



**Trillion Partners, Inc.
9208 Waterford Centre Blvd., Suite 150
Austin, Texas 78758**

March 11, 2011

Federal Communications Commission *Delivered via ECFS & email*
Attention: Ms. Gina Spade, Deputy Division Chief
Ms. Erica Myers, Wireline Competition Bureau
Ms. Dana Bradford, Wireline Competition Bureau

Telecommunications Access Policy Division
445 12th Street SW
Washington, DC 20554

Re:

Appeal
School District: Widefield School District 3, Colorado Springs, CO
Funding Year: 2008
FRN Denied: 1759846
Form 471 Application Denied: 635812
Reason for Denial: Communications

Dear Gina, Erica and Dana:

On November 3, 2010, Trillion filed a Master Appeal Summary with the FCC on ECFS, as well as provided the Master Appeal Summary to you via E-Mail and in hard copy. In the Master Appeal, Trillion provides the rational as to why USAC's mass denial of funding is without merit. Please accept this Individual appeal for the Widefield School District 3, along with the Master Appeal Summary, as well as the Appeal that will be filed by the applicant, as the appeal in its totality.

USAC alleges that communications between Widefield School District 3 and Trillion prior to, and throughout, the competitive bidding process tainted a fair and open competitive bidding process, as the basis for the denial of funding. Trillion denies USAC's allegations. In fact and in all instances, the communications between both parties were in full compliance with all applicable (FCC, state and local) competitive bidding and procurement requirements at the time. Please note that in the denial of funding, USAC does not point to the specific communications that it found were not in compliance with applicable rules and regulations. However, Trillion believes that the facts of the bid process will refute USAC's allegations.

The FCDL denial is attached for review in full.

Trillion Value System

Integrity & Ethics ♦ Professionalism & Respect ♦ Customer Driven ♦ Having Fun!

9208 Waterford Centre Boulevard Suite 150 Austin, Texas 78758 (512)334-4100

USAC Alleged Communication Issue:

provided for item(s): item 21.<><><><><> DR2: The FRN will be denied because you did not conduct a fair and open competitive bidding process. The documentation provided by you and/or the service provider indicates that the school district engaged in numerous meetings, e-mail discussions, and/or verbal discussions with Trillion employees prior to the posting of the Form 470 and throughout the competitive bidding process which tainted the competitive bidding process. Trillion was consulted and/or offered details about services and products you were requesting on your FCC Form 470 and/or Request for Proposal (RFP). The competitive bidding process was influenced by Trillion when they assisted you in developing your services specifications for your FCC Form 470/or RFP. You failed to conduct a fair and open competitive bidding process free from conflicts of interest.

Communication Was Within Rules:

USAC states that the communication between Trillion and Trillion’s existing customer, Widefield School District 3, that in effect influenced the bid specifications on the Form 470/ or RFP, and those bid specifications led directly to Trillion’s selection as service provider. Trillion denies USAC’s allegations and has reviewed all provided communications with Widefield School District 3, and can find no single instance where improper communication took place. Also, since USAC has not provided which communication that is of issue, we will examine the data that is available to refute USAC’s allegations.

In regard to Widefield School District’s bid for the 2008/2009 funding year, the bid process began with a Form 470 #: 285960000661894 being posted on January 9, 2008. If one were to examine this Form 470:

<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 an RFP, you risk denial of your funding requests.</i></p>		
<p>a <input checked="" type="radio"/> 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): <input checked="" type="checkbox"/> the Contact Person in Item 6 or <input type="checkbox"/> the contact listed in Item 12.</p>		
<p>b <input type="radio"/> NO, I have not released and do not intend to release an RFP for these services.</p> <p>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="radio"/> Check this box if you prefer discounts on your bill.</p>	<p><input type="radio"/> Check this box if you prefer reimbursement after paying your bill in full.</p>	<p><input type="radio"/> Check this box if you do not have a preference.</p>
<p>Service or Function:</p> <p>Digital Transmission Services</p> <p>Digital Transmission Svcs/wireless WAN</p> <p>Digital Transmission Svcs/internet</p>	<p>Quantity and/or Capacity:</p> <p>Up to DS3 and up to 22 T1 lines</p> <p>for up to 22 district facilities</p> <p>up to 10 T1 Lines</p>	
<p>9 <input checked="" type="checkbox"/> Internet Access <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 an RFP, you risk denial of your funding requests.</i></p>		
<p>a <input checked="" type="radio"/> 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): <input checked="" type="checkbox"/> the Contact Person in Item 6 or <input type="checkbox"/> the contact listed in Item 12.</p>		
<p>b <input type="radio"/> NO, I have not released and do not intend to release an RFP for these services.</p> <p>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</p>		

Trillion Value System

Integrity & Ethics ♦ Professionalism & Respect ♦ Customer Driven ♦ Having Fun!

9208 Waterford Centre Boulevard Suite 150 Austin, Texas 78758 (512)334-4100

9 <input type="checkbox"/> Internet Access <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 an RFP, you risk denial of your funding requests.</i>		
a <input type="radio"/> 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): <input type="checkbox"/> the Contact Person in Item 6 or <input type="checkbox"/> the contact listed in Item 12.		
b <input type="radio"/> 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 Internet Access services. Attach additional lines if needed.		
c <input type="radio"/> Check this box if you prefer discounts on your bill.	<input 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.
Service or Function:	Quantity and/or Capacity:	
Digital Transmission Services/Internet	up to 10 T1 Lines	
VOIP and VoiceMail	for up to 22 facilities	
Digital Transmission Srvces/Wireless WAN	for up to 22 facilities	
10 <input type="checkbox"/> Internal Connections Other than Basic Maintenance <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 an RFP, you risk denial of your funding requests.</i>		
a <input type="radio"/> 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): <input type="checkbox"/> the Contact Person in Item 6 or <input type="checkbox"/> the contact listed in Item 12.		
b <input type="radio"/> NO, I have not released and do not intend to release an RFP for these services.		

...there would be several items to note. First, is that the services being requested do not have an RFP in either categories, Telecommunications Services and Internet Access. Therefore, the specifications being sought by Widefield are contained solely in the Form 470. If the specifications being sought on the Form 470 by Widefield are examined, it quickly becomes apparent that the wording used in those specifications are directly from USAC's own Eligible Services List.

Function	Description
Digital Transmission Services	<ul style="list-style-type: none"> A telecommunications service that provides transmission from an eligible school or library facility to other locations beyond the school or library is eligible for discount. Digital transmission services refer to data links that connect multiple points using any available technology. An eligible digital transmission service may be used to connect an eligible location to the Internet or Internet2. Digital transmission services used to link
Interconnected Voice over Internet Protocol (Interconnected VoIP) Services	Funding requests for interconnected VoIP services may be submitted in the Internet Access category. ¹

As can be seen by USAC's own Eligible Services List Descriptions, Widefield used these descriptions on their Form 470.

If one were to examine those specifications, the very first requested service is for DS3 or multiple T1s. Trillion does not generally provide DS3's or T1s, therefore, if Trillion were so influential in aiding the district define their

Trillion Value System

Integrity & Ethics ♦ Professionalism & Respect ♦ Customer Driven ♦ Having Fun!

9208 Waterford Centre Boulevard Suite 150 Austin, Texas 78758 (512)334-4100

specifications, then why would the school district list requirements that could not be fulfilled by Trillion?

To be clear, there is nothing in the Form 470 requirements that provided Trillion with an unfair advantage. The requirements/description of services were a mirror of USAC's own Eligible Services List. Those requirements provided a bid opportunity for a wide array of potential bidders. Finally, Trillion did not influence the school district's requirements.

We must then examine the actual bids and the results. Trillion provided three bids to the school district, one bid was for WAN, one was for Internet, and one was for VoIP. Please note, Trillion was the current provider of both WAN and Internet services to Widefield School District. The result of the bids were that Trillion was selected for WAN only, which it already was under contract for, with multiple years remaining on that contract. Trillion lost two of the three bids it submitted including the internet service it was already under contract for. As a matter of fact, the internet contract was awarded to the State of Colorado on FRN #: 1761326.

As described in the Master Appeal filed on November 3, 2010, the communication between Widefield School District 3 and Trillion was nothing more than industry standard communication, and general discussion. Widefield was already under contract with Trillion for WAN and internet services. No data provided in the relevant bid documents show any bias toward Trillion's product offering. As a matter of fact, the only requirements were contained on the Form 470 which used language that was listed on USAC's own Eligible Services List. In fact, the data contained in the bid documents show very open requirements that lend itself to a highly competitive bid process.

In summary, this applicant's and Trillion's actions were in full compliance with FCC, state and local procurement guidelines in effect at the time, as described in the Master Appeal Summary. Therefore, neither the applicant's, nor Trillion's actions, improperly affected the competitive bidding process in any way whatsoever. If Trillion were so influential in the bid process and aided in the crafting of the requirements for the bid process, why did Trillion lose two of three bids, including a bid for a service that it was already under contract for? If the applicant did not conduct a fair and open bid, why did that applicant choose three different service providers for three different bids, including canceling a contract it held between Trillion and the applicant?

Trillion respectfully requests that this appeal be granted.

Sincerely,

Trillion Partners, Inc.

Attachments:

- Master Appeal Summary dated November 3, 2010 as previously filed on November 3, 2010 under ECFS Number 2010113403548
- Funding Decision Commitment Letter (FCDL)

Cc:

Ron Reich, Intel Capital
Peter Pitsch, Intel

Trillion Value System

Integrity & Ethics ♦ Professionalism & Respect ♦ Customer Driven ♦ Having Fun!

9208 Waterford Centre Boulevard Suite 150 Austin, Texas 78758 (512)334-4100



Notification of Commitment Adjustment Letter

Funding Year 2008: July 1, 2008 - June 30, 2009

February 04, 2011

Kent Tamsen
WIDEFIELD SCHOOL DISTRICT 3
1820 MAIN STREET
COLORADO SPGS, CO 80911 1152

Re: Form 471 Application Number: 635812
Funding Year: 2008
Applicant's Form Identifier: WAN471 08-09
Billed Entity Number: 142316
FCC Registration Number: 0011631942
SPIN: 143025872
Service Provider Name: Trillion Partners, Inc

Service Provider Contact Person: Virginia Bryant

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:

You have the option of filing an appeal with USAC or directly with the Federal Communications Commission (FCC).

If you wish to appeal the Commitment Adjustment Decision indicated in this letter to USAC your appeal must be received 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 email address (if available) for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Identify the date of the Notification of Commitment Adjustment Letter and the Funding Request Number(s) (FRN) you are appealing. Your letter of appeal must include the
 - Billed Entity Name,
 - Form 471 Application Number,
 - Billed Entity Number, and
 - FCC Registration Number (FCC RN) from the top of your letter.
3. When explaining your appeal, copy the language or text from the Notification of Commitment Adjustment Letter that is the subject of your appeal to allow USAC to more readily understand your appeal and respond appropriately. 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 an applicant, please provide a copy of your appeal to the service provider(s) affected by USAC's decision. If you are a 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 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.

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.

Funding Commitment Adjustment Report for
Form 471 Application Number: 635812

Funding Request Number:	1759846
Services Ordered:	TELCOMM SERVICES
SPIN:	143025872
Service Provider Name:	Trillion Partners, Inc
Contract Number:	SA-101507-000840
Billing Account Number:	N/A
Site Identifier:	142316
Original Funding Commitment:	\$138,574.80
Commitment Adjustment Amount:	\$138,574.80
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. During the course of a review, documentation provided by you and/or your vendor indicated that there was not a fair and open competitive bid process free from conflicts of interest. The documents provided by you and/or the service provider indicated that you engaged in meetings, e-mail discussions, and/or verbal discussions with the Service Provider prior to the posting of the Form 470 and throughout the competitive bidding process which tainted the competitive bidding process. The Service Provider was consulted and/or offered details about services and products you were requesting on your FCC Form 470 and/or Request for Proposal (RFP). Therefore, the commitment has been rescinded in full and USAC will seek recovery of any disbursed funds from the applicant and service provider.