

EXHIBIT 7

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November 11, 2010

VIA OVERNIGHT COURIER & EMAIL

Mr. Douglas May
Universal Service Administrative Company
Schools and Libraries Division – Consortium Review
100 South Jefferson Road
P.O. Box 902
Whippany, New Jersey 07981

**RE: Northeast Texas Regional Education Telecommunications Network
FY 2010 FCC Form 471 Application No. 752417
FY 2010 FCC Form 471 Application No. 756191**

Dear Mr. May:

On behalf of the Northeast Texas Regional Education Telecommunications Network (“NTRETN”), I am writing in response to your November 1, 2010 letter to Karen Whitaker, Deputy Executive Director for Administrative Services of the Region VIII Educational Service Center (“Region VIII ESC”).¹

NTRETN has submitted information supporting these Applications on several occasions. NTRETN incorporates by reference the supporting information provided on May 7, May 12 and October 15, 2010. For the reasons explained in those responses, USAC should approve the Applications promptly.

¹ Letter from Douglas May, Universal Service Administrative Company, Schools and Libraries Division – Consortium Review, to Karen Whitaker, Deputy Executive Director for Administrative Services, Region VIII ESC (dated Nov. 1, 2010) (“November 1st Letter”).

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I. NTRETN'S LETTERS OF AGENCY

Your November 1st Letter, repeats the statement that NTRETN's LOAs did not request telecommunications service and that program rules prevent you from "correcting this oversight." As I explained in my October 15th letter to you, NTRETN's consortium members *actually authorized* NTRETN to submit E-rate applications on their behalf for telecommunications services. FCC precedent and USAC's implementing guidelines hold that applicants can demonstrate authority either through an LOA or "other documentation" offered as proof of authorization.² NTRETN submitted a variety of documentation demonstrating the authorization provided by the consortium members to NTRETN to submit the Form 471 requests on their behalf, including but not limited to: a copy of the Texas Interlocal Cooperation Act authorizing consortia like NTRETN, the Interlocal Contract establishing NTRETN (which authorizes NTRETN to seek government and grant funding on behalf of the members), the services agreement between NTRETN and the service provider, and the individual Service Request Orders between consortium member school districts and the service provider. These documents established that consortium members were aware of the Form 471 requests for telecommunications services and actually authorized NTRETN to request telecommunications service funding on their behalf.

Since we submitted our Response, the Wireline Competition Bureau released another Order further supporting our position that NTRETN has submitted sufficient documentation to establish actual authority, satisfying USAC's LOA requirement. In *Cornerstones of Care*, the Bureau granted *all* 10 appeals of USAC decisions denying E-rate funding despite USAC determinations that the LOAs were deficient.³ Reversing USAC's determinations, the Bureau held that a consortium with deficient LOAs was allowed to submit to USAC *updated* LOAs for the funding years at issue to establish authority. The Bureau reasoned that although the LOAs were dated after the applicant's FCC Form 471 certification date, the record showed that consortium members *actually authorized* a consortium member to submit E-

² "Letter of Agency," USAC Website, *available at* www.universalservice.org/sl/tools/reference/letters-of-agency.aspx (last visited Oct. 14, 2010); *see also* Requests for Review of Decisions of the Universal Service Administrator by Advanced Education Services, et al. Schools and Libraries Universal Service Support Mechanism, *Order*, DA 07-4973, 22 FCC Rcd 21513, 21514 ¶ 3 (2007) ("*Advanced Education Services*").

³ In the Matter of Requests for Review of Decisions of the Universal Service Administrator by Cornerstones of Care, et al., Schools and Libraries Universal Support Mechanism, *Order*, DA 10-2071, CC Docket No. 02-6, File Nos. SLD-586498, *et al.* (rel. Oct. 28, 2010), as corrected by *Erratum*, CC Docket No. 02-6, File Nos. SLD-586498, *et al.* (rel. Nov. 4, 2010) ("*Cornerstones of Care*").

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rate applications on their behalf before the Form 471 certification date.⁴ The Commission further directed USAC to accept the subsequent LOAs submitted by the applicant to USAC.⁵

Thus, *Cornerstones of Care* makes clear that USAC must accept the LOA clarification letters that NTRETN submitted on May 14, 2010. Each of these clarification letters clarified that the LOA executed by the consortium member included authorization to seek funding for telecommunications services. Although these LOA clarification letters were dated after the Form 471 certification date, they, like the “updated LOAs” in *Cornerstones of Care*, demonstrate that NTRETN members had actually authorized the consortium to submit E-rate applications on their behalf. We, therefore, disagree with your statement that “program rules” prevent you from accepting NTRETN’s documentation. *Cornerstones of Care* directs USAC to accept evidence of the kind that NTRETN has submitted.

Further, *Cornerstones of Care* affirms that applicants may rely on “other documentation,” which, taken together, identifies the elements of a LOA.⁶ For example, the Bureau held that the following documentation helped to establish consortium authority – a consultant agreement, a memorandum detailing the E-rate filing process,⁷ a draft budget with funds allocated to E-rate, board meeting minutes discussing funding years, bylaws of a consortium, and an executed FCC Form 479, Child Internet Protection Act Form, for member school districts.⁸ In *Cornerstones of Care*, an E-rate applicant, Hacienda La Puente Unified School District (“Hacienda”), was denied E-rate funding because it failed to provide proof of authorization. Hacienda submitted letters on appeal to the FCC demonstrating that schools in Hacienda were members of a consortium and that they were aware of the of the FCC Form 471 filed on their behalf.⁹ The Commission held that the letters, taken together, identified the five elements of an LOA and sufficiently established Hacienda’s authority to represent consortium members.¹⁰

NTRETN, like Hacienda in *Cornerstones of Care*, has submitted evidence demonstrating consortium membership and that members were aware of FCC Form 471 filed on their behalf seeking services. NTRETN’s Interlocal Contract, which created NTRETN, demonstrates that the school districts are members of NTRETN. Further, the Service Request

⁴ *Id.* ¶ 17.

⁵ *Id.* ¶ 17.

⁶ *Id.* ¶ 9.

⁷ *Id.* ¶ 9.

⁸ *Id.* ¶ 10.

⁹ *Id.* ¶ 11.

¹⁰ *Id.*

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Orders demonstrate that the member school districts were *aware* of the FCC Form 471 services requested – including telecommunications services – would be filed on their behalf.¹¹ By entering the Service Request Orders with the service provider, consortium members evidence an awareness that telecommunications services would be requested to fulfill the Service Request Orders. As with Hacienda, documentation provided to USAC should sufficiently establish NTRETN’s authority to request telecommunications services on behalf of consortium members.

II. SPECIFIC QUESTIONS CONCERNING FY 2010 APPLICATIONS

A. Questions Concerning Application 756191, FRN 2046646 (WAN A Contract)

In your November 1st Letter, you propose creating a new worksheet C containing the WAN A entities listed in your letter and modify the FCC Form 471, Block 4, Entity Number to this new worksheet, resulting in a shared discount reduction from 74% to 73% and to change the service requests from telecommunications to Internet access.

1. *Telecommunications vs. Internet Access*

NTRETN consents to change the service type for WAN A from telecommunications to Internet access.

2. *School Districts Listed*

In your November 1st Letter, you ask NTRETN to explain why FCC Form 471, worksheet C, lists “NORTH HOPKINS ISD (NORTH HOPKINS ES & NORTH HOPKINS HS)” while the WAN A contract between NTRETN and the service provider only specifies “NORTH HOPKINS SCH.” In this application, “North Hopkins Sch” on the WAN A contract refers to the North Hopkins Independent School District (North Hopkins ISD).

Similarly, the WAN A contract lists “Pittsburg Tech,” but this reference refers to the Pittsburg ISD.

Finally, your revised worksheet C lists only the specific schools where Trillion wireless facilities are located. These schools represent the “pole sites” where the Trillion towers and Internet transmission facilities are located. However, these schools do not represent all of the schools that receive Internet access via the Trillion network. Other schools in the same district as a “pole site” are connected to the pole site via internal networks or other facilities (not part of this application). Those connected schools thus are able to access the Internet via the Trillion network as well. Therefore, instead of listing only the “pole site” schools, we believe

¹¹ See *Cornerstones of Care*, DA 10-2071 ¶ 12.

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that all schools within the school districts should be listed on the worksheet and should be counted for purposes of determining the discount percentage.

In any event, Lone Oak ISD should remain listed on worksheet C for the WAN B contract. Lone Oak is a "pole site" on the WAN B network.

3. Discount Percentage

As stated above, we believe that proper calculation of the discount percentage requires consideration of all schools that access the Internet via the network, not just those that are "pole sites" on the transmission network. In the interest of expediting this application, NTRETN will not object to a discount percentage of 73% for WAN A, however.

B. Questions Concerning Application 756191, FRN 2046663 (WAN B Contract)

In your November 1st Letter, you propose creating a new worksheet C, containing the entities listed in your letter, modify the FCC Form 471, Block 4, Entity Number, and change the service requested from telecommunications to Internet access.

1. Telecommunications vs. Internet Access

NTRETN consents to change the service type for WAN B from telecommunications to Internet access.

2. School Districts Listed

In your November 1st Letter, you ask NTRETN to explain which schools cover "BOWIE COUNTY SPECIAL ED" and which schools cover "BOWIE COUNTY TRANS." "Bowie County Special Ed" and the "Bowie County Trans" are entities within the "New Boston ISD," which serves as the fiscal agent for both entities.

In addition, you ask NTRETN to explain why FCC Form 471, worksheet C, lists "NORTH HOPKINS ISD (NORTH HOPKINS ES & NORTH HOPKINS HS)" while the WAN B contract between NTRETN and the service provider only specifies "NORTH HOPKINS SPECIAL ED." "North Hopkins Special Ed" should actually refer to "Hopkins County Special Education," which is located in the Saltillo ISD, which serves as fiscal agent for the school. This school is not part of the North Hopkins ISD.

Finally, as with WAN A, your revised worksheet for WAN B lists only those schools that operate as "pole sites" for the transmission portion of the Trillion network. Other schools within the relevant ISDs receive Internet access through these sites via internal networks

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or other facilities (not part of this application). NTRETN submits that the appropriate worksheet should list all schools within the school districts in order to determine the discount percentage.

3. *Discount Percentage*

NTRETN will await your verification of the discount percentage applicable to this contract.

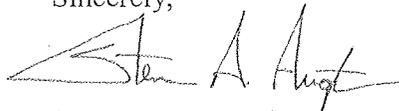
C. Question Concerning Districts Requesting Both WAN A and B Service

In your November 1st Letter, you ask NTRETN to explain why there are a number of school districts requesting both WAN A and WAN B¹² service, citing as an example "JEFFERSON ISD." The NTRETN WAN networks were built in phases, beginning with WAN A and followed by WAN B. Schools were connected to either WAN A or WAN B depending on the time frame in which the school was added to a network. As a result, a school district may have schools with facilities on either or both networks. Using the Jefferson ISD example, Jefferson HS requested service during the WAN A phase, while Jefferson ES, Jefferson Elementary Primary, and Jefferson Junior HS, requested service during the WAN B phase.

* * *

NTRETN believes that the above fully responds to your inquiries concerning NTRETN's FY 2010 Applications. Based on the above information, and information previously provided, NTRETN respectfully submits that FY 2010 Application Numbers 752417 and 756191 should be approved in full. Please feel free to contact the undersigned if you have any further questions or concerns regarding these applications.

Sincerely,



Steven A. Augustino

*Counsel to the Northeast Texas Regional Education
Telecommunications Network (NTRETN)*

cc: Karen Whitaker, NTRETN
Blake Powell, Powell & Leon LLP
Andrew Clark, Powell & Leon LLP

¹² In your November 1st Letter you list "LAN A" and "LAN B," which we assume refers to "WAN A" and "WAN B," respectively.