



November 18th, 2010

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

VIA ECFS SYSTEM

RE: CC Docket No. 96-45 and CC Docket No. 02-6

APPEAL OF DECISION OF ADMINISTRATOR/REQUEST FOR REVIEW

SLD Applicant Name: Callisburg Independent School District
Billed Entity Number: 140927
471 Application Numbers Being Appealed: 662878, 721400
Funding Request Numbers (FRNs) Being Appealed: 1810189, 1810192, 1810198, 1956812, 1956815, 1956818, 1968502

We understand that USAC must work to prevent fraud, waste and abuse in the program, and is limited by the guidance provided by the Federal Communications Commission. We believe, however, that a detailed description of the facts will show that there was no evidence of collusion between the district and Trillion.

Callisburg Independent School District (CISD) has been denied funding for the above referenced FRNs. The “decision explanation” for the denial on the Funding Decision Commitment Letter is as follows:

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 the 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 specification for your FCC 470/or RFP. You failed to conduct a fair and open competitive bidding process free from conflicts of interest.

Both Trillion and CISD have provided the SLD hundreds of pages of information involving correspondence between the two parties, service call documentation, expense reports and marketing materials to USAC covering at least an 18 month time period. Despite this, USAC does not identify a

single communication, letter or e-mail that actually “tainted” the bidding process. Because USAC fails to identify specific communications that “tainted” the process and because USAC simply relies on making vague accusations unsubstantiated by any particular document, we are unable to identify those documents or communications and thus cannot respond with specific detail.

Simply stating that the “...district engaged in numerous meetings...prior to the posting of the Form 470...which tainted the competitive bidding process” might seem to rise to the level to cause concern about the integrity of the competitive bidding process. However, USAC completely ignores the fact that Trillion was an incumbent service provider, and had been providing Wide Area Network (WAN) connectivity and Internet access to CISD, since 2005. In fact, the district was funded in 2005 for Trillion’s services. During the normal course of business, incumbent service providers will often make contact with customers to determine the status of their business relationships and inquire about the services provided, and customers will initiate contact with their service providers when they feel the service is not operating properly.

Mr. Donald L. Metzler controls the technology budget, scores bids received as the result of the Form 470 and makes final recommendations to the Superintendent of Schools. Mr. Metzler was listed as the contact person on the Form 470, and is the person responsible for determining what gets listed on the Form 470. Mr. Threadgill has no direct involvement in either determining what goes on the Form 470, nor who should be awarded the bids.

USAC’s position on the alleged competitive bidding violation indicates that the school district’s conversations with Trillion, starting in January, 2008 and following through the awarding of a new five- year contract in December, 2008 were all tied to providing Trillion with an unfair advantage in the bidding process. The school district disputes this conclusion. CISD was already under contract with Trillion to provide internet access and WAN services. Until the posting of the Form 470 on September 19th, 2008 every email presented was actually an ongoing conversation we were having with Trillion about the overloaded internet system the district had in place, with the thought of adding that additional capacity immediately, at the district’s expense. These were not conversations about the 2009 funding year. These were conversations about needs that existed in 2008. We were talking with our provider about methods to improve the services we were currently being provided. Every conversation Mr. Threadgill and Mr. Metzler had with Trillion was with regards to making immediate changes (at school district expense) to improve our capacity to provide technology to the students and staff of Callisburg Independent School District. They were occurring because of a real-time issue that needed attention and had nothing to do with any future contracts/services. We believe very strongly that we have a right to seek improvements to our system in a timely fashion. Every detail discussed was in regard to finding immediate solutions that the school district could afford to make. Merely referencing on-going conversations with an incumbent service provider does not provide evidence of collusion or bid rigging. In fact, USAC has not identified any deficiency in our Form 470, nor (oddly enough) has USAC requested copies of bids received or bid evaluation sheets to demonstrate a proper bidding process (which we have included with this appeal as “Attachment A”).

As a consulting firm, CRW Consulting filed over 195 Form 470s for the 2009 and 2010 funding years. The language that we used on Callisburg’s 470 was absolutely consistent with all of our other 470 postings. No one from the district or Trillion ever contacted CRW Consulting to convey the exact language that should be used on the Form 470. CISD did inform us of their needs and desire to

increase capacity for both their WAN and Internet access services, but at no time did they ask us to use any specific language. Indeed, as one looks at the relevant section of the 470 posting, it is immediately apparent that this request is open to a VERY high degree of competition. The applicant was accepting bids for both analog and VoIP phone service. Had we wanted to “steer” the bidding process towards Trillion, we would have only indicated only VoIP service, thus weeding out potential completion from vendors of analog systems, or requested specific equipment (Shore-Tel), which Trillion does sell. The applicant was also requesting bids for WAN connectivity at 4 sites. Again, if we had wanted to “steer” the bidding process towards Trillion, we would have requested that 3 of the sites connectivity be via fiber, and one wireless (which was the ultimate solution from Trillion we awarded). The district took none of these actions, and as a Consultant, CRW Consulting used language as generic as possible, while still meeting USAC guidelines on minimum standards for the 470. Had we provided less detail, we may not have issued a 470 that met minimum guidelines to let potential vendors know that we were looking for the types of services they provide. As a consultant for roughly 200 school districts with more than 10 years of experience, I honestly don’t know how I could have filed this 470 to be open to more competition.

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.**

Service or Function:	Quantity and/or Capacity:
Local & Long Distance Phone Service (Possibly including circuits to provide dial tone)	Approx 26 lines
VOIP phone service for above	Applicant is considering going to VOIP phone service for same quantity as above
Cell Phone Service including data services	Approx 10 lines, 6 with data service
WAN Connectivity	Approx 4 sites, currently at 15 Mb, applicant is considering moving to 50 Mb
Circuits	Minimum T1 Circuit, applicant is considering adding 2 more T1 circuits

CISD absolutely refutes that we have worked with Trillion to develop our “service specifications.” As stated above, USAC identifies no communication to support that accusation, and the generic nature of the 470 posting, open to a very high degree of competition, refutes this assumption.

As an aside, we contend that of course every incumbent service provider has “inside information” that other potential vendors did not. Our long distance provider has over five years of billing history that would allow them to produce the best long distance package based upon past usage that would not be immediately available to other potential bidders. Similarly, Trillion would have had detailed “inside information” about our network, which, in fact, is partially leased from Trillion. They know exactly what switches are on premises necessary for WAN connections, how easy they are to

service/configure, where the Network Operating Center is located, and other detailed information about the reliability of our network. Does this indicate a pre-existing relationship? Of course. Does it preclude a fair and open competitive bidding process? Of course not.

USAC cites conversations that happened between Trillion and Callisburg after the filing of the Form 470, as if this is evidence of some sort of improper “information sharing.” It is exactly the purpose of the Form 470 to generate interest and questions on the part of Service Providers to make accurate bids to the district. Conversations about “what switches are VoIP capable” are **exactly** the types of questions vendors would need to have answered in order to make a reasonable proposal. In fact, the very occurrence of this type of conversation (Trillion trying to determine which switches at the district were VoIP capable) is evidence that the bid process was working properly, and that Trillion did not have inside information about services they had yet to provide to the district.

Conversations between Mr. Threadgill and Trillion regarding an addition of a T-1 line were tied to finding an immediate resolution to the problems discussed in the previous paragraph. The school district needed to add increased capacity to receive information from the world wide web and move it between the two campuses before the start of another school (or funding) year. We could not delay these upgrades. The school district sought information about possible costs (from our current provider, Trillion) so we could budget for them in the upcoming school year budget. We reviewed several different levels of service and choose the one we could afford at the time. This was the addition of one T-1 line. In fact, the “Preliminary Design & Good Faith Estimate” emailed to Mr. Threadgill from Chuck Browning on 8/6/2008, in the very first paragraph indicates:

It is our understanding that your district **is not seeking a formal proposal and that you are requesting this information purely as a tool to assist you with your budget planning efforts**...the enclosed information is not a binding offer, is not a detailed, formal proposal, and is not a response to any request for proposals.

This “Preliminary Design & Good Faith Estimate” was a proposal for additional capacity for already existing WAN services. We note that this product offering is completely allowable in pre-bidding discussions (see “Attachment B” SLD Training Slide from Fall of 2009 which explicitly states: “Applicants may discuss product offerings with SPs”). Additionally, the details and pricing of this Good Faith Estimate was explicitly non-binding, and could not be relied upon as a valid offer. Indeed, the ultimate solution that the district chose was NOT the Good Faith Estimate, it varied in several ways. Our contract with Trillion included different sites than what was proposed on the Good Faith Estimate. The network design the district contracted for was different than what was proposed on the Good Faith Estimate, and finally, the types of services contracted for were different than the Good Faith Estimate (the GFE proposed two wireless WAN connections, we ultimately contracted for one). What sort of inside information could Trillion possibly have had that would have both given them some sort of competitive bidding advantage but yet leads them to providing a Good Faith Estimate that was incorrect and different from the services awarded on the contract? (Again, because USAC fails to identify any specific correspondence or discussions that violate competitive bidding rules, we are left in the dark trying to discern exactly which correspondence provided “inside information”).

Trillion never suggested nor instructed any employee of the district when to file, or what to include on the Form 470. In fact, allowing generic pricing requests from Applicants to incumbent service

providers reduces “encyclopedic Form 470s” that request all possible services, with no possible way for the Applicant to pay for them (or in this scenario, allows the 470 to be more realistic, ensuring that the district is not filing for an amount of bandwidth that is outside of its budgetary capacity).

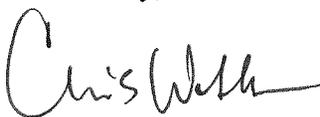
Public schools in Texas are under extreme pressure to provide on-line testing, streaming capabilities for classrooms, and conducting business with the Texas Education Agency on-line. Almost every financial and accountability issue handled by schools in Texas is done on-line. Schools have to have adequate internet access and bandwidth capacity to meet these demands. Schools need to have flexibility to make upgrades when warranted.

Finally, although not requested by USAC in their initial “Intent to Deny” letter, the districts competitive bidding documentation shows that CISD kept the proper bid documentation on file (the two bids received) and evaluated the bids correctly. We note that these bid evaluation sheets were signed by Don Metzler on 11/24/2008. The bid evaluation process was over at that point. Dr. Holloway, the Superintendent, did actually sign the contracts on 12/19/2008, but the evaluation process concluded on the 24th.

CISD maintains that at no time did the district share any inside information about our needs and services, nor did we accept any type of language from Trillion to use on the 470. CISD emphatically states that they have never revealed any bid evaluation factors, procurement procedures or other process that would have given Trillion an advantage in the competitive bidding process. Indeed, even USAC fails to identify any specific piece of communication that violates the competitive bidding procedures and relies on general statements about the competitive bidding process. Because such evidence is absent, we respectfully ask that the Commission reverse USAC’s finding and remand both the 2009 and 2010 application to USAC for funding.

If you have any questions relating to this matter, please contact our consultant, Chris Webber, using the information below.

Sincerely,



Chris Webber
CRW Consulting
PO Box 701713
Tulsa, OK 74170
918.445.0048
chris@crwconsulting.com

ATTACHMENT A

CALLISBURG INDEPENDENT SCHOOL DISTRICT
EVALUATION OF BIDS
E-RATE YEAR 2009

Service or Equipment that this Bid is for:

WAN: 4 SITES

From Company: TRILLION

Evaluation Factor	Maximum Points	Total Awarded Points
Price	25	20
Service History	20	15
Expertise of company	20	20
Understanding of Needs/Completeness of Bids	20	20
Location of Company	15	15
TOTAL	100	90

Bid Evaluated by: Don Metzler

Date: 11/24/08

Signature: Don Metzler

Note: Price must be the primary factor in the bid evaluation. No other factor may be allotted the same maximum points as Price.

Ineligible factors, such as content filtering, should not be used in evaluating bids.

PRODUCT ADDENDUM



Product: WAN
 No.: PD-0002500

This Product Addendum is made by Trillion Partners, Inc. ("Trillion") and Customer (collectively the "parties") effective on the Effective Date indicated below. This Product Addendum is a part of and amends the Services Agreement between the parties numbered SA-060208-001072 ("Agreement"). In consideration of the mutual promises and covenants contained herein the receipt and sufficiency of which are acknowledged, the parties represent, warrant, covenant, and agree as follows:

1. **ENTIRE ADDENDUM.** The Agreement shall remain in full force and effect except to the limited extent described herein. Any attempted E-Rate SPIN change during the Term without the express prior written authorization of Trillion shall be void. This Product Addendum may be modified only if done so in writing and signed by both parties. This Product Addendum may be executed in two or more counterparts, each of which will be deemed an original for all purposes, and together will constitute one and the same document. Faxed and electronically reproduced signatures will be relied upon as original signatures in all respects. Except to the extent the Agreement is separately executed by the parties, the parties' signature hereto shall also constitute full execution of the Agreement as of the date listed below.
2. **COMMENCEMENT; SURVIVAL.** Customer's obligations under this Agreement shall commence on the date this Product Addendum is signed by Customer below, with the sole and limited exception that Customer's obligation to begin payment under this Product Addendum shall begin on the date the Customer executes an acceptance certificate applicable to this Product Addendum. If there are multiple stages of acceptance for this Product Addendum, Customer shall promptly pay its pro-rated share for the accepted Services as invoiced by Trillion. Independent of this obligation to pay, if there are multiple stages of acceptance for this Product Addendum, the latest date of acceptance shall be the Commencement Date. The terms of any sections which by their nature are intended to extend beyond termination will survive termination of this Product Addendum for any reason.
3. **EXTENSIONS AND UPGRADES.** The parties agree that extensions to the term of this Product Addendum are expressly authorized and shall not require a new bid. The parties agree that upgrades, improvements, additional sites, and enhancements to the Services are expressly authorized and any amendment hereto to effectuate such upgrades, improvements, additional sites, and enhancements shall not require a new bid as long as the amendment reasonably relates to the Services. Any amendment hereto shall be in writing signed by both parties.
4. **"TERM"** means the period beginning on the date of acceptance as indicated in writing on the Certificate of Acceptance and continuing for a period of five (5) years thereafter, unless extended or sooner terminated under the Agreement or a subsequent Product Addendum.
5. **ASSUMPTIONS:**
 - (a) Trillion is relieved of its obligation to provide the Services if certain preconditions to installation which are outside the control of Trillion do not occur.

DESCRIPTION OF SERVICES: DIGITAL TRANSMISSION SERVICE - WIDE AREA NETWORK.

NOTE: ANY SITE LISTED IN DESCRIPTION OF SERVICES SHALL AUTOMATICALLY BE MODIFIED TO ADOPT ANY SUBSEQUENT NAME CHANGE TO SUCH SITE.

Service Locations	Burstable Mbps per site	Service Type (Fiber/Wireless/MPLS)
Callisburg Admin	50	Fiber
Callisburg HS	50	Fiber
Callisburg Transportation	50	Fiber
Callisburg ES	50	Wireless

[Product Addendum Continues on Next Page.]

PRODUCT ADDENDUM

Copy



Product: WAN
No.: PD-0002500

Service Summary

Service: **Wide Area Network Services**
 Number of Sites: 4
 Contract Term in Years: 5
 Estimated E-Rate Discount: 70%

Total Service Charge	Price Before E-Rate Discount		Effective Price After E-Rate Discount		Customer Payments to Trillion *
	Month	Annual	Month	Annual	Annual (estimated after E-Rate discount)
Per Site	\$1,599.00	\$19,188.00	\$479.70	\$5,756.40	\$23,025.60
All Sites	\$6,398.00	\$76,752.00	\$1,918.80	\$23,025.60	

One-time

Non-Recurring Customer Payment to Trillion *

\$0.00

* Does not include taxes or governmental fees, including but not limited to USF fees, sales taxes, etc., that Customer is also required to pay as listed on the invoice.

TRILLION PARTNERS, INC.

"TRILLION"

9208 Waterford Centre Blvd., Suite 150
Austin, TX 78758

By: _____

Print Name: _____

Title: _____

Effective Date: _____

CALLISBURG INDEPENDENT SCHOOL DISTRICT

"CUSTOMER"

Address: 148 Dozier
Callisburg

By: Charles A. Holloway

Dr. Charles Holloway
Superintendent

Date: 12-19-08

SERVICE LEVEL AGREEMENTS



Digital Transmission Service - Wide Area Network Service Level Agreement

Support Service. Trillion's goal is provide carrier class service for our customers. Support services are provided for up to four authorized technical contacts that have been given access to the Trillion NOC. Trillion provides the ability to receive and process support cases 24x7x365. Hours of operation, phone and online support are from 8 a.m. to 7 p.m. Central time, with emergency outage support 24 hours a day, seven days a week. The Trillion Network Operations Center is staffed 24x7 for proactive network monitoring and WAN system management services.

Service Metrics. Trillion will respond and begin corrective action when the following service specifications drop below the identified threshold for a given site:

- (1) Service Availability: Availability drops below 100%
- (2) Latency: Average Round trip Latency exceeds 30ms
- (3) Packet Loss: Average Packet loss is greater than 1%
- (4) Mbps: Throughput is 90% of the total bandwidth contracted for each site
- (5) Customer Support: Trillion's goal is to provide a NOC support contact within a two hour average response time to any customer submitted support request
- (6) On-site Service: Trillion's goal is to dispatch a field technician within one hour of service outage verification if the service cannot be restored remotely.

Scheduled Maintenance. Trillion will notify customer 48 hours in advance of any scheduled maintenance. Trillion at its sole discretion will apply necessary maintenance patches or upgrades necessary to resolve critical issues and ensure the service specifications are being met.

Customer is responsible for the LAN (Local Area Network) connectivity. This includes all LAN equipment and LAN activity including internal LAN routing, subnets, DHCP and/or DNS changes that need to be made for internal building network access to the WAN.

Customer is responsible for: all internal cabling and power; providing local LAN IP routing and Ethernet for incoming WAN connection; providing end user help desk support including applications support, LAN support, Internet access support, VPN support, etc.; and all customer owned equipment backups. Trillion will provide configuration backups of all Trillion-owned devices.

Penalty for Service Availability Non-Compliance: For a given calendar month, within which Trillion experiences a Service Outage, Customer may request a service outage credit. In order to be eligible for the credit, Customer must log a service credit case within five (5) business days of the outage with verification by Trillion of the event. Trillion will apply a service credit based on a pro-rated calculation of the amount of time the service was unavailable to the affected site during that month.

CALLISBURG INDEPENDENT SCHOOL DISTRICT
EVALUATION OF BIDS
E-RATE YEAR 13

Service or Equipment that this Bid includes:

WAN : 4 SITES

Name of Vendor:

NORLIGHT

Evaluation Factor	Maximum Points	Total Points Awarded
Price	25	25
Service History	20	10
Expertise of Company	20	15
Understanding of Needs/Completeness of Bids	20	5
Location of Company	15	10
TOTAL	100	65

Bid Evaluated by:

DON METZLER

Date:

11/24/08

Signature:

Don Metzler

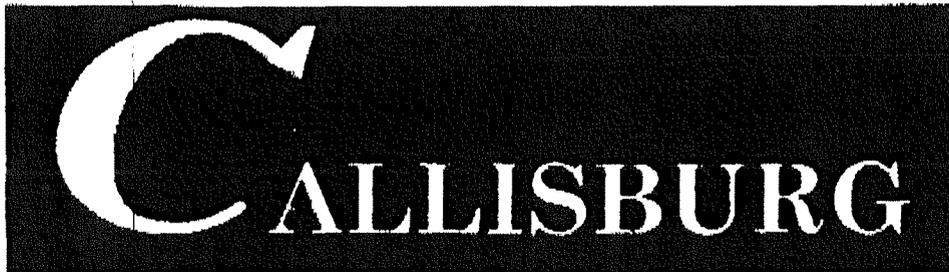
Note: Price must be the primary factor in the bid evaluation. No other factor may be allotted the same maximum points.

Ineligible factors, such as content filtering, should not be used in evaluating bids.

Bid only listed two sites, not four.

SERVER OPTIC WAN RESPONSE
PREPARED FOR

**CALLISBURG INDEPENDENT SCHOOL
DISTRICT**



BY

Norlight Telecommunications, Inc.
3701 Communications Way
Evansville, IN 47715
Phone 877.599.3285

October 30, 2008

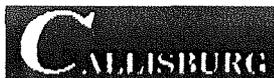
NORLIGHT
TELECOMMUNICATIONS

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October 30, 2008

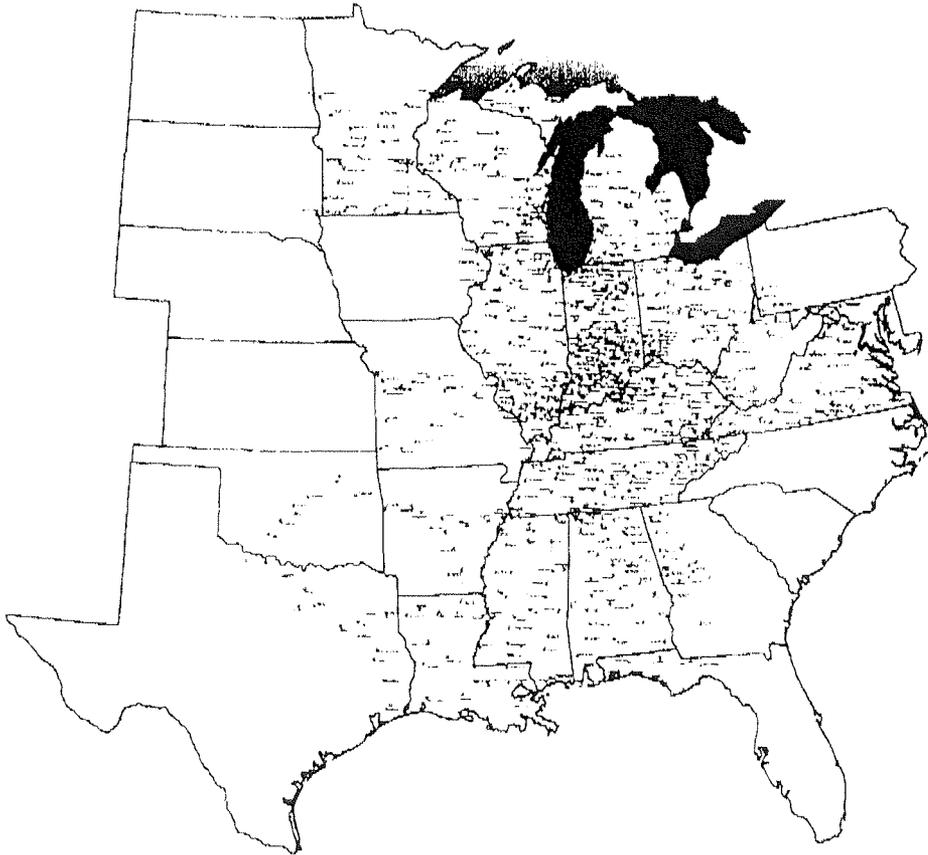


NORLIGHT
TELECOMMUNICATIONS**CORPORATE OVERVIEW****Section****Norlight Telecommunications, Inc.**

USAC Priority 1 Communications Carrier Serving School Districts & Libraries for 10 years

Norlight Telecommunications, Inc. ("Norlight"), is an integrated full-service provider of telecommunications services that serves school districts, colleges, universities, and libraries in the education marketplace.

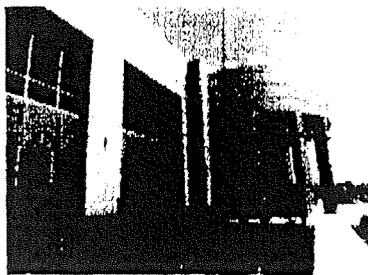
Norlight offers services throughout an extensive central U.S. regional footprint. We are a facilities-based company that has access to backhaul fiber in 24 states, covering nearly 30,000 miles. Norlight is not a fiber-optic construction company; we engineer and construct fiber networks to enable schools and libraries to access the broadband capacity and related services they need. Our services are highly reliable and are supported 7x24x365 by redundant Network Operations Centers located in Evansville, Indiana and Brookfield, Wisconsin.



NORLIGHT
TELECOMMUNICATIONS

In July 2006, Norlight relocated its offices and Network Operations Center (NOC) to a new 52,000 sq. ft. Corporate Center located in Evansville, Indiana. Diverse commercial power feeds, backed up by a diesel standby power generator, insure there are no power interruptions for the critical service delivery systems located within this state-of-the-art facility. The 5,000 sq. ft. equipment room within this building is constructed with an earthquake-reinforced ceiling and 12-inch thick poured concrete walls to insure service continuity regardless of what Mother Nature has in store (earthquake, tornado, severe storm).

All Norlight customer networks are continually monitored by our NOC, which is staffed on a 24x7x365 basis. This comprehensive level of scheduled coverage is designed to facilitate easy customer access to a 'live person' at all hours on any day. We are dedicated to providing world-class customer service.



Corporate Headquarters & NOC

Whether you are working with technical support, billing, marketing, or a customer service specialist, you will receive the same exceptional service and response. Because of this commitment to providing reliable service, over the past several years Norlight has developed strong relationships among many school corporations and libraries within our large service area. Annual growth for our E-Rate business has exceeded 80% since 2003. We are now the USAC Priority 1 Communications Carrier for Schools and Libraries in over 70 districts.

This level of success is attributable to two factors. First, our focus is on designing and constructing state-of-the-art Wide Area Networks utilizing GigE, un-switched, point-to-point technology. Norlight solutions provide schools and libraries with an abundant broadband resource, that enables their Technology Departments to operate effectively and efficiently, utilizing the significant transport bandwidth that fiber optic technology enables. Beyond our underlying transport services, Norlight also offers secure Internet access and related bundled services, such as the management of electronic mail, firewall services, and content filtering. We offer our K-12 education and library clients a cost-effective, E-Rate eligible service to better serve their district/system, and the communities that they are entrusted to serve.

The second factor that has helped us find success in serving Schools and Libraries is our in-house USAC E-Rate experience. We have been a Priority 1 Service Provider since its inception, so Norlight is well versed in all aspects of the funding process and its inherent timeframes, deadlines, and regulations. Specifically, as mandated by the Universal Services Administrative Company (USAC), these compliance requirements include registering with USAC (Form 498 - SPIN), annual certification compliance with all state and local procurement rules, billing requirements, and meeting all E-Rate filing deadlines. In addition, our team has participated in successfully working through the complexities surrounding consortium filings and CIPA/filtering requirements. Norlight continues to maintain its "good standing" status with USAC and our annual certification (Form 473) has been filed. Norlight is currently an Eligible Telecommunications Provider through the 2008 and 2009 funding year.

Norlight maintains an ongoing review and update of SLD issued materials (both paper announcements and via the SLD website). We supplement this knowledge retrieval and analysis with participation in SLD vendor conference calls, and with the USAC training offered to service providers.

NORLIGHT
TELECOMMUNICATIONS

Beyond our sales and account management resources, we have access to in-house legal counsel to support this initiative. Norlight's E-Rate knowledge and experience goes beyond what is required of a typical school, library, or district level filing. Our specialized knowledge includes an understanding of the unique issues related to the 182 Native American Schools, both those of the Bureau of Indian Affairs and those owned by the individual Tribal entities.

Norlight is committed to aiding local school districts and libraries with their E-Rate related filings. We are willing to share our knowledge with potential school and library E-Rate applicants to assist them in understanding USAC E-Rate procedures and standards. In giving this support, we answer questions and provide assistance, *so long as the degree of assistance will not limit the particular applicant's eligibility*. Specifically, the type of support that Norlight can perform without limiting customer eligibility includes:

- Form 471 completion assistance
- Identification of Item 21 Attachment elements
- Project Completion support (Form 486)
- BEAR and SPI Form filing support



**CALLISBURG INDEPENDENT SCHOOL
DISTRICT GIGABIT ETHERNET WIDE AREA
NETWORK DESCRIPTION**

Section

Norlight is proposing a point-to-point Wide Area Network (WAN) for the Callisburg Independent School District. Our WAN will utilize a Gigabit Ethernet (GigE) point to point network topology. The High School will serve as the central hub site, utilizing fiber optic links to reach the Middle School. The proposed service will provide a full Gigabit of dedicated bandwidth from the central hub to the remote site at all times, without passing data traffic beyond the central hub, except for Internet access. As part of our proposed offering to the Callisburg Independent School District, Norlight is including all required termination equipment at the main hub and at each of the remote sites. This bundled termination equipment includes one, copper GigE port at each remote location, as well as one, copper GigE port for each remote location at the central hub site.

Norlight offers native Ethernet services at GigE speeds. Our solution is faster, more flexible, and less costly than any other high speed WAN, advantages that directly benefit the school system and the taxpayers that provide your support. The following are a few of the key advantages:

- The network is non-blocking. Each site gets a full GigE of throughput over a link that is not shared with anyone else
- VLANs can be directly established across the network by school system IT personnel without the need for Norlight involvement
- School system IT personnel can set up their own QoS scheme without the need for Norlight involvement
- The network is maintained by Norlight's staff of technicians both at Norlight's NOC/NMC (technicians stationed in Evansville, Indiana who are available 7X24 to take trouble reports) and in the field. Norlight has route technicians responsible for the fiber and terminating equipment located at each site premise, who are ready to respond rapidly to any problem.
- There are no queues for the traffic to wait on if the network is busy or under-engineered. A full Gigabit of throughput is available to all locations on the network. The network design enables the dedication of GigE bandwidth between communication locations, resulting in low latency and a faster network than your students, teachers, librarians, or administrators will have previously experienced.
- The fiber utilized in each WAN does not rely on any equipment in any of our Norlight POPs. If Internet service is provided in addition to this high speed transport, Internet access will be provided point to point from the nearest Norlight POP to the main hub, and terminated into school system routers.
- The configuration of the equipment for providing this network will be a small termination equipment device (usually a switch or media convertor) in the remote location and a larger switch or array of media convertors at the hub site. Fiber will connect each hub to its remote location. If the fiber goes through a Norlight POP, the fiber will not be terminated in any equipment, but will be either spliced or cross connected through at the Norlight POP.



Fiber drops will be terminated at each of the two sites within each building at a demarcation point (demarc) as defined by the Callisburg Independent School District. We don't follow the standard operating procedures of the local phone company (LEC), which prescribe this demarc at the minimum point of entrance. Instead, Norlight will establish the demarc at a location within each building of your choice, where a fiber distribution panel (FDP) will be installed to terminate the fiber in each of the buildings and then patched over to our optical equipment.

To accommodate the Norlight equipment at the demarc, we would request that the Callisburg Independent School District provide access to an equipment closet at each location that is safe and comfortable for people to work in and includes:

- sufficient 19" rack space for the FDP and other Optronics equipment (usually 2 RU at the remotes; up to 4 RU at the hub)
- an AC outlet fed by a 115 volt/20amp isolated circuit. UPS power protection is strongly recommended. The Callisburg Independent School District would also be responsible for supplying power to the fiber termination equipment.
- timely access for Norlight personnel to these equipment closets in order to install, maintain, or troubleshoot the network and supporting equipment.
- controlled access to maintain the security and integrity of the installed equipment. The Callisburg Independent School District will be responsible for any damage to Norlight equipment that is not the result of normal usage or failure.
- The Callisburg Independent School District will be responsible for supplying a switch or router that has an adequate number of ports to support the copper GigE circuit ports from Norlight equipment at the central hub and remote sites. The hub site requires a minimum of one standard copper GigE port for each remote location, whereas the remote locations will each need a single standard GigE port available. Switches or routers are not provided by Norlight, as they are considered "internal connections" by USAC, and part of the internal LAN, not a Priority 1 WAN service.
- The Callisburg Independent School District will need to provide and install the Ethernet patch cables from the optical termination equipment to the switch ports capable of supporting WAN ports (not from the FDP to our optical equipment, only from our optical equipment to the point at the demarc where we hand off the GigE copper Ethernet).

The locations to be served by this proposed network are identified in the table below. Any variation to the addresses portrayed in the table should be communicated to your Account Executive.

Callisburg Independent School District Gigabit Ethernet WAN Site List

Norlight Label	Name of Location	Street Address	City	Zip Code
Main Hub	Callisburg High School	308 Dozier Street	Gainesville	76241
Remote 1	Callisburg Middle School	148 Dozier Street	Gainesville	76241



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CALLISBURG INDEPENDENT SCHOOL DISTRICT WIDE AREA NETWORK BENEFITS AND APPLICATIONS

Section

It is a full Gigabit of connectivity among schools.

There are a multitude of benefits for the Callisburg Independent School District WAN proposal, given a full Gigabit of connectivity among your schools. Some of the primary benefits of your new WAN will be:

- greatly enhanced communication between all schools and facilities
- the ability to readily share video files
- greater access to multi-media applications, including the ability to broadcast educational programs from one school to any other
- load balancing of Internet bandwidth across the network



As school systems throughout the country have gained access to the high bandwidth networks, such as the one being proposed by Norlight, various applications have been deployed to improve access to teaching resources and provide the IT staff with the infrastructure to better manage and control IT resources. Examples include:



...Equivalent Quality of Service among all schools for Internet Access

...Server Consolidation – the hub site can provide a single location for software maintenance/upgrades, as well as better enable efficient and timely file back-ups



...Bandwidth Needed for Full Motion Video - Remote Learning to share specialized expertise; interactive workshops to broaden participation; virtual field trips to 'far away' places; remote access to international conference rooms to broaden cultural perspectives; ability to utilize vast on-line educational resources, such as the National Geographic Kids Network, the Jason Project, and NASA Quest.

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...Economic Development – Continuing Education and professional development curricula delivered to multiple remote sites; use of the video conferencing infrastructure within the school system by community development agencies



...A Wealth of Bandwidth for Voice, Video, and Data Integration – system wide Voice Over Internet Protocol (VoIP); digital Security Surveillance of all school facilities from a single point

...Catalyst for Innovative Application Trials – HVAC monitoring and control of all school buildings from one central location to facilitate the use of energy saving programs; centralized Test/Exam Servers to improve the security of records



The above applications are merely a partial listing of the possible uses of a GigE network. The virtually unlimited bandwidth that will be provided by our proposed WAN will make possible these and many more applications. While the applications mentioned are not a part of this proposal, our WAN solution makes any and all of these possible from the very first day service is established.

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**CALLISBURG INDEPENDENT SCHOOL
DISTRICT LIBRARY PRICING**

The following pricing options include providing for a full GigE fiber based dedicated network for the two locations identified on page 7. The network design assumes utilization of the High School as the central hub site, with full connectivity to the subtending Middle School. Please note that in the price quote provided below, that the E-Rate discount is assumed to be 70% and represents an estimate based on the most recent Callisburg Independent School District 471 Form posting on the USAC web site. As such, the 'Effective Monthly Recurring Charges' are subject to change based on further discussion between USAC and the Callisburg Independent School District regarding the 'approved discount level' for which your district is eligible.

The quotes provided by Norlight are for a fully managed network with no additional charges imposed for any permits, easements, pole attachments, additional construction costs, support or maintenance of the network, or testing of the network. (This does not include any related fees that may apply as required or authorized by local, state and/or federal governmental agencies.)

Norlight delivers its Gigabit Ethernet Services using 1000BASE-T handoffs (RJ-45). If your schools, for whatever reason, require a different handoff, please inform your Account Executive up-front, so we are aware of your specific needs prior to the start of construction. This price quote assumes that the Callisburg Independent School District will provide Norlight with collocation space and power at each site enumerated in Section 2 of this proposal at your own cost. In addition, Norlight may need necessary easement and building entrance rights, to extend our network from the public rights of way into each building facility to be served.

Five Year Contract Term (60 Months)

Payment Option	Full Cost		Effective Cost (70% E-Rate Discount)	
	Monthly Recurring Charge	Non-Recurring Charge	Monthly Recurring Charge	Non-Recurring Charge
District	\$950.00	Waived	\$285.00	Waived
Per Site	\$475.00	Waived	\$142.50	Waived



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*Note - The above calculations are for illustrative purposes only and are based on the Callisburg Independent School District 70% E-Rate discount as posted on the USAC web site. Each amount is averaged over the cost of the project and may not reflect the actual cost for a specific connection. This distinction is only important to the extent that sites are either dropped or added in comparison to the sites included on this quote, because the pricing above assumes the purchase of service for all locations identified in the RFP.

****THE 'EFFECTIVE COSTS' REFLECTED ABOVE ARE
AN ESTIMATE BASED ON YOUR MOST RECENT USAC
471 FILINGS.
YOUR ACTUAL E-RATE DISCOUNT PERCENTAGE MAY
VARY FROM THIS ESTIMATE****

This price quote expires ninety (90) days from the due date of the associated response

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Section

PROJECT TIMELINE

Callisburg Independent School District WAN Construction Schedule

	Start Date	End Date	Duration by Phase	% Phase Complete	Days Complete by Phase	Remaining by Phase
Phase 1: Scope of Work Definition						
Contract Signing	11/14/08	11/14/08	0	0.0%	0	35
Kick-Off Call	11/21/08	11/21/08	7	20.0%	7	28
Site Survey/Walkthrough	12/15/08	12/19/08	28	80.0%	35	0
Phase 1 Sub-Total			35	100.0%	-	-
Phase 2: Engineering & Entrances						
Field Engineering	12/22/08	1/16/09	25	23.1%	25	83
CAD/Mapping/Permitting	1/19/09	3/13/09	53	49.1%	78	30
Entrance Facility Construction	3/16/09	4/15/09	30	27.8%	108	0
Phase 2 Sub-Total			108	100.0%	-	-
Phase 3: Utility Pole Make Ready¹						
Make Ready Engineering	2/23/09	4/16/09	52	53.1%	52	46
Make Ready Construction	4/19/09	6/4/09	46	46.9%	98	0
Phase 3 Sub-Total			98	100.0%	-	-
Phase 4: OSP Placement & Splicing						
Fiber Construction	6/8/09	6/26/09	18	81.8%	18	4
Fiber Testing/Acceptance	6/29/09	7/3/09	4	18.2%	22	0
Phase 4 Sub-Total			22	100.0%	-	-
Total Project	11/14/08	7/3/09	231			

Note: ¹ - Once Norlight submits its Make Ready request to the local utility pole owners, Phase 3 "Utility Pole Make Ready" progress is under the direct control of the local utility. All of the other three construction phases are under the direct control of Norlight Telecommunications.

120-130 days to deliver plus applicable right-of-way, pole attachment agreement and make ready time periods as determined by your local utility company.

The construction timeframe for this project is estimated to require up to seven months to complete following execution of the Master Service Agreement and Service Order. Upon award of the contract, Norlight will develop a personalized Project Plan, identifying key project personnel and direction of the project, including the milestones to be tracked. In addition, a site visit will be scheduled to conduct an initial 'walk through' of each site to tighten our planning.



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Once the project has been launched, routine status update meetings will be conducted, including District Representatives as designated, the Norlight Project Manager and Account Executive. Our project management expertise is designed to make the implementation of your WAN as quick and smooth as possible. We realize and take into account the critical nature of the dates that you need service delivered by, as well as the necessary USAC timing of installation; and will make every effort to not only satisfy the USAC guidelines, but to exceed your expectations.

REFERENCES

Section

Since the inception of the E-Rate program, Norlight Telecommunications has built/is building WANs for over 70 school districts. Upon request we will provide contact names and phone numbers to facilitate reference checking. The following is a sampling from the list of our valued customers:

Arkansas Schools

- West Memphis Schools
- Palestine Schools
- Marvel School District
- Lee Schools
- Hughes Schools
- Helena School District
- Forrest Schools
- Clarendon Schools
- Brinkley School District
- Barton School

Alabama Schools

- Madison City Schools

Georgia Schools

- Jones County Schools
- Banks County Schools

Illinois Schools

- Community Consolidated #181
- Park Ridge #64
- Gurnee School District
- Naperville School District
- Belvidere Community Schools

Indiana Schools

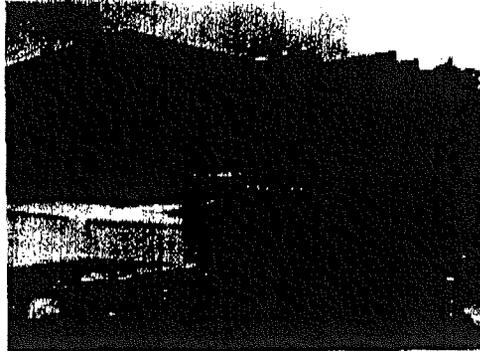
- Beech Grove City Schools
- Brownsburg Community School Corporation
- Center Grove Community School Corporation
- Greater Clark County Schools
- Clay Community School Corporation
- Danville Community School Corporation
- Greencastle Community School Corporation
- Hamilton Southeastern Schools
- Mill Creek Community School Corporation
- Monroec County Community School Corporation
- North Gibson School Corporation
- Northwestern School Corporation
- Plainfield Community School Corporation
- Shelbyville Central Schools
- Town of Speedway Schools
- Vincennes Community School Corporation
- MSD Wayne Township
- Zionsville Community Schools



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Kentucky Schools

- Clark County Schools
- Jefferson County Schools (city of Louisville)
- Martin County Schools
- Shelby County Public Schools
- Muhlenberg County Schools
- Hopkins County Schools



Missouri Schools

- Pattonville Schools
- Ft. Osage School District



Texas Schools

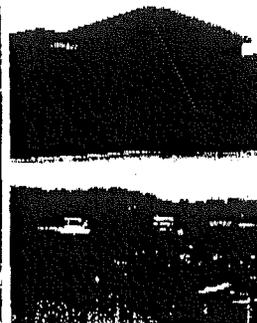
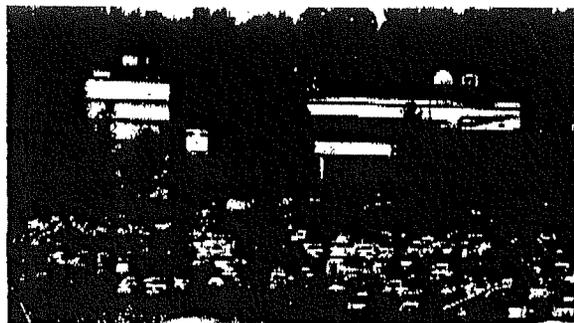
- Palestine Schools

Virginia Schools

- Lancaster County
- Dinwiddie Schools
- Northumberland Schools

Wisconsin Schools

- Green Bay City Schools
- Beloit School District



ATTACHMENT B

Pre-bidding Discussions

- Applicants may:
 - Discuss their product offering with SPs
 - Learn about new technologies from SPs
- Applicants may NOT accept/use the following from service providers:
 - Vendor-specific language for RFP or the 470
 - Template RFPs or Forms 470
 - Assistance with tech plan
 - Assistance with RFP