion denies USAC's allegations. In fact and in all instances, the meals, gifts and gratuities that Trillion provided to the applicant were in full compliance with all applicable (FCC, state and local) competitive bidding and procurement requirements at the time. Please also note, in February of 2009, Trillion instituted a Code of Conduct for its employees that prohibits meals, gifts or gratuities of any kind and is stricter than the new rules put in place with the FCC Sixth Report and Order, FCC 10-175.

One such gift noted in USAC's allegations was attendance at Visionaries in Technology Education Counsel ("VTEC"). Trillion provided the description of VTEC, which was an educational conference for existing Trillion customers after they were under contract, in a letter to Mel Blackwell of USAC dated June 8, 2009. VTEC was a participant-driven conference focused on education-oriented best practices. The main goal was improving education and the application of technologies to achieve this goal. Guest speakers included nationally renowned speakers including a University professor and a learning technology expert, neither of whom were

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associated with Trillion. Each participant shared their thoughts in an open discussion forum on what they generally thought would shape education in the years to come.

Expenses associated with the VTEC conference in no way affected any competitive bidding process and only applied to existing customers who wished to discuss, present, and learn various education oriented topics with their peers and experts. This conference was in full compliance with all applicable FCC, state and local procurement guidelines that were in effect at the time.

The amounts spent on meals or other routine business expenses were trivial and could not have possibly influenced a decision that would ultimately be made by the School Board. Furthermore, no member of the School Board or decision maker received any such expense. The fact is, Trillion invested \$1,388,867 in order to construct Walton County School District's network providing critical services with a total contract value of \$3,162,059, while the amount of the routine business meals and expenses only amounted to \$15 over a two year period prior to the bid. The expense referenced by USAC occurred 15 months after the relevant 471 filing, which couldn't possibly have influenced the bid process.

In summary, this applicant's actions were in full compliance with FCC, state and local procurement guidelines in effect at the time, as described in the Master Appeal Summary. Therefore, the customer's actions did not, in any way whatsoever, improperly affect the competitive bidding process.

It would be a travesty if this application were to be denied based upon a retroactive application of the new rule defined in the FCC Sixth Report and Order. Trillion respectfully requests that this appeal be granted.

Sincerely,

Trillion Partners, Inc.

Attachments:

- Master Appeal Summary dated November 3, 2010 as previously filed on November 3, 2010 under ECFS Number 2010113403548
- Funding Decision Commitment Letter (FCDL)

Cc:

Ron Reich, Intel Capital
Peter Pitsch, Intel

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FUNDING COMMITMENT REPORT
Service Provider Name: Trillion Partners, Inc
SPIN: 143025872
Funding Year: 2010

Name of Billed Entity: WALTON COUNTY SCHOOL DIST
Billed Entity Address: 145 PARK ST SUITE 5
Billed Entity City: DEFUNIAK SPGS
Billed Entity State: FL
Billed Entity Zip Code: 32435
Billed Entity Number: 127635
Contact Person's Name: Janie Griffith
Preferred Mode of Contact: EMAIL
Contact Information: griffitj@walton.k12.fl.us
Form 471 Application Number: 726967
Funding Request Number: 1967924
Funding Status: Not Funded
Category of Service: Telecommunications Service
Form 470 Application Number: 126390000600642
Contract Number: N/A
Billing Account Number: N/A
Service Start Date: 07/01/2010
Contract Expiration Date: 06/30/2012
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-Discount Amount for Eligible Recurring Charges: \$436,219.92
Annual Pre-Discount Amount for Eligible Non-Recurring Charges: \$.00
Pre-Discount Amount: \$436,219.92
Applicant's Discount Percentage Approved by SLD: 73%
Funding Commitment Decision: \$.00 - Bidding Violation- SRC
Funding Commitment Decision Explanation: This FRN is denied because the documents provided by you and/or your vendor indicates that there was not a fair and open competitive bid process free from conflicts of interest. The documentation provided by you and/or your service provider indicates that prior to/throughout your contractual relationship with the service provider listed on the FRN, that you were offered and accepted either gifts, meals, gratuities, entertainment from the service provider, WHICH resulted in a competitive process that was no longer fair and open and therefore funding is denied.

FCDL Date: 09/14/2010
Wave Number: 017
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2011