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January 21, 2011

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

VIA ECFS FILING SYSTEM

Re: Dimmitt Independent School District's Request for Review of USAC's Denial of E-Rate Funding and Brief in Support Thereof
471 App. No. 733584, FRN 1983786
CC Docket Nos. 96-45 and 02-6

Dear Ms. Dortch:

Enclosed please find Dimmitt Independent School District's Request for Review of USAC's Denial of E-Rate Funding and Brief in Support Thereof with Exhibits.

Sincerely,



Fred A. Stormer

FS/ph
541632

Encl.

cc: Les Miller, Superintendent

**Before the
Federal Communications Commission
Washington, DC 20554**

In the Matter of)	
)	
Request for Review of a)	
Decision of the)	
Universal Service Administrator by)	
)	
Dimmitt Independent School District	)	471 App. No. 733584
Dimmitt, Texas	)	FRN 1983786 (FY2010)
)	
Schools and Libraries Universal Service	)	CC Docket Nos. 96-45 and 02-6
Support Mechanism)	

**DIMMITT INDEPENDENT SCHOOL DISTRICT'S
REQUEST FOR REVIEW
OF USAC'S DENIAL OF E-RATE FUNDING
AND BRIEF IN SUPPORT**

471 Application Number: 733584
Billed Entity FCC RN: 0011612439
Billed Entity Number: 141823
Service Provider Number: 143025872

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TABLE OF CONTENTS

TABLE OF CONTENTS.....	i
PROCEDURAL HISTORY	1
ISSUES PRESENTED	3
STATEMENT OF FACTS	4
A. The Service Provider Selection Process.....	4
B. The Trillion Contract.	5
C. Request for Additional Services.	6
ARGUMENTS.....	11
Issue No. 1: There was no violation of Program bid rules or regulation when the District selected a service provider because Trillion was the only vendor to submit a proposal to the District.	11
Issue No. 2: The District complied with Program bid rules regarding a fair and open competitive bidding process as well as Texas statutes on the acceptance and reporting of gifts.	13
Issue No. 3: Even if the District was engaged in a competitive bid process to select a service provider at the time the Trillion Dinner occurred, no conflict of interest arose because the District employees attending Trillion’s Dinner did not provide any input and had no influence over the District’s decision to use Trillion as its service provider.....	17
Issue No. 4: Even if the District was engaged in a competitive bid process to select a service provider at the time the Trillion Dinner occurred, no violation of any Program bid rules occurred because attending Trillion’s Dinner did not constitute a “valuable gift” to support a conflict of interest.	19
Issue No. 5: USAC denied Form 471#733584 based on Pattern Analysis in violation of the Commission’s requirement to investigate and examine whether the District actually violated competitive bidding rules.	23
Issue No. 6: Because USAC waited two years before asserting a violation of its competitive bidding rules, Form 471#733584 should not be denied under the equitable doctrines of laches, estoppel or waiver.....	25
Issue No. 7: Special circumstances warrant waiver by the Commission of USAC’s competitive bid rules.	27
PRAYER.....	29

TO THE FEDERAL COMMUNICATIONS COMMISSION:

1. Dimmitt Independent School District (“Dimmitt ISD” or “the District”) has retained the Underwood Law Firm to submit this Request for Review on its behalf in response to the November 23, 2010 Funding Commitment Decision Letter denying the District’s entire E-Rate funding request for 471 Application Number 733584, Funding Request Number 1983786 (the “FCDL” or “Denial”)¹ by Universal Service Administrative Company (“USAC”).²

2. Dimmitt ISD requests that The Federal Communications Commission (the “Commission”) reverse USAC’s decision to deny its 471 Application Number 733584, Funding Request Number 1983786 (hereafter “FRN 1983786”), because the District conducted a fair and open bid process that was free of any conflict of interest when it selected Trillion Partners, Inc. (“Trillion”) to be its service provider.

3. The Commission shall conduct a *de novo* review of this Request for Review in accordance with 47 C.F.R. §54.723(b).

PROCEDURAL HISTORY

4. On or about June 12, 2009, USAC sent the District a request for information concerning various Trillion funding requests, *See* true and correct copy of June 12, 2009 USAC letter, attached hereto as Exhibit B. Among other things, this request for information

¹ This is the second FCDL issued to Dimmitt Independent School District. The District received its first FCDL on September 15, 2010, relating to FY 2009, 471 #663273, FRN 1811096 (the “First FCDL”). The District filed its appeal of the First FCDL on November 12, 2010 (the “First Appeal”). As of the date this Request for Review was submitted, the FCC has not issued a ruling on the First Appeal.

² *See* June 9, 2010, letter from Sharron Bills, Dimmitt ISD’s Federal Programs Director, confirming to USAC that the District is represented by the law firm of Underwood, Wilson, Berry, Stein & Johnson, P.C. attached hereto as Exhibit A.

inquired about any gifts or meals offered by Trillion and accepted by any District employee. *Id.* On June 22, 2009, the District responded to USAC's request for information in good faith and based on the knowledge of the facts known to the person responding at the time. *See* true and correct copy of District's June 22, 2009 Response to USAC, attached hereto as Exhibit C.

5. USAC proposed the denial of the District's E-Rate funding request FY2010, FRN 1983786 due to an alleged violation of the E-Rate funding program's competitive bidding rules. *See* true and correct copy of USAC's September 13, 2010 Proposed Denial Letter, attached hereto as Exhibit D (hereafter "Second Proposed Denial"). On October 8, 2010, the District submitted its response to USAC's Second Proposed Denial. On November 23, 2010, USAC issued an FCDL officially denying the District's FRN 1983786 E-Rate funding request. *See* true and correct copy of USAC's November 23, 2010 FCDL, (hereafter the "Second FCDL") attached hereto as Exhibit E.

6. USAC's September 13, 2010 Second Proposed Denial of the entire FRN 1983786, just like the First Proposed Denial, is based solely on a purported conflict of interest that arose when three (3) District employees received "valuable gifts" from Trillion in the form of meals at the Moonshine Patio Bar & Grill on February 5, 2008 (the "Customer Appreciation Dinner," the "Trillion Dinner" or the "Dinner") while the District was in the process of selecting a service provider for the goods and services that were the subject of the First Proposed Denial and are also the subject of FY2010, Form 471 #733584, FRN 1983786 (hereafter the "471" or "Form 471 #733584"). *See* Exhibit D. However, the Second FCDL

states that USAC denied FRN 1983786 based on violation of bid laws that occurred **throughout** the selection process.³ See Exhibit E.

7. The District submits this Brief in support of its Request for Review of the denial of Form 471#733584 in the amount of \$172,038.24. See Exhibit E. As the District's legal counsel, the Underwood Law Firm has the authority to submit this response on behalf of the District. See Exhibit A.

ISSUES PRESENTED

- Issue No. 1:** There was no violation of Program bid rules or regulations when the District selected a service provider because Trillion was the only vendor to submit a proposal to the District.
- Issue No. 2:** The District complied with USAC rules regarding a fair and open competitive bidding process as well as Texas statutes on the acceptance and reporting of gifts.
- Issue No. 3:** Even if the District was engaged in a competitive bid process to select a service provider at the time the Trillion Dinner occurred, no conflict of interest arose because the employees attending Trillion's Dinner did not provide any input and had no influence over the District's decision to use Trillion as its service provider.
- Issue No. 4:** Even if the District was engaged in a competitive bid process to select a service provider at the time the Trillion Dinner occurred, no violation of any Program bid rules occurred because attending Trillion's Dinner did not constitute a "valuable gift" to support a conflict of interest.
- Issue No. 5:** USAC denied Form 471#733584 based on Pattern Analysis in violation of the Commission's requirement to investigate and examine whether the District actually violated competitive bidding rules.

³ USAC has never given the District notice of any alleged violations other than those stated in the First Proposed Denial. Therefore, the District must assume USAC's denial remains based solely on the meals received at the Moonshine Patio Bar & Grill, and to the extent the denial is based on some other reason, the FCDL should be reversed because the District has not received fair notice or an opportunity to respond. See *In the Matter of Request for Review of the Decision of the Universal Service Administrator by Academy of Careers and Technologies, et al.*, CC Docket No. 02-6, SLD-418938, (2006) ¶6.

Issue No. 6: Because USAC waited two years before asserting a violation of its competitive bidding rules, Form 471#733584 should not be denied under the equitable doctrines of laches, estoppel or waiver.

Issue No. 7: Special circumstances warrant waiver by the Commission of USAC's competitive bid rules.

STATEMENT OF FACTS

8. Dimmitt ISD is an independent school district in Castro County, Texas, with an approximate enrollment of 1,200 students. As an independent school district, Dimmitt ISD qualifies to participate in the E-Rate Funding Program (the "Program"). The District has participated in the Program since 1999. *See* Affidavit of Doricell Davis attached hereto and incorporated herein by reference as Exhibit F. The vast majority of the District's costs for internet and telecommunication services qualify for reimbursement under the Program (approximately 87% of such costs are reimbursed), and the District would not knowingly engage in any conduct that could jeopardize receipt of Program funding. *See* Affidavit of Charles L. Miller attached hereto and incorporated herein by reference as Exhibit G.

A. The Service Provider Selection Process.

9. The District's "chain of command" as it relates to Program decisions begins with a needs assessment by the Technology Director. The Technology Director assesses which technology areas have the highest priority, and relays that information to the E-Rate Coordinator.

10. The E-Rate Coordinator is responsible for filing the proper Program forms with USAC, as well as serving as the contact person for the District when potential service providers make inquiries. The E-Rate Coordinator initially determines which potential

service providers meet the District's threshold requirements. The E-Rate Coordinator works side-by-side with the Technology Director to gather additional information on each of the potential service providers. This information is provided to the Superintendent. Neither the E-Rate Coordinator nor the Technology Director is involved in the decision to select a service provider. *See Exhibit G; see also Dimmitt Independent School District Organizational Chart included with Exhibit G as Attachment 1.*

11. Based on the subjective information provided by the E-Rate Coordinator and Technology Director, the Superintendent determines which service provider he will recommend to the District's Board of Trustees (the "Board"). *See Id.* The Board calls a meeting, at which the Superintendent relays to the Board all relevant information and his recommendation relating to each potential service provider. The Board, after some deliberation, may vote to accept or reject the Superintendent's recommendation. Only the Board has the authority to select and contract with a service provider on behalf of the District. *See Id. See also TEX. EDUC. CODE §11.151(a).*

B. The Trillion Contract.

12. In 2003, the District contracted with Trillion for internet and a limited amount of telecommunication services (the "Trillion Contract"). *See Exhibit F and a true and correct copy of the 2003 Trillion Contract attached hereto as Exhibit H.* In 2006, the District learned that certain terms and conditions within the Trillion Contract did not comport with Texas statutory requirements, and the Trillion Contract was amended to comply with such requirements. *See Exhibit G and true and correct copy of the 2006 Trillion Contract Amendment attached hereto as Exhibit I.* This Amendment did not change the material terms

of the Trillion Contract, and the District continued to receive internet and telecommunication services under the Trillion Contract. *Id.*

C. Request for Additional Services.

13. In May, 2007, the District passed a bond issue to, among other things, construct a new high school. Construction on the new high school was scheduled to begin in August, 2008, and it was to open in August, 2009. The high school would need to be connected to the District's WAN and have full internet and voice over IP telecommunication service. The District also wanted the same WAN connectivity with full internet and telecommunication services at all other District locations that had not yet been connected (collectively the "Additional Services"). *See* Exhibit G and the Affidavit of Karen Newman attached hereto and incorporated herein by reference as Exhibit J.

14. When the District researched obtaining these Additional Services, it realized its current WAN, as well the internet access and voice over IP telecommunication service, were utilizing all available bandwidth. The District would have to increase its bandwidth in order to obtain the Additional Services it desired. This was especially true in light of the new high school that was soon to be built. *Id.*

15. Anticipating the need for internet and telecommunication services at the new high school and other District locations, the District posted a Form 470 Application Number 173160000631841 on or about November 15, 2007, notifying all potential vendors of its desire for a WAN, internet and voice over IP telecommunication services at all District locations, including the new high school (the "470"). *Id.*; *see also* Affidavit of Sharron Bills

attached hereto and incorporated herein by reference as Exhibit K, and true and copy of the 470, attached hereto as Exhibit L.

16. During this time, the District was still under contract with Trillion for internet and telecommunication services. Trillion was the only service provider that responded to the 470. *See* Exhibits G and K. The District's deadline for filing the 471 #663273 to obtain reimbursement on the Additional Services was February 7, 2008. *See* Exhibit G. Therefore, the District needed to call a special Board meeting to consider and approve the Additional Services before this date. The District posted its notice and agenda for this Board meeting on February 1, 2008. *See* Exhibit G. The agenda contained the following item: "I. Consider contracting with Trillion to provide Wide Area Network (WAN), internet access, and Voice over IP system services for the district for the 2008-2009 school year." *Id.*, *see also* true and correct copy of notice and agenda for February 6, 2008 Board meeting attached hereto as Exhibit M.

17. At the meeting, the Superintendent, Charles L. Miller, advised the Board that Trillion was the only service provider who responded to the District's 470, and that there was an immediate need for the Additional Services. After some deliberation, the Board voted to approve Trillion as the service provider for the Additional Services, and authorized the Superintendent to execute a new Service Agreement and the Product Addendums with Trillion. *See* Exhibit G and true and correct copy of the 2008 Trillion Service Agreement and Product Addendums attached hereto as Exhibit N; *see also* true and correct copy of the February 6, 2008 Board meeting minutes attached hereto as Exhibit O.

18. Because it was necessary for the District to obtain additional equipment and because it was expanding services to new facilities (namely the high school), Trillion advised the District that it was necessary to execute a new Service Agreement and various Product Addendums to account for the increased equipment and services. *See* Exhibit G.

19. USAC received the District's FRN 1811096 on or about January 23, 2009. *See* true and correct copy of the 471 Application Number 663273, FRN 1811096, attached hereto as Exhibit P. On or about June 15, 2009, Ms. Sharron Bills, the District's E-Rate Funding Coordinator at the time, received USAC's request for information and certain documents. *See* Exhibits B and K. Ms. Bills answered USAC's questions and supplied the information requested to the fullest extent of her knowledge and in good faith. *See* Exhibits C and K. On or about December 4, 2009, the District filed form 470 FY2010, a true and correct copy of which is attached hereto as Exhibit S. On or about January 28, 2010, USAC received Form 471 773584, FRN 191983786, a true and correct copy of which is attached hereto as Exhibit T.

20. Thereafter, on or about June 3, 2010, the District received the First Proposed Denial of its Form 471#663273 (FRN 1811096), asserting that the entire Form 471#663273 would be denied because three (3) District employees accepted a meal from Trillion, thereby preventing the District from conducting a fair and open competitive bid process, free from conflicts of interest. *See* Exhibit D.

21. On or about July 5, 2010, the District responded to the First Proposed Denial by asserting it had conducted a fair and open bid process free of any conflict of interest when

it selected Trillion to be its service provider for the Additional Services (the “First Response”).

22. On or about September 13, 2010, the District received from USAC the Second Proposed Denial of its Form 471#733584, asserting the same claims as the First Proposed Denial. Specifically, the Second Proposed Denial stated “[t]he documentation you or Trillion Partners, Inc. provided indicates that you were offered and accepted valuable gifts, in the form of meals, immediately prior to and/or during the process you conducted to select a service provider to provide these goods and services from the service provider you selected. These gifts show that you engaged in noncompetitive bidding practices in program rules.” *See Exhibit D.*

23. On or about September 15, 2010, the District received the First FCDL. *See Exhibit U.*

24. On or about October 8, 2010, the District responded to the Second Proposed Denial by asserting it had conducted a fair and open bid process free of any conflict of interest when it selected Trillion to be its service provider for the Additional Services (the “Second Response”).

25. On or about November 12, 2010, the District filed its First Request for Review with the Commission regarding the denial of funding for Form 471 Application Number 663273. *See Exhibit G.*

26. On or about November 23, 2010, the District received the Second FCDL. *See Exhibit G. See also true and correct copy of Second FCDL attached hereto as Exhibit E.*

27. At this point, it is worth noting that in both the First and Second FCDL, USAC's reasoning for denying each funding request was altered from the initial reason stated in both Proposed Denial Letters. Specifically, the Second Proposed Denial Letter states, "The documentation you or Trillion Partners, Inc. provided indicates that you were offered and accepted valuable gifts, in the form of meals, *immediately prior to and/or during* the process you conducted to select a service provider." (Emphasis added). *See* Exhibit D.

28. The Second FCDL, however, states, "The documentation provided by you and/or your service provider indicates that *throughout your contractual relationship...* 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."(emphasis added). *See* Exhibit E. The phrase "throughout your contractual relationship" significantly alters the basis for the violation.

29. In response to the Second Proposed Denial Letter, the District defended itself against allegedly accepting gifts *during* the competitive bidding process. USAC never provided the District with notice or an opportunity to defend itself against the startling new allegation that District employees accepted meals "throughout" the entire contractual relationship.⁴

⁴ This practice of selectively revealing alleged violations is unjust and is not tolerated by the FCC. *See In the Matter of Request for Review of the Decision of the Universal Service Administrator by Academy of Careers and Technologies, et al.*, CC Docket No. 02-6, SLD-418938 (2006) ¶6.

ARGUMENTS

Issue No. 1: There was no violation of Program bid rules or regulation when the District selected a service provider because Trillion was the only vendor to submit a proposal to the District.

30. As previously stated, the District desired Additional Services. The District's available bandwidth, however, was insufficient to accommodate the Additional Services. On or about November 15, 2007, the District filed its 470 advising vendors that it sought both increased WAN and Wireless WAN and related equipment associated with the Additional Services. *See* Exhibit J. After USAC posted the District's 470, service providers were able to search and download information concerning the 470 in order to consider bidding on the District's request. *See* www.usac.org/sl/providers/step02. The only proposal the District received came from Trillion, despite the fact that the 470 was posted to all E-Rate approved vendors on the USAC website. *See* Exhibits G and K. No other service providers responded to the District's request for the Additional Services. *See Id.*

31. At the time, USAC competitive bid requirements stated,

[t]he applicant must conduct a fair and open competitive procurement in which a service provider is selected and products and/or services are ordered and reported on the *Services Ordered and Certification Form* (Form 471)."

* * *

"Fair" means that all bidders are treated the same and that no bidder has advance knowledge of the project information. "Open" means there are no secrets in the process- such as information shared with one bidder but not with others- and that all bidders know what is required of them.

See <http://www.usac.org/sl/applicants/step03/run-open-fair-competition.aspx>.

32. The 470 was posted through USAC to all potential service providers, as required by USAC Rules. All potential bidders were treated the same and received the same information. The District only received the single bid from Trillion. *See Exhibits G and K.* The District waited longer than the mandatory twenty-eight (28) day period to execute a new service agreement with Trillion, giving other vendors ample opportunity to submit a proposal. Despite this extended time, the District received no other proposals. *See Exhibits G and K.* On February 7, 2008, well outside the Allowable Contract Date of December 13, 2007, the District signed the 2008 Trillion Service Agreement and various Product Addendums for all services associated with the WAN, internet access and voice over IP telecommunication service for the entire District, including the new high school. *See Exhibits G and N.*

33. The District conducted a “fair and open” procurement process. All potential vendors received the same information and had the same opportunity to respond. But, by default, there was no competition; Trillion was the only vendor to respond, therefore, they were the only vendor that the District could consider. As such, even if attending the Customer Appreciation Dinner could be considered a “valuable gift,” there can be no conflict of interest and no violation of Program bid rules occurred because there was no one to compete with Trillion. Assuming, for arguments sake, that attending the Customer Appreciation Dinner was a violation of Program bid rules, which the District denies, neither the District nor Trillion received any benefit from this apparent mistake. In a recent FCC decision, the Commission found that when the underlying policy of ensuring service providers a fair opportunity to bid on services is not compromised; there is no actual harm to

the competitive bidding process. *In the Matter of Request for Review of the Decision of the Universal Service Administrator by Green Bay Area Public School District*, CC Docket No. 02-6, SLD-681595, 692800, 681544, ¶ 1 (2010). There is no evidence that this alleged misconduct caused “actual harm,” or inured to the detriment of any other service provider, and there is no evidence that the District committed any fraud, waste, or abuse, or participated in an unfair bid process. The Commission should reverse USAC’s Second Denial.

Issue No. 2: The District complied with Program bid rules regarding a fair and open competitive bidding process as well as Texas statutes on the acceptance and reporting of gifts.

34. While USAC denied the District over \$172,000 in Federal funds for allegedly “engaging in non-competitive bidding practices in violation of program rules,” USAC failed to inform the District of, or even identify, such Program rules.

35. The applicable bid requirements relating to a fair and open competitive procurement process are so vague and overbroad as to be almost meaningless with respect to receipt of meals. The Commission recognized this deficiency when, in May 2010, it submitted a Notice of Proposed Rulemaking which addresses this exact issue. According to the Commission, “[a]lthough the commission has held in numerous orders that the competitive bidding process must be fair and open, **there is currently no codified Commission rule specifically requiring that the competitive bidding process be conducted by an E-rate application in a fair and open manner.**” *In the Matter of School and Libraries Universal Service*, 25 F.C.C.R. 6872, 6883 (2010). (Emphasis added). The Commission went further to state that if the USAC proposed competitive bidding rules were

to be codified, the Commission would provide illustrative guidance on conduct that would violate the rule. *Id.* USAC guidelines have been completely void of such illustrations. USAC provided no guidance on what constitutes a violation of competitive bidding practices, and USAC cannot expect the District to adhere to a rule that did not exist when the alleged violation occurred. To enforce such a rule under the facts presented surely violates any reasonable notion of fair play and substantial justice.

36. On December 3, 2010, the Commission published new competitive bidding guidelines in 75 FR 75412, revising 47 C.F.R. §54.503. These guidelines require USAC to utilize similar guidelines as other federal agencies. Specifically, §54.503(d) states that service providers may not offer or provide any gift unless it is an “item with little intrinsic value intended solely for presentation, and *items worth \$20 or less, including meals*”(emphasis added).47 C.F.R. §54.503(d). Further, federal regulations allow for an employee who received a gift which later is determined to be prohibited, to return the gift or reimburse the donor the market value of the gift. 5 C.F.R. § 2635.205(a)(1), (3).

37. Even if USAC applies these Commission guidelines retroactively to the matter at hand, USAC cannot prove that the District failed to conduct a fair bid process.⁵ While Trillion may be considered a prohibited source for a District employee’s meal, the critical inquiry is the actual cost of the Customer Appreciation Dinner. USAC claims each dinner cost \$32.32. However, USAC has not provided the District any evidence, and there is

⁵ The District is not advocating that the Commission’s competitive bidding rules be applied retroactively to the case at bar. To the contrary, it should not. Rather, the District’s reference to these rules demonstrates the unreasonableness of USAC’s position because it cannot prove that the District violated the stricter Commission bidding rules, much less the overly broad and vague rules that USAC purports were violated.

presumably no evidence in the record, to support this cost as it pertains to these specific District employees. Presumably, USAC took the entire bill for the Customer Appreciation Dinner, which was attended by dozens of current “customers” and divided the total cost by the number of attendees present to arrive at an estimated cost of \$32.32 for each meal provided. The difference between the estimated cost of the dinner (\$32.32) and the allowable maximum gift under Commission guidelines (\$20.00) may seem trivial. The difference of \$12.32 per meal, however, is the difference between the District receiving over \$172,000.00 in federal funds and suffering a devastating loss of technology funding.

38. The District maintains that the record does not contain any evidence that any District employee exceeded the maximum \$20.00 gift amount. USAC’s estimated meal cost is much too speculative to prove that the District violated any Program bid rule. Since USAC failed to meet its burden of proof, the Commission should reverse the Second Denial. In the alternative, the District did not learn of the alleged violation was the basis for denying Form 471#733584 until September 13, 2010, and it (or its employees) is ready, willing, and able to reimburse Trillion for the total amount USAC claims the dinners cost, \$96.96. The District, however, was not given an opportunity to reimburse Trillion as is allowed under 5 C.F.R. §2635.205(a)(1) and (3); a practice that was allowed under guidelines applicable for federal agencies.

39. In light of the vacuum created by the lack of USAC regulations as it pertains to receipt of meals, the Commission should look to Texas law for direction, as that was the only guidance available to the District when the alleged violation occurred. Texas has established guidelines relating to gifts. Texas Local Government Code, Chapter 176,

addresses the disclosure of certain relationships between local government officers and vendors. TEX. LOC. GOV'T CODE Chapter 176, *et. seq.* While the employees who participated in the Customer Appreciation Dinner do not meet the definition of a local government officer to fall within the scope of Chapter 176 (*see* affidavit of Les Miller at Exhibit G, stating that neither Newman, Webb nor McClure had authority to approve contracts), this statute illustrates that the District complied with a quasi-applicable Texas conflict of interest statute.

40. This statute requires a local government officer to file a disclosure statement if a vendor or potential vendor has provided the local government officer with one or more gifts that have an aggregate value of more than \$250.00 within one (1) calendar year. TEX. LOC. GOV'T CODE §176.003(a)(1) and (2). There is an exception to this disclosure requirement if “the gift is food, lodging, transportation, or entertainment **accepted as a guest.**” TEX. LOC. GOV'T CODE §176.003(a-1). (Emphasis added). The Texas Ethics Commission has determined that in order to accept something as a guest, “the donor must be present.” Op. Tex. Ethics Comm'n No. 130 (1993).

41. Despite the fact that District employees attending the Trillion Dinner were not obligated to adhere to this statute, they and Trillion have complied with the law and also fall within its exception. The Customer Appreciation Dinner, with a purported cost of \$32.32 per person (\$96.96 for all three District employees), is well under the Texas statutory maximum of \$250.00. In addition, Trillion representatives were present at the Trillion Dinner. Therefore, the Trillion Dinner also falls under the exception in that Newman, McClure and

Webb accepted the meal as a **guest** of Trillion. (See affidavits of Newman, Webb, and McClure Exhibits J, Q and R).

42. The District has been diligent in its efforts to adhere to the guidelines surrounding acceptance of gifts. The Commission acknowledged that USAC's rules in this arena at the time were vague, at best. There is no evidence that the District failed to meet the standards set for federal government employees, and it has complied with the applicable guidelines created by the state of Texas for public officials. The Commission should reverse USAC's Second Denial.

Issue No. 3: Even if the District was engaged in a competitive bid process to select a service provider at the time the Trillion Dinner occurred, no conflict of interest arose because the District employees attending Trillion's Dinner did not provide any input and had no influence over the District's decision to use Trillion as its service provider.

43. On January 17, 2008, Karen Newman, who was Dimmitt ISD's Technology Director at the time, received an email from Chuck Browning, Client Relations Manager at Trillion, Inc., inviting her to a "Trillion Customer Dinner" on Tuesday, February 5, 2008. See Exhibit J. Trillion held the Dinner during the Texas Computer Education Association (TCEA) Conference in Austin, Texas. Three Dimmitt ISD employees attended the TCEA Conference: Karen Newman, Rhenea Webb (Dimmitt ISD Computer Lab paraprofessional), and Vanesa McClure (Assistant Technology Director). Ms. Newman told Mr. Browning on January 21, 2008 that the three District employees would attend the Customer Appreciation Dinner. See *Id.* Ms. Newman, Ms. Webb, and Ms. McClure went directly from the Conference to the Dinner. Guests were allowed to choose their own entrée. See Exhibit J, and Affidavits of Rhenea Webb and Vanessa McClure attached hereto as Exhibits Q and R,

respectively. Trillion did not discuss business at this Dinner, nor did it attempt to promote any services. *See Id.*

44. None of these employees had authority or influence over the decision of the District's Board of Trustees to choose Trillion to provide the Additional Services. *See* Exhibits G, J, Q, and R. In addition, these employees did not have authority to approve a service provider contract (with Trillion or any other service provider). *See* Exhibit G and Attachment 1 thereto. Moreover, none of these employees attended the February 6, 2008 Board meeting when the 2008 Trillion Service Agreement and Product Addendums were approved by the Board. *See Id.*

45. It is important to reconcile a potential irregularity in documents, which may have been considered by USAC in its Second Denial. On June 12, 2009, USAC sent the District a "Request for Information Concerning Trillion Partners, Inc. Funding Request Numbers on the FCC Form 471 Application Numbers 388487, 452451, 529431, 564550, 619342, 663273." *See* Exhibits B and K. This letter was sent directly to Sharron Bills, who was by then the District's Federal Programs Director. Among other items, this request asked Ms. Bills to provide a "list of all gifts-including monetary gifts-offered or provided by Trillion Officers/employees to any staff member" as well as a "list of all meal, entertainment, and/or trips offered or provided by Trillion officers/employees to any staff member." *See Id.*

46. Ms. Bills responded by stating, "I have never received any gift of any sort from Trillion," and "I have never been provided or offered meals, trips, or entertainment by Trillion." *See* Exhibits C and K. While these answers may not be entirely responsive to the question posed, they are truthful; she did not personally receive any gift or meal from

Trillion. Further, Ms. Bills was completely unaware that three (3) employees attended the Customer Appreciation Dinner during the TCEA Conference, as no such event had occurred before, and these employees were not obligated to report the dinner under Texas law. *See* Exhibits J, K, Q and R; *see also* Issue No. 2, *infra*. Ms. Bills' statements were not meant to deceive, nor did she intend to be evasive in her response. Instead, this was her belief as she recalled the circumstances at that time. Unfortunately, USAC never sought clarification on this discrepancy from the District, and the District did not become aware of this error until it was preparing its First Response to USAC's Proposed Denial. *See* Exhibit K.

47. Because Karen Newman, Rhenea Webb, and Vanesa McClure were not in a position of authority at the time of the Customer Appreciation Dinner, and because they had no influence over the decision to select Trillion as a service provider for the Additional Services (*see* Exhibit G), there was no conflict of interest. The District did not violate the Program's competitive bid rules. The Commission should reverse USAC's Second Denial.

Issue No. 4: Even if the District was engaged in a competitive bid process to select a service provider at the time the Trillion Dinner occurred, no violation of any Program bid rules occurred because attending Trillion's Dinner did not constitute a "valuable gift" to support a conflict of interest.

48. The Second Denial turns on three District employees' receiving a "valuable gift." *See* Exhibit U. At the time of the Dinner, USAC had not defined a "valuable gift" as it relates to the Program bid process. Therefore, other sources must be considered when ascertaining the meaning of "valuable gift." Black's Law Dictionary states that "valuable" is "[w]orth a good price; having financial or market value and "gift" is defined as, "the voluntary transfer of property to another without compensation." BLACK'S LAW DICTIONARY

1586, 709 (8th ed. 2004). Case law also provides some guidance as to what is considered a “valuable gift”. A “valuable gift” can include “Rolex watches, furniture, and business suits.” *U.S. v. Josleyn*, 99 F.3d 1182, 1186 (1st Cir. 1996). It can also include “attendance at an NBA All-Star weekend; payment of \$10,000; attendance at a Super Bowl and USA basketball game; and a deck worth over \$10,000.” *U.S. v. Kemp*, 379 F.Supp.2d 690, 698 (E.D.Pa. 2005). USAC claims that a meal provided by Trillion (with an estimated cost of \$32.32) equates to a “valuable gift.”

49. The Commission has considered what constitutes “valuable consideration” in connection with Section 508 of the Communications Act (*i.e.* “payola”). See *In Re Kaye-Smith Enterprises, et al.*, 71 FCC 2d 1402 (1979). In this decision, the Commission looked at three (3) situations of claimed “payola”: (i) the attendance by three (3) radio station employees, including the station manager, at a party given by a record promoter; (ii) lodging accepted by a radio station employee provided by another record promoter; and, (iii) a coffee service provided to the radio station, worth approximately \$35 per week. The Commission noted that in order to constitute “payola” the gift must be given with the understanding, express or implied, that it is given in exchange for some material benefit. Also, the consideration must, by definition, be valuable; gifts of nominal value or social exchanges between friends are not payola. *Id.* at ¶13; *citing Applicability of Sponsorship Identification Rules*, 40 Fed. Reg. 41936 (1975).

50. The Commission noted that the Petitioner asserting the misconduct in *In Re Kaye-Smith Enterprises, et al.* failed to meet its burden of proof because it did not provide any evidence that the alleged payola was given and or accepted with the understanding that it

was given in exchange for some other material benefit; *i.e.*, there was no proof of any *quid pro quo*. *Id.* at ¶6. Finally, the Commission held that attending a party, accepting lodging or receipt of a coffee service by the radio station was too nominal to be categorized as “valuable consideration” within the meaning of the Communications Act. *Id.*

51. A cursory comparison between the alleged value of the meal provided at the Customer Appreciation Dinner in question and a valuable gift as exemplified by federal case law illustrates that the value of the Customer Appreciation Dinner is too nominal for USAC to consider it valuable. Additionally, USAC does not provide any evidence whatsoever that Trillion hosted the Customer Appreciation Dinner in exchange for insider information or advantage, or that any of the employees attending the Dinner believed that some corresponding *quid pro quo* was attached. To the contrary, this was an isolated event for existing Trillion customers that was attended by District employees who had no control or even any influence over the District’s selection of Trillion as a service provider. *See* Exhibits G, J, Q and R. Implicitly, a Customer Appreciation Dinner is held in appreciation of a past customer/vendor relationship, not in anticipation of a future relationship. To deny the District’s E-Rate funding application over a dinner (which the District has already shown is not a violation of the Program’s bid rules) does not comport with notions of fair play and substantial justice.

52. This is especially true considering USAC neither defined “valuable gift” for Program participants nor did District employees suspect it was improper to accept a meal from Trillion under Texas law. *See* Issue No. 2, *infra*; *see also* Exhibits J, Q and R. USAC provided no prior guidance, counsel, or warning to the District of the unintended

consequence of having dinner with a vendor. *See Id.* The rule upon which USAC relies only speaks in terms of being “open and fair.” *See* <http://www.usac.org/sl/applicants/step03/run-open-fair-competition.aspx>. As stated earlier, USAC can only speculate as to the actual cost of any benefit received by the District employees. There is no evidence as to how much each person’s meal actually cost because Trillion allowed the attendees to order from the menu. *See* Exhibits J, Q and R.

53. The USAC Rule applied in the Second FCDL is impermissibly vague and overbroad. Although never stated, USAC appears to equate *any benefit* as a receipt of a “valuable gift,” and acceptance of any valuable gift creates a conflict of interest, *per se*. Applying this rule to its logical conclusion creates absurd results; a disposable pen with Trillion’s logo, a Trillion representative providing spare change to purchase a soda from a vending machine or a giving an employee a ride home would be considered a “valuable gift.” USAC’s application of Program bid rules seemingly require denial of E-Rate funding if any employee of a Program participant accepts a “valuable gift” from a vendor, even if the employee has no influence or authority over the selection of the vendor who provided the alleged benefit. At best, USAC applied the Program’s bid rules arbitrarily to Dimmitt ISD, and at worse USAC engaged in “Pattern Analysis” as the basis for its Denial because Trillion was the service provider. *See* Issue No. 5, *infra*.

54. Either way, the circumstances surrounding the Customer Appreciation Dinner do not justify the Denial of the District’s E-Rate funding application. The District did not commit any waste, fraud, or abuse of the Universal Service Fund. *See In the Matter of*

Request for Review of the Decision of the Universal Service Administrator by Academy of Careers and Technologies, et al., CC Docket No. 02-6, SLD-418938 (2006).

Issue No. 5: USAC denied Form 471#733584 based on Pattern Analysis in violation of the Commission’s requirement to investigate and examine whether the District actually violated competitive bidding rules.

55. In 2005, the Arizona Attorney General began investigating Tucson Unified School District (“TUSD”) and its relationship with Trillion. Specific to this Appeal, TUSD allegedly accepted gifts and gratuities from Trillion. The Arizona Attorney General accused Trillion of antitrust, bid rigging, procurement fraud, and conflict of interest violations. As a result of this large scale investigation, in January 2009, both TUSD and Trillion entered into consent judgments with the state of Arizona. Approximately four months later, Dimmitt, along with hundreds of other districts throughout the nation, received a request from USAC seeking additional information. Trillion was the common thread between all the school districts involved. USAC pre-determined that Trillion’s alleged bad acts in Arizona were wide-spread. “Therefore pursuant to its responsibilities as administrator to avoid improper payments and to protect the USF from waste, fraud, and abuse, USAC is holding funding requests and invoices associated with Trillion pending USAC’s investigation of these issues.” See Exhibit B.

56. USAC is responsible for the E-rate Program’s application process. To administer this responsibility, it developed a procedure to uncover competitive bidding rule violations by searching for similar language used in Form 470.⁶ This Pattern Analysis

⁶ *In the Matter of Requests for Review of Decisions of the Universal Service Administrator by Colegio Nuestra Senora Del Carmen Hatillo, Puerto Rico, et al.* CC Docket No. 02-6, SLD-359532 (2008) ¶ 6.

procedure “contemplates that possibility that a group of applicants, all with the same service provider, violated the competitive bidding rules.”⁷ The Commission has since required USAC to employ a more in-depth procedure when using Pattern Analysis to deny an applicant’s funding.

[W]e find that when USAC suspects that a service provider has improperly participated in an applicant's bidding process due to the results of its “pattern analysis” procedure, *it is incumbent on USAC to conduct further investigation and analysis prior to denying funding*. Specifically, USAC should review these applications fully, and should not issue summary denials of requests for funding solely because applications contain similar language. If an entity is able to demonstrate that it fully complied with all program rules and did not, for example, violate the Commission's competitive bidding rules, then USAC should not deny funding on the basis of the “pattern analysis” procedure.⁸ (Emphasis added)

57. It is apparent from the volume of requests for addition information, coupled with the fact that these requests centered on a single service provider, USAC used Pattern Analysis in selecting Dimmitt ISD for further review. This may be a perfectly allowable option for USAC. The Commission, however, does not permit USAC to bypass the additional Pattern Analysis inquiry. USAC must allow the District an opportunity to demonstrate that it fully complied with all competitive bidding rules. The District assumes, although USAC has failed to produce specific evidence to support such an assumption, that USAC’s “red flag” in regards to the District’s relationship with Trillion was the alleged inconsistencies between statements made by Trillion and statements made by the District. In the District’s June 29, 2009 response to USAC’s June 12, 2009 request for information, the

⁷ *Id.*

⁸ *In the Matter of Request for Review of the Decision of the Universal Service Administrator by Academy of Careers and Technologies, et al.*, CC Docket No. 02-6, SLD-418938 (2006).

District stated that no one had received a meal or gift from Trillion. It is assumed that Trillion's documents reflected otherwise. USAC could have resolved this discrepancy by simply informing the District of the inconsistency and allowing the District to "demonstrate that it fully complied with all program rules." The District never intended to be evasive in its response to the June 12, 2009 letter. No one in the District had accepted a meal or gift from Trillion, or any other service provider prior to the Customer Appreciation Dinner. The Dinner was an anomaly, not commonplace. Consequently, Ms. Bills simply relied on experience in stating "I have never been provided or offered meals, trips, or entertainment by Trillion." *See Exhibit C.*

58. The District has shown that it complied with all USAC rules and Texas statutes in effect at the time of the Dinner regarding the acceptance of meals. Therefore, the District believes that the catalyst of USAC's denial centers on the discrepancies between statements of the District and Trillion. If this is the case, USAC failed to adhere to the Commission's requirement to provide the District an opportunity to resolve the discrepancy and "demonstrate that it fully complied with all program rules and did not... violate the Commission's competitive bidding rules." The Commission should reverse USAC's Second Denial.

Issue No. 6: Because USAC waited two years before asserting a violation of its competitive bidding rules, Form 471#733584 should not be denied under the equitable doctrines of laches, estoppel or waiver.

59. The equitable doctrines of laches, estoppel and waiver all operate to bar consideration of the merits of a claim when the claimant has neglected to pursue said claim for an unreasonable time period. *In the Matter of Communique Telecommunications, Inc.*, 14

F.C.C.R. 13635, 13650 (1999); *In re Gold*, 375 B.R. 316, 334 (Bankr. N.D. Tex. 2007).⁹

Courts recognize that the passage of time may be prejudicial to a defendant, thereby resulting in injustice. *Baptist Physician Hosp. Org., Inc. v. Humana Military Healthcare Services Inc.*, 481 F.3d 337, 353 (6th Cir. 2007). In order to prevail on such an equitable claim, the District must show that the long delay in commencing the action caused it harm. *Id.* USAC's delay and failure to inform the District of the alleged bid violation prior to the District deadline for filing Form 471#733584 did harm the District significantly.

60. The basis of USAC's claim is a meal, which occurred more than two (2) years prior to the Second Denial. More than a year following the Trillion Dinner passed before USAC informed the District of the potential issues surrounding its involvement with Trillion. *See* Exhibit B. Further, USAC did not provide the District with an opportunity to clarify its answers to the June 12, 2009 questions regarding the District's relationship with Trillion. *See* Exhibits B and C. The District has extended its contractual obligation with Trillion to 2013 (*See* Exhibit N), expanded its technological service and, most importantly, obligated itself to several hundred thousand dollars in fees to Trillion. If, as early as June 12, 2009, USAC suspected that the Customer Appreciation Dinner was "fruit of the poisonous

⁹ "Laches" is defined as "a neglect to assert a right or claim which, taken together with lapse of time and other circumstances causing prejudice to adverse party, operates as [a] bar in [a] court of equity." BLACK'S LAW DICTIONARY, 6th Ed., p. 875, *citing Wooded Shores Property Owner's Assoc. Inc. v. Matthews*, 345 N.E. 2d 186, 189. (Ill. App. 1976). "Estoppel is a bar or impediment which precludes allegation or denial of a certain fact or state of facts, in consequence of previous allegation or denial or conduct or admission, or in consequence of final adjudication of the matter in a court of law. It operates to put [a] party entitled to its benefits in [the] same position as if [the] thing represented were true." BLACK'S LAW DICTIONARY, 6th Ed., p. 551, *citing May v. City of Kearny*, 17 N.W. 2d 448, 458 (Neb. 1945). "Waiver" means "the renunciation, repudiation, abandonment, or surrender of some claim, right, privilege, or of the opportunity to take advantage of some defect, irregularity or wrong. An express or implied relinquishment of a legal right. A doctrine resting upon an equitable principal which courts of law will recognize." BLACK'S LAW DICTIONARY, 6th Ed., p. 1580, *citing Atlas Life Ins. Co. v. Schrinsher*, 66 P.2d 944, 948. (Okla. 1937).

tree,” thereby voiding the entire multi-year Trillion Contract, it should have acted sooner so that the District could mitigate its losses.

61. Because USAC delayed in issuing its First and Second Denials, the District continued services with Trillion. As a result, the District is in jeopardy of losing even more in unreimbursed debt; at least the amount equal to the District’s FY2010 E-Rate funding request as well as the amount equal to the District’s FY2009 E-Rate funding request.¹⁰ This is simply an insurmountable debt for a small, rural district. If USAC, through due diligence, had informed the District of this alleged competitive bidding violation promptly, the District may have been able to re-evaluate its relationship with Trillion and mitigate damages. The District is financially harmed and prejudiced by USAC’s delay in asserting an alleged violation of competitive bid laws so long after the date the District was required to submit its reimbursement application for FY2010. As such, the principals of equity dictate that the Commission reverse USAC’s Second Denial.

Issue No. 7: Special circumstances warrant waiver by the Commission of USAC’s competitive bid rules.

62. The Commission, on its own motion, may waive any provision of its rules. 47 C.F.R. §1.3. “The FCC may exercise its discretion to waive a rule where particular facts would make strict compliance inconsistent with the public interest.” *Northeast Cellular Telephone Co. v. FCC*, 897 F. 2d 1164, 1166 (D.C. Cir. 1990). In waiving a rule, the Commission takes into account “considerations of hardship, equity, or more effective

¹⁰ As stated earlier, USAC has recently denied funding for FY 2009 Form 471 #663273 (FRN 1811096) in the amount of \$170,083.26. On or about November 12, 2010, the District filed its First Request for Review and Brief in Support with the Commission on November.

implementation of overall policy.” *WAIT Radio v. FCC*, 418 F.2d 1153, 1159 (D.C. Cir. 1969). “In sum, waiver is appropriate if special circumstances warrant a deviation from the general rule, and such deviation would better serve the public interest than strict adherence to the general rule.” *In the Matter of Albert Lea Area School*, CC Docket No. 02-6 SLD-517274 (2009), citing *Northeast Cellular Telephone Co. v. FCC*, 897 F. 2d 1164, 1166 (D.C. Cir. 1990).

63. Because USAC has already denied two requests for reimbursement (which constitutes two (2) out of the five (5) years the District has contracted with Trillion) based on a single dinner which occurred in February of 2008, the District presumes USAC will continue to deny the three remaining contractual years based on that same dinner. This \$32.32 dinner will cost the District an estimated \$850,000 if USAC denies all five years of the Trillion contract. As such, the District pleads in the alternative that special circumstances exist to waive USAC’s “rules” pertaining to competitive bidding. It is against the public interest to strictly apply USAC’s competitive bidding rules because strict adherence to these “rules” would require the District to scrape from its “bare bones” budget just to pay Trillion for services it believed were to be reimbursed by the E-Rate Program. In these financially dire times, this type of expenditure may significantly affect the District’s education programs.

64. The District understands the underlying premise behind these rules is to ensure that the competitive bidding process is open and fair to all who are eligible to participate. The District also understands that some may try to push the gift-giving envelope by providing trips and extravagant meals. The District maintains, however, that was not the

case in this situation. This was a case where three employees, with no decision making authority, attended a family-style customer appreciation dinner at a restaurant that is known for chicken fried steak, not filet mignon. To deny hundreds of thousands of dollars in funding over a \$32 dinner does not comport with the overall principle of E-Rate Program. Therefore, and in the alternative, the District respectfully requests a waiver of the competitive bidding rules because such deviation would serve the public interest better than strict adherence to the general rule.

PRAYER

WHEREFORE, Dimmitt Independent School District respectfully requests the Commission to reverse the FCDL, find that no violation of Program bid rules or regulations occurred, and remand the District's Form 471#733584 E-Rate funding application to USAC for further consideration and approval. In the alternative, Dimmitt Independent School District respectfully requests that the Commission find that there is sufficient evidence of extenuating circumstances and harm to the District to warrant a waiver of such Program bid rules, and remand the District's Form 471#733584 E-Rate funding application to USAC for further consideration and approval.

Respectfully submitted,

UNDERWOOD, WILSON, BERRY,
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By:


Fred A. Stormer

ATTORNEYS FOR DIMMITT
INDEPENDENT SCHOOL DISTRICT

**Before the
Federal Communications Commission
Washington, DC 20554**

In the Matter of)	
)	
Request for Review of a)	
Decision of the)	
Universal Service Administrator by)	
)	
Dimmitt Independent School District	)	471 App. No. 733584
Dimmitt, Texas	)	FRN 1983786 (FY2010)
)	
Schools and Libraries Universal Service	)	CC Docket Nos. 96-45 and 02-6
Support Mechanism)	

**DIMMITT INDEPENDENT SCHOOL DISTRICT'S
REQUEST FOR REVIEW
OF USAC'S DENIAL OF E-RATE FUNDING
AND BRIEF IN SUPPORT**

471 Application Number: 733584
Billed Entity FCC RN: 0011612439
Billed Entity Number: 141823
Service Provider Number: 143025872

INDEX OF EXHIBITS

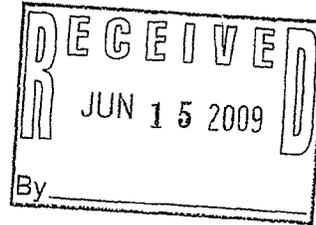
<u>Tab No.</u>	<u>Description</u>
A	June 9, 2010 letter from Sharron Bills to USAC authorizing representation by and contact with the law firm of Underwood, Berry, Stein & Johnson, P.C.
B	June 12, 2009 letter from USAC to Sharron Bills
C	June 22, 2009 response letter from Sharron Bills
D	September 13, 2010 USAC Proposed Denial letter
E	USAC's November 23, 2010 Funding Commitment Decision Letter (FY2010)
F	Affidavit of Doricell Davis
G	Affidavit of Charles L. Miller
H	2003 Trillion Contract
I	2006 Trillion Contract Amendment

<u>Tab No.</u>	<u>Description</u>
J	Affidavit of Karen Newman
K	Affidavit of Sharron Bills
L	Form 470 Application Number 173160000631841
M	February 6, 2008 Board meeting notice and agenda
N	2008 Trillion Service Agreement and Product Addendums
O	February 6, 2008 Board meeting minutes
P	FY2009 Form 471 #663273, FRN 1811096
Q	Affidavit of Rhenea Webb
R	Affidavit of Vanesa McClure
S	Form 470 Application Number 146350000792102
T	FY2010 Form 471 #773584, FRN 1983786
U	USAC's September 15, 2010 Funding Commitment Decision Letter (FY2009)



June 12, 2009

Sharron Bills
DIMMITT INDEP SCHOOL DISTRICT
608 W HALSELL ST
DIMMITT, TX 79027



FCC Form 471 #: 388487, 452451, 529431, 564550, 619342, 663273

Re: Request for Information Concerning Trillion Partners, Inc. Funding Request Numbers on the FCC Form 471 Application Numbers Listed Above

Dear Sharron Bills:

The Universal Service Administrative Company (USAC), the administrator of the federal universal service support mechanism for schools and libraries (known as the E-Rate program), is responsible for ensuring that E-Rate program funding is disbursed in compliance with the Telecommunications Act of 1996¹ and Federal Communications Commission (FCC) regulations and orders governing the program.² In addition, USAC has a fiduciary duty to protect the Universal Service Fund and the universal service support mechanisms (collectively, the USF) from waste, fraud, and abuse.³

Trillion Partners, Inc. (Trillion), one of your current or prior service providers, was named as one of several defendants in a complaint brought by the State of Arizona (Arizona) alleging antitrust, bid rigging, procurement fraud, and conflict of interest violations of Arizona law.⁴ The complaint alleges that, among other things, Trillion, which submitted a bid related to Tucson Unified School District (TUSD) E-Rate program applications, obtained inside information from TUSD's E-Rate program consultant – E-Rate Consulting Services, LLC (ERC); and provided gifts and gratuities to TUSD administrators and employees involved in the competitive purchasing and procurement processes in violation of applicable requirements. Both Trillion and TUSD have settled the case and entered into consent judgments with Arizona.

Although Trillion has settled the Arizona complaint, the issues identified in the complaint raise concerns as to whether funding requests associated with Trillion are in compliance

¹ The Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat 56 (1996 Act), amended the Communications Act of 1934.

² See generally, 47 U.S.C. § 254; 47 C.F.R. § 54.500 *et seq.*

³ See 47 C.F.R. § 54.702.

⁴ See *State of Arizona v. Tucson Unified School District, et al., Complaint*, Case No. CV2009-003035 (Ariz. Sup. Ct.) (*Complaint*).

with the Telecommunications Act of 1996 and the FCC's implementing regulations and orders governing the E-Rate program. Therefore, pursuant to its responsibilities as administrator to avoid improper payments and to protect the USF from waste, fraud and abuse, USAC is holding funding requests and invoices associated with Trillion pending USAC's investigation of these issues.⁵

Below is an overview of the FCC's rules governing the E-Rate program, the issues identified in the Arizona case, and USAC's request for information from your entity.

I. Trillion's Participation in the E-Rate Program and the State of Arizona's Claims

The complaint alleges that, among other things, Trillion obtained inside information from TUSD's E-Rate program consultant and provided gifts and gratuities to TUSD administrators and employees involved in the competitive purchasing and procurement processes.

In the consent judgment, the Attorney General contends that Trillion and its employees

- a. conspired with [E-Rate Consulting] to restrain intrastate trade and influence the bidding process in favor of Trillion by communicating verbally and in writing, before and during the District's procurement process, regarding the District's ROI analysis and RFPs, agreeing to work together to ensure both Trillion and ERC obtained District contracts, agreeing to influence the District's RFPs to give Trillion an advantage over other prospective vendors;
- b. conspired with [TUSD] Defendants . . . to restrain intrastate trade and influence the bidding process by communicating verbally and in writing, both before and during the District's procurement process, regarding the District's ROI analysis, its plans for telecommunications and technology projects (WAN and VoIP), and its RFPs, agreeing to evade statutes, rules and policies on competitive purchasing and procurement processes, agreeing to ensure that Trillion would be awarded a District contract;
- c. had improper contact and communication with other [TUSD] employees before and during competitive purchasing and procurement processes;
- d. provided gifts and gratuities to [TUSD] employees; and

⁵ See Improper Payments Information Act of 2002, 31 U.S.C. § 3321 (2002); see also *Petition of the Puerto Rico Department of Education to Release Funds Associated with the Schools and Libraries Universal Service Support Mechanism for Years 2001 and 2002*, CC Docket No. 02-6, 18 FCC Rcd 25417, 25422, ¶¶ 15, 17 (2003) ("Here, it was appropriate for USAC to defer action on PRDOE's FY 2001 and 2002 applications in light of the ongoing investigation of activities at PRDOE in the recent prior years, particularly in light of the indictment and conviction of the former Secretary of Education for Puerto Rico for extortion activities related to contractors for PRDOE."); *Request for Immediate Relief filed by the State of Tennessee, Federal-State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc.*, CC Docket Nos. 96-45, 97-21, 18 FCC Rcd 13581, 13586-89, ¶¶ 17, 22 (2003) ("we seek to balance USAC's proper caution in acting on a funding request that may be associated with a law enforcement investigation.").

- e. denied the [TUSD] the benefit of free and open competition.⁶

Trillion states in the consent judgment that it disputes and denies any liability for the violations outlined above.

II. Federal Communications Commission's Rules

Fundamental Competitive Bidding Requirements. In preparing requests for funding, applicants seeking discounted services through the E-Rate program must follow certain competitive bidding requirements. After preparing a technology plan, an applicant initiates the competitive bidding process by submitting an FCC Form 470 to USAC for posting on the USAC website.⁷ This posting enables prospective service providers to bid on the equipment and services for which the applicant will request universal service support. After the FCC Form 470 has been posted, the applicant must wait at least 28 days before entering into agreements with service providers (to provide one or more of the services and/or products listed above), must comply with all applicable state and local procurement laws, and must comply with the other competitive bidding requirements established by the FCC.⁸ If an applicant chooses to issue a request for proposals (RFP) or is required to issue an RFP under applicable state and local procurement laws, the RFP must also be available for at least 28 days.⁹

The FCC's rules require a fair and open competitive bidding process that is free from conflicts of interest. Under the Commission's rules, service providers may not participate in the bidding process other than as bidders because, as the Commission has ruled, "direct involvement in an application process by a service provider would thwart the competitive bidding process."¹⁰ Communications between applicants, their consultants, and service providers that unfairly influence the outcome of the competition, provide inside information, or allow the provider to unfairly compete taints the competitive process. USAC guidance provides in relevant part as follows:

⁶ *Consent Judgment* at 6-7.

⁷ See 47 C.F.R. §§ 54.504(b), 54.508; *Schools and Libraries Universal Service, Description of Services Requested and Certification Form 470*, OMB 3060-0806.

⁸ See 47 C.F.R. §§ 54.504, 54.511; *In re Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, *Report and Order*, 12 FCC Rcd 8776, ¶ 575 (rel. May 8, 1997).

⁹ 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 26407, 26424 ¶ 39 (2003) (*Ysleta Order*).

¹⁰ See *Ysleta Order*, 19 FCC Rcd at 26434 ¶ 60; 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).

The competitive bidding process must be fair and open. "Fair" means that all bidders are treated the same and that no bidder has advance knowledge of the project information. "Open" means there are no secrets in the process, such as information shared with one bidder but not with others, and all bidders know what is required of them. The [FCC] Form 470 or the RFP should be clear about the products, services, and quantities the applicant is seeking.

In order to be sure that a fair and open competition is achieved, any marketing discussions held with service providers must be neutral, so as not to taint the competitive bidding process. That is, the applicant should not have a relationship with a service provider prior to the competitive bidding that would unfairly influence the outcome of a competition or would furnish the service provider with "inside" information or allow it to unfairly compete in any way.¹¹

FCC rules also require applicants to select the most cost-effective service offering and require applicants to certify that "[a]ll bids submitted were carefully considered and the most cost-effective bid for services or equipment was selected, with price being the primary factor considered, and is the most cost-effective means of meeting educational needs and technology plan goals."¹² This requirement applies even if an applicant received only one bid.¹³

USAC Obligation to Recoup Improperly Disbursed Funds. FCC rules require USAC to rescind funding commitments in all or part and recover funds when USAC learns that funding commitments and/or disbursements of funds were inconsistent with the Telecommunications Act of 1996 and FCC regulations and orders.¹⁴ In particular, FCC rules require USAC to "recover the full amount disbursed for any funding requests in which the beneficiary failed to comply with the Commission's competitive bidding requirements as set forth in section 54.504 and 54.511 of [the FCC's] rules and amplified in related Commission orders."¹⁵

¹¹ See <http://www.usac.org/sl/applicants/step03/run-open-fair-competition.aspx>.

¹² 47 C.F.R. § 54.504(c)(1)(xi); see also, 47 C.F.R. § 54.511(a).

¹³ *Ysleta Order*, 18 FCC Rcd at 26431 – 26432.

¹⁴ See *Changes to the Board of Directors of the National Exchange Carrier Association*, CC Docket Nos. 97-21, 96-45, FCC 99-291 (1999); *Changes to the Board of Directors of the National Exchange Carrier Association*, CC Docket Nos. 97-21, 96-45, FCC 00-350 (2000); *Federal-State Joint Board on Universal Service, Changes to the Board of Directors for the National Exchange Carrier Association, Inc., Schools and Libraries Universal Service Support Mechanism*, Order on Reconsideration and Fourth Report and Order, CC Docket Nos. 96-45, 97-21, 02-6, 19 FCC Rcd 15252 (2004) (*Schools and Libraries Fourth Report and Order*).

¹⁵ *Schools and Libraries Universal Service Support Mechanism*, CC Docket No. 02-6, Fifth Report and Order and Order, 19 FCC Rcd 15808, ¶ 21 (2004).

II. Request for Information and Documentation

Given the concerns noted above, USAC requires information from you to determine whether your funding requests associated with Trillion are in compliance with the FCC's rules governing the E-Rate program.

1. For each of the Funding Request Number(s) (FRN) associated with Trillion on the FCC Form 471 applications listed above, please answer the questions and provide the documentation listed below. Please provide this information regardless of whether the FRN was originally associated with Trillion Partners or with Trillion Digital Communications:
 - a. Indicate, for each FRN, whether an E-Rate program consultant assisted you in any manner with regard to the FRN. If any assistance was provided, indicate the name of the consultant, whether you entered into a written agreement with the consultant, and provide a description of the assistance. Provide a copy of any written agreement that you entered into with any E-Rate program consultant related to these FRNs. To the extent you do not have responsive information, specify that in your response.
 - b. Copies of all communications between any member of your staff, any E-Rate program consultant and any Trillion officer/employee related to the agreement (whether the agreement is a contract, or is Tariff or Month-to-Month) upon which each FRN relies. These communications must include any and all written correspondence, including call logs and memorializations of verbal conversations, that occurred starting prior to the posting of the relevant FCC Form 470 through the signing of the agreement with Trillion. This request specifically includes any and all communications regarding your anticipated E-Rate program services prior to the posting of any FCC Form 470 or finalization of any Request for Proposal (RPF) or similar document. To the extent you do not have responsive information, specify that in your response.
 - c. List of all gifts – including monetary gifts – offered or provided by Trillion officers/employees to any staff member, including a description of the gift, to whom it was offered/provided, when it was offered/provided, and its value. To the extent you do not have responsive information, specify that in your response.
 - d. List of all meals, entertainment and/or trips offered or provided by Trillion officers/ employees to any staff member including a description of the meals, entertainment and/or trips, to whom it was offered/provided, when it was offered/provided, and its value. To the extent you do not have responsive information, specify that in your response.
2. List of all E-Rate program seminars, workshops, etc. any of your staff members have attended that were sponsored in whole or in part by Trillion, including the date, location, attendees, the agenda and copies of any and all materials made

available and/or presented at the seminar. To the extent you do not have responsive information, specify that in your response.

Conclusion

It is USAC's goal for you to continue to realize the benefits of the E-Rate program for your students. However, in light of the issues raised in the complaint, to ensure that funding is disbursed in compliance with applicable law, and to protect the USF from waste, fraud and abuse, USAC must investigate whether funding requests associated with Trillion are in compliance with program rules. Please also be advised that responses you provide in addressing the matters identified in this letter may result in follow-up information requests by USAC.

I appreciate your immediate attention to these important matters and request your complete response within 15 days of the date of this letter. Please send your response via e-mail, fax or mail to:

ATTN: Barbara Cannan
Special Compliance Review
Phone: 973-581-5070
Fax: 973-599-6552
Email: bcannan@sl.universalservice.org

Mailing address:
Schools and Libraries Division
100 S. Jefferson Rd
Whippany, NJ 07981

If you have any questions, or if you need additional time to prepare your response, please contact Ms. Cannan via phone or e-mail as soon as possible.

Sincerely,

//s//
Mel Blackwell
Vice President, Schools and Libraries Division

Cc: Superintendent
DIMMITT INDEP SCHOOL DISTRICT
608 W HALSELL ST
DIMMITT, TX 79027

U.S. Postal Service CERTIFIED MAIL (Domestic Mail Only) For delivery information WHIPPANY NJ	SENDER: COMPLETE THIS SECTION ■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits.	COMPLETE THIS SECTION ON DELIVERY A. Signature <i>[Signature]</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee B. Received by (Printed Name) <input type="checkbox"/> Agent <input type="checkbox"/> Addressee <i>A. Gonzalez</i> C. Date of Delivery <i>6/29/09</i> D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below:
Postage: Certified Fee: Return Receipt Fee (Endorsement Required): Restricted Delivery Fee (Endorsement Required): Total Postage & Fees: Sent To: <i>Bank</i> Street, Apt. No., or PO Box No.: <i>Sc</i> City, State, ZIP+4:	1. Article Addressed to: <i>Barbara Cannan School + Libraries Div 100 S. Jefferson Rd Whippany NJ 07981</i>	3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D. 4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes
	2. Article Number (Transfer from service label) PS Form 3811, February 2004	7008 0150 0002 9940 0500 Domestic Return Receipt 102595-02-M-1540

Application Nos. 388487, 452451, 529431, 464550, 619342 and 663273

Dear Ms. Cannan:

Please find enclosed documents responsive to the above-noted request made in the USACS correspondence of June 12, 2009.

Be advised, however, that there are certain documents and communications that the District believes are privileged attorney-client communications and/or attorney-work-product, under Texas law. Specifically, enclosed is an April 8, 2008 Memo from Sharon Bills to Les Miller (superintendent) and Fred Stormer (the District's general counsel), which was drafted upon instruction from the District's general counsel. Accordingly, it is the District's belief that any copy of this Memo produced in response to your request is subject to attorney-client privilege and is protected under the attorney-work-product doctrine. Additionally, there may be other notes and communications among the enclosed documents regarding instructions from the District's general counsel and other communications to or from the District and its attorney. Please be advised that the District believes such communications are protected as attorney-client communication.

The District has provided this information in the spirit of cooperation, but expressly does so subject to and without waiving any assertion of privilege as an attorney client communication or the work product doctrine.

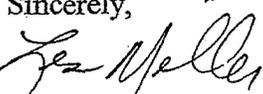
Sincerely,

 Les Miller, Superintendent

Exhibit C

06-06-09

USAC Response from Sharron Bills

Current E-Rate coordinator for Dimmitt Independent School District

1 a.-Dimmitt Independent School District has never hired an E-Rate program consultant. All E-Rate applications, filings, etc. have always been handled by Dimmitt ISD employees.

1b. See attached documentation. This information comprises all of the Trillion correspondence currently held in the Central Administration Office of Dimmitt ISD.

1c. I have never received any gift of any sort from Trillion.

1d. I have never been provided or offered meals, trips, or entertainment by Trillion.

2. The only trainings I have attended have been conducted by Cathey George, E-Rate coordinator for the state of Texas.



Date: June 3, 2010

Sharron Bills
Dimmitt Independent School District
Application Number(s) : FY2009 Form 471# 663273, FRN 1811096

Response Due Date: June 18, 2010

We are in the process of reviewing your funding requests with Trillion Partners, Inc. to ensure that they are, in compliance with the rules of the Universal Service program.

Based on the documentation that you or Trillion Partners, Inc. have provided, the entire FRN 1811096 will be denied because you did not conduct a fair and open competitive bid process free from conflicts of interest. The documentation you or Trillion Partners, Inc. provided indicates that you were offered and accepted valuable gifts, in the form of meals, immediately prior to and/or during the process you conducted to select a service provider to provide these goods and services from the service provider you selected. These gifts show that you engaged in non-competitive bidding practices in violation of program rules. 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>.

The gift was in the form of meals at Moonshine Patio Bar & Grill on February 5, 2008 in the amount of \$32.32 each for 3 of your district representatives.

You have 15 days to respond to this request. Your response is due by the close of business June 18, 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.

If the applicant's authorized representative completed the information in this document, please attach a copy of the letter of agency or consulting agreement between the applicant and the consultant authorizing them to act on the school or library's behalf. If you receive assistance outside of your organization in responding to this request, please indicate this in your reply.

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.

Pina Portanova
USAC, Schools and Libraries Division
Phone: 973-581-5016
Fax: 973-599-6552
E-mail: pportan@sl.universalservice.org

Schools and Libraries Division - Correspondence Unit
30 Lanidex Plaza West, PO Box 685, Parsippany, NJ 07054-0685
Visit us online at: www.usac.org/sl

Exhibit D

=====

FUNDING COMMITMENT REPORT
Billed Entity Name: DIMMITT INDEP SCHOOL DISTRICT
BEN: 141823
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: 663273
Funding Request Number: 1811096
Funding Status: Not Funded
Category of Service: Telecommunications Service
Form 470 Application Number: 173160000631841
SPIN: 143025872
Service Provider Name: Trillion Partners, Inc
Contract Number: SA-090707-000809
Billing Account Number: 806-647-3101
Multiple Billing Account Numbers: N
Service Start Date: 07/01/2009
Service End Date: N/A
Contract Award Date: 02/07/2008
Contract Expiration Date: 06/30/2013
Shared Worksheet Number: 1066497
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$195,498.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$195,498.00
Discount Percentage Approved by the USAC: 87%
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: This ERN 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 ERN, that you were offered and accepted meals from the service provider, WHICH resulted in a competitive process that was no longer fair and open and therefore funding is denied.

FCDL Date: 09/15/2010
Wave Number: 066
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2011



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

November 23, 2010

Karen Newman
DIMMITT INDEP SCHOOL DISTRICT
608 W HALSELL ST
DIMMITT, TX 79027-1750

Re: **Form 471 Application Number: 733584**
Billed Entity Number (BEN): 141823
Billed Entity FCC RN: 0011612439
Applicant's Form Identifier: TRILL-1

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, \$172,038.24 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 733584 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

FUNDING COMMITMENT REPORT
Billed Entity Name: DIMMITT INDEP SCHOOL DISTRICT
BEN: 141823
Funding Year: 2010

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

Form 471 Application Number: 733584
Funding Request Number: 1983786
Funding Status: Not Funded
Category of Service: Telecommunications Service
Form 470 Application Number: 173160000631841
SPIN: 143025872
Service Provider Name: Trillion Partners, Inc
Contract Number: SA-090707-000809
Billing Account Number: 806-647-3101
Multiple Billing Account Numbers: N
Service Start Date: 07/01/2010
Service End Date: N/A
Contract Award Date: 02/07/2008
Contract Expiration Date: 06/30/2013
Shared Worksheet Number: 1196124
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$195,498.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$195,498.00
Discount Percentage Approved by the USAC: 88%
Funding Commitment Decision: \$0.00 - Bidding Violation- SRC
Funding Commitment Decision Explanation: This FRN is denied because the documents provided by you and/or your vendor indicates that there was not a fair and open competitive bid process free from conflicts of interest. The documentation provided by you and/or your service provider indicates that prior to/throughout your contractual relationship with the service provider listed on the FRN, that you were offered and accepted either gifts, meals, gratuities, entertainment from the service provider, WHICH resulted in a competitive process that was no longer fair and open and therefore funding is denied.

FCDL Date: 11/23/2010
Wave Number: 027
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2011

**Before the
Federal Communications Commission
Washington, DC 20554**

In the Matter of)	
)	
Request for Review of a)	
Decision of the)	
Universal Service Administrator by)	
)	
Dimmitt Independent School District	)	471 App. No. 733584
Dimmitt, Texas	)	FRN 1983786 (FY2010)
)	
Schools and Libraries Universal Service	)	CC Docket Nos. 96-45 and 02-6
Support Mechanism)	

AFFIDAVIT OF DORICELL DAVIS

STATE OF TEXAS §
 §
COUNTY OF CASTRO §

BEFORE ME, the undersigned authority, on this day personally appeared Doricell Davis who upon oath, stated:

1. “My name is Doricell Davis. I am over the age of 21 years and I have never been convicted of a felony or a misdemeanor involving moral turpitude.

2. I was employed as Dimmitt Independent School District’s (“the District”) E-Rate Coordinator from August, 1998, when the District first started participating in the E-Rate program, through May, 2005.

3. My primary duty was to coordinate and complete all paperwork for the E-Rate program.

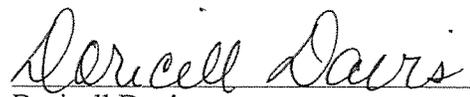
4. In that capacity, I consulted with the District's technology directors to determine what equipment and technology the District needed, and used that information to complete the various forms required for the E-Rate program.

5. In 2003, the District entered into an agreement with Trillion Partners, Inc. ('Trillion') to provide the District with internet and telecommunications services, including a high speed Wide Area Network ('WAN') and two way communication over a wireless system.

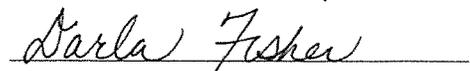
6. In 2005, I became the principal at Richardson Elementary, a position I still hold, but I have not been involved in the District's E-Rate filing since 2006.

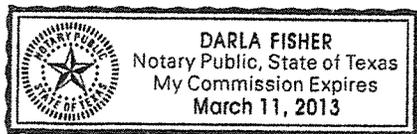
7. I was present but did not vote or participate in deliberations at the Board meeting on February 6, 2008 when the Dimmitt ISD Board of Trustees approved a new contract and related equipment addenda with Trillion. Under the new contract, Trillion would provide a Wide Area Network that had additional bandwidth for internet access and voice over IP telephone service for all District facilities, including the new high school.

FURTHER AFFIANT NOT."


Doricell Davis

SWORN TO AND SUBSCRIBED BEFORE ME by Doricell Davis on this 21st day of January, 2011, to certify which witness to my hand and seal of office.





Notary Public, State of Texas

**Before the
Federal Communications Commission
Washington, DC 20554**

In the Matter of)	
)	
Request for Review of a)	
Decision of the)	
Universal Service Administrator by)	
)	
Dimmitt Independent School District	)	471 App. No. 733584
Dimmitt, Texas	)	FRN 1983786 (FY2010)
)	
Schools and Libraries Universal Service	)	CC Docket Nos. 96-45 and 02-6
Support Mechanism)	

AFFIDAVIT OF CHARLES L. MILLER

STATE OF TEXAS §
 §
COUNTY OF CASTRO §

BEFORE ME, the undersigned authority, on this day personally appeared Charles L. Miller, who upon oath, stated:

1. “My name is Charles L. Miller. I am over the age of 21 years and I have never been convicted of a felony or a misdemeanor involving moral turpitude.
2. Since 1993 I have been employed by Dimmitt Independent School District (the ‘District’) as its Superintendent of Schools (the ‘Superintendent’).
3. As the Superintendent, I supervise the directors and employees who oversee the E-Rate and technology programs. In this capacity, I am informed of what technology services and equipment are desired and requested through the E-Rate program.

4. In the past, I was responsible for making recommendations to the District's Board of Trustees (the 'Board') for its approval of contracts for purchases of goods and/or services worth \$25,000 or more. As of September 1, 2009, Texas bid laws were amended. I am now responsible for making recommendations to the Board for its approval of contracts for purchases of goods and/or services worth \$50,000 or more.

5. In December, 2003, the District selected Trillion Partners Inc. ('Trillion'), as its service provide to create a Wide Area Network ('WAN'), provide internet access and some telecommunication services. On December 12, 2003, I signed a five (5) year contract with Trillion on behalf of the District (the 'Trillion Contract').

6. In late 2005, I learned that certain terms of the Trillion Contract needed to be modified in order to comply with state law. On January 10, 2006, I signed an 'Amendment to Trillion Partners, Inc. Service Agreement' to meet these state law requirements.

7. In May, 2007, the District passed a bond issue to, among other things, build a new high school. The new high school was scheduled to open in August, 2009. The high school would need to be connected to the District's WAN and have full internet and voice over IP telephone service. The District also wanted the same WAN connectivity with full internet and telecommunication services at all other District locations that had not yet been connected (collectively the 'Additional Services').

8. When the District researched obtaining these Additional Services, it realized that its current WAN, as well as its internet access and voice over IP telephone service, were utilizing all available bandwidth. In order for the District to acquire the Additional Services,

it would have to increase its bandwidth. This was especially true in light of the new high school that was soon to be built.

9. On or about November 15, 2007, the District posted its Form 470 for FY 2008-2009 indicating its desire for the Additional Services (the '470').

10. Trillion was the only service provider to submit a response, which proposed additional equipment and services to the existing Trillion Contract. No other service providers responded to the District's 470.

11. For this funding year, USAC established a Form 471 filing deadline of February 7, 2008. Therefore, in order to be eligible for an E-Rate reimbursement, a Board meeting was needed to approve a service provider contract for the Additional Services no later than February 6, 2008.

12. On February 1, 2008, a notice and agenda of the February 6, 2008 Board meeting was posted at the District's administration building located at 608 West Halsell, Dimmitt, Texas, which included the agenda item: 'Consider contracting with Trillion to provide Wide Area Network (WAN), internet access, and Voice over IP system services for the district for the 2008-2009 school year.'

13. The Board met on February 6, 2008 at 12:00 p.m. Trustees present were David Schaeffer, Robert Woolbright, Rick Wright, Barbara Bain, Mary Helen Flores, Greg Odom and Chevo Lumbrera. George Rasor, Max Newman, Vicki Eaton, Doricell Davis, Sharron Bills and myself were the administrators who attended.

14. At the meeting, I explained to the Board that Trillion was the only service provider who submitted a proposal in response to the 470. I recommended that the Board approve Trillion's proposal to increase the District's bandwidth, provide a WAN, internet access and voice over IP telephone services for all current District facilities and the new high school.

15. I did not solicit, nor was I provided any input from Karen Newman, Vanesa McClure or Rhenea Webb concerning which service provider to select for the Additional Services. Neither Karen Newman, Vanesa McClure, nor Rhenea Webb has any contract approval authority. *See* Dimmitt Independent School District Organizational Chart relating to E-Rate Program discussions, attached hereto as Attachment 1.

16. I based my recommendation to select Trillion on the District's immediate need for the Additional Services and the fact that Trillion was the only service provider that submitted a proposal. I was not aware that Karen Newman, Vanesa McClure or Rhenea Webb attended a Trillion customer appreciation dinner the night before the Board meeting when it selected Trillion as a service provider.

17. The Board deliberated regarding the feasibility of the single proposal submitted in response to the 470. The Board ultimately selected Trillion to provide the WAN, internet and voice over IP telephone system services for the entire District for 2008 through 2013, and authorized me to sign a new service agreement and related product addendums.

18. Because the District needed Additional Services for the new high school and other locations, significant new equipment was required throughout the District. After Trillion was selected by the Board, it advised the District that a new service agreement with multiple product addendums was needed because such additions would be considered more than a 'minor amendment' to the existing Trillion Contract.

19. On February 7, 2008, I signed a service agreement and related product addendums with Trillion for the Additional Services.

20. Neither I nor any District employee has ever been offered or accepted any personal benefit from Trillion. Other than the three (3) District employees who attended the Trillion customer appreciation diner on February 6, 2008, I am not aware of any District employee or officer ever receiving a benefit from Trillion.

21. On or about September 13, 2010, the District received a Letter of Proposed Denial of 471#733584, FRN 1983786 for funding for FY2010.

22. The District filed its response to this Proposed Denial on October 8, 2010 via email.

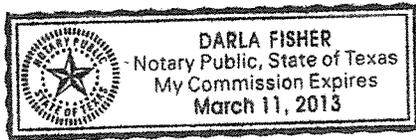
23. On or about November 12, 2010, the District filed its First Request for Review with the Commission regarding the denial of funding for Form 471 Application Number 663273.

24. On or about November 23, 2010 the District received a Funding Commitment Decision Letter denying 471#733584, FRN 1983786 (FY2010).

FURTHER AFFIANT NOT."

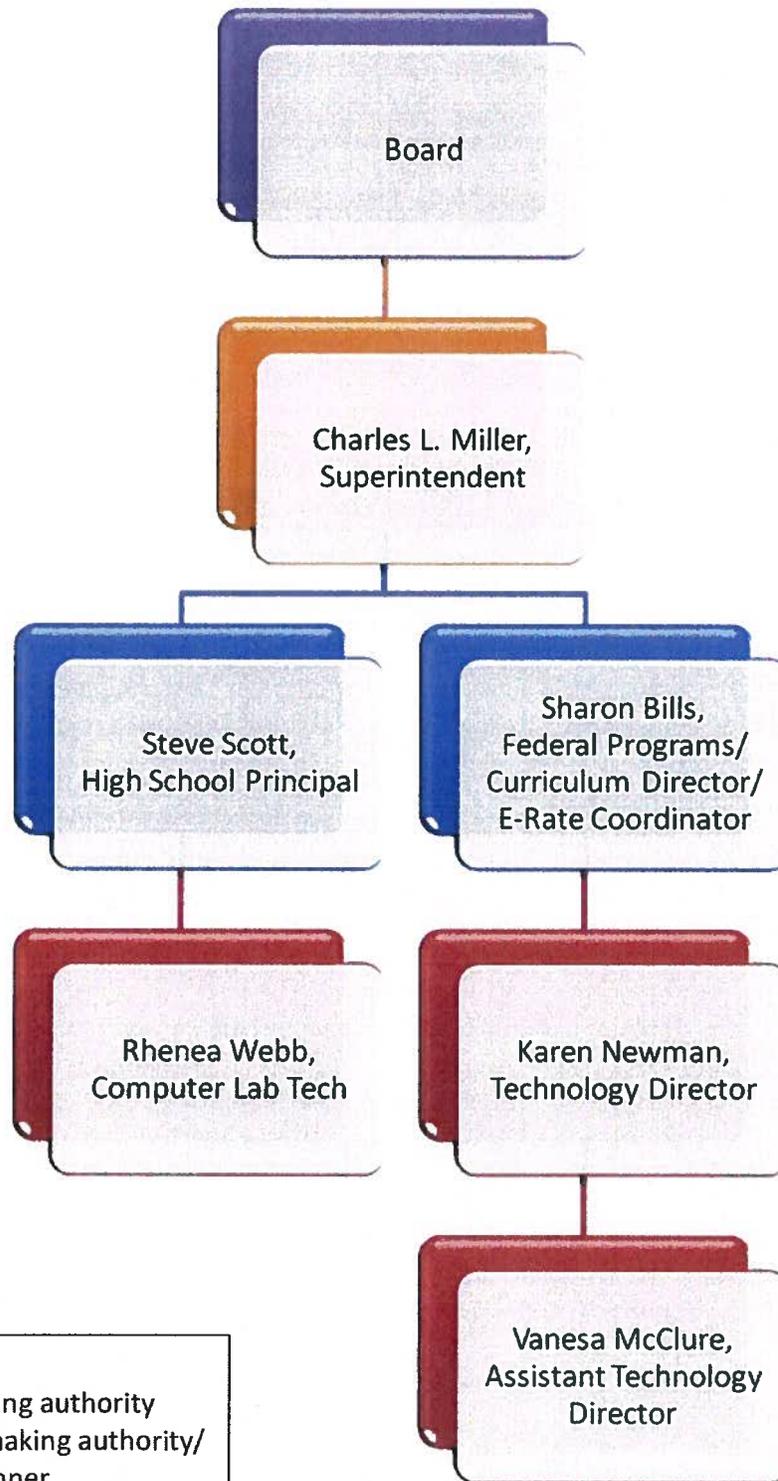
Charles L. Miller
Charles L. Miller

21st SWORN TO AND SUBSCRIBED BEFORE ME by Charles L. Miller, on this day of January, 2011, to certify which witness to my hand and seal of office.



Darla Fisher
Notary Public, State of Texas

Dimmitt Independent School District
Organization Chart
(Personnel as of date of Customer Appreciation Dinner)



Key:
= Decision making authority
= No decision making authority/
Attended dinner

TRILLION PARTNERS, INC.
SERVICES AGREEMENT



This Services Agreement ("Agreement") is made by Trillion Partners, Inc. ("Trillion") and Customer effective on the Effective Date indicated below by Trillion. 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. DEFINITIONS.

- 1.1 "Commencement Date" means the date that the Term of this Agreement begins which is the date on which Service commences as indicated in writing by Trillion.
- 1.2 "Effective Date" means the date this Agreement becomes a binding and enforceable agreement which is the date it is signed by both parties and indicated by Trillion below as the effective date.
- 1.3 "Equipment" means all of the hardware and software used by Trillion to enable the provision of Services to Customer and communications services to third parties.
- 1.4 "E-Rate Program" means the Universal Service Fund for Schools and Libraries established by the Federal Communications Commission, and administered by the Schools and Libraries Division of the Universal Service Administrative Company, or any successor funding program ("Schools and Libraries Division").
- 1.5 "Renewal Term" means the period of time following the initial Term, the parties may mutually agree in writing to renew this Agreement for up to three (3) consecutive five year terms (each, a "Renewal Term") at the renewal rates set out in Section 4.1(d) ("Price Increases").
- 1.6 "Term" means the period beginning on the Commencement Date, and continuing for a period of five (5) years thereafter, unless sooner terminated as provided herein or renewed as provided in Section 8.2 ("Renewal").
- 1.7 "Service Location(s)" means the location(s) specified in Exhibit A (*Description of Services*) at which the Equipment is installed.
- 1.8 "Services" means Trillion's services offering which is described in Exhibit A (*Description of Services*).
- 1.9 "Total Annual Cost" means the total annual cost listed in the attached Exhibit B before any discounts are applied.

2. DESCRIPTION OF SERVICES.

- 2.1 Provision of Services; License. Trillion will provide the Services as described in Exhibit A (*Description of Services*). Customer grants to Trillion an exclusive, non-revocable license ("License") to use those parcels of real property at the Service Locations that Trillion deems necessary to install, operate and maintain certain poles and antennas thereon and to place certain buildings or enclosures thereon and such other equipment as Trillion determines may be necessary or compatible with the conduct of Trillion's business. In addition, Customer grants to Trillion a non-exclusive right to install transmission cables and lines between the Equipment and between the Service Locations in connection with Trillion's use, maintenance, and operation of the Equipment.
- 2.2 It is expressly understood that all rights granted to Trillion under this License are irrevocable until five years after the expiration or earlier termination of this Agreement, any Amendment thereto, or the provision of the Services. Trillion may use the Equipment and real property for any activity in connection with the provision of other communications services as Trillion determines may be necessary or compatible with the conduct of Trillion's business. Trillion may make any substitutions to or modifications of the Equipment as it determines may be necessary or compatible with the conduct of Trillion's business.
- 2.3 Installation and Maintenance of Equipment. In order to provide Services, Trillion will install and maintain the Equipment as follows:
 - (a) Installation of Equipment. Trillion will install the Equipment at the Service Locations. Even if the Equipment (or any portion of the Equipment) is or becomes physically affixed or attached in any manner to real estate at the Service Location (including any building on such real estate), in no event will the Equipment be deemed to be affixed to or a part of such real estate. Rather, the Equipment is and will remain Trillion's personal property. At the request of Trillion, Customer will furnish a landlord or mortgage waiver with respect to the Equipment from any person claiming an interest in any personal or real property where the Equipment is located. Trillion may utilize the Equipment to serve other customers, and for internal communications for the management and maintenance of its network.
 - (b) Equipment Maintenance. Trillion will keep the Equipment in good working order, ordinary wear and tear excepted; provided, however, that Customer will be responsible for the repair of Equipment damaged by any negligent or willful conduct. In such event, Trillion may, at its option, make repairs for the benefit of Customer, but the liability for payment for such repairs remains solely with Customer. Trillion will promptly invoice Customer for the cost of such repair and payment will be due in accordance with Section 4.2 ("Payment Terms"). Customer agrees that Trillion (including its agents) may enter the Service Locations during reasonable business hours, as well as irregular hours, to inspect the Equipment, to observe its use and operation, and to perform maintenance services. Customer will not make any alterations, additions or improvements to the Equipment, or remove Equipment from a Service Location, without Trillion's prior written consent.

3. CUSTOMER OBLIGATIONS.

- 3.1 Access to the Services. Customer agrees to monitor the use of the Services to prevent inappropriate use as well as unauthorized access to offensive or restricted sites, and to maintain and prevent unauthorized access to confidential information, including the confidentiality of any passwords and account information required for access to Services. Customer will promptly notify Trillion of any unauthorized or inappropriate use of the Services, including the Equipment, breach of security, or other damage, loss or theft. Customer also agrees: (a) that Services may be used solely by those entities listed on Exhibit A (*Description of Services*) as being eligible to participate with Customer in obtaining the Services; (b) not to provide the Services to non-eligible third parties whether by lease, rental, transfer, assignment, sale, sublicense, or any other means, including commercial time-sharing, rental, or service bureau use; (c) not to use the Services for any purpose that is unlawful, not contemplated or prohibited by this Agreement; and (d) to abide by all applicable local, state, and national laws and regulations, including but not limited to those related to the environment and the E-Rate Program. Customer will indemnify and hold Trillion and its officers, directors, shareholders, representatives, and employees harmless from any liability to the extent resulting from a breach of Customer's obligations under this Section.
 - 3.2 Risk of Loss; Insurance. Customer will bear the risk of all loss, damage, or theft with respect to the Equipment, and will maintain insurance against such loss, damage or theft. Customer will maintain, at its sole expense and at all times during the term of this Agreement, fire and extended coverage, public liability, and property damage insurance with respect to the Equipment in such amounts, covering such risks, and with such insurers, as are satisfactory to Trillion (the "Insurance Coverage"). Each policy of insurance will name Customer as an insured, and Customer will name Trillion as an additional insured and loss payee. In addition, each policy of insurance will specify that the insurer give Trillion at least thirty (30) days prior written notice of any alteration in the terms of such policy or the cancellation thereof. The proceeds of any such policies will be payable to Customer and Trillion (or their successors or assigns) as their interest may appear. Upon Commencement Date and subsequently upon each insurance renewal date, Customer will promptly deliver to Trillion a certificate evidencing the insurance coverage required under this Agreement, and will promptly deliver to Trillion updated certificates each time it is renewed or modified.
 - 3.3 Alterations and Improvements. Customer will not make any alterations, additions or improvements to the Equipment, or remove Equipment from a Service Location, without Trillion's prior written consent.
4. FEES AND PAYMENT TERMS.
- 4.1 Fee Payments.
- (a) E-Rate Program Funding. The total fee payable to Trillion for the Services is comprised of (1) the amount paid directly to Trillion by, and funded under, the E-Rate Program (the "E-Rate Program Payment"), and (2) amounts paid directly to Trillion by Customer. On an annual basis, Customer will project the E-Rate Program Payment to be made to Trillion for the next 12 month period, and notify Trillion of such projected amount. The initial annual amount owed directly by Customer for each twelve month period during the Term will be equal to the difference between the Total Annual Cost and the projected E-Rate Program Payment (the "Projected Customer Share").
 - (b) Total Contract Cost. Customer agrees to pay Trillion the Total 5 Year Contract Cost for the Services as set forth in Exhibit B (Fees for Services) as follows:
 - (1) For the initial billing period. Customer will pay Trillion the Projected Customer Share of the cost for the period starting on the date Trillion notifies Customer that it has initiated Services ("Commencement Date") through the following June 30 ("initial billing period"), which amount will be due on the Service Commencement Date.
 - (2) After the initial billing period. After the initial billing period and continuing throughout the remaining Term and any Renewal Term, Customer will pay Trillion the Projected Customer Share of the Total Annual Cost payable on July 1 of each year of the Term.
 - (3) Reconciliation with E-Rate Program Funding. On an annual basis after the initial year and continuing throughout the remaining initial Term and any Renewal Term, Customer will reconcile the amount of E-Rate Program funding actually available to Customer and paid to Trillion, with the Projected E-Rate Program Payment applicable to such prior year. Such reconciliation will be determined upon the filing of Form 486 with the Schools and Libraries Division by Customer. Customer agrees to notify Trillion of any additional amounts due based on such final reconciliation, and to pay Trillion for such amounts.



(c) **Early Start.** Trillion will commence construction of the network at its earliest convenience for the purpose of offering Services prior to the receipt of the Funding Commitment Decision Letter from the Schools and Library Division, subject to the following terms:

(1) Customer will pay Trillion the District Net Price Total Monthly Cost for the period starting on the date Trillion notifies Customer that it has initiated Services ("Commencement Date") through the following June 30, which amount will be due on the Service Commencement Date.

(2) If Trillion receives E-Rate funding for Services rendered during the period beginning on or after the date of acceptance of the Telecommunications Services and ending June 30 of the following year, Trillion will credit Customer with such amount and apply it to subsequent payments due by Customer under the Agreement.

(d) **Other Adjustments.** Trillion may adjust the Total Annual Cost on a prorated basis for any new or closed sites as mutually agreed upon by the parties in writing.

(e) **Price Increases.** The Annual Payment shall be adjusted as of the first day of any Renewal Term (the "Adjustment Date") so that the Annual Payment shall be increased, but not decreased, by the percentage increase of the Consumer Price Index ("CPI") as measured from the CPI published for January in the calendar year of the Commencement Date to the CPI published for January in the calendar year of the Adjustment Date. For purposes of this calculation, the CPI used shall be the Consumer Price Index—U.S. City Average for Urban Wage Earners and Clerical Workers, all items (1982 - 1984 = 100) published by the United States Department of Labor, Bureau of Labor Statistics, or in the event such index shall no longer be published, such replacement or similar index as Trillion may choose in its reasonable discretion.

(f) **Cost of tower moves and locates.** Customer will be responsible for the cost of moving a tower if Trillion determines that such move is necessitated by the actions of Customer. Trillion shall provide Customer prior written notice that such tower must be moved at Customer's expense in order to provide the Services to Customer. Such cost shall be in addition to the obligations set forth in Exhibit B. Customer shall not be responsible for the cost of moving a tower if the tower must be moved solely due to reasons reasonably within Trillion's control. Customer is responsible for locating pre-existing facilities of other providers, such as utilities and underground facilities, including the cost for such locating, in addition to the obligations set forth in Exhibit B.

Payment Terms. All fees due under this Agreement will be paid in U.S. dollars within thirty (30) days after the date of Trillion's invoice, by a check sent to Trillion. Any overdue payments will bear a late payment fee of one and a half percent (1.5%) per month or the highest rate permitted by law, whichever is lower, from the original payable date until paid.

4.3 Taxes. Customer agrees to pay taxes of any kind, including sales, use, withholding, and other similar federal, state or local taxes (collectively referred to as "Taxes"), imposed on Customer in connection with the Services provided under this Agreement. Customer further agrees to keep the Equipment free and clear of all levies, liens, taxes and encumbrances. If Customer fails to pay any such Taxes or like charges when due, Trillion reserves the right to make such payments or like charges, together with all penalties and interest which may have been added because of Customer's delinquency or default, and Customer will promptly reimburse Trillion for any amounts so paid.

4.4 Lawful Payments. Notwithstanding any provision to the contrary contained in this Agreement, it is understood and agreed that the payments to be made in each fiscal year during the Term hereof are payable only out of current designated and lawfully appropriated funds of Customer for that year.

5. WARRANTY.

5.1 By Trillion.

(a) **Limited Services Warranty.** Trillion warrants that it will use commercially reasonable efforts to make the Services available to Customer in accordance with generally accepted standards in the Industry. This warranty will apply solely to access to the Services, and will not apply to anything (1) caused by factors outside of Trillion's reasonable control; (2) that resulted from any action or inaction of Customer or any third party; (3) that resulted from scheduled maintenance or required repairs; or (4) that resulted from equipment, software or any item not provided by Trillion.

(b) **NO OTHER WARRANTY, EXCEPT FOR THE EXPRESS WARRANTY SET FORTH IN SECTION 5.1(a), TRILLION PROVIDES SERVICES ON AN "AS IS" AND "AS AVAILABLE" BASIS, AND CUSTOMER'S USE OF THE SERVICES IS AT ITS OWN RISK. TRILLION DOES NOT MAKE, AND HEREBY DISCLAIMS, ANY AND ALL OTHER EXPRESS AND IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, THE WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT AND TITLE, AND ANY WARRANTIES ARISING FROM A COURSE OF DEALING, USAGE, OR TRADE PRACTICE. TRILLION DOES NOT WARRANT THAT THE OPERATION OF THE SERVICES WILL BE UNINTERRUPTED, ERROR-FREE OR**

COMPLETELY SECURE, OR THAT DEFECTS IN THE OPERATION OF THE SERVICES WILL BE CORRECTED.

5.2 By Customer.

(a) Customer represents, covenants and warrants that (1) Customer is a fully constituted political subdivision, agency or public corporation of the state in which it is located; (2) the execution, delivery, and performance by Customer of this Agreement have been duly authorized by all necessary action on the part of Customer; (3) this Agreement has been executed on behalf of Customer by persons who constitute duly authorized officers thereof; (4) this Agreement constitutes the legal, valid, and binding obligation of Customer enforceable in accordance with its terms; (5) Customer has complied with all public bidding, notice and hearing requirements where necessary, and by due notification presented this Agreement for approval and adoption as a valid obligation on its part; (6) Customer has sufficient appropriations or other funds available to pay all accounts due hereunder for the current fiscal period when said designated funding becomes available to Customer; (7) Customer has obtained all services from its local exchange telephone service provider (other than Trillion) to ensure it has full access to 911 services; and (8) Customer will provide the required level of electricity to each facility provided by Trillion which requires electricity.

(b) Customer shall not engage in any activity or construct any new structure, which may interfere mechanically, electrically, or operationally with the Poles or the Equipment.

(c) Customer grants limited authority to Trillion to act as Customer's agent for the sole purpose of obtaining all permits and licenses, or waivers thereof, which are necessary for Trillion to perform under this Agreement. To the extent such grant of authority is invalid or inconsistent with applicable law, Customer warrants that it has obtained or waived, or will obtain or waive in a timely manner, all permits and licenses applicable to the Services.

(d) Customer shall promptly deliver to Trillion copies of any and all correspondence, notices and forms received from Schools and Libraries Division, and no later than three (3) days after Customer received such document.

(e) Customer shall use its best efforts to obtain and maintain E-rate funding for the benefit of Customer throughout the Term. Should the Schools and Libraries Division decline funding for Customer for a particular E-rate year (July 1 through June 30) due to procedural deficiencies or reasons, Customer covenants and agrees to file for E-rate funding for the next E-rate year for the benefit of Customer.

(f) Customer acknowledges that Trillion is delivering to Customer, as part of the Equipment, content filtering software products of third parties, and that Trillion is not responsible for the satisfactory performance, or lack thereof, of such content filtering software. Customer further acknowledges that it (and not Trillion) is responsible for establishing, implementing, and/or utilizing any and all practices and procedures, rules, and other methods necessary to prevent any (i) unauthorized use of the Equipment by any person, and (ii) any access by Customer (and its students, employees, agents and contractors) at the Service Locations or by means of the Equipment to web sites, web pages, emails, or email attachments that may be inappropriate.

6. LIMITATION OF LIABILITY AND REMEDY.

6.1 IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER WITH RESPECT TO ITS OBLIGATIONS UNDER THIS AGREEMENT OR OTHERWISE UNDER ANY THEORY, INCLUDING CONTRACT AND TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY) FOR ANY INDIRECT, SPECIAL OR INCIDENTAL, CONSEQUENTIAL, EXEMPLARY OR PUNITIVE DAMAGES, INCLUDING, BUT NOT LIMITED TO, COSTS OF PROCUREMENT OF SUBSTITUTE GOODS AND SERVICES, DAMAGES FOR LOSS OF DATA, LOSS OF USE OF COMPUTER HARDWARE, DOWNTIME, LOSS OF GOODWILL, LOSS OF BUSINESS, OR COMPUTER HARDWARE MALFUNCTION, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT WILL TRILLION'S LIABILITY TO CUSTOMER UNDER ANY PROVISION OF THIS AGREEMENT EXCEED THE TOTAL AMOUNTS PAID BY CUSTOMER TO TRILLION FOR THE PARTICULAR SERVICE WHICH IS THE SUBJECT OF THE CLAIM IN THE TWELVE (12) MONTHS PRECEDING THE IMPOSITION OF SUCH LIABILITY. THE PARTIES ACKNOWLEDGE THAT THE OTHER PARTS OF THIS AGREEMENT RELY UPON INCLUSION OF THIS SECTION. Some jurisdictions do not allow the limitation or exclusion of liability for incidental or consequential damages. Accordingly, the limitations listed in this Section 6.1 fully apply only to the extent permitted by law.

6.2 Disclaimer of Actions Caused by or Under the Control of Third Parties. Trillion does not and cannot control the flow of data to or from Customer's network and other portions of the Internet. Such flow depends in large part on the performance of Internet services provided or controlled by third parties. At times, actions or inactions of such third parties can impair or disrupt Customer's connections to the Internet (or portions thereof). Trillion agrees to use commercially reasonable efforts to take actions it deems appropriate to remedy and avoid such events. However, Trillion cannot guarantee that such events will not occur or that Trillion will be able to remedy all of them.



- 6.3 **INDEMNITY.** Each party agrees to hold the other, including its officers, directors, shareholders, representatives, and employees, free and harmless from, and fully and completely indemnify each of them from and against, any obligations, costs, claims, judgments, reasonable attorneys' fees, and attachments to the extent arising from or attributable to this Agreement or the Services, except to the extent arising from the negligent, reckless or willful misconduct of the other or its agents as determined by a court of competent jurisdiction.
- 6.4 **BINDING ARBITRATION.** All controversies, disputes, or claims between the parties or any of their respective officers, directors, agents, employees and attorneys, arising from or relating to this Agreement shall on demand of either party be submitted for arbitration to the American Arbitration Association ("AAA"). The arbitration shall be governed exclusively by the United States Arbitration Act (9 U.S.C. § 1, et seq.), without reference to any state arbitration statutes. The parties agree that, in connection with any such arbitration proceeding, each shall submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim, which is not submitted or filed in such proceeding, shall be barred. The arbitration proceedings shall be conducted in Austin, Texas and shall be conducted in accordance with the commercial arbitration rules of the AAA in effect on the date of this Agreement, except as modified by this Agreement. Three arbitrators shall be used. Each party shall have the right to select one arbitrator from a panel provided by the AAA and those two arbitrators will then select a third arbitrator, also from the AAA panel. The parties shall be entitled to limited discovery at the discretion of the arbitrators who may, but are not required to, allow depositions. The parties acknowledge that the arbitrators' subpoena power is not subject to geographic limitations. The arbitration proceedings shall be conducted on an individual basis and not on a multi-plaintiff, consolidated or class-wide basis. The arbitrators shall have the right to award the relief, which he or she deems proper, consistent with the terms of this Agreement, including compensatory damages (with interest on unpaid amounts from date due), specific performance, injunctive relief, legal fees and costs. The award and decision of the arbitrators shall be conclusive and binding on all parties, and judgment upon the award may be entered in any court of competent jurisdiction. Any right to contest the validity or enforceability of the award shall be governed exclusively by the United States Arbitration Act. The provisions of this Section 6.4 shall continue in full force and effect subsequent to and notwithstanding expiration or termination of this Agreement.
- 6.5 EACH OF THE PARTIES EXPRESSLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL OR COURT ACTION COMMENCED BY ANY OF THE PARTIES TO ENFORCE, COLLECT, DEFEND, ENJOIN, OR THAT OTHERWISE RELATES TO THIS AGREEMENT OR ANY OF THE TRANSACTIONS HEREIN CONTEMPLATED OR DESCRIBED. LIKEWISE, EACH PARTY WAIVES ANY RIGHT TO HAVE A JURY TRIAL IN ANY SUCH LEGAL OR COURT ACTION FOR ANY DEFENSE, CLAIM OF SET-OFF, CLAIM OF RECOURTMENT, COUNTERCLAIM OR THIRD PARTY ACTION ASSERTED OR RAISED IN ANY SUCH LEGAL OR COURT ACTION. ANY LEGAL OR COURT ACTION RELATING TO THIS AGREEMENT OR THE TRANSACTIONS HEREIN CONTEMPLATED OR DESCRIBED SHALL BE TRIED EXCLUSIVELY BEFORE A COURT WITHOUT A JURY. CUSTOMER AND TRILLION SPECIFICALLY ACKNOWLEDGE THAT THEIR EXECUTION OF THIS WAIVER OF JURY TRIAL IS A MATERIAL INDUCEMENT FOR THEIR ENTERING INTO THIS AGREEMENT.
7. TERMINATION.
- 7.1 **Termination for Cause.**
- (a) **By Trillion.** Trillion may terminate this Agreement without liability to Customer by providing Customer with a thirty (30) day written notice upon the occurrence of any of the following events (each, an "Event of Default"):
- (1) failure by Customer to perform or observe any material term set forth in this Agreement, including failure to make any payment when due;
 - (2) failure by Customer to appropriate sufficient funds to make all payments due or which become due under this Agreement for the then-current fiscal year;
 - (3) a determination by Trillion that any statement, representation or warranty made by Customer in this Agreement or in any writing delivered in connection with this Agreement, is materially untrue or incorrect as of the date when made or deemed made; or
 - (4) the inability, or admission by Customer in writing of its inability, to pay its debts as they mature.
- (b) Trillion may revoke such termination under Section 7.1(a) if such failure is fully cured within the notice period. Upon the occurrence of an Event of Default, following the lapse of the cure period, Trillion may, at its option, exercise any one or more of the following remedies upon written notice to Customer: (1) declare all amounts then due and payable, and all remaining payments that will become due, under this Agreement, to be immediately due and payable; (2) terminate this Agreement and sell or lease the Products for the account of Customer to a third party, holding Customer liable for all payments due under this Agreement prior to the effective date of such selling or leasing; and/or (3) exercise any other right, remedy or privilege, which may be available to it under applicable laws. All rights and remedies of Trillion under this Agreement are cumulative and none will exclude any other right or remedy under applicable law. Regardless of whether this Agreement is terminated, Customer will remain liable for all covenants and indemnities under this Agreement and for all legal fees and other costs and expenses, including court costs, incurred by Trillion with respect to the enforcement of any of the remedies listed above or any other remedy available to Trillion.
- (c) **By Customer.** If Trillion fails to substantially provide the Services as warranted, Customer may terminate this Agreement without liability to Trillion for any future payments by providing Trillion with a ninety (90) day written notice that describes the breach. Such early termination shall not relieve Customer of the obligations hereunder for services previously provided by Trillion. The termination will not be effective if Trillion provides information that such failure is substantially cured within the notice period.
- 7.2 **Termination by Customer for Loss of Funding.**
- (a) **Loss of E-Rate Program Funding.** In the event no funds or insufficient funds are appropriated under the E-Rate Program, then Customer may terminate this Agreement by providing prompt written notification of such occurrence to Trillion. In such event, this Agreement will terminate on the last day of the fiscal period for which appropriations were received, without penalty or expense to Customer of any kind whatsoever; provided, however, that Customer will remain liable to Trillion for any payments attributable to periods for which E-Rate Program funds have been appropriated.
- (b) **No Termination if Other Funding Available.** Notwithstanding any other provision of this Agreement, Customer agrees that it may not terminate this Agreement to the extent any funds are appropriated to Customer for the acquisition, retention or operation of the Services for the fiscal period in which such termination occurs or the next succeeding fiscal period thereafter.
- (c) **No Termination to Seek Alternate Services.** In no event will Section 7.1 be construed to permit or allow Customer to terminate this Agreement in order to allocate funds or acquire from others equipment or services that are similar in service or use to the Services provided under this Agreement.
- 7.3 **Effects of Termination.** Upon any termination, Trillion is expressly authorized to enter upon the premises of the Service Location where the Equipment is located, and take immediate possession of and remove such Equipment. Alternatively, Trillion may opt to leave the Equipment at the Service Location so that it may continue to provide services to others. In such event, Trillion may continue to install and maintain the Equipment as set forth in Section 2.2 ("Installation and Maintenance of Equipment").
8. GENERAL PROVISIONS.
- 8.1 **Governing Law and Jurisdiction.** This Agreement will be exclusively governed and construed in accordance with the laws of the State of Texas without regard to conflicts of laws. The parties agree to submit to the personal and exclusive jurisdiction of the courts located within the County of Travis, Texas and the Austin Division of the United States District Court for the Western District of Texas. The parties also agree that regardless of any statute or law to the contrary, any claim or cause of action arising out of or related to this Agreement must be brought within one (1) year after such claim or cause of action arose or be forever barred. If either party employs attorneys to enforce any rights arising out of or related to this Agreement, the prevailing party will be entitled to recover its reasonable attorneys' fees and costs from the other party.
- 8.2 **Use of Customer's Name.** Trillion may use Customer's name as a customer, including a general description of the services provided to Customer by Trillion, in its resumes, client lists, case studies, and in other promotional information including, but not limited to, press releases, brochures, reports, letters, white papers and electronic media such as e-mail or Web pages.
- 8.3 **No Agency; Non-Assignment.** Except as expressly provided in Section 5.2(c) of this Agreement, nothing in this Agreement is intended, or should be construed, to create a partnership, agency, joint venture or employment relationship between Customer and Trillion. Each party is an independent contractor for the other party. Customer may not assign or sublicense the rights granted under this Agreement.
- 8.4 **Force Majeure.** A party is not liable for non-performance to the extent to which the non-performance is caused by events or conditions beyond that party's control, and the party gives prompt notice to the other party and makes all reasonable efforts to perform. In no event will this provision affect Customer's obligation to make timely payments under this Agreement.
- 8.5 **Notices, Written Consents.** Except where provided otherwise, notices and written consents hereunder will be in writing and will be deemed to have been fully given and received (1) when delivered personally; (2) when sent by confirmed fax; (3) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (4) one (1) day after deposit with a commercial overnight carrier, with written verification of such receipt.



- Notice, written consents, and payments will be sent to the parties at the addresses set forth in the signature block below or such other address as either party may specify in writing to the other.
- 8.6 **Conflicting Terms.** If there is a conflict among the terms in this Agreement and an Exhibit, those of this Agreement prevail over those of an Exhibit unless this Agreement is specifically referenced as being modified.
- 8.7 **No Waiver; Severability; Section Headings.** The failure of a party to exercise or enforce any right or provision of the Agreement will not constitute a waiver of such right or provision. If any provision of the Agreement is found by a court of competent jurisdiction to be invalid, then such provision will be construed, as nearly as possible, to reflect the intentions of the parties with the other provisions remaining in full force and effect. The section headings in the Agreement are solely used for the convenience of the parties and have no legal or contractual effect.
- 8.8 **Survival of Certain Terms.** The terms of any sections which by their nature are intended to extend beyond termination will survive termination of this Agreement for any reason.
- 8.9 **Entire Agreement.** This Agreement, including the Exhibits, constitutes the entire agreement between the parties with respect to the subject matter hereof

and supersedes all prior proposals, agreements, negotiations, correspondence and all other communications, whether written or oral, between Trillion and Customer. This Agreement does not affect, and is independent of, any previous agreement between the parties regarding the provision of services not contemplated in this Agreement. No modification or waiver of any provision hereof will be effective unless made in writing and signed by both parties. The parties acknowledge that this Agreement was entered into following good faith, arms-length negotiations. In the event of any ambiguity or question of interpretation, this Agreement shall be construed as if drafted jointly by the parties and no presumption of burden or proof shall arise, favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement. No provision of this Agreement shall be construed against or interpreted to the disadvantage of any party to this Agreement by any court or other governmental or judicial authority by reason of such party's having or being deemed to have structured or dictated such provision. This Agreement 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. Executed signatures will be relied upon as original signatures in all respects. All signed copies of this Agreement will be deemed originals.

TRILLION PARTNERS, INC.

"TRILLION"

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

By: [Signature]

Print Name: SCOTT SMYTH

Title: VICE PRESIDENT LEGAL & REGULATORY

Effective Date: _____

"CUSTOMER"

Address: _____

By: [Signature]

Print Name: Charles L. Miller

Title: Superintendent

Date: 12-12-03



EXHIBIT A
TO TRILLION PARTNERS, INC.
SERVICES AGREEMENT

Description of Services

- High-speed WAN providing a 45 Mbps full-duplex ring to the following four (4) sites:

<input type="checkbox"/> Dimmit Administration	<input type="checkbox"/> Dimmit Middle School
<input type="checkbox"/> Dimmit High School	<input type="checkbox"/> Dimmit Alternative Education

- Existing fiber will be used to connect Richardson Elementary to Dimmit School
- Two (2) T-1 level access into the public Internet
- Voice line capacity for up to 64 phones.
- Trunking capacity for up to one (1) T-1.
- The following bundled services are also included:

<input type="checkbox"/> Portal	<input type="checkbox"/> DNS	<input type="checkbox"/> Filtering
<input type="checkbox"/> Email	<input type="checkbox"/> Firewall	

- Full maintenance support of the system, 24-hour monitoring and access to the Customer WiZone – our online support and monitoring console.

This contract does not include providing or purchasing end user phones and handsets.

This contract does not include the providing or purchasing telephone trunks or individual phone lines to the public switched telephone network.



EXHIBIT B
TO TRILLION PARTNERS, INC.
SERVICES AGREEMENT

Fees for Services

<u>Standard Payment Plan</u>	Total Monthly Cost	Total Annual Cost	Total 5 Year Contract Cost
Total Cost	\$10,200	\$122,400	\$612,000
87% E-Rate Discount	(8,874)	(106,488)	(532,440)
District Net Price	\$1,326	\$15,912	\$79,560

Other Payment Options

Option I: Down Payment of \$43,795

	Total Monthly Cost	Total Annual Cost	Total 5 Year Contract Cost
Total Cost	\$7,070	\$84,840	\$424,200
87% E-Rate Discount	(6,151)	(73,811)	(369,054)
District Net Price	\$919	\$11,029	\$55,146

Option II: Down Payment of \$87,589

	Total Monthly Cost	Total Annual Cost	Total 5 Year Contract Cost
Total Cost	\$7,935	\$95,220	\$476,100
87% E-Rate Discount	(6,903)	(82,841)	(414,207)
District Net Price	\$1,032	\$12,379	\$61,893

Option III: Down Payment of \$131,384

	Total Monthly Cost	Total Annual Cost	Total 5 Year Contract Cost
Total Cost	\$6,800	\$81,600	\$408,000
87% E-Rate Discount	(5,916)	(70,992)	(354,960)
District Net Price	\$884	\$10,608	\$53,040



ACCEPTANCE OF SERVICES AND EQUIPMENT

Effective as of the 5th day of April, 2005, the undersigned hereby accepts the Telephony Services in the Agreement between the undersigned and Trillion Partners, Inc. executed by Dimmitt Independent School District on December 12, 2003 ("Services Agreement").

Standard Conditions of Acceptance

We understand that Trillion has requested that we obtain a voice grade line that includes 911 access for each of our locations from our local telephone service provider (which is not Trillion). We understand that Trillion is not responsible for providing this separate voice grade line from our local telephone service provider. We certify that we will take all appropriate action to meet our safety needs, and that we have the sole responsibility to obtain service from our local telephone service provider (which is not Trillion) for access to 911 services at each of our locations. For good and valuable consideration, the receipt and sufficiency of which is acknowledged by the undersigned, Customer, its successors and assigns, agree to hold Trillion Partners, Inc., its officers, directors, shareholders, representatives, affiliates, and employees, free and harmless from, and fully and completely indemnify each of them from and against, any obligations, costs, claims, judgments, reasonable attorneys' fees, and attachments to the extent arising from or attributable to the issues raised by this paragraph, the Services Agreement, the Services, or the Equipment.

No valid handwritten alterations have been made to the typed print of this acceptance. A faxed copy of the signed original shall constitute an original.

Dimmitt Independent School District

CHRISTOPHER E HATTON

By:

Christopher E Hatton

Its:

ACCEPTANCE OF SERVICES AND EQUIPMENT

Effective as of the 25th day of October, 2004, the undersigned hereby accepts the Equipment in the Services Agreement between the undersigned and Trillion Partners, Inc. executed by Dimmitt Independent School District on December 12, 2003 ("Services Agreement").

Standard Conditions of Acceptance

We understand that Trillion has requested that we obtain a voice grade line that includes 911 access for each of our locations from our local telephone service provider (which is not Trillion). We understand that Trillion is not responsible for providing this separate voice grade line from our local telephone service provider. We certify that we will take all appropriate action to meet our safety needs, and that we have the sole responsibility to obtain service from our local telephone service provider (which is not Trillion) for access to 911 services at each of our locations. For good and valuable consideration, the receipt and sufficiency of which is acknowledged by the undersigned, Customer, its successors and assigns, agree to hold Trillion Partners, Inc., its officers, directors, shareholders, representatives, affiliates, and employees, free and harmless from, and fully and completely indemnify each of them from and against, any obligations, costs, claims, judgments, reasonable attorneys' fees, and attachments to the extent arising from or attributable to the issues raised by this paragraph, the Services Agreement, the Services, or the Equipment.

Except for the effective date above, no valid handwritten alterations have been made to the typed print of this acceptance. A faxed copy of the signed original shall constitute an original.

CUSTOMER:

DIMMITT INDEPENDENT SCHOOL DISTRICT

By: Charles R. Kelley

Its:



ACCEPTANCE OF SERVICES AND EQUIPMENT

Effective as of the 5th day of April, 2005, the undersigned hereby accepts the Telephony Services in the Agreement between the undersigned and Trillion Partners, Inc. executed by Dimmitt Independent School District on December 12, 2003 ("Services Agreement").

Standard Conditions of Acceptance

We understand that Trillion has requested that we obtain a voice grade line that includes 911 access for each of our locations from our local telephone service provider (which is not Trillion). We understand that Trillion is not responsible for providing this separate voice grade line from our local telephone service provider. We certify that we will take all appropriate action to meet our safety needs, and that we have the sole responsibility to obtain service from our local telephone service provider (which is not Trillion) for access to 911 services at each of our locations. For good and valuable consideration, the receipt and sufficiency of which is acknowledged by the undersigned, Customer; its successors and assigns, agree to hold Trillion Partners, Inc., its officers, directors, shareholders, representatives, affiliates, and employees, free and harmless from, and fully and completely indemnify each of them from and against, any obligations, costs, claims, judgments, reasonable attorneys' fees, and attachments to the extent arising from or attributable to the issues raised by this paragraph, the Services Agreement, the Services, or the Equipment.

No valid handwritten alterations have been made to the typed print of this acceptance. A faxed copy of the signed original shall constitute an original.

Dimmitt Independent School District

CHRISTOPHER E HATTON

By: Christopher E Hatton

Its: _____

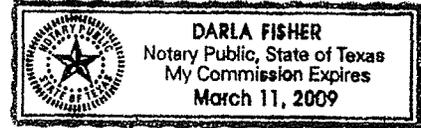
Certificate of Incumbency

I, Barbara Bain, do hereby certify that I am the duly elected or appointed and acting Clerk/Secretary of Dimmitt Independent School District (the "Customer"), a political subdivision duly organized and existing under the laws of the State of Texas, and that, as of the date hereof, the individuals named below are the duly elected or appointed officers of the Customer holding the offices set forth opposite their respective names, and the signatures are true and correct.

NAME	TITLE	SIGNATURE
<u>Charles L. Miller</u>	<u>Superintendent</u>	<u>Charles L. Miller</u>
<u>Barbara Bain</u>	<u>DISD Board Secretary</u>	<u>Barbara Bain</u>

IN WITNESS WHEREOF, I have duly executed this certificate this 26th day of October, 2005.

Signed: Darla Fisher
Title: Superintendent Secretary



Note: The Clerk or Secretary of the Board should sign unless that person is also the signer of the documents in which case the Board President or some other Officer of the District should execute this document.

AMENDMENT TO TRILLION PARTNERS, INC. SERVICES AGREEMENT

In this Amendment to Trillion Partners, Inc. Services Agreement (the "Amendment"), the following provisions replace the identical numbered paragraphs or are in addition to the paragraphs contained in the "Trillion Partners, Inc. Service Agreement" (the "Agreement") between Trillion Partners, Inc. ("Trillion") and Dimmitt Independent School District ("Dimmitt," "District," or "Customer") signed by Dimmitt's Superintendent on December 12, 2003. The following provisions become part of said Agreement for all purposes and, to the extent this Amendment conflicts with the original Agreement, this Amendment controls.

1. Paragraph 2.1 is amended as follows:

Provision of Service; License. Trillion will provide the Services as described in Exhibit "A" ("Description of Services") of the Agreement. District grants to Trillion a non-exclusive revocable license ("License") to use those parcels of real property at the Service Locations that Trillion deems necessary to install, operate and maintain certain poles and antennas thereon and to place certain buildings or enclosures thereon, and such other Equipment as Trillion determines may be necessary or compatible to provide Services to the District. In addition, the District grants to Trillion an exclusive right to install transmission cables and lines between the Equipment and between the Service Locations in connection with Trillion's use, maintenance and operation of the Equipment.

2. Paragraph 2.2 is amended as follows:

It is expressly understood that all the rights granted to Trillion under the License are irrevocable during the term of this Agreement, and any amendment thereto. As a common carrier, Trillion may make any substitutions to or modifications of the equipment as it determines may be necessary or compatible to provide services to the District.

3. Paragraph 2.3 (a) is amended as follows:

(a) **Installation of Equipment.** Trillion will install the Equipment at the Service Locations. Even if the Equipment (or any portion of the Equipment) is

or becomes physically affixed or attached in any manner to real estate at the Service Location (including any building on such real estate), the Equipment is and will remain Trillion's personal property, and Trillion may, as a common carrier, utilize the Equipment for other Customers and for internal communications for the management and maintenance of its network to provide service to the District. As such, Trillion shall be liable to the District for any damage caused by the process of installation, maintenance or removal of the Equipment on District property. At the request of Trillion, Customer will furnish a landlord or mortgage waiver with respect to the Equipment from any person claiming an interest in any personal or real property where the Equipment is located.

4. Paragraph 3.1 is amended as follows:

Access to the Services. The last sentence that states, "Customer will indemnify and hold Trillion and its officers, directors, shareholders, representatives, and employees harmless from any liability to the extent resulting from a breach of Customer's obligations under this Section," is deleted.

5. Paragraph 4.3 is amended as follows:

Taxes. Trillion and the District agree that the Equipment provided under the Agreement is necessary for the district to carry out its governmental function and fulfills a legitimate public purpose of the District, and pursuant to Texas Property Tax Code section 11.11, the District is exempt from paying personal property taxes on the Equipment. Therefore, Trillion or any assignee of the Agreement will not render the Equipment for personal property tax purposes and Trillion, or any assignee, agree that any taxes assessed against the District resulting from a rendition of the Equipment shall be paid by Trillion or any assignee, and the District shall receive proof that such taxes have been paid in full.

6. The first sentence of Paragraph 5.1(a) shall be amended to read as follows: Trillion warrants that it will provide the Services described in "Exhibit A" and if

any disruption of Services occurs, Trillion will use commercially reasonable efforts to make the Services available to Customer in accordance with generally accepted standards in the industry.

7. Paragraph 5.2(a) is amended as follows:

(a) The District represents, covenants and warrants that (1) the District is a fully constituted political subdivision, agency or public corporation of the state in which it is located; (2) the execution, delivery, and performance by the District of the Agreement, as amended, have been duly authorized by all necessary action on the part of the District; (3) the Agreement, as amended, has been executed on behalf of the District by persons who constitute duly authorized officers thereof; (4) the Agreement, as amended, constitutes the legal, valid, and binding obligation of the District enforceable in accordance with its terms; (5) the District has sufficient appropriations or other funds available to pay all accounts due hereunder for the current fiscal period when said designated funding becomes available to the District; (6) the District has obtained all services from its local exchange telephone service provider (other than Trillion) to ensure it has full access to 911 services; and (7) the District will provide the required level of electricity to each facility provided by Trillion which requires electricity.

8. Paragraph 6.1 is deleted in its entirety.

9. Paragraph 6.3 is deleted in its entirety.

10. Paragraph 6.4 is deleted in its entirety.

11. Paragraph 6.5 is deleted in its entirety.

12. Paragraph 7.1(b) is amended as follows:

(b) Trillion may revoke such termination under Section 7.1(a) if such failure is fully cured within the notice period. Upon the occurrence of an Event of Default, following the lapse of the cure period, Trillion may, at its option, exercise any one or more of the following remedies upon written notice to Customer: (1) terminate this Agreement and sell or lease the

Products for the account of Customer to a third party, holding Customer liable for all payments due under this Agreement prior to the effective date of such selling or leasing; and/or (2) exercise any other right, remedy or privilege, which may be available to it under applicable laws. All rights and remedies of Trillion under this Agreement are cumulative and none will exclude any other right or remedy under applicable law. Regardless of whether this Agreement is terminated, Customer will remain liable for all covenants and indemnities under this Agreement.

13. Paragraph 7.1(c) is amended as follows:

(c) By Customer.

(1) Breach by Trillion. If Trillion fails to substantially provide the Services as warranted, Customer may terminate this Agreement without liability to Trillion for any future payments by providing Trillion with a thirty (30) day written notice that describes the breach. Such early termination shall not relieve Customer of the obligations hereunder for services previously provided by Trillion. The termination will not be effective if Trillion provides information to District's satisfaction that such failure is substantially cured within the notice period.

(2) Commitment of Current Revenue. The District's Board of Trustees has the continuing right to terminate the Agreement at the expiration of each budget period during the term of the Agreement by providing notice to Trillion of its intention to exercise such right at least thirty (30) days prior to the end of the current budget period. The Agreement is further conditioned on the District's best effort to obtain and appropriate funds for payment of the Agreement. Accordingly, the District may exercise this right to terminate the Agreement by providing Trillion with reasonable notice upon learning that its attempts to obtain and appropriate sufficient funds for payment of services have been unsuccessful. Should Customer choose to terminate the Agreement by either manner provided by Paragraph 7.1(c)(2), this Agreement will end on

the last day of the budget period for which appropriations were received, without penalty or expense to the District of any kind whatsoever; however, the District will remain liable to Trillion for any payments attributable to services received in the preceding budget period.

14. Paragraphs 7.2(b) and 7.2(c) are deleted in their entirety.

15. Paragraph 7.3 is amended as follows:

Effects of Termination. Upon any termination, Trillion is expressly authorized to enter upon the premises of the Service Location where the Equipment is located, and take immediate possession of and remove such Equipment.

17. Section 7 is amended to add the following new paragraph 7.4:

Termination Capital Recovery. In the event Customer terminates this Agreement prior to the end of the Term for any reason other than pursuant to Subsections 7.1(c) or 7.2(a), Customer shall pay Trillion a one-time Capital Recovery fee equal to sixty percent (60%) of the amount due for Services under the remainder of the Term. Such payments shall be paid to Trillion within sixty (60) days after such termination.

18. Paragraph 8.1 is amended as follows:

Governing Law and Jurisdiction. The Agreement will be exclusively governed and construed in accordance with the laws of the State of Texas without regard to conflicts of laws. The Parties agree to submit to the personal and exclusive jurisdiction of the courts located in CASTRO County, Texas, or the Amarillo Division of the U.S. District Court for the Northern District of Texas. If either party employs attorneys to enforce any rights arising out of or related to this Agreement, the prevailing party will be entitled to recover its reasonable attorneys' fees and court costs from the other party.

19. Paragraph 8.5 is amended as follows:

Notices, Written Consents. Except where provided otherwise, notices and written consents hereunder will be in writing and will be deemed to have been fully given and received: (1) when delivered personally; (2) when sent by fax if

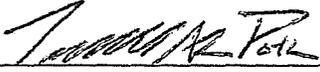
received by 4:30 p.m. CST on any business day, excluding weekends or any other days that the receiving party has previously scheduled to be closed; (3) the received date stated on the receipt of delivery when sent by registered or certified mail, return receipt requested, postage prepaid; or, (4) upon written verification of receipt when sent with a commercial overnight carrier. Notices, written consents, and payments will be sent to the parties at the addresses set forth in the signature block below or such other address as either party may specify in writing to the other.

20. Paragraph 8.9 is amended as follows:

Entire Agreement. The Agreement, including the Exhibit(s), as modified by this Amendment, constitute the entire agreement between the parties with respect to the subject matter hereof and supersede all prior proposals, agreements, negotiations, correspondence and all other communications, whether written or oral, between Trillion and Customer. This Agreement does not affect, and is independent of, any previous agreement between the parties regarding the provision of services not contemplated in this Agreement. No modification or waiver of any provision hereof will be effective unless made in writing and signed by both parties. Any attempted Service Provider E-Rate SPIN change during the Term without the express prior written authorization of Trillion shall be void. No handwritten alterations to the printed text of this Agreement are valid, whether initialed or not. This Agreement is intended to be a "minor amendment" under the Federal Communications Commission's guidelines, to the Services Agreement executed by Customer on the Effective Date listed below. The parties agree that this Amendment is within the scope of the original Services Agreement and has no effect or merely a negligible effect on price, quantity, quality, or delivery under the original contract. This Agreement 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 signatures will be relied upon as original signatures in all respects. All signed copies of this Agreement will be deemed originals.

TRILLION PARTNERS, INC.
"TRILLION"

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

By: 

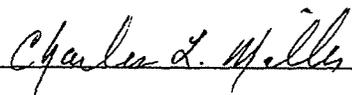
Print Name: TERRELL ALAN POTH

Title: PRESIDENT + CEO

Effective Date: 1-12-2006

DIMMITT INDEPENDENT SCHOOL DISTRICT
"CUSTOMER"

608 W. Halsell
Dimmitt, TX 79027-1750

By: 

Print Name: Charles L. Miller

Title: Superintendent

Date: January 10, 2006

**Before the
Federal Communications Commission
Washington, DC 20554**

In the Matter of)	
)	
Request for Review of a)	
Decision of the)	
Universal Service Administrator by)	
)	
Dimmitt Independent School District	)	471 App. No. 733584
Dimmitt, Texas	)	FRN 1983786 (FY2010)
)	
Schools and Libraries Universal Service	)	CC Docket Nos. 96-45 and 02-6
Support Mechanism)	

AFFIDAVIT OF KAREN NEWMAN

STATE OF TEXAS §
 §
COUNTY OF CASTRO §

BEFORE ME, the undersigned authority, on this day personally appeared Karen Newman, who upon oath, stated:

1. “My name is Karen Newman. I am over the age of 21 years and I have never been convicted of a felony or a misdemeanor involving moral turpitude.

2. Trillion Partners, Inc. (‘Trillion’) has been Dimmitt Independent School District’s (the ‘District’) service provider for various internet and telecommunication services since December, 2003 through the present.

3. I was employed by the District as the Technology Director for the 2007-2008 school year, and became the E-Rate Coordinator in August of 2009.

4. In October of 2007, the District wanted to expand its Wide Area Network (‘WAN’) connectivity and its full internet and telecommunication services to all District

locations that had not yet been connected and to the new high school that was being designed and scheduled to open in 2009 (collectively the 'Additional Services').

5. At that time, Trillion informed the District that its bandwidth and network were running at full capacity, and the District would need to increase the capacity of both in order to accommodate the Additional Services.

6. I discussed this matter with the Superintendent, Charles L. Miller, and it was decided that the District should increase its bandwidth to accommodate the Additional Services.

7. The Form 470 for the Additional Services was filed on or about November 15, 2007. The allowable contract date for this Form 470 was December 13, 2007. Trillion was the only service provider that responded.

8. On Thursday, January 17, 2008, I received an email invitation from Chuck Browning of Trillion to be a guest at a customer appreciation dinner (the 'Dinner') to be held during the Texas Computer Education Association ('TCEA') Conference in Austin, Texas.

9. The email invitation appeared to have been sent to all existing Trillion customers attending the TCEA Conference.

10. On January 21, 2008, I responded to Mr. Browning's invitation by email, and advised him that three (3) Dimmitt employees, including myself, would attend the Dinner.

11. The Dinner was held on Tuesday, February 5, 2008 at 6:00 p.m., after the bidding period for the 470 had closed, at the Moonshine Bar & Grill in Austin, Texas. Rhenea Webb, Vanesa McClure and I, went directly from the TCEA Conference to the Dinner. We sat with employees from other school districts and Trillion representatives. Each

person was allowed to order their entrée separately. At no point did I discuss E-Rate business, and I was not aware that any business discussions occurred.

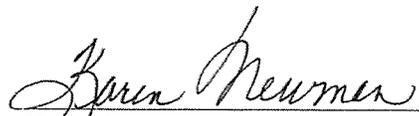
12. I had no knowledge that the District's Board of Trustees (the 'Board') would meet on February 6, 2008 to select a service provider for the Additional Services. I do not have authority to approve vendor contracts. I was not involved in, nor did I provide any input or recommendation relating to the Board's decision to use Trillion as the District's service provider for the Additional Services.

13. I was not present at the Board meeting on February 6, 2008 when the Board voted to use Trillion as its service provider for the Additional Services.

14. The Additional Services increased the District's WAN to 100 Mbps per site, it also increased its internet bandwidth from 3 Mbps to 9 Mbps and it upgraded the District's voice over IP telephone services.

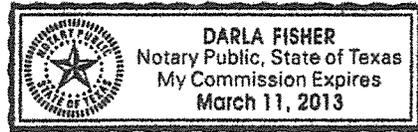
15. Other than attending the Dinner, I have not been offered nor have I accepted any benefit from Trillion. I did not inform Sharron Bills, the District's E-Rate Coordinator at the time, that I attended the Dinner. I was not aware of any rule or regulation that would prevent me from attending the Dinner, and would not have gone had I known USAC viewed the Dinner as improper.

FURTHER AFFIANT NOT."



Karen Newman

SWORN TO AND SUBSCRIBED BEFORE ME by Karen Newman, on this 21st
day of January, 2011, to certify which witness to my hand and seal of office.



Darla Fisher
Notary Public, State of Texas

**Before the
Federal Communications Commission
Washington, DC 20554**

In the Matter of)	
)	
Request for Review of a)	
Decision of the)	
Universal Service Administrator by)	
)	
Dimmitt Independent School District	)	471 App. No. 733584
Dimmitt, Texas	)	FRN 1983786 (FY2010)
)	
Schools and Libraries Universal Service	)	CC Docket Nos. 96-45 and 02-6
Support Mechanism)	

AFFIDAVIT OF SHARRON BILLS

STATE OF TEXAS §
 §
COUNTY OF CASTRO §

BEFORE ME, the undersigned authority, on this day personally appeared Sharron Bills, who upon oath, stated:

1. “My name is Sharron Bills. I am over the age of 21 years and I have never been convicted of a felony or a misdemeanor involving moral turpitude.

2. In March of 2007, the District’s Technology Director and E-Rate Coordinator, Christopher Hatton, was unexpectedly dismissed from Dimmitt Independent School District (the ‘District’). From that time until August, 2009, I served as the District’s E-Rate Coordinator.

3. In 2007, Mr. Hatton began the E-Rate filings. However, upon his departure, I completed the E-Rate process.

4. I filed all of the applications, reports, and Program Integrity Assurance Reviews for the District as they pertained to the Universal Service Administrative Company ('USAC') and the District's E-Rate funding for the 2008-2009 and 2009-2010 school years.

5. My responsibilities were limited to filing the E-Rate applications and related paperwork in a timely fashion.

6. My responsibilities did not include technical issues such as bandwidth, wiring, Local Area Network ('LAN'), Wide Area Network ('WAN'), hardware or software, nor did I make recommendations for selection of service providers relating to such equipment or services.

7. In 2007, the District learned that it needed to increase bandwidth to accommodate a new high school and to prepare for the District's increasing technology needs.

8. On or about November 15, 2007, I filed a Form 470 FY2008-2009 (the '470') indicating the District's request for additional WAN, additional bandwidth for internet access connectivity and telecommunication services (the 'Additional Services').

9. Trillion Partners, Inc. ('Trillion') was the only vendor to respond to the 470.

10. Trillion had been the District's internet service provider since 2003, and the District was still under contract with Trillion as the District's service provider when the 470 was filed.

11. On February 6, 2008, I was present but did not vote at the Board meeting when the Board voted to use Trillion as its service provider to increase the District's

bandwidth, provide a WAN, internet access and voice over IP telephone services to all current District facilities and the new high school.

12. On June 12, 2009, I received a request for information from USAC concerning the District's involvement with Trillion. This document asked several questions, including whether Trillion provided meals, entertainment, or trips to any District employee.

13. I had never received meals, entertainment, trips or any other item of value from Trillion, and was not aware that any other employee had received any benefit from Trillion.

14. At the time that I responded to USAC's request for information, I did not inquire as to whether any District employee was ever offered or accepted any benefit from Trillion.

15. I have since learned that three (3) employees did receive a meal from Trillion while attending the Texas Computer Education Association (TCEA) Conference in Austin, Texas in February, 2008.

16. Had I known this information at the time I completed the USAC request for information, I would have included it in my response.

17. In or about August of 2009, my duties changed and I am no longer involved with the E-Rate process.

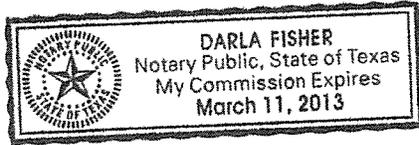
18. Despite the fact that I was no longer the E-Rate Coordinator, on or about September 13, 2010, I received a Letter of Proposed Denial of 471#733584, FRN 1983786 for funding for FY2010.

19. The District filed its response to this Proposed Denial on October 8, 2010 via email.

FURTHER AFFIANT NOT."

Sharron Bills
Sharron Bills

SWORN TO AND SUBSCRIBED BEFORE ME by Sharron Bills on this 21st day of January, 2011, to certify which witness to my hand and seal of office.



Darla Fisher
Notary Public, State of Texas

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: 17316000631841
Applicant's Form Identifier: 08/09-1
Application Status: CERTIFIED
Posting Date: 11/15/2007
Allowable Contract Date: 12/13/2007
Certification Received Date: 11/15/2007

1. Name of Applicant: DIMMITT INDEP SCHOOL DISTRICT		
2. Funding Year: 07/01/2008 - 06/30/2009		3. Your Entity Number 141823
4a. Applicant's Street Address, P.O.Box, or Route Number 608 W HALSELL ST		
City DIMMITT	State TX	Zip Code 79027-1750
b. Telephone number (806) 647- 3101		c. Fax number (806) 647- 5433
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: Sharron Bills		
<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"/> 608 W HALSELL ST		
City	State	Zip Code

DIMMITT	TX	79027-1750
<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>		
<input checked="" type="checkbox"/> 6c. Telephone Number (806) 647- 3101		
<input checked="" type="checkbox"/> 6d. Fax Number (806) 647- 5433		
<input checked="" type="checkbox"/> 6e. E-mail Address shbills@dimmittisd.net		

Block 2: Summary Description of Needs or Services Requested

<p>7 This Form 470 describes (check all that apply):</p> <p>a. <input checked="" 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 type="checkbox"/> a multi-year contract and/or <input 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>
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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.

<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.
---	---	--

Service or Function:	Quantity and/or Capacity:
Alarm Phone Line	4
Cellular Service	20 + more as needed for district
Digital Transmission Service	5 T-1 lines and wireless
WAN	For the district

Wireless WAN	For the district
Fax lines	5+5 additional
Telecom Service	1 T-1 Line
Distance Learning Portal	As much as needed
Interative TV	For the district
Fiber	As much as needed for district
Telephone Services	For the district
Installation and Configuration	For the district
Voice Mail Services	For the district
Miscellaneous Fees and Charges	For the district

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 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 <input 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 type="checkbox"/> Check this box if you do not have a preference.
---	--	--

Service or Function:	Quantity and/or Capacity:
Internet Access and Services	1500+ Users
Firewall Service	For the district
Web Hosting	For the district
WAN	For the district
Wireless Internet Access and Services	For the district
Internet2	For the district
Email Service	For the district
Installation and Configuration	For the district
Firewall	For the district
DHCP	For the district
DNS	For the district
Interconnected Voice over IP Protocol Services	For the district
Miscellaneous Fees and Charges	For the district

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 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 type="radio"/> Check this box if you do not have a preference.
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Service or Function:	Quantity and/or Capacity:
Battery Backup	For the district
Cabling	For the district
CSU/DSU Service	For the district
Connectors	For the district
Consumables	As much as needed
File Server	DNS Server
File Server	Firewall
File Server	DHCP
File Server	Web server
File Server	Remote Access
Laptop Computers	For the district
Tech Support	For the district
Network Switches	For the district
LAN	For the district
Racks/Cabinets	For the district
Routers	For the district
Tape Backup	For the district
Voice Over IP	For the district
Access Points	For the district
Firewall	For the district
Software	For the district
Storage Devices	For the district
Technical Services	For the district
Installation and Configuration	For the district
Miscellaneous Fees and Charges	For the district

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 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 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 type="checkbox"/> Check this box if you do not have a preference.
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Service or Function:	Quantity and/or Capacity:
Maintenance and Tech Support	For the district
Installation and Configuration	For the district
Miscellaneous Fees and Charges	For the district

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: Karen Newman	Title: Technology Director
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Telephone number
(806) 647 - 3108 extn: 101

Fax number
(806) 647 - 5433

E-mail Address
kanewman@dimmittisd.net

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.

Dimmitt ISD intends to enter into a multi-year contract with a company that best meets the technology needs of the district. Dimmitt ISD will be building a new high school building and intends to enter into a contract to establish and maintain the LAN/WAN.

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	5
<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
806	647

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

DIMMITT ISD ADMINISTRATION BUILDING	16043485
DIMMITT INDEP SCHOOL DISTRICT	141823
DIMMITT HIGH SCHOOL	92149
DIMMITT MIDDLE SCHOOL	92147
RICHARDSON ELEMENTARY SCHOOL	92148

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:

28. Date (mm/dd/yyyy): 11/15/2007

29. Printed name of authorized person: SHARRON BILLS

30. Title or position of authorized person: E-RATE COORDINATOR

31a. Address of authorized person: 608 W HALSELL ST
City: DIMMITT State: TX Zip: 79027-1750

31b. Telephone number of authorized person: (806) 647 - 3101 ext. 404

31c. Fax number of authorized person: (806) 6475433

31d. E-mail address number of authorized person: SHBILLS@DIMMITTISD.NET

31e. Name of authorized person's employer: DIMMITT INDEPENDENT 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 SLID 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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**NOTICE OF BOARD OF EDUCATION
SPECIAL MEETING
DIMMITT INDEPENDENT SCHOOL DISTRICT
FEBRUARY 6, 2008**

Notice is hereby given that a Special Meeting of the Board of Education of the Dimmitt Independent School District will be held on February 6, 2008 beginning at 12:00 p.m. in the Board Conference Room of the Dimmitt Independent School District Administration Office, 608 West Halsell, Dimmitt, Texas.

The subjects to be discussed or considered, or upon which any formal action may be taken, are as follows: (Items do not have to be taken in the same order as shown on the meeting notice.)

- I. Consider contracting with Trillion to provide Wide Area Network (WAN), internet access, and Voice over IP system services for the district for the 2008-2009 school year.
- II. Consider bids for internal computer connections for the new High School and updating internal computer connections at Richardson Elementary for the 2008-2009 school year.
- III. **EXECUTIVE SESSION: [Texas Open Meetings Act, Gov't Code, Chapter 551.074]**
 - A) Consider resignations, reassignments, & employment

TRILLION PARTNERS, INC.
SERVICES AGREEMENT



Contract No.: SA-090707-000809

This Services Agreement ("Agreement") is made by Trillion Partners, Inc. ("Trillion") and Dimmitt Independent School District ("Customer" or "District") effective on the Effective Date indicated below. 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. DEFINITIONS.

- 1.1 "**Commencement Date**" means the date that Service commences as indicated in writing by the Acceptance Certificate, attached hereto as Exhibit A, signed by Customer and Trillion.
- 1.2 "**Common Carrier**" means an entity designated by the Universal Service Administrative Company as an "eligible telecommunications carrier," or "eligible telecommunications provider," or "ETP."
- 1.3 "**Customer Demarcation Point**" means the physical location at which Trillion terminates its equipment and makes the Services available for use by the Customer (also known as a "Demarc").
- 1.4 "**Effective Date**" means the date this Agreement becomes a binding and enforceable agreement as indicated below and which is acknowledged as such by Trillion and Customer by placing their signature on this Agreement.
- 1.5 "**Equipment**" means all of the hardware and software used by Trillion, in its sole discretion, to enable the provision of Services to Customer and communications services to third parties.
- 1.6 "**E-Rate Program**" means the Universal Service Fund for Schools and Libraries established by the Federal Communications Commission, and administered by the Schools and Libraries Division of the Universal Service Administrative Company, or any successor funding program ("Schools and Libraries Division").
- 1.7 "**Product Addendum**" means the fully executed description of specific Services subject to this Services Agreement, which is not otherwise terminated or expressly replaced by a subsequent written agreement between the parties.
- 1.8 "**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 otherwise listed in an applicable Product Addendum or an amendment to the Agreement, unless extended pursuant to Section 7.2 (a), or sooner terminated as provided herein.
- 1.9 "**Service Location(s)**" means the location(s) specified in each Product Addendum at which the Trillion service is delivered to a single Customer Demarcation Point for each listed site.
- 1.10 "**Services**" means Trillion's services described in each Product Addendum.
- 1.11 "**Service Outage**" means loss of service other than any outage that: a) is not reported by Customer to Trillion within (5) days of the occurrence; b) is less than (15) minutes in duration; c) is attributable to Trillion's scheduled maintenance; d) is attributed to related third party circuits (whether ordered by Trillion or Customer); e) is a result of inability to access customer premise; f) is a result of Customer's equipment or users; or g) is due to Force Majeure (see Section 8 below) or by any other cause not within the control of Trillion
- 1.12 "**Site Access**" means 24 hour a day, 365 day a year access to Customer's premise provided to Trillion in order to restore service or perform preventative maintenance.
- 1.13 "**Total Service Charge – All Sites**" means the total service charge for all sites (sometimes referred to as the "pre-discount amount") listed in each Product Addendum before any discounts are applied.

2. DESCRIPTION OF SERVICES.

2.1 **Provision of Services; License.** Trillion will provide the Services as described in each Product Addendum. Customer grants to Trillion an exclusive, non- revocable license ("License") to use those parcels of real property at the Service Locations that Trillion deems necessary to install, operate and maintain certain poles and antennas thereon and to place certain buildings and enclosures thereon and such other equipment as Trillion determines may be necessary or compatible with the conduct of Trillion's business at Service Locations approved by Customer. Notwithstanding any other provision of this Agreement, it is expressly understood that all rights granted to Trillion under this License are continuous, ongoing, and irrevocable by Customer after the expiration or earlier termination of this Agreement, any Amendment thereto, or the provision of the Services, for a period of five years after such expiration or earlier termination. Trillion is authorized to use the Equipment and real property for any activity in connection with the provision of other communications services as Trillion determines may be necessary or compatible with the conduct of Trillion's business. Trillion may make any substitutions to or modifications of the Equipment as it determines may be necessary or compatible with the conduct of Trillion's business. In addition, Customer grants to Trillion a non-exclusive right to install transmission cables and lines between the Equipment and between the Service Locations in connection with Trillion's use, maintenance, and operation of the Equipment, provided Trillion does not interfere with Customer's use of its own property.

2.2 Installation.

(a) **Installation of Equipment.** In the event any equipment (or any portion of the Equipment) is or becomes physically attached in any manner to real estate at the Service Location (including any building on such real estate), in no event will the Equipment be deemed to be affixed to or a part of such real estate. Rather, the Equipment is and will remain Trillion's personal property. At the request of Trillion, Customer will furnish a landlord or mortgage waiver in a form reasonably acceptable to Customer with respect to the Equipment from any person claiming an interest in any personal or real property where the Equipment is located,

TRILLION PARTNERS, INC.
SERVICES AGREEMENT



Contract No.: SA-090707-000809

with such acceptance not to be unreasonably withheld. As a common carrier, Trillion may utilize the Trillion owned equipment to serve other customers.

- (b) Use of Subcontractors. Customer acknowledges that Trillion may provide the Services using subcontractors, and that Trillion reserves the right to substitute such subcontractors with others, in its own discretion, to maintain or enhance maintenance performance hereunder.

3. CUSTOMER OBLIGATIONS.

3.1 Troubleshooting & Repair. Trillion typically validates network access from the building interface to the Main Distribution Frame ("MDF") within the building. The Customer is responsible for the Local Area Network ("LAN") connectivity, DHCP, internal DNS, and routing.

- (a) The Customer must provide local LAN IP routing and Ethernet for the service connection.
(b) The Customer is responsible for service and repair of all LAN equipment and district owned fiber that is being utilized for service. (e.g., each fiber, switch, hub, bridge, etc.) that connects to the Trillion network.

3.2 Access to the Services and Equipment. Customer agrees to monitor the use of the Services to prevent inappropriate use as well as unauthorized access to offensive or restricted sites, and to maintain and prevent unauthorized access to confidential information, including the confidentiality of any passwords and account information required for access to Services. Customer will promptly notify Trillion of any unauthorized or inappropriate use of the Services, including the Equipment, breach of security, or other damage, loss or theft. For the Customer Demarcation Point, Trillion will provide a single device or fiber-based interface to make the connection to the Customer's equipment. Customer is responsible for all internal LAN routing. Customer is not authorized to have any physical contact with the Equipment except and only to the limited extent directed by Trillion. At the end of the license described in Section 2.1, Customer may, at Customer's option, either pay Trillion's reasonable expenses to remove the Equipment or allow Trillion to keep the Equipment in place under terms and conditions acceptable to Trillion and Customer.

3.3 Lawful Use. Customer agrees: (a) that Services may be used by those entities listed in each Product Addendum as being eligible to participate with Customer in obtaining the Services; (b) not to provide the Services to non-eligible third parties whether by lease, rental, transfer, assignment, sale, sublicense, or any other means, including commercial time-sharing, rental, or service bureau use; (c) not to use the Services for any purpose that is unlawful, not contemplated or prohibited by this Agreement; and (d) to abide by all applicable local, state, and national laws and regulations, including but not limited to those related to the environment and the E-Rate Program.

3.4 Acceptance and Invoicing. Customer agrees to promptly sign the Certificate of Acceptance when Customer and Trillion determine that Trillion has completed its work. If Customer fails or refuses to timely sign and return such Certificate of Acceptance, Trillion reserves the right to send written notification of the commencement of service and an invoice for Services, and, notwithstanding Section 1.1 above, such stated date of commencement of service shall become the Commencement Date. Customer agrees to pay invoices as of the Commencement Date. Initial invoices will be sent upon execution of such Certificate of Acceptance or on the date such written notice from Trillion is sent, whichever is earlier.

3.5 Alterations and Improvements.

- (a) Customer will not make any alterations, additions, or improvements to the Equipment, or remove Equipment from a Service Location without Trillion's prior written consent. If Customer commits any act or omission, or plans to commit any act or omission, which may cause material harm to Trillion's network, Customer agrees to compensate Trillion for such harm. If Trillion determines such harm requires the moving of a tower, fiber line, or other Equipment, Customer will compensate Trillion for such harm by paying to Trillion the reasonable and necessary cost of such move upon written invoice from Trillion. Customer shall not be responsible for the cost of moving such Equipment if the Equipment must be moved solely due to reasons reasonably within Trillion's control.
(b) Customer is responsible for locating pre-existing facilities of other providers, such as utilities and underground facilities, including the cost for such locating, in addition to those listed in each Product Addendum.

4. FEES AND PAYMENT TERMS.

4.1 Fee Payments.

- (a) Non-Recurring Charge: Upon execution of this Agreement, Trillion will invoice Customer a Non-Recurring Charge if specified in each Product Addendum.
(b) Service Fee: Customer shall pay Trillion the Total Annual Service Charge – All Sites – After E-Rate listed in the applicable Product Addendum on an annual basis within thirty (30) days of the receipt of an invoice for such amount each year during the Term. Customer must file a correctly completed Form 486 with the Schools and Libraries Division within ten (10) days after the date of issuance of a Funding Commitment Decision Letter approving at least a portion of the funding for the Services. Failure to timely file such a Form 486 shall obligate Customer to pay in full the Total Annual Service Charge – All Sites – Before E-Rate amount within thirty (30) days of receipt of an invoice from Trillion.

4.2 Change Orders: Customer will be responsible for the cost of moving a tower, site or Equipment if Trillion determines that such move is necessitated by the actions of Customer and result in additional charges to Trillion. A Trillion Change Order Form shall be properly completed by Customer and submitted to Trillion to modify, reduce, or increase the equipment or services to be

TRILLION PARTNERS, INC.
SERVICES AGREEMENT



Contract No.: SA-090707-000809

provided. Such Change Order Form shall be deemed a part of this Agreement if signed by both parties. Unless specified in the Change Order Form, this Agreement shall continue in full force and effect in all respects.

4.3 4.3 Payment Terms: All fees due under this Agreement will be paid in U.S. dollars within thirty (30) days after the date Customer receives Trillion's invoice, by a check sent to Trillion. Any invoice for undisputed payment remaining unpaid for thirty-one (31) days shall bear simple interest as set out under Texas Government Code, Chapter 2251, Subsection B. Nothing shall require Customer to pay an amount to Trillion that is subject to a bona fide dispute. Work performed which is outside the scope of this Agreement or is the subject of a change order will be billed at Trillion's cost.

4.4 Taxes. Customer agrees to pay all applicable taxes, including sales, use, withholding, transaction privilege, and other similar federal, state or local taxes, excluding income based taxes, (collectively referred to as Taxes"), as applicable to the Customer in connection with the Services provided under this Agreement, unless the transaction is specifically exempted under applicable state law. If Customer claims such an exemption, Customer must provide to Trillion documentation which Trillion determines is sufficient evidence of such exemption, (e.g., an exemption certificate), within thirty (30) days of the Effective Date. To the extent a state law authorizes Trillion to pass a tax on to Customer, Customer agrees to pay applicable tax. Customer further agrees to keep the Equipment free and clear of all levies, liens, taxes and encumbrances. If Customer fails to pay any applicable taxes or like charges when due, Trillion reserves the right to make such payments or like charges, together with all penalties and interest which may have been added because of Customer's delinquency or default, and Customer agrees to promptly reimburse Trillion for all amounts so paid if Customer is liable for such taxes. "Applicable taxes" means those taxes for which Customer is liable to pay by statute, and specifically excludes those taxes for which Customer is not liable to pay due to its status as an independent school district.

4.5 Lawful Payments. Notwithstanding any provision to the contrary contained in this Agreement, it is understood and agreed that the payments to be made in each fiscal year during the Term hereof are payable only out of current designated and lawfully appropriated funds of Customer for that fiscal year. Customer shall use its best efforts to appropriate funds for paying any amounts due under this Agreement. However, Customer will notify Trillion promptly (and in no case later than thirty (30) days prior to the last date of Customer's fiscal year) if Customer is unable to appropriate sufficient funds to make the payments provided in this Agreement.

4.6 Extensions and Upgrades. The parties agree that extensions to the term of this Agreement 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.

5. WARRANTY.

5.1 By Trillion.

(a) Trillion warrants that it will use commercially reasonable efforts to make the Services available to Customer in accordance with generally accepted standards in the unlicensed spectrum wireless industry. For additional information on this, please see attached Service Level Agreement. This warranty will apply solely to access to the Services, and will not apply to anything (1) caused by factors outside of Trillion's reasonable control; (2) that resulted from any action or inaction of Customer or any third party; (3) that resulted from scheduled maintenance or required repairs; or (4) that resulted from equipment, software or any item not provided by Trillion. All consequences for a breach of this warranty by Trillion are strictly limited to those defined in the attached Service Level Agreement.

(b) **NO OTHER WARRANTY.** EXCEPT FOR THE EXPRESS WARRANTY SET FORTH IN SECTION 5.1(a), TRILLION PROVIDES SERVICES ON AN "AS IS" AND "AS AVAILABLE" BASIS, AND CUSTOMER'S USE OF THE SERVICES IS AT ITS OWN RISK. TRILLION DOES NOT MAKE, AND HEREBY DISCLAIMS, ANY AND ALL OTHER EXPRESS AND IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, THE WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NONINFRINGEMENT AND TITLE, AND ANY WARRANTIES ARISING FROM A COURSE OF DEALING, USAGE, OR TRADE PRACTICE.

5.2 By Customer.

(a) Customer represents, covenants and warrants that (1) Customer is a fully constituted political subdivision, agency or public corporation of the state in which it is located; (2) the execution, delivery, and performance by Customer of this Agreement have been duly authorized by all necessary action on the part of Customer; (3) this Agreement has been executed on behalf of Customer by persons who constitute duly authorized officers thereof; (4) this Agreement constitutes the legal, valid, and binding obligation of Customer enforceable in accordance with its terms; (5) Customer has complied with all public bidding, notice and hearing requirements where necessary, and by due notification presented this Agreement for approval and adoption as a valid obligation on its part; (6) Customer reasonably believes that funds can be obtained sufficient to make all payments during the Term. The officer of Customer responsible for budget preparation will do all things lawfully within his/her power to obtain, maintain and properly request and pursue funds from which the payments may be made, including making provisions for such payments to the extent necessary in each budget submitted for the purpose of obtaining funding, using his/her bona fide best efforts to have such portion of the budget approved and exhausting all available administrative reviews and appeals in the event such portion of the budget is not approved. Customer shall give Trillion immediate notice of Customer's intent to terminate this Agreement which shall be the end of the last of Customer's fiscal years for which appropriations for the payments were made; (7)

TRILLION PARTNERS, INC.
SERVICES AGREEMENT



Contract No.: SA-090707-000809

Customer has obtained all services from its local exchange telephone service provider (other than Trillion) to ensure it has full access to 911 services; and (8) Customer will provide the required level of electricity to each facility provided by Trillion which requires electricity.

- (b) Should Customer engage in any activity or construct any new structure, which interferes mechanically, electrically, or operationally with the Equipment, Customer agrees to pay Trillion's reasonable costs of relocating its equipment necessitated by such interference.
- (c) Because Trillion must obtain certain permits, licenses, or waivers to perform the Services and Customer would be the necessary applicant for such, Customer grants limited authority to Trillion to act as Customer's agent for the sole purpose of obtaining all permits and licenses, or waivers thereof, which are necessary for Trillion to perform under this Agreement. To the extent such grant of authority is invalid or inconsistent with applicable law, or to the extent Trillion is unable to obtain such permits, licenses, or waivers, Customer warrants that it has obtained or waived, or will obtain or waive in a timely manner, all permits, and licenses applicable to the Services. Customer warrants it has obtained all applicable permits and approvals applicable to the intended use of the land regarding any requisite environmental impact studies, historical landmark studies, endangered species impact studies, Americans with disabilities act impact studies, etc. Customer expressly warrants that it will not directly or indirectly obstruct, hinder, or cause the delay, denial, or modification of any regulatory approval, license, or repeater site acquisition which Trillion determines is required for the Services so that the Services are, in Trillion's sole determination, incapable of being provided as agreed herein.
- (d) Customer shall promptly deliver to Trillion copies of any and all correspondence, notices, and forms received from Schools and Libraries Division that apply to Trillion's Services no later than five (5) business days after Customer received such document. Customer shall use its best efforts to obtain and maintain E-rate funding for the benefit of Customer throughout the Term. Should the Schools and Libraries Division decline funding for Customer for a particular E-Rate year (July 1 through June 30) due to procedural deficiencies or reasons, Customer covenants and agrees to use best efforts to remedy such denial and correctly file for E-Rate funding for the next E-Rate year for the benefit of Customer.
- (e) Customer acknowledges that Trillion is not responsible for the satisfactory performance, or lack thereof, of any third party content filtering. Customer further acknowledges that it (and not Trillion) is responsible for establishing, implementing, and/or utilizing any and all practices and procedures, rules, and other methods necessary to prevent any (i) unauthorized use of the Equipment by any person, and (ii) any access by Customer (and its students, employees, agents and contractors) at the Service Locations or by means of the Equipment to web sites, web pages, emails, or email attachments that may be inappropriate.
- (f) Reserved.
- (g) Customer shall promptly execute and return to Trillion all documents acceptable to Trillion including but without limitation, the following:
 - (i.) a certified Board Resolution authorizing the negotiation, execution and delivery of this Agreement;
 - (ii.) Reserved;
 - (iii.) a Certificate of Incumbency signed by the Clerk, Secretary of the Board, or Board Member certifying that the person signing this Agreement is a duly elected or appointed officer of the Customer (not the same person who signed the Agreement or Product Addendum);
 - (iv.) Prior three (3) audited financial statements.

6. LIMITATION OF LIABILITY AND REMEDY.

6.1 Reserved.

6.2 Internet Disclaimer.

- (a) Trillion does not and cannot control the flow of data to or from Customer's network and other portions of the Internet. Such flow depends in large part on the performance of Internet services provided or controlled by third parties. At times, actions or inactions of such third parties can impair or disrupt Customer's connections to the Internet (or portions thereof). Trillion agrees to use commercially reasonable efforts to take actions it deems appropriate to remedy and avoid such events. However, Trillion cannot guarantee that such events will not occur or that Trillion will be able to remedy all of them. Accordingly, Trillion disclaims any and all liability resulting from or related to such events.
- (b) Prior to the execution of an Acceptance Certificate for a Product Addendum which includes Internet Service, if Trillion incurs additional nonrecurring charges, including but without limitation, Construction charges, Extended Wiring charges, or wholesale provider non-recurring charges, for Internet Service, Trillion reserves the right to charge Customer an amount equal to such charges. Upon receipt of notice of such increased charges from Trillion, the Customer shall, within thirty (30) days of the date such notice is sent, either 1) pay the additional charges, and the Product Addendum shall be amended by a fully executed Change Order reflecting this non-recurring charge, 2) provide written notice to Trillion that Customer wishes to terminate the Product Addendum strictly as to the Internet Service and not as to any other aspect of the Product Addendum or this Agreement, or 3) accept an alternate bandwidth option, if offered by Trillion, at an agreed rate and bandwidth, under a fully executed Change Order.

6.3 RESERVED.

6.4 RESERVED.

TRILLION PARTNERS, INC.
SERVICES AGREEMENT



Contract No.: SA-090707-000809

6.5 RESERVED.

7. TERMINATION; RENEWAL.

7.1 Termination for Cause.

- (a) By Trillion. During the term of this agreement, if Customer fails to substantially comply with the terms of this Agreement, if Customer violates one of its warranties, or if the assumptions and contingencies stated herein are not met as determined by Trillion, Trillion may terminate this Agreement without liability to Customer by providing Customer with ninety (90) days prior written notice that describes the reason for termination. Customer shall have ten (10) business days to cure the noted default or to commence bona fide activity to cure such default. In the event that Customer commences to cure and diligently pursues cure, any attempted termination by Trillion shall be void and of no force and effect. Customer may provide written notice of such cure efforts. Notwithstanding any provision of this Agreement, Customer must timely pay for Services rendered, unless such invoice is the subject of a bona fide dispute.
- (b) By Customer.
- (i.) If Trillion fails to substantially provide the Services as warranted, Customer may terminate this Agreement without liability to Trillion for any future payments by providing Trillion with ninety (90) days prior written notice that describes the breach. In the event that Trillion commences to cure and diligently pursues cure, any attempted termination by Customer shall be void and of no force and effect. Trillion may provide written notice of such cure efforts.
- (ii.) In the event no funds or insufficient funds are appropriated under the E-Rate Program, Customer may terminate this Agreement by providing prompt written notification of such occurrence to Trillion. In such event, this Agreement will terminate on the last day of the fiscal period for which E-Rate appropriations were received, without penalty or expense to Customer of any kind whatsoever, provided, however, that Customer will remain liable to Trillion for any payments attributable for periods for which E-Rate Program funds were appropriated.
- (iii.) Trillion reserves the right to report any such early termination or default to all credit or bond rating entities, and pursue all rights and remedies at law or in equity. Such termination shall not affect or reduce the term of the License described in Section 2.1 of this Agreement.

7.2 Renewal; Effects of Termination.

- (a) Renewal. The Term of this Agreement is automatically extended on a month to month basis at Trillion's adjusted month to month pricing unless either party provides written notice of termination to the other party at least thirty (30) days prior to such termination, or Customer provides written notice of an automatic renewal.
- (b) Non-Appropriation: Duty to Present to Board. Notwithstanding any other provision of this Agreement, Customer agrees that it may not terminate this Agreement to the extent any funds are in the budget of the Customer for any portion of the payment of the Services. This Agreement is conditioned on the District's best effort to obtain and appropriate funds for the payment of Services as set out in the Agreement. The District may exercise its right to terminate the Agreement by providing Trillion with reasonable notice upon learning that its attempts to obtain and appropriate sufficient funds for payment of Services have been unsuccessful. Should Customer choose to terminate the Agreement, this Agreement will end on the last day of the budget period for which appropriations were received, without penalty or expense to the District of any kind whatsoever; however, the District will remain liable to Trillion for any payments attributable to Services received in the preceding budget period.
- (c) Common Carrier Rights Unaffected. Upon any termination, Trillion is expressly authorized to enter upon the premises of the Service Location where the Equipment is located, and take immediate possession of and remove such electronic Equipment. Alternatively, Trillion may, in its sole discretion, opt to leave the Equipment at the Service Location so that it may continue to provide services to others. In such event, Trillion is expressly permitted to continue to install and maintain the Equipment as set forth in Section 2.1.

8. GENERAL PROVISIONS.

- 8.1 Governing Law and Jurisdiction.** This Agreement will be exclusively governed and construed in accordance with the laws of the State of Texas, without regard to conflicts of laws. The parties further agree that venue for any claim or controversy arising out of this Agreement shall be in a Texas District Court in and for Castro County, Texas. If either party employs attorneys to enforce any rights arising out of or related to this Agreement, the prevailing party will be entitled to recover its reasonable and necessary attorneys' fees and costs from the other party.
- 8.2 Use of Customer's Name.** Trillion may use Customer's name as a customer, including a general description of the services provided to Customer by Trillion, in its resumes, client lists, case studies, and in other promotional information including, but not limited to, press releases, brochures, reports, letters, white papers and electronic media such as e-mail or Web pages.
- 8.3 No Agency; Assignment.** Except as expressly provided in Section 5.2(c) of this Agreement, nothing in this Agreement is intended, or should be construed, to create a partnership, agency, joint venture, or employment relationship between Customer and Trillion. Each party is an independent contractor for the other party. Customer may not assign or sublicense the rights granted under this Agreement. Trillion may assign and reassign in whole or in part, its rights, title and interests, but not its obligations, under this Agreement, including the right to receive Customer's payments hereunder, to one or more assignees at any time subsequent to its execution, without the necessity of obtaining the consent of the Customer. Customer agrees to acknowledge any such assignment and to make all payments to the assignee designated in such assignment until such assignee

TRILLION PARTNERS, INC.
SERVICES AGREEMENT



Contract No.: SA-090707-000809

shall advise Customer otherwise. Customer acknowledges that Trillion's assignee shall have the right to cure any Trillion default, and to otherwise provide the Services hereunder.

8.4 Force Majeure. A party is not liable for non-performance to the extent to which the non-performance is caused by an event that is not within the reasonable control of the affected party, including, without limitation, war, riots, civil insurrection or acts of a common enemy, fire, flood, strikes or other labor difficulty, acts of civil or military authority, including governmental laws, orders, actions, inactions or regulations, embargo, and the party gives reasonably prompt notice to the other party and makes all reasonable efforts to perform. In no event will this provision affect Customer's obligation to make timely payments for Services rendered, whether used or not, under this Agreement.

8.5 Assumptions and Contingencies.

- (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. Examples of such preconditions include the issuance of all applicable permits and other regulatory approvals under terms and conditions acceptable to Trillion, and the acquisition of any necessary repeater sites from third parties under terms and conditions acceptable to Trillion. If such preconditions do not occur, Trillion will either renegotiate with the Customer or offer to terminate this Agreement with no termination penalties for either party. Additional assumptions included in this subsection 8.5 (a) may be listed in a Product Addendum.
- (b) Trillion's obligations to perform under this Agreement are based and contingent on, among other things, the engineering assumptions that:
 - (i.) Trillion will be able to obtain the necessary permits, repeater sites required for line of site RF transmission and ground rights necessary to provide the proposed service.
 - (ii.) Customer will provide necessary ground rights at a location suitable for both customer and Trillion that provide proper line of site and serviceability of the equipment.
 - (iii.) The Customer will provide electricity to the specified location in an amount which Trillion indicates is necessary to deliver Trillion Service
 - (iv.) Trillion will be able to acquire the licensed frequencies required for any designated licensed spectrum necessary to deliver service.
 - (v.) The Customer will be providing all internal (local area network) layer 3 routing equipment, service, and support.
 - (vi.) To the extent line of site is required between two or more given sites, there is no obstruction between the sites which occurs after this Agreement is signed but before acceptance.
 - (vii.) If the Services include Trillion VoIP, the Wide Area Network must either be provided by Trillion or be approved by Trillion that it meets Trillion's minimum standards for VoIP.
 - (viii.) Trillion's wholesale provider of Internet Services must agree to provide services that Trillion determines are necessary for Internet Service to Customer, if any, at terms and conditions acceptable to Trillion.

(c) Non-Public Works Projects Only: Because the Customer has not declared this to be a "public works project," the prices listed do not include costs associated with paying prevailing wages. This is an agreement to allow Trillion to perform necessary work to provide its services only and is not an agreement for the construction, reconstruction, erection, alteration, renovation, improvement, demolition, or repair work to any publicly owned, leased or operated plant, building, structure, ground facility, utility system, road, or other public improvement of any kind.

8.6 Risk of Loss; Insurance. Customer will bear the risk of all loss, damage, or theft with respect to the Equipment, and will maintain insurance against such loss, damage, or theft. Customer will maintain, at its sole expense and at all times during the term of this Agreement, fire and extended coverage, public liability, and property damage insurance with respect to the Equipment in such amounts, covering such risks, and with such insurers, as are satisfactory to Trillion (the "Insurance Coverage"). Each policy of insurance will name Customer as an insured, and Customer will name Trillion and its assigns as an additional insured and loss payee. In addition, each policy of insurance will specify that the insurer give Trillion at least thirty (30) days prior written notice of any alteration in the terms of such policy or the cancellation thereof. The proceeds of any such policies will be payable to Customer and Trillion (or their successors or assigns) as their interest may appear. Upon Commencement Date and subsequently upon each insurance renewal date, Customer will promptly deliver to Trillion a certificate evidencing the insurance coverage required under this Agreement, and will promptly deliver to Trillion updated certificates each time it is renewed or modified.

8.7 Notices, Written Consents. Except where provided otherwise, notices and written consents hereunder will be in writing and will be deemed to have been fully given and received: (1) when delivered personally; (2) when sent by fax if received by 4:30 p.m. CST on any business day, excluding weekends or any other days that the receiving party has previously scheduled to be closed; (3) the received date stated on the receipt of delivery when sent by registered or certified mail, return receipt requested, postage prepaid; or, (4) upon written verification of receipt when sent with a commercial overnight carrier. Notices, written consents, and payments will be sent to the parties at the addresses set forth in the signature block below or such other address as either party may specify in writing to the other.

8.8 Conflicting Terms; Survival. If there is a conflict among the terms in this Agreement and any Product Addendum attached hereto or any subsequent amendment to this Agreement, the terms of the later Product Addendum or amendment shall control. Customer's obligations under this Agreement shall commence on the date this Agreement is signed by Customer below, with the sole and limited exception that Customer's obligation to begin payment under this Agreement shall begin on the date the Customer executes an acceptance certificate applicable to the Services specified in the applicable Product Addendum. If there

TRILLION PARTNERS, INC. SERVICES AGREEMENT



Contract No.: SA-090707-000809

are multiple stages of acceptance for a given 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 a given Product Addendum, the latest date of acceptance shall be the Commencement Date. The terms of any conditions which by their nature are intended to extend beyond termination will survive termination of this Agreement for any reason.

8.9 No Waiver; Severability; Section Headings. The failure of a party to exercise or enforce any right or provision of the Agreement will not constitute a waiver of such right or provision. Nothing in this Agreement shall be construed in a manner which would result in a violation of any local, state, or federal laws or regulations, and any provision found by a court of competent jurisdiction to be in violation of such law or regulation shall be considered deleted and the remainder of the Agreement shall be construed, as nearly as possible, to reflect the lawful intentions of the parties with the other provisions remaining in full force and effect. The section headings in the Agreement and Summary section in any Product Addendum are solely for the convenience of the parties and have no legal or contractual effect, except to the extent described in Section 1.8.

8.10 Entire Agreement. This Agreement, including each Product Addendum attached hereto, constitutes the entire agreement between the parties with respect to the subject matter hereof. This Agreement does not affect, and is independent of, any previous agreement between the parties regarding the provision of Services not contemplated in this Agreement or applicable Product Addendum. Any previous agreement between the parties regarding the provision of Services contemplated in this Agreement or applicable Product Addendum shall continue in full force and effect, and shall be renewed on a month to month basis until the Commencement Date of this Agreement. No modification or waiver of any provision hereof will be effective unless made in writing and signed by both parties. Any attempted E-Rate SPIN change during the Term without the express prior written authorization of Trillion shall be void. This Agreement 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 signatures will be relied upon as original signatures in all respects, however, Trillion requires Customer to sign and return two originals.

TRILLION PARTNERS, INC. "TRILLION" 9208 Waterford Centre Blvd., Suite 150 Austin, TX 78758

DIMMITT INDEPENDENT SCHOOL DISTRICT "CUSTOMER" 608 Halsell Dimmitt, Texas 79027

By: [Signature] Print Name: TERRELL A. POTU Title: PRESIDENT + CEO Effective Date: 2-7-2008

By: [Signature] Print Name: Charles L. Miller Title: Superintendent Date: 2/7/08

S.S. (MD)

PRODUCT ADDENDUM



Product: WAN-Internet Combined
No.: PD-0001964

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-090707-000809** ("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 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.
 - (b) The following assumptions are in addition to those listed in Section 8.5 of the Services Agreement, and are a part thereof:

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

Service Locations	Burstable Mbps per site	Service Type (Fiber/Wireless/MPLS)
Dimmit MS	100	Wireless
Administration	100	Wireless
Dimmit Alternative	100	Wireless
Dimmit HS	100	Wireless

DESCRIPTION OF SERVICES: INTERNET ACCESS.

Internet Access bandwidth of 3 Mbps.

PRODUCT ADDENDUM



Product: WAN-Internet Combined
 No.: PD-0001964

Service Summary	
Service:	Wide Area Network Services and Internet Access
Number of Sites:	4
Contract Term in Years:	5
Estimated E-Rate Discount:	87%

	Before E-Rate		APRUE
	Month	Annual	
Installation Charge Per Site	\$0.00		
Total Service Charge - All Sites	\$8,160.00	\$97,920.00	
Total Service Charge per Site	\$2,040.00	\$24,480.00	

* 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 78768

By: *Terrell A. Pott*
 Print Name: TERRELL A. POTT
 Title: PRESIDENT + CEO
 Effective Date: 2-7-2008

SS. (W)

DIMMITT INDEPENDENT SCHOOL DISTRICT

"CUSTOMER"

Address: 608 W Halseell
Dimmitt, TX 79027

By: *Charles L. Miller*
 Print Name: Charles L. Miller
 Title: Superintendent
 Date: 2/7/08

HIGHLY CONFIDENTIAL - COMPANY PROPRIETARY

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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 6 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.

PRODUCT ADDENDUM



Product: VoIP
No.: PD-0001770

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-090707-000809** ("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 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.
 - (b) The following assumptions are in addition to those listed in Section 8.5 of the Services Agreement, and are a part thereof:

DESCRIPTION OF SERVICES: TRILLION VOIP.

Trillion VoIP Service by Site List

Dimmitt SP	
Dimmit MS	
Administration	
Dimmit Alternative	
Dimmit HS	
Total Voice Connections:	75

PRODUCT ADDENDUM



Product: VoIP
No.: PD-0001770

Service Summary

Service:	Trillion VoIP Services
Number of Sites:	4
Contract Term in Years:	6
Estimated E-Rate Discount:	87%
Total Voice Connections:	75

	Before E-Rate		
	Month	Annual	
Installation Charge Per Site	\$0.00		
Total Service Charge - All Sites	\$2,040.00	\$24,480.00	
Total Service Charge per Connection	\$27.20	\$326.40	
Total Service Charge per Site	\$510.00	\$6,120.00	

* 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: *Terrel A. Potu*
Print Name: TERREL A. POTU
Title: PRESIDENT + CEO
Effective Date: 2-7-2008

DIMMITT INDEPENDENT SCHOOL DISTRICT

"CUSTOMER"

Address: 608 W Halsell
Dimmitt, TX 79027
By: *Charles L. Miller*
Print Name: Charles L. Miller
Title: Superintendent
Date: 2/7/08

S.S.

HIGHLY CONFIDENTIAL - COMPANY PROPRIETARY

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ULFD005-001240v1-0MIS00000 - Trillion_productLedgerforLA_VoIP

SERVICE LEVEL AGREEMENTS



Trillion VoIP Telephone Service – Voice Over IP Service Level Agreement

Support Service. Trillion's goal is to provide carrier class service. 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 24x7. Standard hours of operation are from 6 a.m. to 7 p.m. Central time, with emergency support 24 hours a day, seven days a week. The Trillion Network Operations Center is staffed for 24x7 network monitoring and VoIP system management services.

On-site Service. Trillion provides onsite dispatch services if required to regain service. On-site dispatch is normally initiated in less than one hour after it has been determined that on-site assistance is required.

Corrective Action. Trillion will respond and begin corrective action when the following drops below the identified threshold for a given contracted VoIP site. Performance of the Local LAN is neither monitored nor corrected by Trillion.

- (1) VoIP Service Availability drops below 100%
- (2) Packet loss between locations is greater than 1%

Availability Monitoring. Three monitoring cycles of no response shall constitute service unavailability and will trigger initiation of proactive outage notification procedures by Trillion. The proactive outage notification process involves notifying the Trillion NOC 24x7 for corrective action. If requested, Trillion will deliver notifications to the Customer's specified point of contact via email alert and or phone call.

Product Updates. Trillion, at its sole discretion, will apply maintenance patches or upgrades necessary to resolve critical issues. Trillion will maintain backups of configuration files required to regain service in the event of equipment failure. Customer voice mail files are the responsibility of the customer to backup to an alternate file server on premise if required.

Other Customer Obligations for Telephone Service – Voice Over IP Service.

Unless otherwise specified by Trillion, Trillion does not provide Ethernet switches, power, uninterruptible power supply equipment, or power over Ethernet Switches for IP phones. Customer is required to purchase Trillion supported IP based phones to be used with the VoIP service.

Unless otherwise specified by Trillion, Customer is responsible for: 1) providing all analog phones and/or handsets; 2) placing all analog phones and/or IP phones and or handsets; 3) installing Personal Call Manager on Customer's computers; and 4) any connection to any Customer owned/leased legacy phone equipment. Customer may make a request that Trillion provide any of these under a Trillion Change Order Form at an additional cost.

Customer's LAN must pass the Trillion network assessment that will be performed prior to service activation. If Customer declines to comply with the recommendations of a Trillion Network Assessment, Customer will be required to sign a waiver acknowledging such. The Customer shall assume all responsibility for all voice quality issues. Trillion's service provides VoIP services to a single demarc location at a core MDF to each school and is not responsible for voice quality caused by LAN related issues.

Customer's LAN equipment must be capable of prioritizing voice traffic and ensuring adequate quality of service necessary for voice operations. This includes zero packet loss, latency less than 50ms and zero jitter. Customer will be responsible for resolving LAN issues not meeting these specifications. All Customer trouble reports requiring an on-site visit by Trillion service employees that are the result of Customer's own failure to maintain minimum requirements for call manager client computers, LAN, cabling, rack space, power, and ventilation will be billed at the Standard Billing Rate.

Customer is required to take all appropriate action to meet Customer's safety needs. Customer must obtain a voice grade line that includes 911 (E-911) access for each of Customer's locations from its local telephone service provider. Trillion is not responsible for providing this separate voice grade line from Customer's local telephone service provider. Customer is required to maintain 911 (E-911) database with the local PSAP.

In the event that Trillion LEC Coordination services are not purchased by Customer, Customer is responsible for: ordering, installation, and cut-over of desired telephone company services including analog and/or digital trunks, DIDs, etc.; ensuring all telephone company services are provisioned accurately and installed on-time in accordance with the Trillion project implementation schedule; and ensuring all telephone company services are delivered, and extended if necessary, to the same physical location of Trillion's voice equipment, installed on-time in accordance with the Trillion project implementation schedule. Due to the fact that Trillion LEC Coordination services require much collaboration and shared responsibilities with the Customer, if such services are purchased by Customer, the parties' respective obligations will be determined at that time. Trillion recommends that all IP phones be equipped with backup uninterruptible power supplies to extended survivability in the event of a power outage, this is typically done via a dedicated uninterruptible power supply for the phone or Power Over Ethernet ("POE") via Power over Ethernet patch panels or Power over Ethernet switches. It is Customer's responsibility to provide backup uninterruptible power supply power for any and all IP Phones. Customer is required to provide all Coordinated Dialing Plan's and Call Flow. This should include all Intra and Inter and Long Distance dialing methods. In the event that the Customer requests music on hold, it is the Customer's responsibility to install and provide a music on hold source to the system in a 8 bit 8KHz ccitt ulaw format. Cabling toning and or documentation required for analog or IP phones is a separate service. Unless specifically requested and ordered by Customer, Trillion is not responsible for cabling any analog or IP phones. Customer is responsible for all end user help desk support including phone voicemail, and Call Manager desktop application usage. Customer is responsible for end user provisioning and administration including adding end users to the system, deleting end users from their system and changing end user profiles.

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-090707-000809** ("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 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.
 - (b) The following assumptions are in addition to those listed in Section 8.5 of the Services Agreement, and are a part thereof:

DESCRIPTION OF SERVICES: INTERNET ACCESS.

Additional Internet Access bandwidth of 6 Mbps (bringing total to 9 Mbps).

PRODUCT ADDENDUM



Product: Internet
No.: PD-0001713

Service Summary

Service:	Internet Access
Contract Term in Years:	5
Estimated E-Rate Discount:	87%
Additional Contracted Bandwidth	6 Mbps

	Before E-Rate	
	Month	Annual
Installation Charge	\$0.00	
Additional Total Service Charge	\$6,091.51	\$73,098.16

* 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: *Terrell A. Potu*

Print Name: TERRELL A. POTU

Title: PRESIDENT & CEO

Effective Date: 2-7-2008

DIMMITT INDEPENDENT SCHOOL DISTRICT

"CUSTOMER"

Address: 608 W Halsell
Dimmitt, TX 79027

By: *Charles L. Miller*

Print Name: Charles L. Miller

Title: Superintendent

Date: 2/7/08

S.S. (RD)

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 6 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.

Motion made by Mary Helen Flores, seconded by Barbara Bain to approve leasing 100 new computers from Dell.
VOTE: FOR: 6

The Board convened in Executive Session at 7:30 p.m. David Schaeffer, president, announced the Executive Session authorized by the Texas Open Meetings Act, Tx. Gov. Code, Chapter 551.074.

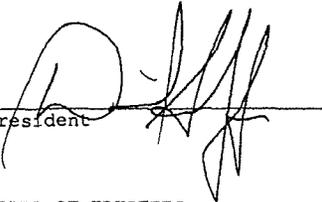
The Board adjourned from Executive Session at 8:00 p.m.

Motion made by Chevo Lumbrera, seconded by Robert Woolbright to extend Superintendent Les Miller's contract through June 30, 2011.
VOTE: FOR: 6

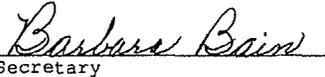
Motion made by Rick Wright, seconded by Chevo Lumbrera to accept resignations from Elaine Hazel and Katrina Howell.
VOTE: FOR: 6

Motion made by Mary Helen Flores, seconded by Robert Woolbright to hire Jeff Stoughton.
VOTE: FOR: 6

With no further business, the meeting adjourned at 8:10 p.m.



President



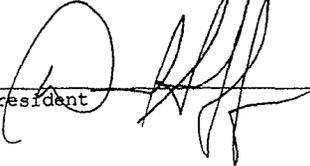
Secretary

BOARD OF TRUSTEES
SPECIAL MEETING
January 21, 2008

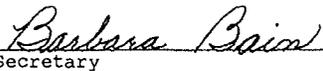
The Dimmitt ISD Board of Trustees met in Regular Session at 12:00 p.m. on January 21, 2008 with the following members present: David Schaeffer, Robert Woolbright, Rick Wright, Greg Odom, Mary Helen Flores, and Chevo Lumbrera. Administrators present: Les Miller, Max Newman, Doricell Davis, and Sharron Bills.

Motion made by Rick Wright, seconded by Robert Woolbright to adopt a nonbinding resolution to create a school reinvestment zone for the former Cargill plant property.
VOTE: FOR: 6

With no further business, the meeting adjourned at 12:45 p.m.



President



Secretary

BOARD OF TRUSTEES
SPECIAL MEETING
February 6, 2008

The Dimmitt ISD Board of Trustees met in Special Session at 12:00 p.m. on February 6, 2008 with the following members present: David Schaeffer, Robert Woolbright, Rick Wright, Barbara Bain, Mary Helen Flores, Greg Odom, and Chevo Lumbrera. Administrators present: Les Miller, George Rasor, Max Newman, Vicki Eaton, Doricell Davis, and Sharron Bills.

Motion made by Greg Odom, seconded by Chevo Lumbrera to approve contracting with Trillion to provide Wide Area Network (WAN), internet access, and Voice over IP system services for the district for the 2008-2013 school years.
VOTE: FOR: 7

Motion made by Rick Wright, seconded by Mary Helen Flores to approve a bid from Synetra for internal computer connections for the new High School and updating internal computer connections at Richardson Elementary for the 2008-2009 school year.

VOTE: FOR: 7

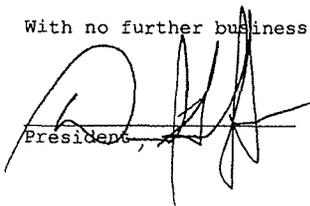
The Board convened in Executive Session at 12:20 p.m. David Schaeffer, president, announced the Executive Session authorized by the Texas Open Meetings Act, Tx. Gov. Code, Chapter 551.074.

The Board adjourned from Executive Session at 12:45 p.m.

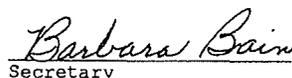
Motion made by Mary Helen Flores, seconded by Chevo Lumbrera to approve a leave of absence for Tamara Spradlin for the remainder of the 2007-2008 school year and to accept her resignation effective May 31, 2008.

VOTE: FOR: 7

With no further business, the meeting adjourned at 1:00.



President



Secretary

BOARD OF TRUSTEES
REGULAR MEETING
February 11, 2008

The Dimmitt ISD Board of Trustees met in Regular Session at 7:00 p.m. on February 11, 2008 with the following members present: David Schaeffer, Robert Woolbright, Rick Wright, Greg Odom, Barbara Bain, Mary Helen Flores, and Chevo Lumbrera. Administrators present: Les Miller, George Rasor, Max Newman, Vicki Eaton, Doricell Davis, Sharron Bills, and Kay Gfeller.

Motion made by Mary Helen Flores, seconded by Chevo Lumbrera to approve the previous minutes as read.

VOTE: FOR: 7

Motion made by Robert Woolbright, seconded by Greg Odom to approve payment of bills as presented.

VOTE: FOR: 7

Emma Zepeda was present with her 2nd Grade after school Spanish class to demonstrate what they have accomplished so far this year.

Sharron Bills was present to discuss the DMS Texas Educator Excellence Grant (TEEG).

Motion made by Greg Odom, seconded by Chevo Lumbrera to approve the 2008-2009 school year calendar with the last school day being May 30, 2009.

VOTE: FOR: 7

Motion made by Greg Odom, seconded by Mary Helen Flores to approve a resolution to conduct a Joint Election with the City of Dimmitt, the Castro County Hospital District and the High Plains Underground Water Conservation District Number One and to approve a Joint Election Agreement, as required by Texas Education Code 11.0581 and in accordance with Chapter 271 of the Texas Election Code.

VOTE: FOR: 7

Motion made by Rick Wright, seconded by Robert Woolbright to call a regular Trustee Election to elect three members for three year terms in Places 3, 6, and 7 on May 10, 2008.

VOTE: FOR: 7

Motion made by Mary Helen Flores, seconded by Chevo Lumbrera to approve the Advanced Academic Services (Gifted and Talented) Policy.

VOTE: FOR: 7

**Schools and Libraries Universal Service Program
Services Ordered and Certification Form 471
Application Display**

Block 1

Block 2 & 3

Block 4

Block 5

Block 6

Misc

471 Application No: 663273
Form Status: CERTIFIED - In Window
Out of Window Letter Date: Not applicable

Funding Year: 07/01/2009 - 06/30/2010 Cert. Postmark Date: 01/23/2009
RAL Date: 01/29/2009

Applicant's Form Identifier: 09/10 trill

Block 1: Billed Entity Information	
Billed Entity Number: 141823	
Applicant Name: DIMMITT INDEP SCHOOL DISTRICT	
Address: 608 W HALSELL ST	
City: DIMMITT State: TX Zip: 79027 1750	
Contact Name: Sharron Bills	
Address: 608 W HALSELL ST	
City: DIMMITT State: TX Zip: 79027 1750	
Type of Application: SCHOOL DISTRICT	Ineligible Orgs: N

[Previous](#)

[Display Entire Application](#)

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FCC Form 471	Do not write in this area.	Approval by OMB 3060-0806
<p>Schools and Libraries Universal Service Description of Services Ordered and Certification Form 471 Estimated Average Burden Hours per Response: 4 hours</p> <p>This form asks schools and libraries to list the eligible telecommunications-related services they have ordered and estimate the annual charges for them so that the Fund Administrator can set aside sufficient support to reimburse providers for services. Please read instructions before beginning this application. (You can also file online at www.sl.universalservice.org.) The instructions include information on the deadlines for filing this application.</p>		
Applicant's Form Identifier (Create your own code to identify THIS form 471)	09/10 trill	Form 471 Application# (To be assigned by administrator)
		663273
Block 1: Billed Entity Information (The "Billed Entity" is the entity paying the bills for the service listed on this form.)		
1 a	Name of Billed Entity	DIMMITT INDEP SCHOOL DISTRICT
2 a	Funding Year: July 1,	2009 Through June 30: 2010
		Billed Entity Number:141823
4 a	Street Address, P.O. Box, or Routing Number	608 W HALSELL ST
		City
		DIMMITT
		State
		TX
		Zip Code 79027 1750
5 a	Type of Application	<input type="checkbox"/> Individual School (individual public or non-public school) <input checked="" type="checkbox"/> School District (LEA; public or non-public [e.g. diocesan] local district representing multiple schools) <input type="checkbox"/> Library (including library system, library outlet/branch or library consortium as defined under LSTA) <input type="checkbox"/> Consortium <input type="checkbox"/> Check here if any members of this consortium are Ineligible or non-governmental entities)
6	Contact Person's Name	Sharron Bills
First, if the Contact Person's Street Address is the same as in Item 4, check this box. If not, please complete the entries for the Street Address below.		
b	Street Address, P.O. Box, or Routing Number	608 W HALSELL ST
		City
		DIMMITT
		State
		TX
		Zip Code 79027 1750



Entity Number	<u>141823</u>	Applicant's Form Identifier	<u>09/10 trill</u>
Contact Person	<u>Sharron Bills</u>	Phone Number	<u>806-647-3101</u>
This information will facilitate the processing of your applications. Please complete all rows that apply to services for which you are requesting discounts. Complete this information on the FIRST Form 471 you file, to encompass this and all other Forms 471 you will file for this funding year. You need not complete this information on subsequent Forms 471. Provide your best estimates for the services ordered across ALL of your Forms 471. Schools/school districts complete Item 7. Libraries complete Item 8. Consortia complete Item 7 and/or Item 8.			
Block 2: Impact of Services Ordered on Schools			
IF THIS APPLICATION INCLUDES SCHOOLS...		BEFORE ORDER AFTER ORDER	

7a	Number of students to be served		1122
b	Telephone service: Number of classrooms with phone service	10	75
c	Dial-up Internet access: Number of connections (up to 56kbps)	0	0
d	Direct broadband services: Number of buildings served at the following speeds: Between 10 mbps and 200 mbps	5	5
e	Direct connections to the Internet: Number of drops	1250	1250
f	Number of classrooms with Internet access	150	150
g	Number of computers or other devices with Internet access	1250	1250

Block 3: Impact of Services Ordered on Libraries
NOT APPLICABLE AS THIS APPLICATION IS FOR DISTRICT

Worksheet A No: 1066497 Student Count: 1196
 Weighted Product (Sum. Column 8): 1076.4 Shared Discount: 90%

1. School Name: DIMMITT ALTERNATIVE CENTER
 2. Entity Number: 16049219 NCES:
 3. Rural/Urban: Rural
 4. Student Count: 20 5. NSLP Students: 20 6. NSLP Students/Students: 100.000%
 7. Discount: 90% 8. Weighted Product: 18
 9. Pre-K/Adult Ed/Juv: 10. Alt Disc Mech:

1. School Name: DIMMITT HIGH SCHOOL
 2. Entity Number: 92149 NCES: 48 17160 01487
 3. Rural/Urban: Rural
 4. Student Count: 319 5. NSLP Students: 319 6. NSLP Students/Students: 100.000%
 7. Discount: 90% 8. Weighted Product: 287.1
 9. Pre-K/Adult Ed/Juv: 10. Alt Disc Mech:

1. School Name: DIMMITT ISD ADMINISTRATION BUILDING
 2. Entity Number: 16043485 NCES:
 3. Rural/Urban: Rural
 4. Student Count: 0 5. NSLP Students: 0 6. NSLP Students/Students:
 7. Discount: 87% 8. Weighted Product: 0
 9. Pre-K/Adult Ed/Juv: 10. Alt Disc Mech:

1. School Name: DIMMITT MIDDLE SCHOOL
 2. Entity Number: 92147 NCES: 48 17160 1488
 3. Rural/Urban: Rural
 4. Student Count: 346 5. NSLP Students: 346 6. NSLP Students/Students: 100.000%
 7. Discount: 90% 8. Weighted Product: 311.4
 9. Pre-K/Adult Ed/Juv: 10. Alt Disc Mech:

1. School Name: RICHARDSON ELEMENTARY SCHOOL
 2. Entity Number: 92148 NCES: 48 17160 01489
 3. Rural/Urban: Rural
 4. Student Count: 511 5. NSLP Students: 511 6. NSLP Students/Students: 100.000%
 7. Discount: 90% 8. Weighted Product: 459.9
 9. Pre-K/Adult Ed/Juv: 10. Alt Disc Mech:

Block 5: Discount Funding Request(s)

FRN: 1811096 FCDL Date:	
10. Original FRN:	
11. Category of Service: Telecommunications Service	12. 470 Application Number: 173160000631841
13. SPIN: 143025872	14. Service Provider Name: Trillion Partners, Inc
15a. Non-Contracted tariffed/Month to Month Service:	15b. Contract Number: SA-090707-000809
15c. Covered under State Master Contract:	15d. FRN from Previous Year:
16a. Billing Account Number: 806-647-3101	16b. Multiple Billing Account Numbers?:
17. Allowable Contract Date: 12/13/2007	18. Contract Award Date: 02/07/2008
19a. Service Start Date: 07/01/2009	19b. Service End Date:
20. Contract Expiration Date: 06/30/2013	
21. Attachment #: trill-1	22. Block 4 Worksheet No.: 1066497
23a. Monthly Charges: \$16,291.50	23b. Ineligible monthly amt.: \$.00
23c. Eligible monthly amt.: \$16,291.50	23d. Number of months of service: 12
23e. Annual pre-discount amount for eligible recurring charges (23c x 23d): \$195,498.00	
23f. Annual non-recurring (one-time) charges: 0	23g. Ineligible non-recurring amt.: 0
23h. Annual pre-discount amount for eligible non-recurring charges (23f - 23g): \$0.00	
23i. Total program year pre-discount amount (23e + 23h): \$195,498.00	
23j. % discount (from Block 4): 90	
23k. Funding Commitment Request (23i x 23j): \$175,948.20	

Block 6: Certifications and Signature

Application ID:663273

Do not write in this area.

Entity Number	141823	Applicant's Form Identifier	09/10 trill
Contact Person	Sharron Bills	Phone Number	806-647-3101

Block 6: Certifications and Signature

24. I certify that the entities listed in Block 4 of this application are eligible for support because they are: (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. 7801(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 schools including, but not limited to elementary, secondary schools, colleges, or universities
25. I certify that the entity I represent or the entities listed on this application have secured 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. I certify that the entities I represent or the entities listed in this application have secured access to all of the resources to pay the discounted charges for eligible services from funds to which access has been secured in the current funding year. I certify that the Billed Entity will pay the non-discount portion of the cost of the goods and services to the service provider(s).

a.	Total funding year pre-discount amount on this Form 471 (Add the entities from Item 23l on all Block 5 Discount Funding Requests.)	\$195,498.00
b.	Total funding commitment request amount on this Form 471 (Add the entities from Items 23K on all Block 5 Discount Funding Requests.)	\$170,083.26
c.	Total applicant non-discount share (Subtract Item 25b from Item 25a.)	\$25,414.74
d.	Total budgeted amount allocated to resources not eligible for E-rate support	\$0.00
e.	Total amount necessary for the applicant to pay the non-discount share of the services requested on this application AND to secure access to the resources necessary to make effective use of the discounts. (Add Items 25c and 25d.)	\$25,414.74
f.	<input type="checkbox"/> Check this box if you are receiving any of the funds in Item 25e directly from a service provider listed on any Forms 471 filed by this Billed Entity for this funding year, or if a service provider listed on any of the Forms 471 filed by this Billed Entity for this funding year assisted you in locating funds in Items 25e.	

26. I certify that all of the schools and libraries or library consortia listed in Block 4 of 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, and an SLD-certified technology plan approver, prior to the commencement of service. The plans are written at the following level(s):
- a. an individual technology plan for using the services requested in this application; and/or
 - b. higher-level technology plan(s) for using the services requested in this application; or
 - c. no technology plan needed; applying for basic local, cellular, PCS, and/or long distance telephone service and/or voice mail only.

27. I certify that I posted my Form 470 and (if applicable) made my RFP available for at least 28 days before considering all bids received and selecting a service provider. I certify that all bids submitted were carefully considered and the most cost-effective service offering was selected, with price being the primary factor considered, and is the most cost-effective means of meeting educational needs and technology plan goals.



28. I certify that the entity responsible for selecting the service provider(s) has reviewed all applicable FCC, state, and local procurement/competitive bidding requirements and that the entity or entities listed on this application have complied with them.
29. 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 Billed Entity has not received anything of value or a promise of anything of value, other than services and equipment requested under this form, from the service provider(s) or any representative or agent thereof or any consultant in connection with this request for services.
30. I certify that I and the entity(ies) I represent have complied with all program rules and I acknowledge that failure to do so may result in denial of discount funding and/or cancellation of funding commitments. There are signed contracts covering all of the services listed on this Form 471 except for those services provided under non-contracted tariffed or month-to-month arrangements. I acknowledge that failure to comply with program rules could result in civil or criminal prosecution by the appropriate law enforcement authorities.
31. I acknowledge that the discount level used for shared services is conditional, for future years, upon ensuring that the most disadvantaged schools and libraries that are treated as sharing in the service, receive an appropriate share of benefits from those services.
32. 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 statute and Commission rules regarding the application for, receipt of, and delivery of services receiving schools and libraries discounts, and that if audited, I will make such records available to the Administrator. I acknowledge that I may be audited pursuant to participation in the schools and libraries program.
33. I certify that I am authorized to order telecommunications and other supported services for the eligible entity (ies) listed on this application. 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, that all of the information on this form is true and correct to the best of my knowledge, that the entities that are receiving discounts pursuant to this application have complied with the terms, conditions and purposes of this program, that no kickbacks were paid to anyone and that false statements on this form can be punished by fine or forfeiture under the Communications Act, 47 U.S.C. Secs. 502, 503(b), or fine or imprisonment under the Title 18 of the United States Code, 18 U.S.C. Sec. 1001 and civil violations of the False Claims Act.

- 34. 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. I will institute reasonable measures to be informed, and will notify USAC should I be informed or become aware that I or any of the entities listed on this application, or any person associated in any way with my entity and/or entities listed on this application, is convicted of a criminal violation or held civilly liable for acts arising from their participation in the schools and libraries support mechanism.
- 35. I certify that if any of the Funding Requests on this Form 471 are for discounts for products or services that contain both eligible and ineligible components, that I have allocated the cost of the contract to eligible and ineligible companies as required by the Commission's rules at 47 C.F.R. Sec. 54.504(g)(1),(2).
- 36. I certify that this funding request does not constitute a request for internal connections services, except basic maintenance services, in violation of the Commission requirement that eligible entities are not eligible for such support more than twice every five funding years beginning with Funding Year 2005 as required by the Commission's rules at 47 C.F.R. Sec. 54.506(c).
- 37. I certify that the non-discounted portion of the costs for eligible services will not be paid by the service provider. The pre-discount costs of eligible services features on this Form 471 are net of any rebates or discounts offered by the service provider. I acknowledge that, for the purpose of this rule, the provision, by the provider of a supported service, of free services or products unrelated to the supported service or product constitutes a rebate of some or all of the cost of the supported services.

38. Signature of authorized person	39. Signature Date 1/23/2009
<p>The Americans with Disabilities Act, the Individuals with Disabilities Education Act and the Rehabilitation Act may impose obligations on entities to make the services purchased with these discounts accessible to and usable by people with disabilities.</p>	

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 Services Ordered and Certification Form (FCC Form 471) 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, consistent with the Communications Act of 1934, FCC regulations and orders, the Freedom of Information Act, 5 U.S.C. § 552, or other applicable law, information provided in or submitted with this form or in response to subsequent inquiries may be disclosed to the public.

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 471
P.O. Box 7026
Lawrence, Kansas 66044-7026

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

SLD Forms
ATTN: SLD Form 471
3833 Greenway Drive
Lawrence, Kansas 66046
(888) 203-8100

Print

<< Previous

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**Before the
Federal Communications Commission
Washington, DC 20554**

In the Matter of)	
)	
Request for Review of a)	
Decision of the)	
Universal Service Administrator by)	
)	
Dimmitt Independent School District	)	471 App. No. 733584
Dimmitt, Texas	)	FRN 1983786 (FY2010)
)	
Schools and Libraries Universal Service	)	CC Docket Nos. 96-45 and 02-6
Support Mechanism)	

AFFIDAVIT OF RHENEA WEBB

STATE OF TEXAS §
 §
COUNTY OF CASTRO §

BEFORE ME, the undersigned authority, on this day personally appeared Rhenea Webb, who upon oath, stated:

1. “My name is Rhenea Webb. I am over the age of 21 years and I have never been convicted of a felony or a misdemeanor involving moral turpitude.
2. For the 2007-2008 school year, I was employed by Dimmitt Independent School District (the ‘District’) as a Computer Lab Technician.
3. In February of 2008, I attended the Texas Computer Education Association (TCEA) Conference in Austin, Texas.
4. On February 5, 2008, while at the TCEA Conference, Karen Newman, Vanesa McClure and I were guests at a customer appreciation dinner (the ‘Dinner’) hosted by Trillion Partners, Inc. (‘Trillion’) at the Moonshine Bar & Grill.

5. I ordered a chicken entrée from the menu and drank water.

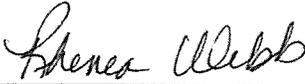
6. We enjoyed informal conversations with Trillion representatives as well as employees from other districts. I did not discuss E-Rate business, and I did not hear anyone else discuss business at the Dinner.

7. I attended the Dinner without any knowledge that Trillion was being considered as the District's service provider for additional internet and telecommunication services. I had no knowledge that the District's Board of Trustees would meet on February 6, 2008 to evaluate and select a potential service provider for additional internet and telecommunication services.

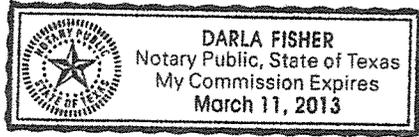
8. I do not have the authority to approve provider contracts. I had no input in the District's decision to select Trillion as its service provider for such additional services. I was not present at the Board meeting on February 6, 2008, when the Board voted to use Trillion as the service provider for additional internet and telecommunication services.

9. Other than attending the Dinner, I have not been offered nor have I accepted any benefit from Trillion. I did not inform Sharron Bills, the District's E-Rate Coordinator at the time, that I attended the Dinner. I was not aware of any rule or regulation that would prevent me from attending the Dinner, and would not have gone had I known USAC viewed the Dinner as improper.

FURTHER AFFIANT NOT."


Rhenea Webb

SWORN TO AND SUBSCRIBED BEFORE ME by Rhenea Webb on this 21st day of January, 2011, to certify which witness to my hand and seal of office.



Darla Fisher
Notary Public, State of Texas

**Before the
Federal Communications Commission
Washington, DC 20554**

In the Matter of)	
)	
Request for Review of a)	
Decision of the)	
Universal Service Administrator by)	
)	
Dimmitt Independent School District	)	471 App. No. 733584
Dimmitt, Texas	)	FRN 1983786 (FY2010)
)	
Schools and Libraries Universal Service	)	CC Docket Nos. 96-45 and 02-6
Support Mechanism)	

AFFIDAVIT OF VANESA MCCLURE

STATE OF TEXAS §
 §
COUNTY OF CASTRO §

BEFORE ME, the undersigned authority, on this day personally appeared Vanesa McClure, who upon oath, stated:

1. “My name is Vanesa McClure. I am over the age of 21 years and I have never been convicted of a felony or a misdemeanor involving moral turpitude.
2. For the 2007-2008 school year I was employed by Dimmitt Independent School District (the ‘District’) as the Assistant Technology Director.
3. Trillion Partners, Inc. (‘Trillion’) invited me, along with Karen Newman and Rhenea Webb, to a dinner for its customers attending the Texas Computer Education Association (TCEA) Conference in Austin, Texas in February, 2008 (the ‘Dinner’).

4. On February 5, 2008, Ms. Newman, Ms. Webb and I were guests at the Dinner.

5. Several people attended the Dinner, including a variety of Texas school district personnel as well as representatives of Trillion.

6. I did not discuss business with any Trillion representative, nor did I hear any business discussions. My conversations occurred with employees from other school districts regarding their campus policies and issues surrounding technology.

7. My overall impression of the Dinner was that the TCEA Conference provided Trillion with a convenient way to thank its existing customers. Other technology and software vendors hosted similar customer appreciation events at the TCEA Conference.

8. I attended the Dinner without any knowledge that Trillion was being considered as the District's service provider for additional internet and telecommunication services. I had no knowledge that the District's Board of Trustees would meet on February 6, 2008 to evaluate and select a potential service provider for additional internet and telecommunication services.

9. I do not have contract approval authority, I was not involved in the decision, I did not provide any input and I made no recommendation relating to the use of Trillion as the District's service provider for additional internet and telecommunication services in February, 2008.

10. I was not present at the Board meeting on February 6, 2008, when the Board voted to use Trillion as its service provider for additional internet and telecommunication services.

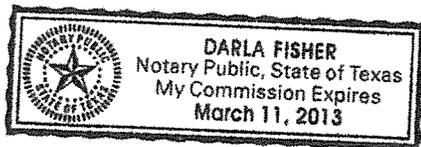
11. Other than attending the Dinner, I have not been offered nor have I accepted any benefit from Trillion. I did not inform Sharron Bills, the District's E-Rate Coordinator at the time, that I attended the Dinner. I was not aware of any rule or regulation that would prevent me from attending the Dinner, and would not have gone had I known USAC viewed the Dinner as improper.

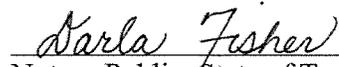
FURTHER AFFIANT NOT."



Vanesa McClure

SWORN TO AND SUBSCRIBED BEFORE ME by Vanesa McClure, on this 21st day of January, 2011, to certify which witness to my hand and seal of office.





Notary Public, State of Texas

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: 146350000792102
Applicant's Form Identifier: 1011-1
Application Status: CERTIFIED
Posting Date: 12/04/2009
Allowable Contract Date: 01/01/2010
Certification Received Date: 12/04/2009

1. Name of Applicant: DIMMITT INDEP SCHOOL DISTRICT		
2. Funding Year: 07/01/2010 - 06/30/2011		3. Your Entity Number 141823
4a. Applicant's Street Address, P.O.Box, or Route Number 608 W HALSELL ST		
City DIMMITT	State TX	Zip Code 79027-1750
b. Telephone number (806) 647- 3101		c. Fax number (806) 647- 5433
5. Type Of Applicant <input checked="" type="checkbox"/> Individual School (individual public or non-public school) <input type="checkbox"/> School District (LEA;public or non-public[e.g., diocesan] local district representing multiple schools) <input type="checkbox"/> Library (including library system, library outlet/branch or library consortium as defined under LSTA) <input type="checkbox"/> Consortium (intermediate service agencies, states, state networks, special consortia of schools and/or libraries)		
6a. Contact Person's Name: Karen Newman		
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.		
6b. Street Address, P.O.Box, or Route Number <input checked="" type="checkbox"/> 608 W HALSELL ST		
City	State	Zip Code

DIMMITT	TX	79027-1750
<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>		
<input type="checkbox"/>	6c. Telephone Number	(806) 647- 3101 ext. 101
<input type="checkbox"/>	6d. Fax Number	(806) 647- 5433
<input checked="" type="checkbox"/>	6e. E-mail Address	kanewman@dimmittisd.net

Block 2: Summary Description of Needs or Services Requested

<p>7 This Form 470 describes (check all that apply):</p> <p>a. <input checked="" 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 <i>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.</i></p> <p>a <input 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 type="checkbox"/> the contact listed in Item 12.</p> <p>b <input checked="" 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 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.</p>

Service or Function:	Quantity and/or Capacity:
Alarm Phone System	6
Cellular Service	20+ more as needed for district
Digital Transmission Service	7 T-1 lines and wireless
WAN	For the district

Wireless WAN	For the district
Fax lines	5+5 additional
Telecom Service	1 T-1 line
Distance learning portal	as much as needed
Interactive TV	For the district
Fiber	As much as needed for the district
Installation and Configuration	For the district
Voice mail services	For the district
Miscellaneous Fees and Charges	For the district

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 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:
Internet access and services	1500+ users
Firewall service	For the district
WAN	For the district
Wireless Internet Access and Services	For the district
Internet2	For the district
Email service	For the district
Installation and configuration	For the district
Firewall	For the district
DHCP	For the district
DNS	For the district
Interconnected Voice over IP Protocol Services	For the district
Miscellaneous Fees and charges	For the district
Interactive Video Connectivity	For the district

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.

Service or Function:	Quantity and/or Capacity:
Battery backup	For the district
Cabling	For the district
Connectors	For the district
Consumables	as much as needed
File server	DNS server
File server	Firewall
File server	DHCP
File server	Web server
File server	remote access
Tech support	For the district
Network switches	For the district
LAN	For the district
Racks/cabinets	For the district
Routers	For the district
Tape backup	For the district
Voice over IP	For the district
Access points	For the district
Firewall	For the district
Software	For the district
Storage devices	For the district
Technical services	For the district
Installation and configuration	For the district
Miscellaneous Fees and Charges	For the district

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.

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.

discounts on your bill.	reimbursement after paying your bill in full.	have a preference.
-------------------------	---	--------------------

Service or Function:	Quantity and/or Capacity:
Maintenance and Tech support	For the district
Installation and Configuration	For the district
Miscellaneous fees and charges	For the district

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: Vanesa McClure	Title: Assistant Technology Director
-------------------------	---

Telephone number
(806) 647 - 3101 extn: 113

Fax number
(806) 647 - 5433

E-mail Address
vamclure@dimmittisd.net

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.
Please access the following website for Dimmitt ISD regulations and policies for service providers:
www.dimmittisd.net/technology/erate

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.

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	6
<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
806	647

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
DIMMITT ISD ADMINISTRATION BUILDING	16043485
DIMMITT HIGH SCHOOL	92149
DIMMITT INDEP SCHOOL DISTRICT	141823
DIMMITT MIDDLE SCHOOL	92147

RICHARDSON ELEMENTARY SCHOOL	92148
DIMMITT ALTERNATIVE CENTER	16049219

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): 12/04/2009

29. Printed name of authorized person: KAREN NEWMAN

30. Title or position of authorized person: TECHNOLOGY DIRECTOR

31a. Address of authorized person: 608 W HALSELL ST
City: DIMMITT State: TX Zip: 79027-1750

31b. Telephone number of authorized person: (806) 647 - 3101 ext. 101

31c. Fax number of authorized person: (806) 6475433

31d. E-mail address number of authorized person: KANEWMAN@DIMMITTISD.NET

31e. Name of authorized person's employer: DIMMITT IND 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

[New Search](#)

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**Schools and Libraries Universal Service Program
Services Ordered and Certification Form 471
Application Display**

[Redacted]

Block 2 & 3

Block 4

Block 5

Block 6

Misc

471 Application No: 733584
Form Status: CERTIFIED - In Window
Out of Window Letter Date: Not applicable

Funding Year: 07/01/2010 - 06/30/2011 Cert. Postmark Date: 01/28/2010
RAL Date: 02/03/2010

Applicant's Form Identifier: TRILL-1

Block 1: Billed Entity Information

Billed Entity Number: 141823
Applicant Name: DIMMITT INDEP SCHOOL DISTRICT
Address: 608 W HALSELL ST
City: DIMMITT State: TX Zip: 79027 1750
Contact Name: Karen Newman
Address: 608 W HALSELL ST
City: DIMMITT State: TX Zip: 79027 1750
Type of Application: SCHOOL DISTRICT

Ineligible Orgs: N

[Previous](#)

[Display Entire Application](#)

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Exhibit T

FCC Form 471	Do not write in this area.	Approval by OMB 3060-0806
<p>Schools and Libraries Universal Service Description of Services Ordered and Certification Form 471 Estimated Average Burden Hours per Response: 4 hours</p> <p>This form asks schools and libraries to list the eligible telecommunications-related services they have ordered and estimate the annual charges for them so that the Fund Administrator can set aside sufficient support to reimburse providers for services.</p> <p>Please read instructions before beginning this application. (You can also file online at www.sl.universalservice.org.) The instructions include information on the deadlines for filing this application.</p>		
Applicant's Form Identifier (Create your own code to identify THIS form 471)		Form 471 Application#
TRILL-1		733584 (To be assigned by administrator)
Block 1: Billed Entity Information (The "Billed Entity" is the entity paying the bills for the service listed on this form.)		
1 a	Name of Billed Entity	DIMMITT INDEP SCHOOL DISTRICT
2 a	Funding Year: July 1, 2010 Through June 30: 2011	Billed Entity Number:141823
4 a	Street Address, P.O. Box, or Routing Number	608 W HALSELL ST
	City	DIMMITT
	State	TX
	Zip Code	79027 1750
5 a	Type of Application	<input type="checkbox"/> Individual School (individual public or non-public school) <input checked="" type="checkbox"/> School District (LEA; public or non-public [e.g. diocesan] local district representing multiple schools) <input type="checkbox"/> Library (including library system, library outlet/branch or library consortium as defined under LSTA) <input type="checkbox"/> Consortium <input type="checkbox"/> Check here if any members of this consortium are ineligible or non-governmental entities
6	Contact Person's Name	Karen Newman
First, if the Contact Person's Street Address is the same as in Item 4, check this box. If not, please complete the entries for the Street Address below.		
b	Street Address, P.O. Box, or Routing Number	608 W HALSELL ST
	City	DIMMITT
	State	TX
	Zip Code	79027 1750



Entity Number	<u>141823</u>	Applicant's Form Identifier	<u>TRILL-1</u>
Contact Person	<u>Karen Newman</u>	Phone Number	<u>806-647-3101</u>
<p>This information will facilitate the processing of your applications. Please complete all rows that apply to services for which you are requesting discounts. Complete this information on the FIRST Form 471 you file, to encompass this and all other Forms 471 you will file for this funding year. You need not complete this information on subsequent Forms 471. Provide your best estimates for the services ordered across ALL of your Forms 471.</p> <p>Schools/school districts complete Item 7. Libraries complete Item 8. Consortia complete Item 7 and/or Item 8.</p>			
Block 2: Impact of Services Ordered on Schools			
IF THIS APPLICATION INCLUDES SCHOOLS...		BEFORE ORDER AFTER ORDER	

7a	Number of students to be served		1180
b	Telephone service: Number of classrooms with phone service	18	18
c	Dial-up Internet access: Number of connections (up to 56kbps)	0	0
d	Direct broadband services: Number of buildings served at the following speeds:		
	Less than 10 mbps	0	0
	Between 10 mbps and 200 mbps	5	5
	Greater than 200 mbps	0	0
e	Direct connections to the Internet: Number of drops	1250	1250
f	Number of classrooms with Internet access	150	150
g	Number of computers or other devices with Internet access	1250	1250

Block 3: Impact of Services Ordered on Libraries
NOT APPLICABLE AS THIS APPLICATION IS FOR DISTRICT

Worksheet A No: 1196124		Student Count: 1162			
Weighted Product (Sum. Column 8): 1018.3				Shared Discount: 88%	
<p>1. School Name: DIMMITT ALTERNATIVE CENTER 2. Entity Number: 16049219 NCES: 3. Rural/Urban: Rural 4. Student Count: 20 5. NSLP Students: 20 6. NSLP Students/Students: 100.000% 7. Discount: 90% 8. Weighted Product: 18 9. Pre-K/Adult Ed/Juv: 10. Alt Disc Mech:</p>					
<p>1. School Name: DIMMITT HIGH SCHOOL 2. Entity Number: 92149 NCES: 17160 01487 3. Rural/Urban: Rural 4. Student Count: 275 5. NSLP Students: 187 6. NSLP Students/Students: 68.000% 7. Discount: 80% 8. Weighted Product: 220 9. Pre-K/Adult Ed/Juv: 10. Alt Disc Mech:</p>					
<p>1. School Name: DIMMITT ISD ADMINISTRATION BUILDING 2. Entity Number: 16043485 NCES: 3. Rural/Urban: Rural 4. Student Count: 0 5. NSLP Students: 0 6. NSLP Students/Students: 7. Discount: 87% 8. Weighted Product: 0 9. Pre-K/Adult Ed/Juv: 10. Alt Disc Mech:</p>					
<p>1. School Name: DIMMITT MIDDLE SCHOOL 2. Entity Number: 92147 NCES: 17160 01488 3. Rural/Urban: Rural 4. Student Count: 346 5. NSLP Students: 283 6. NSLP Students/Students: 81.791% 7. Discount: 90% 8. Weighted Product: 311.4 9. Pre-K/Adult Ed/Juv: 10. Alt Disc Mech:</p>					
<p>1. School Name: RICHARDSON ELEMENTARY SCHOOL 2. Entity Number: 92148 NCES: 17160 01489 3. Rural/Urban: Rural 4. Student Count: 521 5. NSLP Students: 445 6. NSLP Students/Students: 85.412%</p>					

7. Discount: 90% 8. Weighted Product: 468.9
 9. Pre-K/Adult Ed/Juv: 10. Alt Disc Mech:

Block 5: Discount Funding Request(s)

FRN: 1983786 FCDL Date:	
10. Original FRN:	
11. Category of Service: Telecommunications Service	12. 470 Application Number: 173160000631841
13. SPIN: 143025872	14. Service Provider Name: Trillion Partners, Inc
15a. Non-Contracted tariffed/Month to Month Service:	15b. Contract Number: SA-090707-000809
15c. Covered under State Master Contract:	15d. FRN from Previous Year:
16a. Billing Account Number: 806-647-3101	16b. Multiple Billing Account Numbers?:
17. Allowable Contract Date: 12/13/2007	18. Contract Award Date: 02/07/2008
19a. Service Start Date: 07/01/2010	19b. Service End Date:
20. Contract Expiration Date: 06/30/2013	
21. Attachment #: Trill-1	22. Block 4 Worksheet No.: 1196124
23a. Monthly Charges: \$16,291.50	23b. Ineligible monthly amt.: \$.00
23c. Eligible monthly amt.: \$16,291.50	23d. Number of months of service: 12
23e. Annual pre-discount amount for eligible recurring charges (23c x 23d): \$195,498.00	
23f. Annual non-recurring (one-time) charges: 0	23g. Ineligible non-recurring amt.: 0
23h. Annual pre-discount amount for eligible non-recurring charges (23f - 23g): \$0.00	
23i. Total program year pre-discount amount (23e + 23h): \$195,498.00	
23j. % discount (from Block 4): 88	
23k. Funding Commitment Request (23i x 23j): \$172,038.24	

Block 6: Certifications and Signature

Application ID:733584

Do not write in this area.

Entity Number	141823	Applicant's Form Identifier	TRILL-1
Contact Person	Karen Newman	Phone Number	806-647-3101

Block 6: Certifications and Signature

24. I certify that the entities listed in Block 4 of this application are eligible for support because they are: (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. 7801(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 schools including, but not limited to elementary, secondary schools, colleges, or universities
25. I certify that the entity I represent or the entities listed on this application have secured 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. I certify that the entities I represent or the entities listed in this application have secured access to all of the resources to pay the discounted charges for eligible services from funds to which access has been secured in the current funding year. I certify that the Billed Entity will pay the non-discount portion of the cost of the goods and services to the service provider(s).

a.	Total funding year pre-discount amount on this Form 471 (Add the entities from Item 23l on all Block 5 Discount Funding Requests.)	\$195,498.00
b.	Total funding commitment request amount on this Form 471 (Add the entities from Items 23K on all Block 5 Discount Funding Requests.)	\$172,038.24
c.	Total applicant non-discount share (Subtract Item 25b from Item 25a.)	\$23,459.76
d.	Total budgeted amount allocated to resources not eligible for E-rate support	\$0.00
e.	Total amount necessary for the applicant to pay the non-discount share of the services requested on this application AND to secure access to the resources necessary to make effective use of the discounts. (Add Items 25c and 25d.)	\$23,459.76
f.	<input type="checkbox"/> Check this box if you are receiving any of the funds in Item 25e directly from a service provider listed on any Forms 471 filed by this Billed Entity for this funding year, or if a service provider listed on any of the Forms 471 filed by this Billed Entity for this funding year assisted you in locating funds in Items 25e.	

26. I certify that all of the schools and libraries or library consortia listed in Block 4 of 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, and an SLD-certified technology plan approver, prior to the commencement of service. The plans are written at the following level(s):

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

27. I certify that I posted my Form 470 and (if applicable) made my RFP available for at least 28 days before considering all bids received and selecting a service provider. I certify that all bids submitted were carefully considered and the most cost-effective service offering was selected, with price being the primary factor considered, and is the most cost-effective means of meeting educational needs and technology plan goals.



28. I certify that the entity responsible for selecting the service provider(s) has reviewed all applicable FCC, state, and local procurement/competitive bidding requirements and that the entity or entities listed on this application have complied with them.

29. 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 Billed Entity has not received anything of value or a promise of anything of value, other than services and equipment requested under this form, from the service provider(s) or any representative or agent thereof or any consultant in connection with this request for services.

30. I certify that I and the entity(ies) I represent have complied with all program rules and I acknowledge that failure to do so may result in denial of discount funding and/or cancellation of funding commitments. There are signed contracts covering all of the services listed on this Form 471 except for those services provided under non-contracted tariffed or month-to-month arrangements. I acknowledge that failure to comply with program rules could result in civil or criminal prosecution by the appropriate law enforcement authorities.

31. I acknowledge that the discount level used for shared services is conditional, for future years, upon ensuring that the most disadvantaged schools and libraries that are treated as sharing in the service, receive an appropriate share of benefits from those services.

32. 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 statute and Commission rules regarding the application for, receipt of, and delivery of services receiving schools and libraries discounts, and that if audited, I will make such records available to the Administrator. I acknowledge that I may be audited pursuant to participation in the schools and libraries program.

33. I certify that I am authorized to order telecommunications and other supported services for the eligible entity (ies) listed on this application. 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, that all of the information on this form is true

and correct to the best of my knowledge, that the entities that are receiving discounts pursuant to this application have complied with the terms, conditions and purposes of this program, that no kickbacks were paid to anyone and that false statements on this form can be punished by fine or forfeiture under the Communications Act, 47 U.S.C. Secs. 502, 503(b), or fine or imprisonment under the Title 18 of the United States Code, 18 U.S.C. Sec. 1001 and civil violations of the False Claims Act.

- 34. 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. I will institute reasonable measures to be informed, and will notify USAC should I be informed or become aware that I or any of the entities listed on this application, or any person associated in any way with my entity and/or entities listed on this application, is convicted of a criminal violation or held civilly liable for acts arising from their participation in the schools and libraries support mechanism.
- 35. I certify that if any of the Funding Requests on this Form 471 are for discounts for products or services that contain both eligible and ineligible components, that I have allocated the cost of the contract to eligible and ineligible companies as required by the Commission's rules at 47 C.F.R. Sec. 54.504(g)(1),(2).
- 36. I certify that this funding request does not constitute a request for internal connections services, except basic maintenance services, in violation of the Commission requirement that eligible entities are not eligible for such support more than twice every five funding years beginning with Funding Year 2005 as required by the Commission's rules at 47 C.F.R. Sec. 54.506(c).
- 37. I certify that the non-discounted portion of the costs for eligible services will not be paid by the service provider. The pre-discount costs of eligible services features on this Form 471 are net of any rebates or discounts offered by the service provider. I acknowledge that, for the purpose of this rule, the provision, by the provider of a supported service, of free services or products unrelated to the supported service or product constitutes a rebate of some or all of the cost of the supported services.

38. Signature of authorized person _____ 39. Signature Date 1/28/2010

The Americans with Disabilities Act, the Individuals with Disabilities Education Act and the Rehabilitation Act may impose obligations on entities to make the services purchased with these discounts accessible to and usable by people with disabilities.

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 Services Ordered and Certification Form (FCC Form 471) 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.

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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 471
P.O. Box 7026
Lawrence, Kansas 66044-7026**

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

**SLD Forms
ATTN: SLD Form 471
3833 Greenway Drive
Lawrence, Kansas 66046
(888) 203-8100**

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

September 15, 2010

Sharron Bills
DIMMITT INDEP SCHOOL DISTRICT
608 W HALSELL ST
DIMMITT, TX 79027-1750

Re: Form 471 Application Number: 663273
Billed Entity Number (BEN): 141823
Billed Entity FCC RN: 0011612439
Applicant's Form Identifier: 09/10 trill

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, \$170,083.26 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 663273 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