

February 11, 2011

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

Funding Year 2006 (2006 – 2007)
Applicant Contact Person: Mike Madden
Applicant Name: Noble Network Replication Three
BEN: 16034434
Date of Notification: December 16, 2010

Service Provider: onShore Networks
SPIN: 143021407
Address: 1407 W Chicago Ave., Chicago, IL 60642
Contact Name: Nick Valavanis
Title: COO
Phone Number: 312-850-5200 x126
Fax Number: 312-850-5208
Email Address: nick@onShore.com

RE: CC Docket No. 02-6
CC Docket No. 96-45
REQUEST FOR REVIEW
Compliance Audit Finding #2 for Funding Year FY2006.
Applicant: Noble Network Replication 3 (Rowe-Clarke Math & Science Academy)
Forms 471: 519770, 519774, 519776, 519782
FRNs: 1430180, 1430193, 1430205, 1430251

Dear Ms. Dortch:

This letter is on behalf on onShore Networks, the Service Provider who performed the service for the projects mentioned above. This letter is evidence that we are requesting an appeal with regards to the decision for denial of funding that was made to the above mentioned FRNs.

The following was listed in the denial of funding letter from the USAC:

Based on the documentation that has been provided to USAC, FRNs for onShore Networks LLC, #1430180, 1430193, 1430205, and 1430251, will be denied because the applicant did not conduct a fair and open competitive bidding process. A review of your technology plan provided during a beneficiary audit, lists under

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the “acknowledgement and stakeholder involvement” section, two employees (Stuart Koch and Todd Simmers) of the service provider, OnShore Inc. This service provider also appears on your Forms 471 causing an unfair advantage in the bidding process. The technical assistance sought shows that onShore Networks LLC had additional information regarding the schools needs and details about the procurement process prior to your Form 470 posting date or release of your RFP, which resulted in a competitive bidding process that was not open and fair.

onShore was not hired to perform nor was paid for any technical consulting based services to Noble Network Replication 3 for their technology plan. onShore did not provide any written technical documentation which contributed to the technology plan. onShore was not engaged with Noble in this capacity.

We have come to find out that the names of two of our employees were cited as contributors in the report to USAC. onShore was never aware of this nor were we asked or agree to be included in this report. We firmly believe the form to USAC filed by Noble Network Replication #3 where onShore employees were identified in the “acknowledgement and stakeholder involvement” section was filed erroneously..

onShore was providing other technology services to the Noble Networks campus. We assisted them with technical issues they were experiencing on their existing network. This previous relationship lead to questions which were posed by Noble to onShore about their future plans and expansion of their network. This type of service is considered technical consulting service which is one of many services that onShore, as a technology consulting firm, provides when hired to perform such tasks. However, onShore was never formally engaged in this type of a relationship with Noble. Our employees, Stuart Koch and Todd Simmer were asked questions by Noble staff about technology and even our opinions but we were never hired to produce any technical documentation to support a technology plan for Noble Networks.

We respectfully request a re-review of this matter taking into account these additional facts. We are confident when this is reviewed USAC will rescind the decision on denial of funding for these FRNs. We are available to you for further direct discussion on the matter in order to resolve this matter.

Regards,



Nick Valavanis
COO
onShore Networks

Allen Ramsier

NOBLE NETWORK REPLICATION THREE

1010 N. NOBLE STREET

Chicago, IL 60622



Notification of Commitment Adjustment Letter
Funding Year 2006: July 1, 2006 - June 30, 2007

December 16, 2010

Allen Ramsier

NOBLE NETWORK REPLICATION THREE

1010 N. NOBLE STREET

Chicago, IL 60622 4011

Re: Form 471 Application Number: 519782
Funding Year: 2006
Applicant's Form Identifier: 471R3T1
Billed Entity Number: 16034434
FCC Registration Number: 0000000000
SPIN: 143021407
Service Provider Name: onShore, Inc.

Service Provider Contact Person: Nanette Tangen

Our routine review of Schools and Libraries Program (Program) funding commitments has revealed certain applications where funds were committed in violation of Program rules.

In order to be sure that no funds are used in violation of Program rules, the Universal Service Administrative Company (USAC) must now adjust your overall funding commitment. The purpose of this letter is to make the required adjustments to your funding commitment, and to give you an opportunity to appeal this decision. USAC has determined the applicant is responsible for all or some of the violations. Therefore, the applicant is responsible to repay all or some of the funds disbursed in error (if any).

This is NOT a bill. If recovery of disbursed funds is required, the next step in the recovery process is for USAC to issue you a Demand Payment Letter. The balance of the debt will be due within 30 days of that letter. Failure to pay the debt within 30 days from the date of the Demand Payment Letter could result in interest, late payment fees, administrative charges and implementation of the "Red Light Rule." The FCC's Red Light Rule requires USAC to dismiss pending FCC Form 471 applications if the entity responsible for paying the outstanding debt has not paid the debt, or otherwise made satisfactory arrangements to pay the debt within 30 days of the notice provided by USAC. For more information on the Red Light Rule, please see "Red Light Frequently Asked Questions (FAQs)" posted on the FCC website at http://www.fcc.gov/debt_collection/faq.html.

TO APPEAL THIS DECISION:

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1. Include the name, address, telephone number, fax number, and email address (if available) for the person who can most readily discuss this appeal with us.
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 - Form 471 Application Number,
 - Billed Entity Number, and
 - FCC Registration Number (FCC RN) from the top of your letter.
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5. Provide an authorized signature on your letter of appeal.

To submit your appeal to us on paper, send your appeal to:

Letter of Appeal
Schools and Libraries Division - Correspondence Unit
100 S. Jefferson Rd.
P. O. Box 902
Whippany, NJ 07981

For more information on submitting an appeal to USAC, please see the "Appeals Procedure" posted on our website.

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Note that if the Funds Disbursed to Date amount is less than the Adjusted Funding Commitment amount, USAC will continue to process properly filed invoices up to the Adjusted Funding Commitment amount. Review the Funding Commitment Adjustment Explanation in the attached Report for an explanation of the reduction to the commitment(s). Please ensure that any invoices that you or your service provider(s) submits to USAC are consistent with Program rules as indicated in the Funding Commitment Adjustment Explanation. If the Funds Disbursed to Date amount exceeds your Adjusted Funding Commitment amount, USAC will have to recover some or all of the disbursed funds. The Report explains the exact amount (if any) the applicant is responsible for repaying.

Schools and Libraries Division
Universal Services Administrative Company

cc: Nanette Tangen
onShore, Inc.

Funding Commitment Adjustment Report for
Form 471 Application Number: 519782

Funding Request Number:	1430251
Services Ordered:	INTERNET ACCESS
SPIN:	143021407
Service Provider Name:	onShore, Inc.
Contract Number:	MTM
Billing Account Number:	
Site Identifier:	16034434
Original Funding Commitment:	\$3,888.00
Commitment Adjustment Amount:	\$3,888.00
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$0.00
Funds to be Recovered from Applicant:	\$0.00

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. A review of your technology plan provided during a beneficiary audit, lists under the "acknowledgement and stakeholder" involvement section two employees of the service provider, onShore Networks LLC. This service provider also appears on your Forms 471 causing an unfair advantage in the bidding process. The technical assistance sought shows that onShore Networks LLC had additional information regarding the schools needs and details about the procurement process prior to your Form 470 posting date or release of your RFP, which resulted in a competitive bidding process that was not open and fair. FCC rules require applicants to submit a Form 470 to initiate the competitive bidding process, and to conduct a fair and open process. Although onShore stated that their employees did not assist with the development of the technology plan, the applicant confirmed that they did. Since USAC was unable to resolve the discrepancy, we must assume that they did participate. Neither the applicant nor the applicants consultant should 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. Since the applicant has engaged in an improper relationship with a selected service provider, which represents the conflict of interests and compromises the competitive bidding process, the commitment has been rescinded in full and USAC will seek recovery of any disbursed funds from the applicant and service provider.

Allen Ramsier

NOBLE NETWORK REPLICATION THREE

1010 N. NOBLE STREET

Chicago, IL 60622



Notification of Commitment Adjustment Letter

Funding Year 2006: July 1, 2006 - June 30, 2007

December 16, 2010

Nanette Tangen
onShore, Inc.
1407 West Chicago Ave.
Chicago, IL 60642-5231

Re: SPIN: 143021407
Service Provider Name: onShore, Inc.

Form 471 Application Number: 519782
Funding Year: 2006

FCC Registration Number:

Applicant Name NOBLE NETWORK REPLICATION THREE
Billed Entity Number: 16034434
Applicant Contact Person: Allen Ramsier

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To submit your appeal to us by fax, fax your appeal to (973) 599-6542.

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Letter of Appeal
Schools and Libraries Division - Correspondence Unit
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P. O. Box 302
Whippany, NJ 07981

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Schools and Libraries Division
Universal Services Administrative Company

cc: Allen Ramsier
NOBLE NETWORK REPLICATION THREE

Funding Commitment Adjustment Report
Form 471 Application Number: 519782

Funding Request Number: 1430251
Contract Number: MTM
Services Ordered: INTERNET ACCESS
Billing Account Number:
Original Funding Commitment: \$3,888.00
Commitment Adjustment Amount: \$3,888.00
Adjusted Funding Commitment: \$0.00
Funds Disbursed to Date: \$0.00
Funds to be Recovered from Service Provider: \$0.00

Funding Commitment Adjustment Explanation:

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. A review of your technology plan provided during a beneficiary audit, lists under the "acknowledgement and stakeholder" involvement section two employees of the service provider, onShore Networks LLC. This service provider also appears on your Forms 471 causing an unfair advantage in the bidding process. The technical assistance sought shows that onShore Networks LLC had additional information regarding the schools needs and details about the procurement process prior to your Form 470 posting date or release of your RFP, which resulted in a competitive bidding process that was not open and fair. FCC rules require applicants to submit a Form 470 to initiate the competitive bidding process, and to conduct a fair and open process. Although onShore stated that their employees did not assist with the development of the technology plan, the applicant confirmed that they did. Since USAC was unable to resolve the discrepancy, we must assume that they did participate. Neither the applicant nor the applicants consultant should 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. Since the applicant has engaged in an improper relationship with a selected service provider, which represents the conflict of interests and compromises the competitive bidding process, the commitment has been rescinded in full and USAC will seek recovery of any disbursed funds from the applicant and service provider.

Allen Ramsier

NOBLE NETWORK REPLICATION THREE

1010 N. NOBLE STREET

Chicago, IL 60622



Notification of Commitment Adjustment Letter

Funding Year 2006: July 1, 2006 - June 30, 2007

December 16, 2010

Allen Ramsier

NOBLE NETWORK REPLICATION THREE

1010 N. NOBLE STREET

Chicago, IL 60622 4011

Re: Form 471 Application Number: 519770
Funding Year: 2006
Applicant's Form Identifier: 471R3Net
Billed Entity Number: 16034434
FCC Registration Number: 0000000000
SPIN: 143021407
Service Provider Name: onShore, Inc.

Service Provider Contact Person: Nanette Tangen

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Schools and Libraries Division
Universal Services Administrative Company

cc: Nanette Tangen
onShore, Inc.

Funding Commitment Adjustment Report for
Form 471 Application Number: 519770

Funding Request Number:	1430180
Services Ordered:	INTERNAL CONNECTIONS
SPIN:	143021407
Service Provider Name:	onShore, Inc.
Contract Number:	Q17149-1
Billing Account Number:	
Site Identifier:	16034434
Original Funding Commitment:	\$64,449.36
Commitment Adjustment Amount:	\$64,449.36
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$55,162.25
Funds to be Recovered from Applicant:	\$55,162.25

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. A review of your technology plan provided during a beneficiary audit, lists under the "acknowledgement and stakeholder involvement" section two employees (Stuart Koch and Todd Simmers) of the service provider, onShore Networks LLC (onShore). This service provider also appears on your Forms 471 causing an unfair advantage in the bidding process. The technical assistance sought shows that onShore had additional information regarding the schools needs and details about the procurement process prior to your Form 470 posting date or release of your RFP, which resulted in a competitive bidding process that was not open and fair. FCC rules require applicants to submit a Form 470 to initiate the competitive bidding process, and to conduct a fair and open process. Although onShore stated that their employees did not assist with the development of the technology plan, the applicant confirmed that they did. Since USAC was unable to resolve the discrepancy, we must assume that they did participate. Neither the applicant nor the applicants consultant should 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. Since the applicant has engaged in an improper relationship with a selected service provider, which represents the conflict of interests and compromises the competitive bidding process, the commitment has been rescinded in full and USAC will seek recovery of any disbursed funds from the applicant and service provider.

Also, after a thorough review, it was determined \$3,602.00 was improperly disbursed for this funding request. During the course of an audit it was determined that funding was disbursed for the following ineligible items: Smartnet maintenance charges for equipment that was not installed until after the funding year. The pre-discount ineligible cost associated with these items is \$4,002.00. At the applicants 90 percent discount rate this resulted in an improper disbursement of \$3,602.00. FCC rules provide that funding may be approved only for eligible products and/or services. The USAC web site contains a list of eligible products and/or services. See the web site, www.universalservice.org/sl/about/eligible-services-list.aspx for the Eligible Services List. On the SPAC Form, the authorized person certifies at Item 10 that the service provider has billed its customer for services deemed eligible for support. Therefore, USAC has determined that the service provider is responsible for this rule violation. Accordingly, USAC is seeking recovery of \$\$3,602.00 of improperly disbursed funds from the service provider. (This recovery amount is also included in the recovery amount for the competitive bidding violation.)

Allen Ramsier

NOBLE NETWORK REPLICATION THREE

1010 N. NOBLE STREET

Chicago, IL 60622



Notification of Commitment Adjustment Letter

Funding Year 2006: July 1, 2006 - June 30, 2007

December 16, 2010

Nanette Tangen
onShore, Inc.
1407 West Chicago Ave.
Chicago, IL 60642-5231

Re: SPIN: 143021407
Service Provider Name: onShore, Inc.

Form 471 Application Number: 519770
Funding Year: 2006

FCC Registration Number:

Applicant Name NOBLE NETWORK REPLICATION THREE
Billed Entity Number: 16034434
Applicant Contact Person: Allen Ramsier

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For more information on submitting an appeal to USAC, please see the "Appeals Procedure" posted on our website.

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 on 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.

On the pages following this letter, we have provided a Funding Commitment Adjustment Report (Report) for the Form 471 application cited above. The enclosed Report includes the Funding Request Number(s) from your application for which adjustments are necessary. See the "Guide to USAC Letter Reports" posted at <http://usac.org/sl/tools/reference/guide-usac-letter-reports.aspx> for more information on each of the fields in the Report. USAC is also sending this information to the applicant for informational purposes. If USAC has determined the applicant is also responsible for any rule violation on the FRN(s), a separate letter will be sent to the applicant detailing the necessary applicant action.

Note that if the Funds Disbursed to Date amount is less than the Adjusted Funding Commitment amount, USAC will continue to process properly filed invoices up to the Adjusted Funding Commitment amount. Review the Funding Commitment Adjustment Explanation in the attached Report for an explanation of the reduction to the commitment(s). Please ensure that any invoices that you or the applicant(s) submits to USAC are consistent with Program rules as indicated in the Funding Commitment Adjustment Explanation. If the Funds Disbursed to Date amount exceeds the Adjusted Funding Commitment amount, USAC will have to recover some or all of the disbursed funds. The Report explains the exact amount (if any) the service provider is responsible for repaying.

Schools and Libraries Division
Universal Services Administrative Company

cc: Allen Ramsier
NOBLE NETWORK REPLICATION THREE