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Attorneys for Lake Pend Oreille School District

IN RE: THE MATTER OF LAKE PEND
ORIELLE SCHOOL DISTRICT,

Appellant.

CC Docket No. 02-6

**DECLARATION OF LISA HALS IN
SUPPORT OF REQUEST FOR
REVIEW**

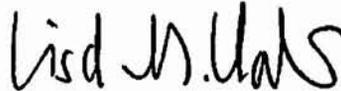
LISA HALS hereby deposes and says, pursuant to 28 U.S.C. § 1746:

1. That the statements contained herein are made pursuant to my own personal knowledge and are true and correct to the best of her information.
2. I am the business manager for the Lake Pend Oreille School District, and have been at all times relevant to this proceeding.
3. Attached hereto as Exhibit A is a true and correct copy of the July 14, 2010 of the response letter sent to the USAC Schools and Libraries Division, with attached exhibits.
4. Attached hereto as Exhibit B is a true and correct copy of the September 28, 2010 denial of funding letter regarding funding requests Nos. 1990460 and 2019726.
5. Attached hereto as Exhibit C is a true and correct copy of the September 29, 2010 denial of funding letter regarding funding requests Nos. 1818472 and 1818465.

6. Attached hereto as Exhibit D is a true and correct copy of the June 4, 2010 letter from USAC to Lake Pend Oreille School District indicating an intent to deny funding under the Universal Service/E-rate program for the 2009 and 2010 funding years.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Executed on this 4th day of November, 2010.



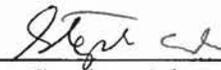
Lisa Hals

CERTIFICATE OF MAILING

I HEREBY CERTIFY that on this 12 day of November, 2010, I served a true and correct copy of the foregoing **DECLARATION OF LISA HALS IN SUPPORT OF REQUEST FOR REVIEW** by delivering the same to each of the following attorneys of record, by the method indicated below, addressed as follows:

Marelene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street SW
Washington, DC 20554

[] U.S. Mail, postage prepaid
[] Hand-Delivered
[] Overnight Mail
[] Facsimile
 Electronic Filing



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July 14, 2010

VIA E-MAIL pportan@sl.universalservice.org

Pina Portanova
USAC Schools & Libraries Division
30 Lanidex West
P.O. Box 685
Parsippany, New Jersey 83054-0685

Re: Lake Pend Oreille School District
Our File No. 1418-1

Dear Ms. Portanova:

This letter is in response to your letter dated June 4, 2010 to the Lake Pend Oreille School District ("LPOSD" or "the district"), regarding the pending denial of funding for funding year 2009 and 2010, FRNS 1818472, 1818465, 1990460, and 2019726. Thank you for the extensions you have given to prepare this response. An index of the attached documents is as follows:

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|-----------|---|
| Exhibit 1 | Declaration of Lisa Hals, LPOSD Business Manager
<u>Attachment A</u> : Form 470, Application No. 584450000794026, dated December 10, 2009.
<u>Attachment B</u> : Documents received from Unite Private Networks |
| Exhibit 2 | Declaration of Vickie Pfeifer, Chairperson of LPOSD Board of Trustees
<u>Attachment A</u> : Minutes and Resolution from the April 25, 2006 LPOSD Board of Trustee meeting |
| Exhibit 3 | Trillion Rating Sheet, dated December 16, 2005 |



- | | |
|-----------|---|
| Exhibit 4 | Conterra Rating Sheet, dated December 16, 2005 |
| Exhibit 5 | Letters from various school district employees, various dates January 2006 |
| Exhibit 6 | E-mail from Jim Bangle, dated Feb. 23, 2006, re: cost of services from Conterra |
| Exhibit 7 | Form 470, Application No. 203000000563675, dated December 16, 2005 |

By this letter, LPOSD requests that USAC continue funding from the 2009 and 2010 funding years, FRNs 1818472, 1818465, 1990460, and 2019726. LPOSD also requests that, if necessary, the FCC and USAC rules regarding conflict of interest be waived as such waiver is in the public interest. Finally, LPOSD is responding to the request for information and answers to the questions in the June 4, 2010 letter from Pina Portanova at the USAC Schools and Libraries Division to LPOSD.

INTRODUCTION

Through the Telecommunications Act of 1996, Congress put in place a program, called the Universal Service to assist with providing internet access to consumers in rural and high cost areas. *See 47 U.S.C.* § 254. This program also was designed to offset the costs for internet access to schools, libraries, and health care providers. *See 47 U.S.C.* § 254(b). This program was to be run by an administrator under the governance of the Federal Communications Commission. *See 42 U.S.C.* § 254; *47 C.F.R.* § 54.5. USAC has been designated as the Administrator for the Universal Service program. *47 C.F.R.* § 54.701. The program for schools and libraries is also known as the "E-rate" program.

In order to be eligible for E-rate funding, a school district must file a Form 470 with USAC indicating what E-rate eligible services¹ they are seeking. *47 U.S.C.* § 54.504(b). *See Ysleta*, 18 FCC Rcd 26406, ¶¶ 27 – 28. The Form 470 is then posted on USAC's website for 28 days to allow for potential vendors and service providers to submit bids to the district regarding the requested services. *47 C.F.R.* § 54.504(b).² This procedure is used to ensure that any E-rate funds distributed are done under a competitive bidding process which ensures that there is a minimum of waste. *47*

¹ These services include telephone, internet access, internal connections, text messaging, and other services.

² The public bidding requirements of the Universal Service program are in addition to state bidding requirements, and do not preempt state bidding rules. *47 C.F.R.* § 54.504(a). However, the FCC tends to interpret state bidding requirements and E-rate bidding requirements so that any apparent conflicts are read out of the statutes, and the federal bidding requirements cannot be preempted by the state bidding requirements. *See Ysleta*, 18 FCC Rcd 26406, ¶¶ 40 – 46.

C.F.R. § 54-504(a); *Ysleta*, 18 FCC Rcd 26406. When picking a service provider, the district must pick the most cost effective option of those who bid. ***Ysleta*, 18 FCC Rcd 26406, ¶ 47.** To determine which bidder is most cost effective, districts may look at such factors as prior experience, past performance, personnel qualifications, management capability, environmental objectives, and cost of services. ***Ysleta*, 18 FCC Rcd 26406, ¶ 48.** Of these factors, cost of services "must be given more weight than any other single factor." ***Ysleta*, 18 FCC Rcd 26406, ¶ 50.**

BACKGROUND INFORMATION

LPOSD is a school district that covers a large geographic area, most of which is mountainous and forested. In 2004, based on the recommendations of the LPOSD's outgoing Technology Director, Gary Carpenter, LPOSD determined that the best solution to provide internet access to its numerous and widespread school sites would be to do so wirelessly. This recommendation was made in large part due to mountainous terrain and distance between schools. The shift to wireless internet was overseen by Jim Bangle, who replaced Gary Carpenter.

Until approximately February, 2006, LPOSD had received wireless internet service from Intermax, a company out of Coeur d'Alene, Idaho. This wireless internet service was intermittent, slow, and frequently knocked out by the major snowstorms which occur in northern Idaho. These problems were so significant that by early 2006, various school employees began writing letters to LPOSD administration demanding that the internet issues be fixed. (See Exhibit 5). For example, on January 13, 2006, a letter was written discussing the significant problems the intermittent internet service was creating for instructional activities, and was signed by more than 40 employees from Sandpoint High School. (Exhibit 5). On January 12, 2006, the librarian at Kootenai Elementary School wrote a letter explaining how the internet problems prevented students from taking online tests. (Exhibit 5). On January 21, 2006, a Sandpoint High School science teacher wrote a letter explaining how it was difficult, if not impossible, to use the online resources he had available because of the internet service. (Exhibit 5). LPOSD had been having these troubles from the time LPOSD started receiving internet service from Intermax. These issues had been going on for a long time, and the letters show that the issues became worse in the winter due to winter storms. Thus, it became a necessity to find some other internet service provider which would be more reliable. In 2005, due to these significant and numerous problems with Intermax, LPOSD began looking at options for other internet service providers.

One of the options LPOSD considered was Trillion. In early 2005, LPOSD began communicating with Trillion, an internet service and data provider out of Austin, Texas. It appears, based on the information previously provided to USAC by the district, that school district employees became aware of and familiar with Trillion at a trade show or convention of some sort in early 2005. This introduction thereafter led

to correspondence with Trillion employees. This correspondence was in the nature of figuring out what services were offered by Trillion, and whether there were options available which provided better service than Intermax.

In late April or early May, 2005, Trillion offered to fly LPOSD representatives out to Colorado to look at a school district already using Trillion's services. Trillion also paid for food and lodging expenses for this trip. In late May 2005, two LPOSD employees, Assistant Administrator Doug Olin and Jim Bangle, made the trip to Colorado at Trillion's expense. While there, they were able to see how Trillion's services worked for the Colorado Springs School District, which has similar geographic and weather conditions to LPOSD (i.e. it's mountainous and subject to heavy winter storms). Olin and Bangle were also able to talk with Colorado Springs School District employees, who gave good reviews of the services Trillion provided. Mr. Olin and Mr. Bangle did not consider this trip as a bribe or kickback by Trillion in order to convince them to switch to Trillion's service. This trip was due diligence to see if Trillion, or any service provider, could actually provide effective wireless service to a number of school sites within a large, mountainous, forested school district prone to severe winter storms. Frankly, neither Mr. Olin nor Mr. Bangle had the authority to enter into a contract for internet services on behalf of LPOSD. (See Exhibit 2, ¶¶ 7 - 8).

By allowing its employees to visit another district at Trillion's expense, LPOSD in no way meant to violate USAC and FCC statutory and regulatory provisions. Candidly, had LPOSD known that such a trip was in violation, it would have sent Mr. Bangle and Mr. Olin at the school district's expense. LPOSD is willing and ready to pay back to Trillion any expenses incurred as a result of this trip, and any meals or other gratuities provided by Trillion to LPOSD employees in order to cure the alleged conflicts of interest.

It cannot be argued that Jim Bangle did not communicate with Trillion employees. The e-mails already produced by LPOSD to USAC show that throughout the summer and fall of 2005, Jim Bangle continued to have communications with Trillion employees, the exception being gaps of time where it appears Mr. Bangle was busy working on projects for LPOSD.

On December 16, 2005, LPOSD posted a Form 470 to USAC. (Exhibit 7). This form identified Jim Bangle as the contact person at the school district. (Id.). The form was fairly specific, identifying that LPOSD was seeking services related to internet access. (Id.). In searching through records, LPOSD has been able to identify that only two entities provided bids to LPOSD in response to the 2005 Form 470. (Exhibit 1, ¶ 11). One of these entities was Trillion. The other entity was Conterra Ultra Broadband, LLC, a company out of Charlotte, NC. (Exhibit 1, ¶ 11; Exhibit 4; Exhibit 6).

Jim Bangle prepared an analysis regarding the bids submitted by Trillion and Conterra. (Exhibits 3 and 4). As can be seen, neither Conterra nor Trillion received a

perfect rating. Neither Conterra nor Trillion had local technicians, but both indicated that they would fix any problems as quickly as possible. (Id.). However, Conterra had a number of other problems. Conterra indicated in their bid that they would not be able to reach Southside Elementary School, one of the southernmost sites in LPOSD, due to its proximity to a mountain. (Exhibit 4). This was concerning, as intermittent internet access at Southside had already been an issue with the service provided by Intermax. There were a number of other concerns with Conterra's bid, including the fact that the service Conterra provided was going to cost \$4,000 more per month than Trillion's service. (Exhibit 6).

Based on the fact that Trillion would be able to provide wireless internet access to all of LPOSD's sites, that it was significantly cheaper, and the urgency of finding an internet service provider that could provide effective service, it was determined to award the contract to Trillion, as it was the most cost effective of all the bids received. On February 3, 2006, LPOSD entered a contract with Trillion for internet services and to maintain LPOSD's wide area network ("WAN"). The contract has a term of seven years. It was signed on behalf of LPOSD by then superintendent Mark Berryhill, who had been delegated authority by the Board of Trustees to sign the contract. (Exhibit 2, Attachment A).

Shortly thereafter, at a regularly scheduled meeting of the LPOSD Board of Trustees on April 25, 2006, the Board of Trustees approved the Contract between the School District and Trillion. (Exhibit 2, ¶ 4 and Attachment A). Jim Bangle was not present at this Board meeting. (Exhibit 2, Attachment A). When discussion was had regarding affirmation of the Trillion contract, only Lisa Hals and Superintendent Berryhill presented information to the Board, and such information was mostly related to construction of towers for internet access. (Id.).

On June 12, 2009, LPOSD received a letter from USAC Schools and Libraries Division indicating that USAC had concerns about services provided by Trillion. According to the letter, the state of Arizona brought a complaint against Trillion for antitrust violations, bid rigging, procurement fraud, and conflict of interest. This lawsuit sparked an investigation by USAC, and as a result USAC requested that LPOSD provide information relating to communications between Trillion and LPOSD, all gifts, meals, trips, or entertainment provided by Trillion, and any E-rate seminars sponsored by Trillion which LPOSD employees attended. LPOSD responded to these requests for information by providing all information and documentation which it could find to USAC as requested.

Due to the concerns over potential funding issues because of Trillion's devolving relationship with USAC, on December 10, 2009, LPOSD filled out and filed a new Form 470 with USAC. (Exhibit 1, ¶ 4 and Attachment A). In response to this request for bids, LPOSD received contact from only one entity, Unite Private Networks, out of Kearney, MO. (Exhibit 1, ¶ 6 and Attachment B). However, the documentation

received from Unite was not a bid; it was an advertisement. Unite did not provide any information regarding costs for services they provided, or costs related specifically to providing services to LPOSD. Instead, Unite provided two press releases and a brochure regarding the installation of fiber optic networks it had completed in other school districts. (Exhibit 1, Attachment B). The e-mail from Unite's representative, Rob Oyler, specifically indicated that Unite was willing to install a fiber optic network for LPOSD. (Id.). However, as the district was looking for wireless internet service and maintenance of a wireless network, this offer was non-responsive.

Because no other entities submitted bids to the 2009 Form 470, LPOSD was obligated to continue receiving services from Trillion, or go without internet service due to lack of funding.

On June 4, 2010, USAC informed LPOSD that it would be denying the funding requests for funding years 2009 and 2010 on the grounds that LPOSD did not conduct a fair and open competitive bidding process related to the 2005 Form 470. USAC has given LPOSD an opportunity to object to the denial of funding. There are a number of legal issues which will be presented in a response to USAC, as well as answers to USAC's specific questions. These issues will be discussed below.

LEGAL ANALYSIS

A. THE AUDIT PERFORMED BY USAC EXCEEDS THE SCOPE PERMISSIBLE UNDER REGULATIONS.

The audit power allowed under the Universal Service/E-rate program is limited by regulation. It states:

Schools, libraries, and service providers shall be subject to audits and other investigations to evaluate their compliance with the statutory and regulatory requirements for the schools and libraries universal service support mechanism, including those requirements pertaining to what services and products are purchased, what services and products are delivered, and how services and products are being used. Schools and libraries receiving discounted services must provide consent before a service provider releases confidential information to the auditor, reviewer, or other representative.

47 C.F.R. § 54.516(c). As can be seen, this language permits audits into issues relating to "compliance with the statutory and regulatory requirements". One of the statutory regulations includes the competitive bidding requirements. **47 C.F.R.** § 54.504(a). USAC indicated in their June 12, 2009 letter to LPOSD that LPOSD was required to comply with all FCC rules and orders governing the program. Specifically, USAC listed at least three FCC rulings which USAC believes LPOSD may have

violated. (June 4, 2010 letter from USAC, p. 3). However, in requesting information to determine if LPOSD has violated these rulings, USAC has exceeded its authority, as these rulings are not "statutory or regulatory requirements". Therefore, the audit was tainted, and the results equally tainted and should be discarded.

B. LPOSD ENGAGED IN AN OPEN AND FAIR COMPETITIVE BIDDING PROCESS RELATED TO THE 2005 FORM 470.

The next legal issue is whether LPOSD engaged in a fair and open competitive bidding process when it submitted the Form 470 in December, 2005. As discussed above, USAC relied on a number of FCC rulings to show that LPOSD violated the competitive bidding rules. Each of these rulings is distinguishable from the facts in this case, and USAC should conclude that LPOSD did not violate the competitive bidding requirements.

First, in *Ysleta*, 18 FCC Rcd 26406 (2003), the school district at issue filed a Form 470 requesting every product and service eligible under the E-rate program. *Ysleta*, ¶ 10. Five vendors submitted bids, and the school district selected IBM. However, the only prices listed in IBM's response were the per hour rate for the project executive and the project administrator. *Ysleta*, ¶ 13. After the school district awarded the bid to IBM, it then began negotiating with IBM for the costs of services provided. *Ysleta*, ¶ 15.

The FCC found significant problems with this approach stating that "the Commission's rules and orders require competitive bidding on the actual products and services supported by the program, rather than merely on the basis of a vendor's hourly rates, reputation, and experience." *Ysleta*, ¶ 24. Further, by submitting a request for every product and service eligible, the school district failed to submit a proper Form 470. The FCC stated "an applicant's FCC Form 470 must be based upon its carefully thought-out technology plan and must detail specific services sought in a manner that would allow bidders to understand the specific technologies that the applicant is seeking." *Ysleta*, ¶ 28. The FCC also held that even if the school district did comply with local bidding laws, such does not necessarily mean compliance with the E-rate competitive bidding requirements. *Ysleta*, ¶ 42. Finally, the FCC held that price must be the primary factor in selecting a bid, and that the school district violated this principle by selecting IBM before knowing exactly what the price would be. *Ysleta*, ¶¶ 47 - 55. Despite these errors, the FCC determined that the school district would have the opportunity to rebid for the funding year. *Ysleta*, ¶ 20. The FCC found that allowing rebidding was in the public interest because the school district could reasonably have believed that its actions were appropriate based on prior approvals by the USAC of other school districts under similar circumstances.

The guidance given in *Ysleta* does not apply to this case. Clearly LPOSD did not fill out its 2005 Form 470 in the same manner as Ysleta School District did. LPOSD

specifically sought two services: wireless internet access and maintenance of LPOSD's wireless WAN (wide area network). (Exhibit 7). Second, LPOSD did not choose a service provider based on reputation and name. Both Conterra and Trillion provided bids which outlined the services provided and the costs for those services, unlike IBM in *Ysleta*. Further, LPOSD did choose the most cost effective service provider. Conterra's services would have cost almost \$50,000 more per year than Trillion's services, and this would have been school sites which still did not get internet service. Therefore, LPOSD did not violate the guidance given in *Ysleta*.

Next, USAC relies on *MasterMind Internet Services*, 16 FCC Rcd 4028 (2000). In that case, a number of school districts attempted to use MasterMind as their service provider. However, funding requests were denied because Mastermind had either filled out the forms on behalf of the school districts, signed the forms for the districts, submitted RFPs to other potential bidders, or had a MasterMind employee listed as the contract person for the school districts, all of which were violations of the competitive bidding requirements. *MasterMind*, ¶¶ 5 – 6, 10. The FCC stated that "a prospective bidder may choose not to participate in a competitive bidding process if it believes that the bidding will not be conducted in an open and fair manner, given that another bidder is serving as the contact person." *MasterMind*, ¶ 11. Even though MasterMind was not always the successful bidder for each of the Form 470s in which it was involved, the FCC determined that open and fair bidding required that potential vendors stay out of the Form 470 preparation process.

This ruling is also distinguishable. It mostly deals with the appearance of conflicts of interest. Unlike the school districts in *MasterMind*, the 2005 Form 470 was prepared by Jim Bangle, who was listed as the contact person on the form. (Exhibit 7). Thus, there is no concern that any potential service providers would not submit a bid based on the fact that LPOSD already had decided to award the contract to Trillion or any other entity.

LPOSD is forced to admit that there are e-mails from Jim Bangle which appear to indicate that he was partial to Trillion prior to the award of the contract. Indeed, as pointed out by Ms. Portanova in the June 4, 2010 letter, there are e-mails indicating that Mr. Bangle was in contact with Trillion's legal department, and had stated that he would be contacting them regarding filling out the Form 470. Because Jim Bangle is no longer with LPOSD, it is impossible to verify whether or not he did contact Trillion. However, in responding to USAC's various requests for information, LPOSD gathered every document and e-mail it could find which in any way mentioned the E-Rate program and Trillion, and was unable to find anything documenting that Mr. Bangle actually did contact Trillion for assistance in filling out the 2005 Form 470. As far as LPOSD is aware, Jim Bangle filled out the Form 470, not Trillion or its employees. Therefore, there has been no conflict of interest under the *MasterMind* rules.

Finally, USAC relies on *Caldwell Parish School District*, 23 FCC Rcd 2784

(2008). In *Caldwell Parish*, eight school districts appealed a decision by USAC to deny funding to the FCC. *Caldwell Parish*, ¶ 9. For seven of the school districts, the service provider had sent in the Form 470 on behalf of the school districts. *Caldwell Parish*, ¶¶ 10, 12. Based on this, USAC concluded that the service provider had been involved in the preparation of the 470 forms. The school districts clarified the issue, indicating that they only used the service provider's FedEx account to track delivery of the forms, and that the service provider had no other involvement in preparing the bid forms. *Caldwell Parish*, ¶¶ 12 - 13. The FCC stated, regarding this issue, "Although we do not condone such actions, we cannot conclude under these circumstances that such assistance alone interfered with the competitive bidding process" for the seven school districts. *Caldwell Parish*, ¶ 12.

For the eighth school district, though, the FCC declined funding. The district admitted that the service provider had employees who advised the district as to what types of services were necessary, assisted the district in filling out the Form 470, and submitted the Form 470 from the service provider's office. *Caldwell Parish*, ¶ 15. The FCC stated that "the applicant [the school district] could not reveal information to the service provider that the applicant did not share with all prospective bidders", and that "FCC Form 470 must be completed by the entity that will negotiate with prospective bidders." *Caldwell Parish*, ¶¶ 16 - 17.

As with the rulings discussed above, *Caldwell Parish* is similarly distinguishable from the facts in this case. First, it is unfair and inequitable for USAC to rely on a ruling from 2008 and use it as a reason for denying related to actions that were done in 2005.

Second, Trillion did not prepare the 2005 Form 470. As discussed above, this form was prepared and submitted by Jim Bangle.

Third, LPOSD is not aware that Trillion was provided any more information than any other potential bidder. The communications prior to December, 2005 between Jim Bangle and Trillion employees are mostly benign, discussing such things as deadlines and timelines. Trillion and Conterra both received the RFP that LPOSD prepared in conjunction with the 2005 Form 470 (though apparently when Conterra printed the RFP, it cut off various information, see Exhibit 6). The district provided the same information to every bidder. LPOSD cannot assume that USAC is interpreting the guidance in *Caldwell Parish* to mean that no school district can receive funding under the Universal Service program if it communicates with any potential service provider prior to filing the Form 470. Simply stated, there is too much at risk for districts not to communicate with potential service providers. The window between when a district must file the Form 470 and then submit the Form 471 related to the selection of a service provider is simply too short to effectively allow districts to consider alternative options. A district must be allowed time to do its due diligence, such as finding out what service providers exist, what services can be provided, and what services will

best suit the district. In this case, that is what LPOSD did. It communicated with Trillion exploring potential options. Then, when the Form 470 was submitted, and only two bids were prepared, LPOSD picked the cheapest, most cost effective option. LPOSD should not be penalized for taking the time prior to filing the Form 470 to figure out what was available and what it needed. There would have been no conflict if LPOSD had picked Conterra, but then again LPOSD may not have received funding as Conterra was not the cheapest option.

Simply stated, did LPOSD communicate with Trillion prior to filing the 2005 Form 470? Yes, it did. Did this communication create a conflict of interest? No, it did not. There is nothing in the communications between LPOSD and Trillion (all of which were provided in response to the June, 2009 USAC audit letter) which allowed Trillion to provide a better bid than Conterra, or any other entity. The communications from Trillion are little more than encouragement to LPOSD to fill out the Form 470 so that Trillion could submit a bid.

Further, Jim Bangle and Doug Olin could not enter the contract on behalf of LPOSD; that power was reserved to the Board and Superintendent Mark Berryhill. There is no evidence of any communication between Berryhill or the Board members and Trillion employees. (See Exhibit 2, ¶¶ 11 – 12). USAC has the role of gatekeeper to guard against "waste, fraud, and abuse, and ensuring that funds disbursed through the E-rate program are used for appropriate purposes." *Caldwell Parish*, ¶ 20. There is no such waste, fraud, or abuse in this case. In 2005 and 2006 LPOSD needed better wireless internet service than it currently had, and did research for possible solutions. Then, when bids came in, the best, most cost effective option was selected.

REQUEST FOR WAIVER OF RULES

FCC rulings make it clear that under certain circumstances, a waiver of the rules will be allowed. See *Ysleta*, ¶¶ 1, 66 – 74; *MasterMind*, ¶ 15. Waiver is allowed where "the particular facts make strict compliance inconsistent with the public interest." *Ysleta*, ¶ 67; *47 C.F.R.* § 1.3. LPOSD believes that there are a number of reasons why waiver would be appropriate in this case, and requests that funding be continued for the 2009 and 2010 funding years.

There are a number of factors that weigh in favor of waiver under these circumstances.³ First, LPOSD has made a recent attempt to comply with the public bidding requirements. (Exhibit 1, ¶¶ 3 – 8 and Attachments A and B). When LPOSD found that there was some concern regarding Trillion's actions and the communication between LPOSD and Trillion, LPOSD filed a new Form 470. (Exhibit 1, ¶ 3). This was done because LPOSD was concerned that USAC and/or the FCC may revoke Trillion's status as a service provider, and to ensure compliance with FCC rules. As discussed

³ Many of these arguments also weigh in favor of finding that there was no violation of the competitive bidding rules.

above, though, LPOSD only received one response to the Form 470, which was not a bid at all. Further, LPOSD could not accept Unite's offer to install a fiber optic network; LPOSD needed wireless internet due to the large size of the district, as well as the mountainous terrain.

Second, LPOSD relied on the law as it understood it. The only one of the rulings discussed above that implies that applicants should not have pre-filing communications with service providers is **Caldwell Parish**, which was decided in 2008 (after LPOSD entered into the contract with Trillion). Granted, **Caldwell Parish** does rely on FCC training materials from 2001 when establishing this rule. See **Caldwell Parish**, fns. 50 – 51. However, these training materials are not regulations or rulings, see **47 C.F.R. § 54.516(c)**, and are no longer available on the internet.⁴ It makes little sense to say that a district should lose funding based on training materials that are neither statutory or regulatory rules, and frankly are not accessible on the internet.

Third, in 2005 and 2006, LPOSD desperately needed a new internet service provider. Whereas Intermax provided wireless internet service that was intermittent and did not work during winter storms, Trillion's wireless internet service has been fantastic. The problems with intermittent service and down service during heavy snow have essentially disappeared. There are no more teacher complaints about internet service. Southside Elementary has wireless access. Teachers and other staff members who had previously shied away from using technology because of the problems with dial-up (before Intermax) and wireless service (during Intermax) are now embracing the wireless technology.

The goal of the E-rate program is to help provide internet access to rural and poverty stricken districts. This goal meets its destiny with LPOSD. LPOSD is in a rural, mountainous area, where it is extremely difficult to get good internet connections. LPOSD receives approximately a 76% discount for services under the E-rate program, meaning that more than 50% of the students attending the district meet the FCC poverty level requirements and definition of disadvantaged. **47 C.F.R. § 54.505**. Trillion's service, which was the most cost effective service of the options presented, has allowed these students internet access in a way that was not previously available. Surely public interest is served by continuing to provide funding which would allow students to get internet services under these circumstances.

Fourth, due to the numerous financial emergencies that have plagued the state of Idaho, school funding has been cut so significantly that if LPOSD were to lose E-rate funding, the likely result would be that LPOSD would have to revert to dial-up internet access, or some other cut-rate service provider, meaning that internet access would again be intermittent, and likely non-existent at some sites. Should access to wireless technology be lost, the curriculum and teaching at the schools will suffer; students will

⁴ Counsel has attempted to obtain these materials a number of times via internet, but was not able to access them. It is presumed they are no longer posted on the internet.

have less options available to them, and it is likely that educators will again retreat from using technology in the classroom. This has already happened once (*see* Ex. 5), and LPOSD desperately wants to avoid this situation from happening again. These students need access to effective and reliable technology in order to have a chance at succeeding. Considering the purposes of the E-rate program, denying funding is not in the public interest.

Therefore, to the extent that USAC determines that LPOSD violated the competitive bidding requirements, the rules should be waived and funding be allowed for the 2009 and 2010 funding years.

RESPONSES TO USAC'S QUESTIONS

In the June 4, 2010 letter, USAC requests responses to a number of issues. Answers to these questions will be outlined below.

A. TRILLION'S INVOLVEMENT IN THE SPECIFICATIONS SOUGHT ON FORM 470.

USAC requests information regarding Trillion's involvement in preparing the 2005 Form 470, and whether the LPOSD entertained bids to have a fair and open competitive bidding process. As discussed above, Jim Bangle prepared the 2005 Form 470. Though there are e-mails indicating that he was going to contact Trillion's legal department, LPOSD has been unable to confirm that he actually did so. As Jim Bangle's employment relationship with LPOSD ended in December of 2006, it is not possible to clarify with him whether Trillion was involved in the preparation of the Form 470, beyond the continual encouragement by Trillion employees to do so. However, a search of archived e-mails has not produced any evidence that Mr. Bangle did contact Trillion's legal department, or obtained any assistance from Trillion in filling out the Form 470.

The second part of the question is whether there was a fair and open bid, or whether LPOSD "intended to select Trillion for this new contract without use of a fair and open competition." LPOSD agrees that the e-mails previously submitted indicated that Jim Bangle may have had an inclination to use Trillion as the internet service provider. However, as discussed above, it doesn't matter what Jim Bangle wanted, or what trips, lodging and meals were provided to him and Doug Olin. Under Idaho state law, neither Jim Bangle nor Doug Olin had the power to enter into a contract with a service provider. It is the Board of Trustees that is the governing body of the school district, not the IT manager. *Idaho Code* § 33-501. It is the Board that enters into contracts, *see Idaho Code* §§ 33-512, 33-513, 33-515, 33-601, 67-2806, unless such power is delegated to a district employee. In this case, the authority was so delegated, and it was then Superintendent Mark Berryhill who entered into the contract with Trillion, not Jim Bangle or Doug Olin. (Exhibit 2, Attachment A). There is no evidence of any communication between Mark Berryhill and any Trillion employee.

There is no evidence of any gifts, lodging, meals or other similar items provided to Mr. Berryhill by Trillion. After Mr. Berryhill entered the contract, it was ratified by the Board of Trustees. (Exhibit 2, Attachment A). There is similarly no evidence of any communication or contact between any Trillion employee and any board member. (Exhibit 2, ¶ 11).

Under Idaho law, it couldn't matter what Jim Bangle wanted. His communications with Trillion employees are a moot point, because it was the Board and the Superintendent who had to make the decision to enter into a contract. As can be seen in the Board meeting minutes for the April 25, 2006 Board Meeting where the contract was ratified, Jim Bangle was not present. The minutes show that Doug Olin did not communicate any information regarding Trillion when the ratification discussion took place. Therefore, there was no undue influence by Olin or Bangle on the Board or the Superintendent.

Thus, even if Jim Bangle wanted to use Trillion, he could not avoid the competitive bidding requirements, or use them as a sham to simply go through the steps to award the contract to Trillion. The decision had to be made by LPOSD administration, which chose the most cost effective bidder. Had the most cost effective bidder been another entity, LPOSD would have been required to choose that entity. *Idaho Code* § 67-2806. Thus, the answer to the question is no, LPOSD did not intend to select Trillion without the use of a fair and open competition.

B. FAILURE TO PROVIDE EVIDENCE OF MEALS FROM MAY 2005 THROUGH JANUARY 2006.

USAC requests an explanation of why LPOSD did not provide information regarding meals provided to LPOSD employees between May, 2005 and January, 2006 when such information was provided by Trillion. In response to USAC's request for documentation, LPOSD provided copies of everything which it had or of which it could get a copy. The simplest explanation, then, is that because Jim Bangle was no longer with the district, and because the events had occurred several years before, LPOSD did not have the records related to the meals. Likely, if Trillion paid for them, Trillion kept the receipts. Further, due to the lapse of time, any employees who had been involved in such meals had probably forgotten. It was not an intentional misrepresentation; LPOSD did not have the information.

As stated above, LPOSD is intent on curing any potential conflicts of interest, and will pay back any amounts LPOSD employees allegedly received from Trillion.

C. USE OF AN E-RATE CONSULTANT IN PREPARING THE FORM 470.

USAC requests that LPOSD explain whether an E-rate consultant was used to prepare the Form 470, and if Trillion was used as a consultant, how such use does not

violate the FCC competitive bidding rules. As discussed above, it is the district's understanding that Jim Bangle prepared the 2005 Form 470. LPOSD cannot find any e-mails or other evidence that Jim Bangle actually received guidance from Trillion on filling out the form. LPOSD must admit that Trillion employees encouraged Mr. Bangle through numerous e-mails to fill out the form, but LPOSD cannot find anything that indicates that Mr. Bangle actually did contact Trillion's legal department to get assistance. In fact, there are a number of e-mails previously produced by LPOSD which indicate that Trillion employees told Mr. Bangle that they could not assist him in filling out the forms. (*See, e.g.*, e-mail from Trillion employee David White to Jim Bangle, dated October 19, 2005, stating that that Trillion employees are not allowed to help Mr. Bangle fill out the Form 470 (produced in response to the June, 2009 letter from USAC)). Therefore, LPOSD is convinced that there has not been a violation of the rules.

With regard to the 2009 Form 470, the form was filled out by LPOSD employees without the assistance of Trillion or any other E-Rate consultant. (Exhibit 1, ¶ 4).

D. SEAN CRONIN'S 2008 TRIP TO TRILLION'S VTEC CONFERENCE IN AUSTIN TEXAS.

USAC's final request is for LPOSD to explain how LPOSD employee Sean Cronin's trip to Austin in June, 2008 did not influence LPOSD's decision to select Trillion as its service provider. This answer deals with timing. LPOSD entered into a contract with Trillion in February, 2006. This contract was for a term of seven years. Since there is no requirement that LPOSD or any school district file a Form 470 every year, or enter into yearly contracts with service providers, the contract between Trillion and LPOSD was still in force in June, 2008. Therefore, Mr. Cronin's 2008 trip could not have influenced the district's decision to contract with Trillion in 2006. Therefore, LPOSD argues that the 2008 trip did not create a conflict of interest on which funding should be denied.

CONCLUSION

Since LPOSD has been receiving E-rate funding as a supplement to help pay for Trillion's services, LPOSD has had functional, reliable internet access at all of its schools. LPOSD does not believe that it did violate the competitive bidding rules, and in any case did not intend to violate FCC rules regarding competitive bidding. If a violation is found, LPOSD is willing to take all steps necessary to cure any alleged violations. If violations are found, LPOSD requests that the rules be waived and that funding be continued for the 2009 and 2010 funding years as a matter of public interest.

If any additional information is necessary, or you believe that LPOSD did not satisfactorily answer the questions posed to it, please feel free to contact us and we will supplement this letter. Thank you for your time.

July 14, 2010
Page 15

Very truly yours,

/s/

Stephen Adams

SA/dt

cc: Lisa Hals
Dick Cvitanich

DECLARATION OF LISA HALS

LISA HALS hereby deposes and says, pursuant to 28 U.S.C. § 1746:

1. That the statements contained herein are made pursuant to my own personal knowledge and are true and correct to the best of her information.
2. I am the business manager for the Lake Pend Oreille School District, and have been at all times relevant to this proceeding.
3. In December 2009, Lake Pend Oreille School District prepared a new Form 470 to attempt to obtain internet service under the Universal Service program.
4. This Form 470 was prepared by district employees without the assistance of any e-rate consultant, and without the assistance of any Trillion employee. The Form 470 was prepared to attempt to obtain internet service from an entity other than Trillion due to the concerns USAC had with Trillion as a service provider.
5. I submitted the Form 470 to USAC on behalf of Lake Pend Oreille School District. A true and correct copy of this form is attached hereto as Exhibit A.
6. The school district received only one response from a potential service provider in response to the 2009 Form 470. This response was from Unite Private Networks.
7. A true and correct copy of the documents received from Unite is attached hereto as Exhibit B.



8. Unite' s bid was essentially an advertisement and did not set forth the costs for the services provided.

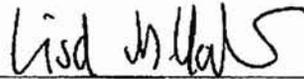
9. Further, due to the distances and mountainous terrain, Lake Pend Oreille School District utilizes a wireless network. Unite' s communication indicated that they wanted to install a fiber optic network, which would not meet the school district' s needs.

10. No other bids in response to the December, 2009 Form 470 were received.

11. Lake Pend Oreille School District searched its records, and has found no evidence of any other entities responding to the 2005 Form 470 other than Conterra and Trillion.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on this 12th day of July, 2010.



Lisa Hals

FCC Form

Approval by OMB
3060-0806

470

**Schools and Libraries Universal Service
Description of Services Requested
and Certification Form**

Estimated Average Burden Hours Per Response: 4.0 hours

This form is designed to help you describe the eligible telecommunications-related services you seek so that this data can be posted on the Fund Administrator website and interested service providers can identify you as a potential customer and compete to serve you.

Please read instructions before beginning this application.

(To be completed by entity that will negotiate with providers.)

Block 1: Applicant Address and Identifications

Form 470 Application Number: 584450000794026
Applicant's Form Identifier: WAN 2010
Application Status: CERTIFIED
Posting Date: 12/10/2009
Allowable Contract Date: 01/07/2010
Certification Received Date: 12/10/2009

1. Name of Applicant: LAKE PEND OREILLE SCHOOL DISTRICT #84		
2. Funding Year: 07/01/2010 - 06/30/2011		3. Your Entity Number 198474
4a. Applicant's Street Address, P.O.Box, or Route Number 901 TRIANGLE DRIVE		
City PONDERAY	State ID	Zip Code 83852
b. Telephone number (208) 263- 2184		c. Fax number (208) 263- 5053
5. Type Of Applicant <input type="radio"/> Individual School (individual public or non-public school) <input type="radio"/> School District (LEA;public or non-public[e.g., diocesan] local district representing multiple schools) <input type="radio"/> Library (including library system, library outlet/branch or library consortium as defined under LSTA) <input type="radio"/> Consortium (intermediate service agencies, states, state networks, special consortia of schools and/or libraries)		
6a. Contact Person's Name: Lisa Hals		
<i>First, if the Contact Person's Street Address is the same as in Item 4 above, check this box. If not, please complete the entries for the Street Address below.</i>		
6b. Street Address, P.O.Box, or Route Number <input checked="" type="radio"/> 901 TRIANGLE DRIVE		
City	State	Zip Code



PONDERAY	ID	83852
Check the box next to your preferred mode of contact and provide your contact information. One box MUST be checked and an entry provided.		
<input checked="" type="checkbox"/>	6c. Telephone Number	(208) 263- 2184
<input checked="" type="checkbox"/>	6d. Fax Number	(208) 263- 5053
<input checked="" type="checkbox"/>	6e. E-mail Address	E-Rate@lposd.org

Block 2: Summary Description of Needs or Services Requested

7 This Form 470 describes (check all that apply):
a. <input type="checkbox"/> Tariffed or month-to-month services to be provided without a written contract. A new Form 470 must be filed for non-contracted tariffed or month-to-month services for each funding year.
b. <input type="checkbox"/> Services for which a new written contract is sought for the funding year in Item 2. Check if you are seeking <input type="checkbox"/> a multi-year contract and/or <input type="checkbox"/> a contract featuring voluntary extensions
c. <input type="checkbox"/> A multi-year contract signed on or before 7/10/97 but for which no Form 470 has been filed in a previous funding year.
NOTE: Services that are covered by a signed, written contract executed pursuant to posting of a Form 470 in a previous funding year OR a contract signed on/before 7/10/97 and previously reported on a Form 470 as an existing contract do NOT require filing of a new Form 470.

What kinds of service are you seeking: Telecommunications Services, Internet Access, Internal Connections Other than Basic Maintenance, or Basic Maintenance of Internal Connections? Refer to the Eligible Services List at www.sl.universalservice.org for examples. Check the relevant category or categories (8, 9, 10 and/or 11 below), and answer the questions in each category you select.

8 Telecommunications Services

Do you have a Request for Proposal (RFP) that specifies the services you are seeking? If you check YES, your RFP must be available to all interested bidders for at least 28 days. If you check YES and your RFP is not available to all interested bidders, or if you check NO and you have or intend to have an RFP, you risk denial of your funding requests.

a YES, I have released or intend to release an RFP for these services. It is available or will become available on the Web at at or via (check one):
 the Contact Person in Item 6 or the contact listed in Item 12.

b NO, I have not released and do not intend to release an RFP for these services.

Whether you check YES or NO, you must list below the Telecommunications Services you seek. Specify each service or function (e.g., local voice service) and quantity and/or capacity (e.g., 20 existing lines plus 10 new ones). See the Eligible Services List at www.sl.universalservice.org for examples of eligible Telecommunications services. Remember that only eligible telecommunications providers can provide these services under the universal service support mechanism. Attach additional lines if needed.

c Check this box if you prefer discounts on your bill.

Check this box if you prefer reimbursement after paying your bill in full.

Check this box if you do not have a preference.

9 Internet Access

Do you have a Request for Proposal (RFP) that specifies the services you are seeking? If you check YES, your RFP must be available to all interested bidders for at least 28 days. If you check YES and your RFP is not available to all interested bidders, or if you check NO and you have or intend to have an RFP, you risk denial of your funding requests.

and RFP, you risk denial of your funding requests.

a **YES**, I have released or intend to release an RFP for these services. It is available or will become available on the Web at or via (check one):
 the Contact Person in Item 6 or the contact listed in Item 12.

b **NO**, I have not released and do not intend to release an RFP for these services.

Whether you check YES or NO, you must list below the Internet Access Services you seek. Specify each service or function (e.g., monthly Internet service) and quantity and/or capacity (e.g., for 500 users). See the Eligible Services List at www.sl.universalservice.org for examples of eligible Telecommunications services. Remember that only eligible telecommunications providers can provide these services under the universal service support mechanism. Attach additional lines if needed.

c Check this box if you prefer discounts on your bill.

Check this box if you prefer reimbursement after paying your bill in full.

Check this box if you do not have a preference.

Service or Function:	Quantity and/or Capacity:
High Capacity Network	District wide

10 Internal Connections Other than Basic Maintenance
Do you have a Request for Proposal (RFP) that specifies the services you are seeking? If you check YES, your RFP must be available to all interested bidders for at least 28 days. If you check YES and your RFP is not available to all interested bidders, or if you check NO and you have or intend to have and RFP, you risk denial of your funding requests.

a **YES**, I have released or intend to release an RFP for these services. It is available or will become available on the Web at or via (check one):
 the Contact Person in Item 6 or the contact listed in Item 12.

b **NO**, I have not released and do not intend to release an RFP for these services.

Whether you check YES or NO, you must list below the Internal Connections Services you seek. Specify each service or function (e.g., a router, hub and cabling) and quantity and/or capacity (e.g., connecting 1 classroom of 30 students). See the Eligible Services List at www.sl.universalservice.org for examples of eligible Telecommunications services. Remember that only eligible telecommunications providers can provide these services under the universal service support mechanism. Attach additional lines if needed.

c Check this box if you prefer discounts on your bill.

Check this box if you prefer reimbursement after paying your bill in full.

Check this box if you do not have a preference.

11 Basic Maintenance of Internal Connections
Do you have a Request for Proposal (RFP) that specifies the services you are seeking? If you check YES, your RFP must be available to all interested bidders for at least 28 days. If you check YES and your RFP is not available to all interested bidders, or if you check NO and you have or intend to have and RFP, you risk denial of your funding requests.

a **YES**, I have released or intend to release an RFP for these services. It is available or will become available on the Web at or via (check one):
 the Contact Person in Item 6 or the contact listed in Item 12.

b **NO**, I have not released and do not intend to release an RFP for these services.

Whether you check YES or NO, you must list below the Basic Maintenance Services you seek. Specify each service or function (e.g., basic maintenance of routers) and quantity and/or capacity (e.g., for 10 routers). See the Eligible Services List at www.sl.universalservice.org for examples of eligible Telecommunications services. Remember that only eligible telecommunications providers can provide these services under the universal service support mechanism. Attach additional lines if needed.

<input checked="" type="checkbox"/> Check this box if you prefer discounts on your bill.	<input checked="" type="checkbox"/> Check this box if you prefer reimbursement after paying your bill in full.	<input checked="" type="checkbox"/> Check this box if you do not have a preference.
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12 (Optional) Please name the person on your staff or project who can provide additional technical details or answer specific questions from service providers about the services you are seeking. This need not be the contact person listed in Item 6 nor the Authorized Person who signs this form.

Name: Sean Cronin	Title: Network Engineer
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Telephone number
(208) 263 - 2184

Fax number

() -

E-mail Address
Sean.Cronin@lposd.org

13a. Check this box if there are any restrictions imposed by state or local laws or regulations on how or when service providers may contact you or on other bidding procedures. Please describe below any such restrictions or procedures, and/or a Web address where they are posted and provide a contact name and telephone number.

Check this box if no state and local procurement/competitive bidding requirements apply to the procurement of services sought on this Form 470.

13b. If you have plans to purchase additional services in future years, or expect to seek new contracts for existing services, you may summarize below (including the likely timeframes). If you are requesting services for a funding year for which a Form 470 cannot yet be filed online, include that information here.

LPOSD is under contract for our wide area network. However if for some reason, we may need to change services during the funding year.

Block 3: Technology Resources

14. **Basic telephone service only:** If your application is for basic telephone service and voice mail only, check this box and skip to Item 16. Basic telephone service is defined as wireline or wireless single line voice service (local, cellular/PCS, and/or long distance) and mandatory fees associated with such service (e.g., federal and state taxes and universal service fees).

15. Although the following services and facilities are ineligible for support, they are usually necessary to make effective use of the eligible services requested in this application. Unless you indicated in Item 14 that your application is ONLY for basic telephone service, you must check at least one box in (a) through (e). You may provide details for purchases being sought.

a. Desktop software: Software required has been purchased; and/or is being sought.

b. Electrical systems: adequate electrical capacity is in place or has already been arranged; and/or upgrading for additional electrical capacity is being sought.

c. Computers: a sufficient quantity of computers has been purchased; and/or is being sought.

d. Computer hardware maintenance: adequate arrangements have been made; and/or are being sought.

e. Staff development: all staff have had an appropriate level of training /additional training has already been scheduled; and/or training is being sought.

f. Additional details: Use this space to provide additional details to help providers to identify the services you desire.

Block 4: Recipients of Service

16. Eligible Entities That Will Receive Services:

Check the ONE choice (Item 16a, 16b or 16c) that best describes this application and the eligible entities that will receive the services described in this application. You will then list in Item 17 the entity/entities that will pay the bills for these services.

a. Individual school or single-site library.

b. Statewide application for (enter 2-letter state code) representing (check all that apply):

- All public schools/districts in the state:
- All non-public schools in the state:
- All libraries in the state:

If your statewide application includes INELIGIBLE entities, check here. If checked, complete Item 18.

c. School district, library system, or consortium application to serve multiple eligible entities:

Number of eligible sites	14
<i>For these eligible sites, please provide the following</i>	
Area Codes (list each unique area code)	Prefixes associated with each area code (first 3 digits of phone number) separate with commas, leave no spaces
208	255, 263, 264, 265, 266, 290, 304, 597, 610, 755 ↕

17. Billed Entities

17. Billed Entities: List the entity/entities that will be paying the bills directly to the provider for the services requested in this application. These are known as Billed Entities. At least one line of this item must be completed. If a Billed Entity cited on your Form 471 is not listed below, funding may be denied for the funding requests associated with this Form 470.

Entity	Entity Number
LAKE PEND OREILLE SCHOOL DISTRICT #84	198474

18. Ineligible Participating Entities

List the names of any entity/entities here for whom services are requested that are not eligible for the Universal Service Program.

Ineligible Participating Entity	Area Code	Prefix
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Block 5: Certification and Signature

19. I certify that the applicant includes: (Check one or both.)

- a. schools under the statutory definitions of elementary and secondary schools found in the No Child Left Behind Act of 2001, 20 U.S.C. Secs. 7081(18) and (38), that do not operate as for-profit businesses, and do not have endowments exceeding \$50 million; and/or
- b. libraries or library consortia eligible for assistance from a State library administrative agency under the Library Services and Technology Act of 1996 that do not operate as for-profit businesses and whose budgets are completely separate from any school (including, but not limited to elementary and secondary schools, colleges and universities).

20. I certify that all of the individual schools, libraries, and library consortia receiving services under this application are covered by technology plans that are written, that cover all 12 months of the funding year, and that have been or will be approved by a state or other authorized body, an SLD-certified technology plan approver, prior to the commencement of service. The plans were written at the following level(s):

- a. individual technology plans for using the services requested in the application, and/or
- b. higher-level technology plans for using the services requested in the application, or
- c. no technology plan needed; application requests basic local, cellular, PCS, and/or long distance telephone service and/or voice mail only

21. I certify that I will post my Form 470 and (if applicable) make my RFP available for at least 28 days before considering all bids received and selecting a service provider. I certify that all bids submitted will be carefully considered and the bid selected will be for the most cost-effective service or equipment offering, with price being the primary factor, and will be the most cost-effective means of meeting educational needs and technology plan goals. I certify that I will retain required documents for a period of at least five years after the last day of service delivered. I certify that I will retain all documents necessary to demonstrate compliance with the status and Commission rules regarding the application for, receipt of, and delivery of services receiving schools and libraries discounts. I acknowledge that I may be audited pursuant to participation in the schools and libraries program.

22. I certify that the services the applicant purchases at discounts provided by 47 U.S.C. Sec. 254 will be used solely for educational purposes and will not be sold, resold, or transferred in consideration for money or any other thing of value, except as permitted by the Commission's rules at 47 C.F.R. Sec. 54.500(k). Additionally, I certify that the entity or entities listed on this application have not received anything of value or a promise of anything of value, other than the services and equipment sought by means of this form, from the service provider, or any representative or agent thereof or any consultant in connection with this request for services.

23. I acknowledge that support under this support mechanism is conditional upon the school(s) and/or library(ies) I represent securing access, separately or through this program, to all of the resources, including computers, training, software, internal connections, maintenance, and electrical capacity necessary to use the services purchased effectively. I recognize that some of the aforementioned resources are not eligible for support.

24. I certify that I am authorized to order telecommunications and other supported services for the eligible entity (ies). I certify that I am authorized to submit this request on behalf of the eligible entity(ies) listed on this application, that I have examined this request, and to the best of my knowledge, information, and belief, all statements of fact contained herein are true.

25. I certify that I have reviewed all applicable state and local procurement/competitive bidding requirements and that I have complied with them. I acknowledge that persons willfully making false statements on this form can be punished by fine or forfeiture, under the Commissions Act, 47 U.S.C. Secs. 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. Sec. 1001.

26. I acknowledge that FCC rules provide that persons who have been convicted of criminal violations or held civilly liable for certain acts arising from their participation in the schools and libraries support mechanism are subject to

suspension and debarment from the program.

27. Signature of authorized person: F²

28. Date (mm/dd/yyyy): 12/10/2009

29. Printed name of authorized person: Lisa Hals

30. Title or position of authorized person: Business Manager

31a. Address of authorized person: 901 Triangle Drive
City: Ponderay State: ID Zip: 83852

31b. Telephone number of authorized person: (208) 263 - 2184

31c. Fax number of authorized person: ()

31d. E-mail address number of authorized person: E-rate@lpsd.org

31e. Name of authorized person's employer: Lake Pend Oreille School District

Service provider involvement with preparation or certification of a Form 470 can taint the competitive bidding process and result in the denial of funding requests. For more information, refer to the SLD web site at www.sl.universalservice.org or call the Client Service Bureau at 1-888-203-8100.

NOTICE: Section 54.504 of the Federal Communications Commission's rules requires all schools and libraries ordering services that are eligible for and seeking universal service discounts to file this Description of Services Requested and Certification Form (FCC Form 470) with the Universal Service Administrator. 47 C.F.R. § 54.504. The collection of information stems from the Commission's authority under Section 254 of the Communications Act of 1934, as amended. 47 U.S.C. § 254. The data in the report will be used to ensure that schools and libraries comply with the competitive bidding requirement contained in 47 C.F.R. § 54.504. All schools and libraries planning to order services eligible for universal service discounts must file this form themselves or as part of a consortium.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

The FCC is authorized under the Communications Act of 1934, as amended, to collect the information we request in this form. We will use the information you provide to determine whether approving this application is in the public interest. If we believe there may be a violation or a potential violation of any applicable statute, regulation, rule or order, your application may be referred to the Federal, state, or local agency responsible for investigating, prosecuting, enforcing, or implementing the statute, rule, regulation or order. In certain cases, the information in your application may be disclosed to the Department of Justice or a court or adjudicative body when (a) the FCC; or (b) any employee of the FCC; or (c) the United States Government is a party of a proceeding before the body or has an interest in the proceeding. In addition, information provided in or submitted with this form or in response to subsequent inquiries may also be subject to disclosure consistent with the Communications Act of 1934, FCC regulations, the Freedom of Information Act, 5 U.S.C. § 552, or other applicable law.

If you owe a past due debt to the federal government, the information you provide may also be disclosed to the Department of the Treasury Financial Management Service, other Federal agencies and/or your employer to offset your salary, IRS tax refund or other payments to collect that debt. The FCC may also provide the information to these agencies through the matching of computer records when authorized.

If you do not provide the information we request on the form, the FCC may delay processing of your application or may return your application without action.

The foregoing Notice is required by the Paperwork Reduction Act of 1995, Pub. L. No. 104-13, 44 U.S.C. § 3501, et seq.

Public reporting burden for this collection of information is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, completing, and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the reporting burden to the Federal Communications Commission, Performance Evaluation and Records Management, Washington, DC 20554.

Please submit this form to:

SLD-Form 470

**P.O. Box 7026
Lawrence, Kansas 66044-7026
1-888-203-8100**

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

**SLD Forms
ATTN: SLD Form 470
3833 Greenway Drive
Lawrence, Kansas 66046
1-888-203-8100**

FCC Form 470
November 2004

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**FORM 470 RECEIPT NOTIFICATION LETTER
(Funding Year 2010: 07/01/2010-06/30/2011)**

December 17, 2009

Lisa Hals
LAKE PEND OREILLE SCHOOL DISTRICT #84
901 TRIANGLE DRIVE
PONDERAY, ID 83852

Re: Form 470 Application Number: 584450000794026
Entity Number: 198474
Applicant's Form Identifier: WAN 2010
Date Form 470 Posted: 12/10/2009
Allowable Contract Date: 01/07/2010

Corrections Due by: 01/06/2010

This is your notification that the above Form 470, "Description of Services Requested and Certification Form" was successfully posted to the USAC website. This posting begins the required 28-day competitive bidding process.

Attached to this RNL is a Report summarizing the information you provided to USAC for the above Form 470, application number 584450000794026. Also included are advisories to assist you in appropriate use of the Form 470 to establish funding requests on your Form 471.

It is important that you review this Report now to make sure the products and services you require have been correctly posted and, if necessary, take any appropriate corrective action as soon as possible. You are allowed to correct certain errors on your form but not others. The Report indicates if a correction to a field is allowed.

- If a correction to a field is allowed, follow the instructions below to submit your correction to USAC.
- If corrections are not allowed, you must post a new Form 470.

Please note that this letter provides the notice required by the Bishop Perry Order (FCC 06-54, released 5/19/2006), permitting you to review and make allowable corrections to your Form 470 by 01/06/2010.

To make an allowable correction, please do the following:

- Verify that the allowed correction can be made through the RNL correction process. Any non-allowable corrections submitted through the RNL correction process will not be made.
- Make a copy of your report and indicate on the copy any allowable corrections in the spaces indicated.
- Sign the copy and include your name, title, contact information, and date.
- Submit the copy using the guidance posted on the Form 470 RNL page on our website.
- Corrections must be submitted no later than 01/06/2010.
- Retain a copy of the RNL and any submitted corrections.
- To determine what corrections are allowable and why review of this Report is important to you, see the "List of correctable ministerial and clerical errors" posted in the Reference Area of our website.

REDACTED
A/C Priv.

From:
Sent:
To:
Subject:

From: Doug Olin
Sent: Wednesday, June 23, 2010 10:43 AM
To: Sean Cronin; Lisa Hals
Subject: FW: Erate 470 # 584450000794026 | LAKE PEND OREILLE SCHOOL DISTRICT #84

This appears to be the only one I received during the 28 day period between 12/10/09 and allowable contract date of 1/07/10. Also fiber optic network is not the same as what Trillion provides. Thanks

From: rob.oyler@upnllc.com [mailto:rob.oyler@upnllc.com]
Sent: Wednesday, December 16, 2009 8:25 AM
To: E-Rate; Sean Cronin
Subject: Erate 470 # 584450000794026 | LAKE PEND OREILLE SCHOOL DISTRICT #84

Dear Lisa Hals,

I am sending this email in response to the form 470 #584450000794026 posted on the USAC website. The requested service or function "High Capacity Network" prompted me to think that you may be interested in the services that Unite Private Networks, LLC (UPN) offers to school districts.

UPN is one of the leading providers in the business of building fiber optic networks for School Districts. Experts in the E-Rate Program administered by USAC, UPN has built Priority One compliant fiber optic networks for over 50 school districts since 1998. We would like to build one for you!

Our unique approach to network builds, referred to as "Point to Point" design, allows each school in your network to have its own dedicated fiber pair with a full Gigabit Ethernet of bandwidth home run back to the hub. This means no sharing of bandwidth or fiber with other businesses, common in most Cable and ILEC offerings. Furthermore the network is fully Priority One E-Rate compliant allowing you to apply government funding which will make your new technologically advanced network very affordable.

Additionally, our value proposition allows the district to have lifelong unlimited bandwidth potential with pricing that drops after the initial term. Many incumbent options keep renewing contracts every three to five years or so, repeating the cycle endlessly. They also charge more each time you need more bandwidth. It's an onerous cycle and why our value proposition has gained momentum.

To learn more about UPN please find the enclosed brochure and press release. Also, I invite you

7/8/2010



to visit our website www.upnllc.com and click on the video to hear what our customers say about us.

I hope we can schedule a time to discuss the district's current wide area network and UPN's value proposition further. We'd like to offer a no cost, no obligation budgetary proposal for a dedicated fiber network. If you have already entered into an agreement for these services; please respond with those specifics and I will update my records – I appreciate your assistance!

Best regards,

Rob Oyler

SVP, Business Development

Unite Private Networks

rob.oyler@upnllc.com

913-441-3110 Office

913-322-3171 Fax

913-530-5346 Wireless

www.uniteprivatenetworks.com

Got Fiber?



Unite Private Networks
950 W. 92 Hwy, Suite 203
Kearney, MO 64060
Phone: 816-903-9400
Fax: 816-903-9401
www.uniteprivatenetworks.com

Media Contact:
Kevin Anderson
816-260-1868
kevin.anderson@upnllc.com

FOR IMMEDIATE RELEASE

**Unite Private Networks to Provide Fiber Optic WAN to
Adams 50, Westminster School District**
15 Year Agreement to Provide Services over Advanced Fiber Network

Kearney, MO (March 17, 2008) – Unite Private Networks (UPN) today announced an agreement to provide data services over a Fiber Optic Wide Area Network for the Adams 50 School District located in Westminster, Colorado. The 15 year agreement calls for UPN to provide a 23 mile Fiber Optic Network through much of Westminster.

“Adams 50 School District came to us looking for a high bandwidth long term solution for all their data needs across the District. Our advanced fiber network allows us to deliver very large amounts of data in a reliable and secure manner,” said Rob Oyler, Senior Vice President, Business Development for UPN. “Adams 50 School District is an important customer for UPN and we are very pleased we could develop this long-term relationship with them and develop a presence in the Denver area.”

UPN specializes in providing high-bandwidth, fiber-based communications networks and related services to schools, government, carriers, data centers and enterprise business customers throughout the United States. Over the past 5 years, UPN revenue has grown by 60% annually.

“We are very pleased with the value proposition UPN provided,” said Brady Mills, IT Director of Adams 50. “The District has been searching for ways to address our long term bandwidth needs and UPN offered us this opportunity. UPN will be providing fiber throughout our community connecting all our schools in a cost effective manner. The fiber network will allow the district to leverage current technologies and allow the District to move forward on other planned technology projects.”

About Unite Private Networks:

Unite Private Networks specializes in providing high-bandwidth, fiber-based communications networks and related services to schools, government, carriers, data centers, and enterprise business customers throughout the United States. Service offerings include dark and lit fiber, private line, metro optical Ethernet, Internet access, VOIP, and other customized solutions. Headquartered in the Kansas City MO metro area, Unite Private Networks has been providing customer-focused communications solutions since 1998.

###



Point-to-Point connectivity.

Unite Private Networks is experienced in assisting organizations connect multiple sites for voice, video and data transmission. Unite Private Networks can connect your campus by establishing Point-to-Point fiber connections between your remote locations, configuring a wide area network (WAN) to your specific needs, i.e., VoIP, Central Server Delivery, Central Data Storage, Alarm Systems, Distance Learning, SASI (student administration), HVAC control, video, back office software and more.

The system installed by Unite Private Networks utilizes state-of-the-art fiber-optic cabling with transmission speeds starting at one gigabit and beyond.

Kick your legacy WAN provider to the curb. A high-quality fiber-optic WAN, provided by Unite Private Networks delivers a network system that will operate virtually error-free. With a fiber-optic network in place, information exchange goes to a new level.

And because Unite Private Networks provides virtually unlimited bandwidth our customers have complete control over network expansion.

E-Rate helps to connect schools.

The E-Rate provides discounts to help most schools and libraries in the United States to obtain affordable telecommunications and Internet access.

Funding is divided into three categories: telecommunication services, Internet access and internal connections. Leased fiber-optic WAN systems are considered Priority One telecommunications services under Universal Service guidelines and are funded every year.

E-Rate provides discounts of 20 to 90 percent based on the percent of students eligible for the National School Lunch Program and the schools classification as rural or urban. Private schools are also eligible even if they do not participate in the National School Lunch Program.

Find out more about E-Rate funding by visiting the Universal Service Administration website at www.sl.universalservice.org.

Delivered by Unite Private Networks.

Why wait? Together, we can help your school district maximize the many opportunities currently available in broad-bandwidth services and position you to take advantage of future technological advances.

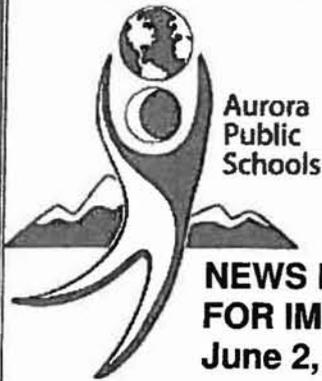
By converting your soon-to-be outdated copper system to a fiber-optic system now, you can start enjoying:

- Higher Bandwidth
- More Reliable Performance
- Greater Security
- Exceptional Customer Service

Ask your Unite Private Networks representative how they have helped school districts save money in many ways beyond voice and data.



For more information, contact us toll-free at (866) 813-3608, or visit our website, www.uniteprivatenetworks.com.



**NEWS RELEASE # 90
FOR IMMEDIATE RELEASE
June 2, 2009**

APS CONNECTS THROUGH FIBER OPTIC NETWORK

Aurora Public Schools is partnering with Unite Private Networks (UPN) to connect all schools through a Fiber Optic Wide Area Network. The ten year agreement provides a 34 mile long Fiber Optic Network through APS schools and administrative sites.

"Aurora Public Schools was looking for a high bandwidth, long-term solution for all their data needs across the district. Our advanced fiber network allows us to deliver very large amounts of data in a reliable and secure manner," said Rob Oyler, Senior Vice President, Business Development for UPN. "UPN is building an extensive fiber network throughout the Denver metropolitan area and is very pleased to be able to secure this long term relationship with Aurora Public Schools."

UPN specializes in providing high-bandwidth, fiber-based communications networks and related services to schools, government, carriers, data centers and enterprise business customers throughout the United States. Over the past 5 years, UPN revenue has grown by 60% annually.

"Student bandwidth requirements are growing exponentially. The APS partnership with Unite Private Networks to develop a fiber network will ensure that we are able to meet our students' needs for many years to come," said Dan Davis, APS Chief Information Officer.

The Fiber Optic Network will provide faster connectivity for users. It will support virtual learning and the 21st Century Classroom in APS. The project is expected to be finished by January 2010.

About Unite Private Networks:

Unite Private Networks specializes in providing high-bandwidth, fiber-based communications networks and related services to schools, government, carriers, data centers, and enterprise business customers throughout the United States. Service offerings include dark and lit fiber, private line, metro optical Ethernet, Internet access, and other customized solutions. Headquartered in the Kansas City MO metro area, Unite Private Networks has been providing customer-focused communications solutions since 1998.

12/15/2009

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**Interested media may contact APS News Media Specialist
Paula Hans at 303-326-2755 for more information**

DECLARATION OF VICKIE PFEIFER

VICKIE PFEIFER hereby deposes and says, pursuant to 28 U.S.C. § 1746:

1. That the statements contained herein are made pursuant to my own personal knowledge and are true and correct to the best of her information.

2. I am the Board Chairperson for the Lake Pend Oreille School District. I have been on the board since 2002.

3. The Board of Trustees of the Lake Pend Oreille School District has the power to enter into contracts on behalf of the School District, or to affirm contracts entered into by the Superintendent.

4. On April 25, 2006, the Board of Trustees, at a regularly scheduled board meeting, affirmed the contract between Lake Pend Oreille School District and Trillion Partners, Inc., which had previously been signed by former Superintendent Mark Berryhill.

5. I do not remember Jim Bangle being present at this meeting.

6. I do not remember Doug Olin making any comments about Trillion.

7. Jim Bangle did not have power to enter a contract for internet service on behalf of Lake Pend Oreille School District.

8. Doug Olin did not have power to enter a contract for internet service on behalf of Lake Pend Oreille School District.

9. Based on information from Lisa Hals and Superintendent Berryhill, the board voted to ratify the contract with Trillion.



10. Prior to the April 25, 2006 board meeting, I became aware that the District was having severe difficulties with the prior internet service provider, so much so that problems with internet service was interfering with classroom instruction. Thus, it was a matter of some importance to find a replacement internet service provider.

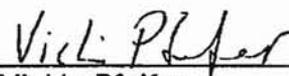
11. I do not recall ever having communicated with Trillion Partners or any employees of Trillion Partners, Inc., prior to the April 25, 2006 Board meeting.

12. I have never received any gift, meal, travel expense, or other gratuity from Trillion Partners, Inc.

13. A true and correct copy of the April 25, 2006 board meeting minutes and attached resolution is attached hereto as Exhibit A.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on this 13 day of July, 2010.



Vickie Pfeifer

BOARD OF TRUSTEES REGULAR MEETING AGENDA

Lake Pend Oreille School District #84

Regular Meeting #252

Southside School, Cocolalla, ID

April 25, 2006

Executive Session: 5:30 * Regular Session: 6:30

I. CALL MEETING TO ORDER

II. EXECUTIVE SESSION – 5:30

Executive Session as provided for in Idaho Code, Title 67, Section 2345, Subsections (a) personnel, (b) personnel/student, (c) negotiation and/or property and (d) litigation.

III. RETURN TO OPEN SESSION – 6:30

A. Pledge of Allegiance

IV. PUBLIC COMMENTS

- A. Anyone wishing to place a public comment on next month's agenda please fill out an *Agenda/Information Request Form* available at the meeting.
- B. Anyone wishing to speak on a non-agenda item may sign up on the roster prior to the beginning of the meeting.

V. EDUCATION

A. Educational Issue – Report from Child Nutrition Program Director

ACTION ITEMS:

VI. CONSENT AGENDA

- A. Approval of Minutes**Exhibit A**
 - 1. April 5, 2006 – Special Meeting #249
 - 2. April 11, 2006 – Regular Meeting #250
 - 3. April 19, 2006 – Special Meeting #251
- B. Approval of HR Report**Exhibit B**
 - 1. New Hires – Certificated
 - a. Angie Lynn
 - 2. Resignations – Certificated
 - a. Richard Beber
 - b. Mamie Brubaker
 - c. Mark Stevens
 - 3. Retirements – Certificated
 - a. Terry Eggers
 - b. Donna Lang
 - c. Jolene Stewart
 - 4. New Hires – Classified
 - a. Elizabeth Brent
 - 5. Resignations – Classified
 - a. Pamela Elbaum
 - 6. Retirements – Classified
 - a. Jane Hutter



VII. ADMINISTRATION

A. Facilities Committee Update

VIII. BOARD

A. Approval of First Reading of Policy #603.11 -- Sick

Leave Sharing ProgramExhibit C

B. Superintendent and Principal Search Update

C. Approval of Resolution #06-07 -- Agreement with Trillion

PartnersExhibit D

IX. CALL FOR AGENDA ITEMS FOR NEXT MONTH

X. ANNOUNCEMENTS

XI. RETURN TO EXECUTIVE SESSION

Executive Session as provided for in Idaho Code, Title 67, Section 2345,
Subsections (a) personnel, (b) personnel/student, (c) negotiation and/or property
and (d) litigation.

XII. ADJOURN

Does Your Decision Follow Our Strategic Plan?

*Programs * Communications * Logistical Support*

**Personnel & Planning*

BOARD OF TRUSTEES REGULAR MEETING AGENDA
Lake Pend Oreille School District #84
Minutes of Regular Meeting #252
Southside School, Cocolalla, ID
April 25, 2006

CALL MEETING TO ORDER

Chairman Pfeifer called the meeting to order at 5:35 PM. A quorum was established with Trustees Pfeifer, Fish, Snider and Youngdahl present. Also present were Superintendent Berryhill, Assistant Administrator Doug Olin and Clerk Julie Menghini.

EXECUTIVE SESSION

Trustee Snider made a motion to move into Executive Session as provided for in Idaho Code, Title 67, Section 2345, Subsections (a) personnel, (b) personnel/student, (c) negotiation and/or property and (d) litigation. Trustee Fish seconded.

The vote was taken on the motion with Trustees voting as follows:

Trustee Fish
Trustee Snider
Trustee Youngdahl
Chairman Pfeifer

Motion carried. Trustee Cameron arrived at 5:40 PM. No final action or decision was made during Executive Session.

RETURN TO OPEN SESSION

Chairman Pfeifer reconvened the meeting in Open Session at 6:40 PM. A quorum was established with Trustees Pfeifer, Cameron, Fish, Snider and Youngdahl in attendance. Also present were Superintendent Berryhill, Assistant Administrator Doug Olin, Clerk Julie Menghini, Principal Pat Valliant, Nutrition Director Bobbie Hass, Principal Becky Kiebert, Principal Anne Bagby and Business Manager Lisa Hals.

Principal Pat Valliant welcomed everyone to Southside School and pointed out the new acoustic tiles that had been purchased and installed during spring break by the school's PTA group.

The Pledge of Allegiance was led by Mr. Valliant.

EDUCATION

Educational Issue – Report from Child Nutrition Program Director – Bobbie Hass gave a review of her department, its objectives and goals. She also pointed out that they participate in the National School Breakfast and the National School Lunch Programs. They also operate a summer food program which offers lunch free of charge to all children ages one to eighteen years old, a federally funded program with no income eligibility required.

Ms Hass said the schools use an "offer versus serve" method when serving meals which helps the budget and reduces waste. She also said the district is a member of the Region 1 buying group to obtain the lowest prices, best quality and have more buying power. She talked about the budget, staff certification, hygiene, safety and health inspections.

She noted that one of the challenges is equipment failure. Ms Hass also talked about the wellness policy and the health issues related to it.

Chairman Pfeifer asked if Steve Lockwood had been on the wellness committee. Trustee Fish said she would serve on the Wellness Policy committee. Chairman Pfeifer also pointed out that the district subscribes to the Idaho School Board Association Model Policy updates and said Ms Hass is welcome to see that to have as a guide.

ACTION ITEMS:

CONSENT AGENDA

- A. *Approval of Minutes*
 - 1. *April 5, 2006 – Special Meeting #249*
 - 2. *April 11, 2006 – Regular Meeting #250*
 - 3. *April 19, 2006 – Special Meeting #251*
- B. *Approval of HR Report*
 - 1. *New Hires – Certificated*
 - a. *Angie Lynn*
 - 2. *Resignations – Certificated*
 - a. *Richard Beber*
 - b. *Mamie Brubaker*
 - c. *Mark Stevens*
 - 3. *Retirements – Certificated*
 - a. *Terry Eggers*
 - b. *Donna Lang*
 - c. *Jolene Stewart*
 - 4. *New Hires – Classified*
 - a. *Elizabeth Brent*
 - 5. *Resignations – Classified*
 - a. *Pamela Elbaum*
 - 6. *Retirements – Classified*
 - a. *Jane Hutter*

Trustee Snider made a motion to approve the Consent Agenda. Trustee Cameron seconded.

Chairman Pfeifer asked for discussion. There being none, the vote was taken with Trustees Pfeifer, Cameron, Fish, Youngdahl and Snider voting aye. Motion carried.

ADMINISTRATION

Facilities Committee Update – Superintendent Berryhill gave a report of the last Facilities Committee meeting. He highlighted the discussion that had taken place at the meeting regarding the community survey and land acquisition.

Superintendent Berryhill explained, since the community survey did not support a bond levy, he highlighted the school plant facility levy (SPFL) options and timelines. He also outlined all the steps and the timeframe for preparing for a levy. He added that the district priorities and support from the survey have remained the same, which are Kootenai School, Sandpoint High School, Sandpoint Middle School and LPOHS as well as land acquisition. He explained that one option was a two-year SPFL for Kootenai School. He said he, Mr. Olin and Ms Hals had met with MGT about plans. He went through the steps that would be necessary for running a levy, whether it is in the fall, in a

year or even two years or more. He shared some examples of schematics from other school districts.

Mr. Olin added information on the schematics that are needed. Superintendent Berryhill pointed out pros and cons of running a levy on the first day of school. He said they need to move forward and do the educational specifications and conceptual design, which would cost \$20,000-\$30,000 to do. He said the Board does not need to make a decision until June if the levy is run on the first day of school next fall. He said he is asking the Board if they approve of the committee moving forward on the educational specifications and schematic design for Kootenai School.

Trustee Cameron said she appreciates the urgency of the plan, but is not interested in considering it until there is a strategic communication plan in place, not just an information plan to sell the levy. Trustee Youngdahl suggested the two plans run parallel. Trustee Fish agreed with the need for the communication plan. Discussion continued. Superintendent Berryhill said they had received a proposal from the Gallatin Group for the communication plan but they do not have the details of the plan yet. Trustee Cameron asked if Gallatin is dragging their feet. Superintendent Berryhill said, no, the district just needs to respond to their proposal.

Chairman Pfeifer noted that if the District even wanted to consider an early September election, the specification drawings need to be started next week. Trustee Fish agreed that the district needs to start moving forward, agreeing that it can run concurrently with the communication plan. Trustee Cameron said the problem is there is not a communication plan in place.

Patron Barb Oler asked about the history of Kootenai School levy. Chairman Pfeifer explained it had been part of a SPFL that was passed in 1985; Kootenai School was the last school and the money had run out. Ms Oler asked about the survey that had been done recently. Superintendent Berryhill said it had 40 questions and 200 people had been surveyed. Chairman Pfeifer added the survey had been done professionally.

Trustee Snider asked if it would be conceivable to prepare a communication plan by the May 9 meeting. Superintendent Berryhill said it would be possible for the district to accomplish this, but he is not sure the Gallatin group could have something ready that soon.

Trustee Cameron said she is not prepared to vote on approval of construction plans without a communication plan. Superintendent Berryhill explained that the intent is not to approve the levy election, but to allow the district to move forward with Kootenai School schematic plans.

Trustee Youngdahl said there is no right answer. He gave points on both sides, arguing that there is not enough information to support running a levy in September or November. He would like to leave open the option to run a bond levy. Discussion continued.

Chairman Pfeifer pointed out the dilemma and she could conceivably see the construction plan working concurrently with the communication plan because the survey already showed support for the Kootenai School project and there was already support for some maintenance items, buses and other things. She said if the district is going to take the small step of finishing Kootenai while continuing to educate on the other issues, then they need to start now. Trustee Cameron said she understands the logic and can go along with getting started as long as she knows there is a communication plan soon.

Superintendent Berryhill said he would come back to the May meeting if that is the Board's wish. Trustee Fish said a levy campaign might be difficult in the summer. Chairman Pfeifer agreed and said we should at least start the schematics. Trustee Cameron agreed it would make sense to start the schematics. Discussion continued about the cost.

Superintendent Berryhill said the committee looked at making elementary schools between 300 to 500 students and adding classrooms to Kootenai to accommodate about 450 students. It would improve things in that school as well as at Farmin Stidwell, and the three portables could be moved to SHS. He added that he certainly understands Trustee Cameron's concerns. He pointed out that his intent tonight was to give the information that had been discussed in the Facilities Committee. Trustee Cameron stressed that she had been expecting the communication plan at tonight's meeting, not the construction plans for Kootenai.

Chairman Pfeifer asked if the Board wanted to wait till the May 9 meeting. She asked about the budget situation. Ms Hals explained the budget, noting the only part of the budget not fully expended is the contingency fund.

Trustee Fish made a motion *that the district proceed concurrently with the communications plan as well conceptual drawings for Kootenai School*. Trustee Snider seconded.

Chairman Pfeifer asked for further discussion. Superintendent Berryhill said that the district would move forward tactfully and thoroughly. Chairman Pfeifer asked if it makes sense to have the drawings started before proposing it to the Gallatin Group. Superintendent Berryhill said he would talk to them the next day and try to meet with them as soon as possible. Trustee Cameron asked what the role of MGT is in this process. Superintendent Berryhill explained it is as a consultant. Trustee Cameron asked why the district needs both MGT as well as Architects West. Superintendent Berryhill explained Architects West creates the drawings and MGT provides the educational specifications and guidance to the district and that they work together.

Chairman Pfeifer asked Ms Hals if it would be necessary to consider other firms. Superintendent Berryhill said the district had used Architects West before. A firm from Pullman was the original architect for Kootenai School. Ms Hals said that MGT and Architects West work together as a team and the district has a level of trust with the firms. Chairman Pfeifer asked for clarification if the preliminary work encumbers the district to use these firms for further work if a levy is passed. Ms Hals supported the use

of the firms. Superintendent Berryhill cautioned it would not be advisable to switch firms in the middle of a project. He explained that the commitment would only be for this one project.

Patron Brenda Woodward commented on the remodel in the school in Coeur d'Alene where she had taught. She suggested the district ask for input from staff of other schools that had used the firms to get beneficial information.

Chairman Pfeifer repeated the motion. The vote was taken with Trustees Pfeifer, Cameron, Snider, Fish and Youngdahl voting aye. Motion carried.

BOARD

Approval of First Reading of Policy #603.11 – Sick Leave Sharing Program – Trustee Snider made a motion to approve Policy #603.11 – Sick Leave Sharing Program. Trustee Cameron seconded.

Ms Hals explained the purpose of the new policy, which was to allow sharing of sick leave among staff.

Chairman Pfeifer asked for discussion. There being none, the vote was taken with Trustees Pfeifer, Cameron, Snider, Fish and Youngdahl voting aye. Motion carried.

Superintendent and Principal Search Update – Chairman Pfeifer announced that the superintendent search is coming to a conclusion this week with interviews all day on Thursday, a public forum in the afternoon and a public reception in the evening at Coldwater Creek and on Friday a lunch in Clark Fork. She highlighted the four candidates that will be coming to town. They are Patrick Charlton from Pocatello, Idaho; Dick Cvitanich from Puyallup, Washington; Jim Norton from Parma, Idaho; and Michael Green from Nine Mile Falls, Washington.

Superintendent Berryhill said there is no report about the principal openings at this time. The positions have not been posted yet, but he anticipates they will be posted soon. Chairman Pfeifer pointed out the positions are the principal at LPOHS and a half time assistant principal at SMS.

Approval of Resolution #06-07 – Agreement with Trillion Partners – Trustee Fish made a motion to approve the Trillion contract for the district's wide area network. Trustee Snider seconded.

Ms Hals said that in order for Trillion to start financing the project, the resolution is necessary. Chairman Pfeifer confirmed that legal counsel had reviewed the agreement and his recommended changes had been made. Ms Hals and Superintendent Berryhill agreed. Chairman Pfeifer asked if all the permits had been obtained for the construction. Superintendent Berryhill said they did not have all permits yet, but with the crane they are able to do the line of sight from tower to tower. Chairman Pfeifer asked if things were moving ahead. Superintendent Berryhill confirmed they are, but there had been about a five week delay due to the road restrictions after the winter.

Chairman Pfeifer asked for further discussion. There being none, the vote was taken with Trustees Pfeifer, Cameron, Fish, Snider and Youngdahl voting aye. Motion carried.

ANNOUNCEMENTS

Ms Kiebert announced that Lake Pend Oreille High School won the outstanding award of the year at the drug prevention conference and said the plaque would be displayed at the school. Chairman Pfeifer offered congratulations to her and the school.

RETURN TO EXECUTIVE SESSION

Chairman Pfeifer reconvened the meeting in executive session. Personnel/student issues were discussed. No final action or decision was made during Executive Session.

RETURN TO OPEN SESSION

Chairman Pfeifer reconvened the meeting in Open Session at 9:10 PM.

Trustee Cameron made a motion *that Student A be denied enrollment at LPOSD84, pending an evaluation by District personnel and/or outside personnel, and a recommendation by those professionals that Student A should enroll and that this can be accomplished without increased threat of harm to other students or staff, with the following conditions:*

- *Recommendations of professional evaluators should be followed or an acceptable explanation provided to school personnel addressing why the recommendation is not reasonable and appropriate.*
- *Releases of information, allowing the professional counselors and the school to exchange information concerning Student A must be completed.*

ADJOURN

There being no further business before the Board, the meeting was adjourned at 9:15 PM.

Attest: Julie Menghini, Clerk

Vickie Pfeifer, Chair

Board Resolution #06-07

A resolution authorizing the negotiation, execution and delivery of the Services Agreement (the "Agreement"), between Lake Pend Oreille District and Trillion Partners, Inc. Austin, Texas; providing for periodic payments of as set forth in the Agreement, each from legally available funds; and prescribing other details in connection therewith.

WHEREAS, Lake Pend Oreille District, (the "Customer") is a public organization duly organized and existing pursuant to the Constitution and laws of the State of Idaho, and

WHEREAS, Customer is duly authorized by applicable law to acquire such items of personal property and services as are needed to carry out its governmental functions and to acquire such personal property and services by entering into services agreements, and

WHEREAS, Customer hereby finds and determines that the execution of a Services Agreement for the purpose of leasing the Equipment and acquiring the services designated and as set forth in the Exhibits to the Agreement is appropriate and necessary to the function and operations of the Customer; and

WHEREAS, Trillion Partners, Inc., Austin, Texas ("Trillion"), duly organized, existing, and in good standing under the laws of the State of Delaware, shall act as vendor under said Agreement; and

WHEREAS, the Agreement shall not constitute a general obligation indebtedness of the Customer within the meaning of the Constitution and laws of the State;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF CUSTOMER:

Section 1. The Superintendent acting on behalf of Customer, is hereby authorized to negotiate, enter into, execute, and deliver the Agreement and related documents in substantially the form as presently before the Board, which Agreement is available for public inspection at the offices of Customer.

Section 2. The Customer's obligations under the Agreement shall be expressly subject to annual appropriation by the Governing Board; and such obligations under the Agreement shall not constitute a general obligation of Customer or indebtedness of Customer within the meaning of the Constitution and laws of the State of Idaho.

Section 3. All other related contracts and agreements necessary and incidental to the Lease are hereby authorized.

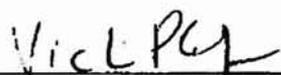
Section 4. This resolution shall take effect immediately upon its adoption and approval.

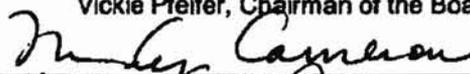
ADOPTED AND APPROVED this 25th day of April, 2006.

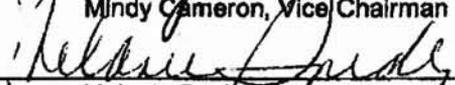
CUSTOMER

Date: 4/25/06

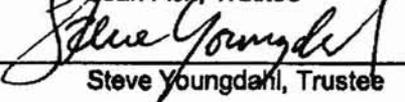

Attest: Julie Menghini, Clerk


Vickie Pfeifer, Chairman of the Board


Mindy Cameron, Vice Chairman


Melanie Snider, Trustee


Joan Fish, Trustee


Steve Youngdahl, Trustee



Lake Pend Oreille School District #84

Administration Office • 901 N. Triangle Drive • Ponderay, Idaho 83852

Phone: 208/263-2184 • Fax: 208/263-5053

eMail: Jim.Bangle@lposd.org

Web: www.LPOSD.org

Contera

Date: December 16, 2005
 To: District Office Administration
 From: Jim Bangle
 Director of Information Systems
 Subject: RFP: WAN Proposals

We are considering proposals for a new high capacity, high speed data network that will connect our buildings together in a WAN and will have a single point of egress to the internet. This new network must have several particular qualities, and the vendor must meet certain specific requirements. These qualities and requirements are listed below with a degree of import assigned to each. The network and vendor will be chosen in accordance with how they rate on *all* of the following items.

Item: Network	Requirement/Quality	Importance 1 to 5
High Speed	Latency at or below 5ms average	5
Managed	All devices in the system must be remote manageable.	5
Redundancy/Uptime	Network design must maximize redundant links and maximize uptime: 99.5% or better.	5
Effortless Maintenance	All aspects of maintenance and service, including winter ice issues, aging, corrosion, etc. must be included and assumed to be the responsibility of the vendor.	5
1 Locally Serviceable	Components must be serviceable locally and/or quickly.	5
One-Stop-Shop	Vendor must provide and service all aspects of the WAN.	5
High Capacity	Minimum 15Mbps to each site	4
Proactive Notification of Failure or Outage	District Technical Staff must have 24x7 access to a professional NOC that is responsible for service, issue resolution, and notification of all issues, downs and ups.	4
FCC Regulated Frequencies	Wireless frequencies must be in a band that is not used nor can it be used by others in the area.	4
Extensibility of Network	Additional bandwidth must be easily and effectively added upon District request and purchase.	4
2 Engineering	Engineering must be professional and backed by GPS, frequency, dB, attenuation, speed, bandwidth, and other specifications based on devices used and distance.	3
3 Autonomous Installations	Site installations of devices must be serviceable without district Technical staff interaction. The installations should not be dependent on third party vendors where possible.	3
Extensibility of Services	Additional and converged technologies should be available for purchase on the installation without modification: VoIP, Backup, Filtering, Email, Firewall...	3
High Quality Switching	Switching must be high speed/professional grade.	2
Effortless Installation	Permitting, design, and installation must minimize the down time of the district sites and the impact to the work load of the district Technical Staff.	2

Y
Y
Y
Y
N
Y
Y
Y
Y
Y
N
None provided
N
Y
Y
Y

Each vendor shall be evaluated based on the above criteria and any other factors that are unique to the vendor.

*** They cannot reach Southside elementary school. Too close to mountain.*

(over)



- 1: Components and techs would be flown in as needed - immediate, but not local.
 - 2: The bid provides absolutely NO engineering / documentation at all.
 - 3: All switching and routing hardware will be inside and ~~require~~ require staff onsite with technician.
- > 2a: By the time Contera responded they had missed the window and had printed the RFP improperly, cutting off site #15.

January 13, 2006

Dear LPOSD Tech Team:

We here at Sandpoint High School would like to let you know how difficult the past few months have been for us to teach and maintain daily operations without a reliable network. We realize you know that not having the Internet can be an inconvenience, but we thought you might also appreciate a look into how this affects an average day over here at the largest school in the district.

We have a minimal number of labs here at the school. This means that when a teacher schedules time in one, this might be their only chance for awhile. When the network is down, this can alter a teaching unit significantly.

Our counseling department offers online courses during the day. Quite often, these kids have nothing do since they can't access the classes. What is the point of offering them if we can't access them? Many of these students are also special needs students, and the resources available to them are limited enough as it is. Just today, we lost Internet for part of a class period where tests were being proctored for one of these courses. What made the situation even more hairy was that the tests are due TODAY. Eventually, Luera Holt took the kids to the city library to use their resources.

When sub finder is down, it can make what is already a difficult situation even more difficult. We recently had two staff members dealing with the death of a family member trying to take care of their substitutes over a weekend while everything was down. We have also had several staff members not get their sub instructions to the school because email was down.

As a district and school, we have become almost dependent upon email for communication. When it is down, we are crippled.

Parents and patrons have come to rely on our "Schedule Star" program for sporting events. When we don't have access to this program we cannot update when games have moved, rosters have changed, get directions to schools, pay our referees, etc. Our gym has been leaking the past few weeks and this has been quite the ordeal—Other schools, parents, etc. don't know of game changes.

The sports schedule being down also means our school receptionist, Mindy Stangel, cannot finish the daily bulletin which goes out to not only our school but the community.

As one special education teacher explained: We use the internet every hour of every day, therefore it is EXTREMELY disruptive to our program if we cannot access it. Our support classes revolve around the Internet. We use it to access students' grades, missing assignments, teacher websites for notes, assignments, projects, research. Our curriculum



in support is directly tied to the curriculum in the general ed classes and it is imperative we have access to this information at all times. Sometimes we also need access to this information during IEP meetings.

Imagine 30 eyes watching your screen... you're ready to make an educational point that will change their lives forever... The future of America is ready and eager to learn... and they see:

The page cannot be displayed

The page you are looking for is currently unavailable. The Web site might be experiencing technical difficulties, or you may need to adjust your browser settings.

Please try the following:

- Click the **Refresh** button, or try again later.
- If you typed the page address in the Address bar, make sure that it is spelled correctly.
- To check your connection settings, click the **Tools** menu, and then click **Internet Options**. On the **Connections** tab, click **Settings**. The settings should match those provided by your local area network (LAN) administrator or Internet service provider (ISP).
- See if your Internet connection settings are being detected. You can set Microsoft Windows to examine your network and automatically discover network connection settings (if your network administrator has enabled this setting).
 1. Click the **Tools** menu, and then click **Internet Options**.
 2. On the **Connections** tab, click **LAN Settings**.
 3. Select **Automatically detect settings**, and then click **OK**.
- Some sites require 128-bit connection security. Click the **Help** menu and then click **About Internet Explorer** to determine what strength security you have installed.
- If you are trying to reach a secure site, make sure your Security settings can support it. Click the **Tools** menu, and then click **Internet Options**. On the **Advanced** tab, scroll to the Security section and check settings for SSL 2.0, SSL 3.0, TLS 1.0, PCT 1.0.
- Click the **Back** button to try another link.

**Cannot find server or DNS Error
Internet Explorer**

Thank you for all you do... And thank you for taking the steps necessary to get us a reliable network!

Sincerely,

Sandpoint High School

Fred W. Navels

Cheryl Klein

Tony Teleman

Dan Shook

Dana L. Heckman

Mindy Stange

Judy Nelson

Linda Hunt

Roberta Bostock

Gene Nitzky

Pat Balle

Gene

Darling

Mary Bird

Terry G. Eggers

Kang J. Miller

Jasie Abels

Al

Mike McTully

Jackie DeWitt

Richard A. Behr

Patty Shook

~~Pat Bostock~~

Jan J. Alseger

Karen Alseger

Paul Hartig

Tom Barton

“Signatures” via email:

Alex Gray: *Sign me up! Thanks.*

Wendy Auld: *Here here*

Kylie Barr: *Here, here!*

Derek Dickinson: *Here here*

David Miles: *Here, here*

Jim Alsager: *Nice touch with the example.*

Karen Alsager

Woody Aunan: *There there*

Nancy Gregory: *I'm home with a sick kid again today. I say, "here, here!!!!!!!!!!!!!!" Boy am I glad it's working today!!*

Josie Abels: *Here here*

Loraine Robinson: *Here here!*

Casey McLaughlin: *Here, here!*

Jayne Davis: *Here!here!! sign me up ..*

Kathy Holm: *Here-here*

Connie Johnson: *Here! Here!*

Cindy Smith: *Here is my "here, here". They are our internet provider at home because only one with Satellite and we are in direct line to Schweitzer – major problems there too!!!*

Holly Walker: *The network outages TOTALLY affect my days. I continually have to come up with alternate lesson plans 'just in case' the server is down. I also have to lower my standards on acceptable assignments when this happens. If you want any student letters, my classes would be happy to write how this affects their learning. Thanks, Holly*

Gareth Abell

Brian Smith

Heather Morgan: *Add my name...*



KOOTENAI ELEMENTARY SCHOOL

301 Sprague Street • Kootenai, ID 83840
PHONE (208) 255-4076 • FAX (208) 263-4699

Jan. 12, 2006

Jim Bangle
CO

Jim,

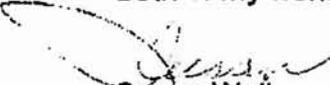
I can't give you the computer name tag off the computer that isn't working because I can't get into it. Ruthie says that the computer is bad when she checked it.

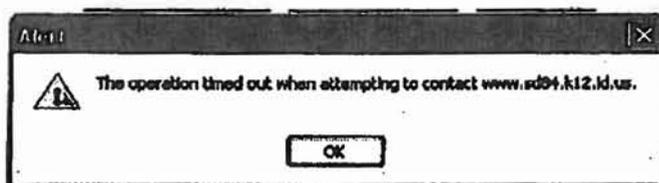
I'm sure you are getting many complaints and I'm also sure that there isn't anything you can do to improve the situation, but our server really is terrible. As far as the libraries are concerned, it brings us to a screeching halt. We have no Destiny or Renlearn.

I'm also having problems with Renplace/quizzes. It is throwing the kids out of the tests saying that they are already taking the test when they haven't even started the test. When you are prompted to restart the test it won't let you. I can get them back in on my computer but the new one won't let us back in. Help! I don't know how to fix this. I do have a call in to RenLearn tech. for help with this.

I surely don't have any answers about our internet service but we can't function this way. I wouldn't want to be in your shoes with everyone coming down on your case.

I appreciate whatever help you come up with. I will greatly appreciate it when both of my wonderful new computers are working right.


Susan Wall
Kootenai Library



Jan 21, 2006

Mr Berryhill, Board of Trustees, Panhandle Alliance for Education:

Jim Bangle is one of most capable people I have ever met and it is simply a pleasure to work with him. I am convinced he has made you well aware of the problem of our present lack of connectivity though I do not understand why no solution has been implemented. Technology is a vital part of my classroom. I have spent thousands of hours developing activities employing today's teaching tools and recently received three successive grants from the ever-generous Panhandle Alliance for Education to spend hundreds of more hours. For the past 24 hours (it is now 7am on Sunday January 21) I have been trying to reach the web server to post practice exam questions for my 130 chemistry students as well as talk to them on the discussion board so they can experience a very positive chemistry final. Earning the respect of my students is my number one priority and this undermines my effort. Unless the connection is reliable my work is totally in vein and the dollars received from the Alliance are not being well spent. In addition I have the pleasure of working with (mentoring) a very innovative group of young science teachers who simply love to work outside the traditional textbook though wonder why a reliable connection is not in place. My hands are tied here. I love what I do though I hate it when I feel time is being wasted. Please consider the absurdity of spending hundreds of thousands of dollars refreshing technology without the most vital piece in place because of a colossal oversight by previous ill-informed personnel. I look forward to an immediate solution.

Woody Aunan
Science Chair
SHS

Lisa Hals

From: Jim Bangle
Sent: Thursday, February 23, 2006 10:31 PM
To: Lisa Hals
Cc: Mark Berryhill; Doug Olin
Subject: Trillion/Contera Contract Complaint

Lisa,

I'm just sending you an FYI with regard to a complaint that I received for awarding Trillion Partners the network contract. Contera Inc. was one of the other bids. Theirs did not include the engineering plan that Trillion's did, and they were another 4k/month. More importantly they were contending that the Trillion contract did not live up to my RFP requirements and was, therefore, unfairly awarded. This is not true. I called Contera and kinda let them have it as I am concerned what this protest may create within the eRate process. Will the SLD get the protest and create a 2 year audit?! I still don't know. However, I did get an executive from Contera to go through the forms 470 and 471 with me, and it turned out that they had printed out the 471 from a web browser, which had cut off the right margin of the form. This cut off the most important piece of data for the topic of compliance, and so it was misunderstood by Contera.

They have agreed to send us a second letter revoking their protest, but the VP who wrote the first one has been out all this week. So, they couldn't tell me if a copy had been sent to anyone but us. I will find out shortly and keep you posted.

Sorry for the nervous topic about our big investment, but this was a competitor's error in reading their forms.
Grrrrrrr.....

-Jim

2/24/2006



original Request for Services

FCC Form

Approval by OMB
3060-0806

470

Schools and Libraries Universal Service
Description of Services Requested
and Certification Form

Estimated Average Burden Hours Per Response: 4.0 hours

This form is designed to help you describe the eligible telecommunications-related services you seek so that this data can be posted on the Fund Administrator website and interested service providers can identify you as a potential customer and compete to serve you.

Please read instructions before beginning this application.

(To be completed by entity that will negotiate with providers.)

Block 1: Applicant Address and Identifications

Form 470 Application Number: 20300000563675
Applicant's Form Identifier: WAN TRI 06
Application Status: CERTIFIED
Posting Date: 12/16/2005
Allowable Contract Date: 01/13/2006
Certification Received Date: 12/16/2005

1. Name of Applicant: LAKE PEND OREILLE SCHOOL DISTRICT #84		
2. Funding Year: 07/01/2006 - 06/30/2007		3. Your Entity Number 198474
4a. Applicant's Street Address, P.O.Box, or Route Number 901 TRIANGLE DRIVE		
City PONDERAY	State ID	Zip Code 83852
b. Telephone number (208) 263- 2184		c. Fax number (208) 263- 5053
5. Type Of Applicant <input type="radio"/> Individual School (individual public or non-public school) <input checked="" type="radio"/> School District (LEA; public or non-public[e.g., diocesan] local district representing multiple schools) <input type="radio"/> Library (including library system, library outlet/branch or library consortium as defined under LSTA) <input type="radio"/> Consortium (intermediate service agencies, states, state networks, special consortia of schools and/or libraries)		
6a. Contact Person's Name: Jim Bangle		
<i>First, if the Contact Person's Street Address is the same as in Item 4 above, check this box. If not, please complete the entries for the Street Address below.</i>		
6b. Street Address, P.O.Box, or Route Number <input checked="" type="radio"/> 901 TRIANGLE DRIVE		
City	State	Zip Code



PONDERAY	ID	83852
<p><i>Check the box next to your preferred mode of contact and provide your contact information. One box MUST be checked and an entry provided.</i></p>		
<p><input type="radio"/> 6c. Telephone Number (208) 263-2184</p>		
<p><input type="radio"/> 6d. Fax Number (208) 263-5053</p>		
<p><input checked="" type="radio"/> 6e. E-mail Address Jim.Bangle@LPOSD.org</p>		

Block 2: Summary Description of Needs or Services Requested

<p>7 This Form 470 describes (check all that apply):</p> <p>a. <input type="checkbox"/> Tariffed or month-to-month services to be provided without a written contract. A new Form 470 must be filed for non-contracted tariffed or month-to-month services for each funding year.</p> <p>b. <input checked="" type="checkbox"/> Services for which a new written contract is sought for the funding year in Item 2. Check if you are seeking <input checked="" type="checkbox"/> a multi-year contract and/or <input checked="" type="checkbox"/> a contract featuring voluntary extensions</p> <p>c. <input type="checkbox"/> A multi-year contract signed on or before 7/10/97 but for which no Form 470 has been filed in a previous funding year.</p> <p>NOTE: Services that are covered by a signed, written contract executed pursuant to posting of a Form 470 in a previous funding year OR a contract signed on/before 7/10/97 and previously reported on a Form 470 as an existing contract do NOT require filing of a new Form 470.</p>

<p>What kinds of service are you seeking: Telecommunications Services, Internet Access, Internal Connections Other than Basic Maintenance, or Basic Maintenance of Internal Connections? Refer to the Eligible Services List at www.sl.universalservice.org for examples. Check the relevant category or categories (8, 9, 10 and/or 11 below), and answer the questions in each category you select.</p>		
<p>8 <input checked="" type="checkbox"/> Telecommunications Services Do you have a Request for Proposal (RFP) that specifies the services you are seeking? If you check YES, your RFP must be available to all interested bidders for at least 28 days. If you check YES and your RFP is not available to all interested bidders, or if you check NO and you have or intend to have an RFP, you risk denial of your funding requests.</p>		
<p>a. <input checked="" type="checkbox"/> YES, I have released or intend to release an RFP for these services. It is available or will become available on the Web at at or via (check one): <input type="checkbox"/> the Contact Person in Item 6 or <input checked="" type="checkbox"/> the contact listed in Item 12.</p>		
<p>b. <input type="checkbox"/> NO, I have not released and do not intend to release an RFP for these services. Whether you check YES or NO, you must list below the Telecommunications Services you seek. Specify each service or function (e.g., local voice service) and quantity and/or capacity (e.g., 20 existing lines plus 10 new ones). See the Eligible Services List at www.sl.universalservice.org for examples of eligible Telecommunications services. Remember that only eligible telecommunications providers can provide these services under the universal service support mechanism. Attach additional lines if needed.</p>		
<p>c. <input type="checkbox"/> Check this box if you prefer discounts on your bill.</p>	<p><input type="checkbox"/> Check this box if you prefer reimbursement after paying your bill in full.</p>	<p><input type="checkbox"/> Check this box if you do not have a preference.</p>

<p>9 <input checked="" type="checkbox"/> Internet Access Do you have a Request for Proposal (RFP) that specifies the services you are seeking? If you check YES, your RFP must be available to all interested bidders for at least 28 days. If you check YES and your RFP is not available to all interested bidders, or if you check NO and you have or intend to have</p>

and RFP, you risk denial of your funding requests.

a **YES**, I have released or intend to release an RFP for these services. It is available or will become available on the Web at www.sd84.k12.id.us or via (check one):
 the Contact Person in Item 6 or the contact listed in Item 12.

b **NO**, I have not released and do not intend to release an RFP for these services.

Whether you check YES or NO, you must list below the Internet Access Services you seek. Specify each service or function (e.g., monthly Internet service) and quantity and/or capacity (e.g., for 500 users). See the Eligible Services List at www.sl.universalservice.org for examples of eligible Telecommunications services. Remember that only eligible telecommunications providers can provide these services under the universal service support mechanism. Attach additional lines if needed.

c <input checked="" type="radio"/> Check this box if you prefer discounts on your bill.	<input checked="" type="radio"/> Check this box if you prefer reimbursement after paying your bill in full.	<input checked="" type="radio"/> Check this box if you do not have a preference.
---	---	--

Service or Function:	Quantity and/or Capacity:
High Capacity Network	District Wide

10 Internal Connections Other than Basic Maintenance
Do you have a Request for Proposal (RFP) that specifies the services you are seeking? If you check YES, your RFP must be available to all interested bidders for at least 28 days. If you check YES and your RFP is not available to all interested bidders, or if you check NO and you have or intend to have and RFP, you risk denial of your funding requests.

a **YES**, I have released or intend to release an RFP for these services. It is available or will become available on the Web at or via (check one):
 the Contact Person in Item 6 or the contact listed in Item 12.

b **NO**, I have not released and do not intend to release an RFP for these services.

Whether you check YES or NO, you must list below the Internal Connections Services you seek. Specify each service or function (e.g., a router, hub and cabling) and quantity and/or capacity (e.g., connecting 1 classroom of 30 students). See the Eligible Services List at www.sl.universalservice.org for examples of eligible Telecommunications services. Remember that only eligible telecommunications providers can provide these services under the universal service support mechanism. Attach additional lines if needed.

c <input checked="" type="radio"/> Check this box if you prefer discounts on your bill.	<input checked="" type="radio"/> Check this box if you prefer reimbursement after paying your bill in full.	<input checked="" type="radio"/> Check this box if you do not have a preference.
---	---	--

11 Basic Maintenance of Internal Connections
Do you have a Request for Proposal (RFP) that specifies the services you are seeking? If you check YES, your RFP must be available to all interested bidders for at least 28 days. If you check YES and your RFP is not available to all interested bidders, or if you check NO and you have or intend to have and RFP, you risk denial of your funding requests.

a **YES**, I have released or intend to release an RFP for these services. It is available or will become available on the Web at or via (check one):
 the Contact Person in Item 6 or the contact listed in Item 12.

b **NO**, I have not released and do not intend to release an RFP for these services.

Whether you check YES or NO, you must list below the Basic Maintenance Services you seek. Specify each service or function (e.g., basic maintenance of routers) and quantity and/or capacity (e.g., for 10 routers). See the Eligible Services List at www.sl.universalservice.org for examples of eligible Telecommunications services. Remember that only eligible telecommunications providers can provide these

services under the universal service support mechanism. Attach additional lines if needed.

<input checked="" type="checkbox"/> Check this box if you prefer discounts on your bill.	<input type="checkbox"/> Check this box if you prefer reimbursement after paying your bill in full.	<input type="checkbox"/> Check this box if you do not have a preference.
--	---	--

12 (Optional) Please name the person on your staff or project who can provide additional technical details or answer specific questions from service providers about the services you are seeking. This need not be the contact person listed in Item 6 nor the Authorized Person who signs this form.

Name: _____ Title: _____

Telephone number
() - _____

Fax number
() - _____

E-mail Address _____

13a. Check this box if there are any restrictions imposed by state or local laws or regulations on how or when service providers may contact you or on other bidding procedures. Please describe below any such restrictions or procedures, and/or a Web address where they are posted and provide a contact name and telephone number.

Check this box if no state and local procurement/competitive bidding requirements apply to the procurement of services sought on this Form 470.

13b. If you have plans to purchase additional services in future years, or expect to seek new contracts for existing services, you may summarize below (including the likely timeframes). If you are requesting services for a funding year for which a Form 470 cannot yet be filed online, include that information here.

Will install a high capacity bandwidth network that will be used to run e-rate eligible, peripheral, converged technologies.

Block 3: Technology Resources

14. **Basic telephone service only:** If your application is for basic telephone service and voice mail only, check this box and skip to Item 16. Basic telephone service is defined as wireline or wireless single line voice service (local, cellular/PCS, and/or long distance) and mandatory fees associated with such service (e.g., federal and state taxes and universal service fees).

15. Although the following services and facilities are ineligible for support, they are usually necessary to make effective use of the eligible services requested in this application. Unless you indicated in Item 14 that your application is ONLY for basic telephone service, you must check at least one box in (a) through (e). You may provide details for purchases being sought.

- a. Desktop software: Software required has been purchased; and/or is being sought.
- b. Electrical systems: adequate electrical capacity is in place or has already been arranged; and/or upgrading for additional electrical capacity is being sought.
- c. Computers: a sufficient quantity of computers has been purchased; and/or is being sought.
- d. Computer hardware maintenance: adequate arrangements have been made; and/or are being sought.
- e. Staff development: all staff have had an appropriate level of training /additional training has already been

scheduled; and/or training is being sought.

f. Additional details: Use this space to provide additional details to help providers to identify the services you desire.

High speed, high throughput Digital Transmission links between all eligible sites and to the internet are required to support educational and administrative connections.

Block 4: Recipients of Service

16. Eligible Entities That Will Receive Services:

Check the ONE choice (Item 16a, 16b or 16c) that best describes this application and the eligible entities that will receive the services described in this application. You will then list in Item 17 the entity/entities that will pay the bills for these services.

a. Individual school or single-site library.

b. Statewide application for (enter 2-letter state code) representing (check all that apply):

All public schools/districts in the state:

All non-public schools in the state:

All libraries in the state:

If your statewide application includes INELIGIBLE entities, check here. If checked, complete Item 18.

c. School district, library system, or consortium application to serve multiple eligible entities:

Number of eligible sites	13
<i>For these eligible sites, please provide the following</i>	
Area Codes (list each unique area code)	Prefixes associated with each area code (first 3 digits of phone number) separate with commas, leave no spaces
208	255, 263, 265, 290, 304

17. Billed Entities

17. Billed Entities: List the entity/entities that will be paying the bills directly to the provider for the services requested in this application. These are known as Billed Entities. At least one line of this item must be completed. If a Billed Entity cited on your Form 471 is not listed below, funding may be denied for the funding requests associated with this Form 470.

Entity	Entity Number
LAKE PEND OREILLE SCHOOL DISTRICT #84	198474

18. Ineligible Participating Entities

List the names of any entity/entities here for whom services are requested that are not eligible for the Universal Service Program.

Ineligible Participating Entity

Area Code

Prefix

Block 5: Certification and Signature

19. I certify that the applicant includes:(Check one or both.)

- a. schools under the statutory definitions of elementary and secondary schools found in the **No Child Left Behind Act of 2001, 20 U.S.C.Secs.7081(18) and (38)**, that do not operate as for-profit businesses, and do not have endowments exceeding \$50 million; and/or
- b. libraries or library consortia eligible for assistance from a State library administrative agency under the Library Services and Technology Act of 1996 that do not operate as for-profit businesses and whose budgets are completely separate from any school (including, but not limited to elementary and secondary schools, colleges and universities).

20. I certify that all of the individual schools, libraries, and library consortia receiving services under this application are covered by technology plans that are written, that cover all 12 months of the funding year, and that have been or will be approved by a state or other authorized body, an SLD-certified technology plan approver, prior to the commencement of service. The plans were written at the following level(s):

- a. individual technology plans for using the services requested in the application, and/or
- b. higher-level technology plans for using the services requested in the application, or
- c. no technology plan needed; application requests basic local, cellular, PCS, and/or long distance telephone service and/or voice mail only

21. I certify that I will post my Form 470 and (if applicable) make my RFP available for at least 28 days before considering all bids received and selecting a service provider. I certify that all bids submitted will be carefully considered and the bid selected will be for the most cost-effective service or equipment offering, with price being the primary factor, and will be the most cost-effective means of meeting educational needs and technology plan goals. I certify that I will retain required documents for a period of at least five years after the last day of service delivered. I certify that I will retain all documents necessary to demonstrate compliance with the status and Commission rules regarding the application for, receipt of, and delivery of services receiving schools and libraries discounts. I acknowledge that I may be audited pursuant to participation in the schools and libraries program.

22. I certify that the services the applicant purchases at discounts provided by 47 U.S.C. Sec. 254 will be used solely for educational purposes and will not be sold, resold, or transferred in consideration for money or any other thing of value, except as permitted by the Commission's rules at 47 C.F.R. Sec. 54.500(k). Additionally, I certify that the entity or entities listed on this application have not received anything of value or a promise of anything of value, other than the services and equipment sought by means of this form, from the service provider, or any representative or agent thereof or any consultant in connection with this request for services.

23. I acknowledge that support under this support mechanism is conditional upon the school(s) and/or library(ies) I represent securing access, separately or through this program, to all of the resources, including computers, training, software, internal connections, maintenance, and electrical capacity necessary to use the services purchased effectively. I recognize that some of the aforementioned resources are not eligible for support.

24. I certify that I am authorized to order telecommunications and other supported services for the eligible entity (ies). I certify that I am authorized to submit this request on behalf of the eligible entity(ies) listed on this application, that I have examined this request, and to the best of my knowledge, information, and belief, all statements of fact contained herein are true.

25. I certify that I have reviewed all applicable state and local procurement/competitive bidding requirements and that I have complied with them. I acknowledge that persons willfully making false statements on this form can be punished by fine or forfeiture, under the Commissions Act, 47 U.S.C. Secs. 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. Sec. 1001.

26. I acknowledge that FCC rules provide that persons who have been convicted of criminal violations or held civilly liable for certain acts arising from their participation in the schools and libraries support mechanism are subject to

suspension and debarment from the program.

27. Signature of authorized person: 

28. Date (mm/dd/yyyy): 12/16/2005

29. Printed name of authorized person: Jim Bangle

30. Title or position of authorized person: Director of IT

31a. Address of authorized person: 901 Triangle Drive
City: Ponderay State: ID Zip: 83852

31b. Telephone number of authorized person: (208) 263 - 5053 ext 201

31c. Fax number of authorized person: (208) 2635053

31d. E-mail address number of authorized person: Jim.Bangle@LPOSD.org

31e. Name of authorized person's employer: Lake Pend Oreille School District

Service provider involvement with preparation or certification of a Form 470 can taint the competitive bidding process and result in the denial of funding requests. For more information, refer to the SLD web site at www.sl.universalservice.org or call the Client Service Bureau at 1-888-203-8100.

NOTICE: Section 54.504 of the Federal Communications Commission's rules requires all schools and libraries ordering services that are eligible for and seeking universal service discounts to file this Description of Services Requested and Certification Form (FCC Form 470) with the Universal Service Administrator. 47 C.F.R. § 54.504. The collection of information stems from the Commission's authority under Section 254 of the Communications Act of 1934, as amended. 47 U.S.C. § 254. The data in the report will be used to ensure that schools and libraries comply with the competitive bidding requirement contained in 47 C.F.R. § 54.504. All schools and libraries planning to order services eligible for universal service discounts must file this form themselves or as part of a consortium.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

The FCC is authorized under the Communications Act of 1934, as amended, to collect the information we request in this form. We will use the information you provide to determine whether approving this application is in the public interest. If we believe there may be a violation or a potential violation of any applicable statute, regulation, rule or order, your application may be referred to the Federal, state, or local agency responsible for investigating, prosecuting, enforcing, or implementing the statute, rule, regulation or order. In certain cases, the information in your application may be disclosed to the Department of Justice or a court or adjudicative body when (a) the FCC; or (b) any employee of the FCC; or (c) the United States Government is a party of a proceeding before the body or has an interest in the proceeding. In addition, information provided in or submitted with this form or in response to subsequent inquiries may also be subject to disclosure consistent with the Communications Act of 1934, FCC regulations, the Freedom of Information Act, 5 U.S.C. § 552, or other applicable law.

If you owe a past due debt to the federal government, the information you provide may also be disclosed to the Department of the Treasury Financial Management Service, other Federal agencies and/or your employer to offset your salary, IRS tax refund or other payments to collect that debt. The FCC may also provide the information to these agencies through the matching of computer records when authorized.

If you do not provide the information we request on the form, the FCC may delay processing of your application or may return your application without action.

The foregoing Notice is required by the Paperwork Reduction Act of 1995, Pub. L. No. 104-13, 44 U.S.C. § 3501, et seq.

Public reporting burden for this collection of information is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, completing, and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the reporting burden to the Federal Communications Commission, Performance Evaluation and Records Management, Washington, DC 20554.

Please submit this form to:

SLD-Form 470

**P.O. Box 7026
Lawrence, Kansas 66044-7026
1-888-203-8100**

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

**SLD Forms
ATTN: SLD Form 470
3833 Greenway Drive
Lawrence, Kansas 66046
1-888-203-8100**

FCC Form 470
November 2004

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FUNDING COMMITMENT DECISION LETTER
(Funding Year 2010: 07/01/2010 - 06/30/2011)

rec'd 9/30/2010

September 28, 2010

Lisa Hals
LAKE PEND OREILLE SCHOOL DISTRICT #84
901 TRIANGLE DRIVE
PONDERAY, ID 83852

Re: Form 471 Application Number: 736611
Billed Entity Number (BEN): 198474
Billed Entity FCC RN: 0012530069
Applicant's Form Identifier: Wan 10

Thank you for your Funding Year 2010 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, \$214,224.39 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

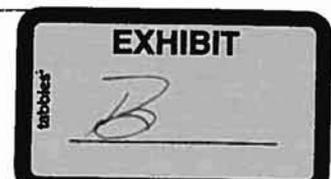
- Work with your service provider to determine if you will receive discounted bills or if you will request reimbursement from USAC after paying your bills in full
- Review technology planning approval requirements
- Review CIPA requirements
- File Form 486
- Invoice USAC using the Form 474 (service provider) 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 736611 as assigned by USAC,
 - "Funding Commitment Decision Letter for Funding Year 2010," 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
30 Lanidex Plaza West
PO Box 685
Parsippany, NJ 07054-0685

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.

OBLIGATION TO PAY NON-DISCOUNT PORTION

Applicants are required to pay the non-discount portion of the cost of the products and/or services to their service provider(s). Service providers are required to bill applicants for the non-discount portion. The FCC stated that requiring applicants to pay their share ensures efficiency and accountability in the program. If USAC is being billed via the FCC Form 474, the service provider must bill the applicant at the same time it bills USAC. If USAC is being billed via the FCC Form 472, the applicant pays the service provider in full (the non-discount plus discount portion) and then seeks reimbursement from USAC. If you are using a trade-in as part of your non-discount portion, please refer to our website for more information.

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

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FUNDING COMMITMENT REPORT
Billed Entity Name: LAKE PEND OREILLE SCHOOL DISTRICT #84
BEN: 198474
Funding Year: 2010

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

Form 471 Application Number: 736611
Funding Request Number: 1990460
Funding Status: Not Funded
Category of Service: Internet Access
Form 470 Application Number: 203000000563675
SPIN: 143025872
Service Provider Name: Trillion Partners, Inc
Contract Number: na
Billing Account Number: N/A
Multiple Billing Account Numbers: N
Service Start Date: 07/01/2010
Service End Date: N/A

Contract Award Date: 02/03/2006
Contract Expiration Date: 06/30/2013
Shared Worksheet Number: 1201635
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$250,928.52
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$250,928.52

Discount Percentage Approved by the USAC: 75%
Funding Commitment Decision: \$0.00 - Bidding Violation- SRC
Funding Commitment Decision Explanation: MRI: The shared discount was reduced to a level that could be validated by third party data. <><><><><> DR1: The FRN will be denied because you did not conduct a fair and open competitive bidding process. The documentation provided by you and/or the service provider indicates that the school district engaged in numerous meetings, e-mail discussions, and/or verbal discussions with Trillion employees prior to the posting of the Form 470 and throughout the competitive bidding process which tainted the competitive bidding process. Trillion was consulted and/or offered details about services and products you were requesting on your FCC Form 470 and/or Request for Proposal (RFP). The competitive bidding process was influenced by Trillion when they assisted you in developing your services specifications for your FCC Form 470/or RFP. You failed to conduct a fair and open competitive bidding process free from conflicts of interest. 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: 09/28/2010
Wave Number: 019

Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2011

FUNDING COMMITMENT REPORT
Billed Entity Name: LAKE PEND OREILLE SCHOOL DISTRICT #84
BEN: 198474
Funding Year: 2010

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

Form 471 Application Number: 736611
Funding Request Number: 2019726
Funding Status: Not Funded
Category of Service: Internet Access
Form 470 Application Number: 203000000563675
SPIN: 143025872
Service Provider Name: Trillion Partners, Inc
Contract Number: na
Billing Account Number: N/A
Multiple Billing Account Numbers: N
Service Start Date: 07/01/2010
Service End Date: N/A
Contract Award Date: 02/03/2006
Contract Expiration Date: 06/30/2013
Shared Worksheet Number: 1201635
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$34,704.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$34,704.00
Discount Percentage Approved by the USAC: 75%
Funding Commitment Decision: \$0.00 - Bidding Violation- SRC
Funding Commitment Decision Explanation: MRI: The shared discount was reduced to a level that could be validated by third party data. <><><><><> DR1: The FRN will be denied because you did not conduct a fair and open competitive bidding process. The documentation provided by you and/or the service provider indicates that the school district engaged in numerous meetings, e-mail discussions, and/or verbal discussions with Trillion employees prior to the posting of the Form 470 and throughout the competitive bidding process which tainted the competitive bidding process. Trillion was consulted and/or offered details about services and products you were requesting on your FCC Form 470 and/or Request for Proposal (RFP). The competitive bidding process was influenced by Trillion when they assisted you in developing your services specifications for your FCC Form 470/or RFP. You failed to conduct a fair and open competitive bidding process free from conflicts of interest. 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: 09/28/2010
Wave Number: 019
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2011



FUNDING COMMITMENT DECISION LETTER
(Funding Year 2009: 07/01/2009 - 06/30/2010)

September 29, 2010

Lisa Hals
LAKE PEND OREILLE SCHOOL DISTRICT #84
901 TRIANGLE DRIVE
PONDERAY, ID 83852

Re: Form 471 Application Number: 666055
Billed Entity Number (BEN): 198474
Billed Entity FCC RN: 0012530069
Applicant's Form Identifier: WAN Tri 09 A1, A2

Thank you for your Funding Year 2009 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, \$202,799.09 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 666055 as assigned by USAC,
 - "Funding Commitment Decision Letter for Funding Year 2009," 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.

OBLIGATION TO PAY NON-DISCOUNT PORTION

Applicants are required to pay the non-discount portion of the cost of the products and/or services to their service provider(s). Service providers are required to bill applicants for the non-discount portion. The FCC stated that requiring applicants to pay their share ensures efficiency and accountability in the program. If USAC is being billed via the FCC Form 474, the service provider must bill the applicant at the same time it bills USAC. If USAC is being billed via the FCC Form 472, the applicant pays the service provider in full (the non-discount plus discount portion) and then seeks reimbursement from USAC. If you are using a trade-in as part of your non-discount portion, please refer to our website for more information.

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

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FUNDING COMMITMENT REPORT
Billed Entity Name: LAKE PEND OREILLE SCHOOL DISTRICT #84
BEN: 198474
Funding Year: 2009

Comment on RAL corrections: The shared discount was decreased to a level that could be validated based on third party data.

Form 471 Application Number: 666055
Funding Request Number: 1818465
Funding Status: Not Funded
Category of Service: Internet Access
Form 470 Application Number: 203000000563675
SPIN: 143025872
Service Provider Name: Trillion Partners, Inc
Contract Number: NA
Billing Account Number: N/A
Multiple Billing Account Numbers: N
Service Start Date: 07/01/2009
Service End Date: N/A
Contract Award Date: 02/03/2006
Contract Expiration Date: 06/30/2013
Shared Worksheet Number: 1075169
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$250,928.52
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$250,928.52
Discount Percentage Approved by the USAC: 71%
Funding Commitment Decision: \$0.00 - Bidding Violation- SRC
Funding Commitment Decision Explanation: The FRN will be denied because you did not conduct a fair and open competitive bidding process. The documentation provided by you and/or the service provider indicates that the school district engaged in numerous meetings, e-mail discussions, and/or verbal discussions with Trillion employees prior to the posting of the Form 470 and throughout the competitive bidding process which tainted the competitive bidding process. Trillion was consulted and/or offered details about services and products you were requesting on your FCC Form 470 and/or Request for Proposal (RFP). The competitive bidding process was influenced by Trillion when they assisted you in developing your services specifications for your FCC Form 470/or RFP. You failed to conduct a fair and open competitive bidding process free from conflicts of interest. 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: 09/29/2010

Wave Number: 068

Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2011

FUNDING COMMITMENT REPORT
Billed Entity Name: LAKE PEND OREILLE SCHOOL DISTRICT #84
BEN: 198474
Funding Year: 2009

Comment on RAL corrections: The shared discount was decreased to a level that could be validated based on third party data.

Form 471 Application Number: 666055
Funding Request Number: 1818472
Funding Status: Not Funded
Category of Service: Internet Access
Form 470 Application Number: 203000000563675
SPIN: 143025872
Service Provider Name: Trillion Partners, Inc
Contract Number: NA
Billing Account Number: N/A
Multiple Billing Account Numbers: N
Service Start Date: 07/01/2009
Service End Date: N/A
Contract Award Date: 02/03/2006
Contract Expiration Date: 06/30/2013
Shared Worksheet Number: 1075169
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$34,704.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$34,704.00
Discount Percentage Approved by the USAC: 71%
Funding Commitment Decision: \$0.00 - Bidding Violation- SRC
Funding Commitment Decision Explanation: The FRN will be denied because you did not conduct a fair and open competitive bidding process. The documentation provided by you and/or the service provider indicates that the school district engaged in numerous meetings, e-mail discussions, and/or verbal discussions with Trillion employees prior to the posting of the Form 470 and throughout the competitive bidding process which tainted the competitive bidding process. Trillion was consulted and/or offered details about services and products you were requesting on your FCC Form 470 and/or Request for Proposal (RFP). The competitive bidding process was influenced by Trillion when they assisted you in developing your services specifications for your FCC Form 470/or RFP. You failed to conduct a fair and open competitive bidding process free from conflicts of interest. 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: 09/29/2010
Wave Number: 068
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2011

Date: June 4, 2010

Lisa Hals
Lake Pend Oreille School District
(208) 263-5053 x210
Application Number(s): 666055, 736611

Response Due Date: June 21, 2010

Dear Ms. Hals:

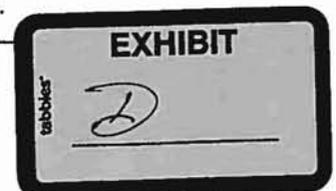
We are in the process of reviewing Funding Year 2009 and FY 2010 Form(s) 471 to ensure that they are in compliance with the rules of the Universal Service program.

Funding Year 2009 Application 666055, FRNs 1818472, 1818465 and Funding Year 2010 Application 736611, FRNs 1990460, 2019726 will be denied for the following reasons:

Based on the documentation that has been provided to USAC, the entire Funding Request Numbers (FRNs) 1818472, 1818465, 1990460, and 2019726 will be denied because Lake Pend Oreille School District (Lake Pend) did not conduct a fair and open competitive bidding process. The Form 470 (No. 203000000563675) associated with these FRNs was posted on December 16, 2005 and the Contract Award Date was February 3, 2006.

- The documentation provided indicates that Jim Bangle (Lake Pend) and Doug Olin (Lake Pend) accepted meals, as well as a paid trip to Trillion's Open House in Canon City, Colorado, from Trillion prior to and during the process Lake Pend conducted to select a service provider to provide the goods and services that were included in the posted Form 470. Specifically, Trillion has provided documentation for the following meals and trips that were accepted and attended by Lake Pend employees:
 - On May 5, 2005, Kate Stetzner (Trillion) invited Jim Bangle (Lake Pend) to attend Trillion's Open House in Canon City, Colorado on May 19-20, 2005. According to your response, Jim Bangle and Doug Olin (Lake Pend) traveled to Canon City, Colorado and you confirmed that Trillion paid for Jim Bangle's and Doug Olin's expenses, including: rental car, air fare, meals, and hotel accommodations for the trip. On May 19, 2005, Jim Bangle and Doug Olin had lunch with Trillion representatives. According to Trillion documentation, the cost of the meal was \$48.53 (\$16.17/person).
 - On October 4, 2005, Trillion and Lake Pend employees had lunch. The receipt states the cost was \$45.00 (\$15.00/person).
 - On January 26, 2006, according to Trillion documentation, Lake Pend employees and Trillion representatives had lunch. The cost of this lunch was \$37.29 (\$12.43/person).

Jim Bangle's and Doug Olin's expenses for their trip to Colorado in May 2005 and the meals' values exceed the federal gifts standards of \$20/person/occasion not to exceed \$50/person/per calendar year. These trips and meals occurred in the months prior to Lake Pend's posting of its Form 470 (Application No.



203000000563675) on December 16, 2005 and subsequent award of the contract to Trillion on February 3, 2006. The January 26, 2006 meal occurred during the competitive bidding period. Based on a pattern of gifts received throughout the year the entire competitive bidding process is deemed tainted. Based on this information, it appears that you did not conduct a fair and open competitive process, free from outside influence. For additional guidance regarding the competitive bidding process, please refer to the USAC website at: <http://www.usac.org/sl/applicants/step03/run-open-fair-competition.aspx>. (Copies of the expense reports and receipts are attached as Lake Pend.Meals.Trips.)

- The documentation also indicates that Jim Bangle (Lake Pend) engaged in meetings, e-mail discussions, and verbal discussions with Trillion employees beginning in May 2005 through the award of the five-year contract (with three five-year extensions) to Trillion in February 2006. Based on the documentation provided to USAC, these discussions do not appear to be general marketing discussions, but rather show that Lake Pend provided Trillion with inside information regarding its needs and details about their procurement process, that Trillion influenced the procurement process by providing input into Lake Pend's FCC Form 470 to ensure that Trillion would be awarded the contract. Also the documentation also shows that Lake Pend had already decided to select Trillion as its service provider even prior to the completion of the competitive bidding process.

In addition to the lunch meetings and trips discussed above, starting in April and May of 2005, Kate Stetzner and Jim Bangle corresponded about the details of the current network and Internet connections from various providers, the establishing 470, and pricing. Trillion then provided a Lake Pend Design Map and Services proposal and followed up with meetings to discuss the proposal. The applicant then indicated that they would easily be able to select Trillion if the plan is right. By August, a final proposal was sent.

Subsequent to the filing of the Form 470, Trillion and Lake Pend continued to meet and discuss items related to Lake Pend's Form 470 and Trillion's proposal. On December 3, 2005, Jim Bangle sent David White an email stating, "I'll be contacting you for assistance with the 470 not this week but next." David White responded and said, "We need to get the 470 in ASAP – the 471 window opened today!" On December 12, 2005, Jim Bangle sent Alan Larsen an email noting that he was trying to get Trillion online and explained that "[Trillion] flew Doug and I out to Colorado Springs and let us visit two school district who are using. We talked and worked with the districts' tech guys and got honest assessments of what's up and how it all works. They gave rave reviews like you wouldn't believe." On December 14, 2005, David White sent Jim Bangle an email scheduling a meeting on December 20, 2005 and stating, "if you need help with your form 470 you can contact www.erateconsulting.com and let them know that trillion referred you. They will take care of the entire process if you wish." Also on December 14, 2005, Jim Bangle confirmed that he was working with ERC to complete the Form 470 and that he now needed "someone to help him tweak it." On Jim Bangle's December 17, 2005 To Do List, he noted "erate: 470 for Trillion!!!" On Jim Bangle's December 20, 2005 To Do List, he noted "erate: 471 for Trillion!!!" On December 21, 2005, Jim Bangle sent David White an email stating "Good news: Lisa thought the cost "was totally reasonable and justified . . . Your network as described so far is only for my WAN. It does NOT currently

include any costs associated with any internet connectivity, correct? Do I need to do a 470 for another company to be my internet connection, or do you do that, and it's factored into my cost?" On December 23, 2005, David White sent Lisa Hals (Lake Pend) an email noting that although the pole issue was important, that he would work "with Jim to get the proposal finished, and also to work out Internet access . . . More important is that we complete the 471 process first, and if that flies then we can begin the community work – does that sound OK with you?" On December 27, 2005, Jim Bangle provided David White with additional information about the district's Internet and filtering needs. On December 28, 2005, Trillion provided Lake Pend with a copy of its confidential services agreement to review. As noted above, on January 26, 2006, Trillion representatives had lunch with Lake Pend employees. The five-year contract, with three five-year extensions, was awarded to Trillion on February 3, 2006. (See Lake Pend.CB.Documents attachment.)

FCC rules require applicants to conduct a fair and open competitive bidding process free from conflicts of interest. See *Request for Review of the Decision of the Universal Service Administrator by Ysleta Independent School District, El Paso, Texas, et al, Federal-State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc.*, SLD Nos. 321479, 317242, 317016, 311465, 317452, 315362, 309005, 317363, 314879, 305340, 315578, 318522, 315678, 306050, 331487, 320461, CC Docket Nos. 96-45, 97-21, Order, 19 FCC Rcd 6858, ¶ 60 (2003) ("Ysleta Order"); See also *Request for Review of Decisions of the Universal Service Administrator by MasterMind Internet Services, Inc., Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Order, 16 FCC Rcd 4028-4032-33, ¶ 10 (2000); *Request for Review of Decisions of the Universal Service Administrator by SEND Technologies LLC, Schools and Libraries Universal Service Support Mechanism*, CC Docket No. 02-6, Order, DA 07-1270 (2007); *Request for Review of Decisions of the Universal Service Administrator by Caldwell Parish School District, et al., Schools and Libraries Universal Service Support Mechanism*, CC Docket No. 02-6, Order, DA 08-449 (2008)(Caldwell Parish). Applicants cannot reveal to one prospective service provider information they do not provide to all. See Caldwell Parish, ¶ 16. For additional guidance regarding the competitive bidding process, please refer to the USAC website at: <http://www.usac.org/sl/applicants/step03/run-open-fair-competition.aspx>.

If the entire FRNs should not be denied and you have alternative information, please provide the supporting documentation. We are including copies of the above referenced emails and meeting confirmations for your review, attached as Lake Pend.CB.Documentation.

Additionally, please answer the following questions so that we may complete our review.

- The email exchanges described in detail above, suggest it was pre-determined that Lake Pend would enter into a contract with Trillion prior to the Form 470 being posted and prior to the 28 competitive bidding window. For example, Jim Bangle's December 20, 2005 To Do List noted that he needed to prepare the "471 for Trillion," and is dated the day after Lake Pend posted its Form 470. These emails also suggest that Trillion was intimately involved in developing the specifications you would seek on your Form 470 and perhaps was involved in the drafting of the language to be used in the Form 470. Please review these emails and explain in detail why these discussions took place prior to the submission of the Form 470. Please indicate if Trillion was involved in the development of the

specifications sought on the Form 470 and subsequent contract awarded to Trillion. Please indicate if you intended to entertain bids and have a fair and open competitive bidding process or if the School District intended to select Trillion for this new contract without use of a fair and open competition. Please provide detailed support for your responses, including any supporting documentation you can provide.

- You did not reference in your response or in the attached exhibits any of the meals that Trillion provided to Lake Pend employees from May 2005 through January 2006. However, Trillion provided documentation for some of these meals, please explain the discrepancy in your response.
- You have indicated in your response, “[Lake Pend] did not use or hire an e-rate consultant. Trillion Partners provided technical guidance to our IT Director, Jim Bangle.” In several of the emails noted above, Jim Bangle contacted eRate Consulting Services, LLC for help with preparing the Form 470. Please provide information about your relationship with ERC and whether ERC provided any other consulting services to the Lake Pend. Did anyone associated with eRate Consulting Services, LLC introduce you to the service provider Trillion Partners, Inc.? Did anyone associated with eRate Consulting Services, LLC select the vendor for the services requested in the FRNs listed above? Did anyone associated with eRate Consulting Services, LLC encourage you to select Trillion Partners, Inc. as your service provider? Please also explain how Lake Pend’s reliance on Trillion for guidance regarding the E-Rate program does not violate program rules that prohibit service providers from assisting applicants in preparing program forms that require the applicant’s certification, such as the Form 470.
- You indicated in your response that Sean Cronin (Lake Pend) was invited and attended Trillion’s annual VTEC conference on June 23-25, 2008, in Austin, Texas. You provided information regarding about \$90 in meals; \$20 for USB thumb drives; \$679.00 for air fare and \$17 for airport shuttle. Trillion provided documentation regarding the costs of this conference that shows: \$227.20 for hotel accommodations; \$25.00 for “cool mesh shirts” and dinner at Guero’s Taco Bar total cost was \$412.70 (\$27.51). The total cost of Mr. Cronin’s expenses for this trip was approximately \$1,060 (based on the information provided). Please explain how acceptance of this expense-paid trip by Trillion does not violate program rules and did not influence Lake Pend’s decision to select Trillion as its service provider. (Copies of the relevant receipts and documentation are attached as Lake Pend.VTEC documentation.)

You have **15 days** to respond to this request. Your response is due by the close of business June 21, 2010. Please reply via e-mail or fax. Please provide complete responses and documentation to the questions listed above. It is important that you provide complete responses to ensure the timely review of your applications. If you do not respond, or provide incomplete responses, your funding request(s) (FRNs) may be reduced or denied, or in the case of committed FRNs subjected to commitment adjustment and we will perform the denials described at the beginning of this letter.

Should you wish to cancel your Form 471 application(s), or any of your individual funding requests, please clearly indicate in your response that it is your intention to cancel an

application or funding request(s). Include in any cancellation request the Form 471 application number(s) and/or funding request number(s). The cancellation request should be signed and dated and including both the name and title of the authorized individual.

Thank you for your cooperation and continued support of the Universal Service Program.

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