

# **EXHIBIT A**



Notification of Commitment Adjustment Letter

Funding Year 2007: July 1, 2007 - June 30, 2008

May 06, 2011

Shirley Peterson  
HARRISON SCHOOL DISTRICT 36  
6809 MCCULLOM LAKE RD  
WONDER LAKE, IL 60097 9546

Re: Form 471 Application Number: 552545  
Funding Year: 2007  
Applicant's Form Identifier: D36F47107-2  
Billed Entity Number: 135349  
FCC Registration Number: 0011889946  
SPIN: 143025679  
Service Provider Name: Net56, Inc  
  
Service Provider Contact Person: Mary Piazza

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](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

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 your service provider(s) for informational purposes. If USAC has determined the service provider is also responsible for any rule violation on the FRN(s), a separate letter will be sent to the service provider detailing the necessary service provider 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 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: Mary Piazza  
Net56, Inc

Funding Commitment Adjustment Report for  
Form 471 Application Number: 552545

Funding Request Number:	1531745
Services Ordered:	INTERNET ACCESS
SPIN:	143025679
Service Provider Name:	Net56, Inc
Contract Number:	NET561
Billing Account Number:	8156532311
Site Identifier:	135349
Original Funding Commitment:	\$7,764.00
Commitment Adjustment Amount:	\$7,764.00
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$7,764.00
Funds to be Recovered from Applicant:	\$7,764.00

AP Comads

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. During the course of review, it was determined that the applicant did not have a contract in place at the time of submission of the Form 471. This determination was based on the fact that your FCC Form 471 was submitted on January 22, 2007, but the contract associated with this funding request was not signed until June 21, 2007. FCC rules require applicants to have a valid contract as defined by the applicants state procurement laws and regulations at the time they submit the Form 471. Since the applicant was unable to demonstrate that they had a contract in place at the time of submission of the Form 471 that meets the state laws definition of a valid contract, the commitment has been rescinded in full and USAC will seek recovery of any disbursed funds from the applicant.

After a thorough investigation, it has been determined that this funding commitment must be reduced by \$15,528 pre-discount, which is the entire amount of this funding request. During the course of review, it was determined that your request for funding included \$15,528 of free Internet Access- broadband circuits. According to FCC rules, the entity must pay the entire undiscounted portion of the cost of any services it receives through the schools and libraries program for eligible products and services which were competitively bid and at the discount level to which the applicant is entitled. Since the payment related to all of the FRNs in FCC Form 471 # 552545 was utilized to pay for leased equipment, no payment was made by the school for the Internet Access Service provided by the service provider. Provision of free services or products by the service provider constitutes a rebate of the non-discount portion of the supported services. Moreover, offering of free services subsidizes ineligible products or services, of which there are many on this FCC Form 471 Including: Maintenance, operation and repair of co-located equipment (customer equipment located at the Net56 data center), phone support of standard Microsoft applications running on co-located equipment, monitor 7 x 24 of co-located equipment, Provide anti-virus services on co-located equipment and maintain and deploy anti-virus at desktop, Tier 1 help desk, Onsite support to the desktop, on-site floating field engineer, redesign of District web site, Tier 1 & 2 help desk support to desktop, business continuity plan, application hosting services, application support for accounting and student information systems, SharePoint portal services, unlimited professional development on Microsoft Office and other applications. Accordingly, program rules are violated if the funding request does not reduce the pre-discount cost of services by the fair market value of free products or services. Your request for funding included \$15,528 of free Internet Access service, broadband circuits, which at the applicants 50 percent discount rate, resulted in an improper commitment of \$7,764. Your funding commitment has been reduced by \$15,528 pre-discount to reflect deduction of the entire amount of the request associated with free services. USAC has determined that the applicant is

responsible for this rule violation and, if recovery is required, USAC will seek recovery from the applicant.

Funding Request Number:	1531757
Services Ordered:	INTERNET ACCESS
SPIN:	143025679
Service Provider Name:	Net56, Inc
Contract Number:	NET561
Billing Account Number:	8156532311
Site Identifier:	135349
Original Funding Commitment:	\$4,770.00
Commitment Adjustment Amount:	\$4,770.00
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$4,770.00
Funds to be Recovered from Applicant:	\$4,770.00

AP Comads

After a thorough review, it was determined that the funding commitment for this request must be reduced by \$2,460. During the course of review, it was determined that funding was provided for a DNS/DHCP server which is eligible. However, this server failed the Tennessee Order requirements and, therefore, it is not eligible as Priority One Internet Access service, it is eligible only as Priority Two Internal Connections. The pre-discount cost associated with this item is \$2,460 as indicated by the service providers cost allocation response. At the applicants 50 percent discount rate this resulted in an improper commitment of \$1,230. 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](http://www.universalservice.org/sl/about/eligible-services-list.aspx) for the Eligible Services List. In this situation, the applicant made the certifications on the BEAR Form indicating that the services and/or equipment provided to the applicant were eligible for funding. On the BEAR Form, the authorized person certifies at Block 3, Item A that discount amounts for which reimbursement is sought represent charges for eligible services delivered to and used by eligible entities. Therefore, USAC has determined that the applicant is responsible for the rule violation. Accordingly, the commitment has been reduced by \$1,230 and, if recovery is required, USAC will seek recovery from the applicant.

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. During the course of review, it was determined that the applicant did not have a contract in place at the time of submission of the Form 471. This determination was based on the fact that your FCC Form 471 was submitted on January 22, 2007, but the contract associated with this funding request was not signed until June 21, 2007. FCC rules require applicants to have a valid contract as defined by the applicants state procurement laws and regulations at the time they submit the Form 471. Since the applicant was unable to demonstrate that they had a contract in place at the time of submission of the Form 471 that meets the state laws definition of a valid contract, the commitment has been rescinded in full and USAC will seek recovery of any disbursed funds from the applicant.

After a thorough investigation, it has been determined that the remainder of this funding commitment, after reduction of \$2,460 pre-discount associated with the ineligible servers discussed above, must be rescinded. This is a reduction in funding commitment of \$7,080 pre-discount. During the course of review, it was determined that the funds were erroneously committed for the funding request which was not justified as cost effective. The FCC rules require that, in selecting the service provider, the applicant must select the most cost effective service or equipment offering, with price being the primary factor, which will result in it being the most effective means of meeting educational needs and technology plan goals. Also, the FCC's Ysleta Order states that, even if an applicant received only one bid in response to an FCC Form 470 and/or RFP, it is not exempt from FCC

requirement that applicants select cost-effective services. Since the remaining funding, after the removal of the ineligible server, exceeds twice the cost of a commercially available solution, FRN 1531757 fails to meet this standard. Therefore, the remaining funding commitment of \$7,080 is rescinded, and USAC will seek recovery of any improperly disbursed funds from the applicant.

After a thorough investigation, it has been determined that this funding commitment must be reduced by \$ 9,540 pre-discount, which is the entire amount of this funding request. During the course of review it was determined that your request for funding included \$ 9,540 of free Internet Access WAN Service. According to FCC rules, the entity must pay the entire undiscounted portion of the cost of any services it receives through the schools and libraries program for eligible products and services which were competitively bid and at the discount level to which the applicant is entitled. Since the entire payment related to the FCC Form 471 # 552545 and all associated FRNs was utilized to pay for leased equipment, no payment was made by the school for the Internet Access Service provided by the service provider. Provision of free services or products by the service provider constitutes a rebate of the non-discount portion of the supported services. Moreover, offering of free services subsidizes ineligible products or services, of which there are many on this FCC Form 471, including: Maintenance, operation and repair of co-located equipment (customer equipment located at the Net56 data center), phone support of standard Microsoft applications running on co-located equipment, monitor 7 x 24 of co-located equipment, Provide anti-virus services on co-located equipment and maintain and deploy anti-virus at desktop, Tier 1 help desk, Onsite support to the desktop, on-site floating field engineer, redesign of District web site, Tier 1 & 2 help desk support to desktop, business continuity plan, application hosting services, application support for accounting and student information systems, SharePoint portal services, unlimited professional development on Microsoft Office and other applications. Accordingly, program rules are violated if the funding request does not reduce the pre-discount cost of services by the fair market value of free products or services. Your request for funding included \$9,540 of free Internet Access WAN Service which, at the applicants 50 percent discount rate, resulted in an improper commitment of \$4,770. Your funding commitment has been reduced by \$9,540 pre-discount to reflect deduction of the entire amount of the request associated with the free services. USAC has determined that the applicant is responsible for this rule violation and, if recovery is required, USAC will seek recovery from the applicant.

Funding Request Number:	1531771
Services Ordered:	INTERNET ACCESS
SPIN:	143025679
Service Provider Name:	Net56, Inc
Contract Number:	NET561
Billing Account Number:	8156532311
Site Identifier:	135349
Original Funding Commitment:	\$15,000.00
Commitment Adjustment Amount:	\$15,000.00
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$15,000.00
Funds to be Recovered from Applicant:	\$15,000.00

AP Comad

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. During the course of review, it was determined that the applicant did not have a contract in place at the time of submission of the Form 471. This determination was based on the fact that your FCC Form 471 was submitted on January 22, 2007, but the contract associated with this funding request was not signed until June 21, 2007. FCC rules require applicants to have a valid contract as defined by the applicants state procurement laws and regulations at the time they submit the Form 471. Since the applicant was unable to demonstrate that they had a contract in place at the time of submission of the Form 471 that meets the state laws definition of a valid contract, the commitment has been rescinded in full and USAC will seek recovery of any disbursed funds from the applicant.

After a thorough investigation, it has been determined that the remainder of this funding commitment, after reduction of \$16,200 pre-discount associated with the ineligible firewall equipment, must be rescinded. This is a reduction in funding commitment of \$13,800 pre-discount. During the course of review, it was determined that the funds were erroneously committed for the funding request which was not justified as cost effective. The FCC rules require that, in selecting the service provider, the applicant must select the most cost effective service or equipment offering, with price being the primary factor, which will result in it being the most effective means of meeting educational needs and technology plan goals. Also, the FCCs Ysleta Order states that, even if an applicant received only one bid in response to an FCC Form 470 and/or RFP, it is not exempt from FCC requirement that applicants select cost-effective services. Since the remaining funding after the removal of the ineligible firewall equipment exceeds twice the cost of a commercially available solution, FRN 1531771 fails to meet this standard. Therefore, the remaining funding commitment of \$13,800 is rescinded, and USAC will seek recovery of any improperly disbursed funds from the applicant.

After a thorough investigation, it has been determined that this funding commitment must be reduced by \$30,000 pre-discount, which is the entire amount of this funding request. During the course of review it was determined that your request for funding included \$30,000 of free Internet Access Firewall Service. According to FCC rules, the entity must pay the entire undiscounted portion of the cost of any services it receives through the schools and libraries program for eligible products and services which were competitively bid and at the discount level to which the applicant is entitled. Since the entire payment related to the FCC Form 471 #552545 and all associated FRNs was utilized to pay for leased equipment, no payment was made by the school for the Internet Access Service provided by the service provider. Provision of free services or products by the service provider constitutes a rebate of the non-discount portion of the supported services. Moreover, offering of free services subsidizes ineligible products or services, of which there are many on this FCC Form 471, including: Maintenance, operation and repair of co-located equipment (customer equipment located at the

Net56 data center), phone support of standard Microsoft applications running on co-located equipment, monitor 7 x 24 of co-located equipment, Provide anti-virus services on co-located equipment and maintain and deploy anti-virus at desktop, Tier 1 help desk, Onsite support to the desktop, on-site floating field engineer, redesign of District web site, Tier 1 & 2 help desk support to desktop, business continuity plan, application hosting services, application support for accounting and student information systems, SharePoint portal services, unlimited professional development on Microsoft Office and other applications.

Accordingly, program rules are violated if the funding request does not reduce the pre-discount cost of services by the fair market value of free products or services. Your request for funding included \$30,000 of free Internet Access service, Firewall Service which, at the applicants 50 percent discount rate, resulted in an improper commitment of \$15,000. Your funding commitment has been reduced by \$30,000 pre-discount to reflect deduction of the entire amount of the request associated with the free services. USAC has determined that the applicant is responsible for this rule violation and, if recovery is required, USAC will seek recovery from the applicant.

Funding Request Number: 1531783  
Services Ordered: INTERNET ACCESS  
SPIN: 143025679  
Service Provider Name: Net56, Inc  
Contract Number: NET561  
Billing Account Number: 8156532311  
Site Identifier: 135349  
Original Funding Commitment: \$15,000.00  
Commitment Adjustment Amount: \$15,000.00  
Adjusted Funding Commitment: \$0.00  
Funds Disbursed to Date \$15,000.00  
Funds to be Recovered from Applicant: \$15,000.00

AP Comad

After a thorough investigation, it has been determined that the remainder of this funding commitment, after reduction of \$12,000 pre-discount associated with the ineligible e-mail retention and e-mail journaling must be rescinded. This is a reduction in funding commitment of \$18,000 pre-discount. During the course of review, it was determined that the funds were erroneously committed for the funding request which was not justified as cost effective. The FCC rules require that, in selecting the service provider, the applicant must select the most cost effective service or equipment offering, with price being the primary factor, which will result in it being the most effective means of meeting educational needs and technology plan goals. Also, the FCCs Ysleta Order states that, even if an applicant received only one bid in response to an FCC Form 470 and/or RFP, it is not exempt from FCC requirement that applicants select cost-effective services. Since the remaining funding, after the removal of the ineligible email retention and journaling, exceeds twice the cost of a commercially available solution, FRN 1531783 fails to meet this standard. Therefore, the remaining funding commitment of \$18,000 is rescinded, and USAC will seek recovery of any improperly disbursed funds from the applicant.

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. During the course of review, it was determined that the applicant did not have a contract in place at the time of submission of the Form 471. This determination was based on the fact that your FCC Form 471 was submitted on January 22, 2007, but the contract associated with this funding request was not signed until June 21, 2007. FCC rules require applicants to have a valid contract as defined by the applicants state procurement laws and regulations at the time they submit the Form 471. Since the applicant was unable to demonstrate that they had a contract in place at the time of submission of the Form 471 that meets the state laws definition of a valid contract, the commitment has been rescinded in full and USAC will seek recovery of any disbursed funds from the applicant.

After a thorough investigation, it has been determined that this funding commitment must be reduced by \$30,000 pre-discount, which is the entire amount of this funding request. During the course of review it was determined that your request for funding included \$30,000 of free Internet Access E-mail Service. According to FCC rules, the entity must pay the entire undiscounted portion of the cost of any services it receives through the schools and libraries program for eligible products and services which were competitively bid and at the discount level to which the applicant is entitled. Since the entire payment related to the FCC Form 471 # 552545 and all associated FRNs was utilized to pay for leased equipment, no payment was made by the school for the Internet Access Service provided by the service provider. Provision of free services or products by the service provider constitutes a rebate of the non-discount portion of the supported services. Moreover, offering of free services subsidizes ineligible products or services, of which there are many on this FCC Form 471, including: Maintenance,

operation and repair of co-located equipment (customer equipment located at the Net56 data center), phone support of standard Microsoft applications running on co-located equipment, monitor 7 x 24 of co-located equipment, Provide anti-virus services on co-located equipment and maintain and deploy anti-virus at desktop, Tier 1 help desk, On site support to the desktop, on-site floating field engineer, redesign of District web site, Tier 1 & 2 help desk support to desktop, business continuity plan, application hosting services, application support for accounting and student information systems, SharePoint portal services, unlimited professional development on Microsoft Office and other applications. Accordingly, program rules are violated if the funding request does not reduce the pre-discount cost of services by the fair market value of free products or services. Your request for funding included \$30,000 of free Internet Access service, E-mail Service which, at the applicants 50 percent discount rate, resulted in an improper commitment of \$15,000. Your funding commitment has been reduced by \$30,000 pre-discount to reflect deduction of the entire amount of the request associated with the free services. USAC has determined that the applicant is responsible for this rule violation and, if recovery is required, USAC will seek recovery from the applicant.

Funding Request Number:	1531795
Services Ordered:	INTERNET ACCESS
SPIN:	143025679
Service Provider Name:	Net56, Inc
Contract Number:	NET561
Billing Account Number:	8156532311
Site Identifier:	135349
Original Funding Commitment:	\$15,000.00
Commitment Adjustment Amount:	\$15,000.00
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$15,000.00
Funds to be Recovered from Applicant:	\$15,000.00

AP Comad

After a thorough investigation, it has been determined that the remainder of this funding commitment, after reduction of \$12,000 pre-discount associated with the ineligible web retention and web journaling must be rescinded. This is a reduction in funding commitment of \$18,000 pre-discount. During the course of review, it was determined that the funds were erroneously committed for the funding request which was not justified as cost effective. The FCC rules require that, in selecting the service provider, the applicant must select the most cost effective service or equipment offering, with price being the primary factor, which will result in it being the most effective means of meeting educational needs and technology plan goals. Also, the FCCs Ysleta Order states that, even if an applicant received only one bid in response to an FCC Form 470 and/or RFP, it is not exempt from FCC requirement that applicants select cost-effective services. Since the remaining funding, after the removal of the ineligible web retention and web journaling, exceeds twice the cost of a commercially available solution, FRN 1531795 fails to meet this standard. Therefore, the remaining funding commitment of \$9,000 is rescinded, and USAC will seek recovery of any improperly disbursed funds from the applicant.

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. During the course of review, it was determined that the applicant did not have a contract in place at the time of submission of the Form 471. This determination was based on the fact that your FCC Form 471 was submitted on January 22, 2007, but the contract associated with this funding request was not signed until June 21, 2007. FCC rules require applicants to have a valid contract as defined by the applicants state procurement laws and regulations at the time they submit the Form 471. Since the applicant was unable to demonstrate that they had a contract in place at the time of submission of the Form 471 that meets the state laws definition of a valid contract, the commitment has been rescinded in full and USAC will seek recovery of any disbursed funds from the applicant.

After a thorough investigation, it has been determined that this funding commitment must be reduced by \$30,000 pre-discount, which is the entire amount of this funding request. During the course of review it was determined that your request for funding included \$30,000 of free Internet Access Firewall Service. According to FCC rules, the entity must pay the entire undiscounted portion of the cost of any services it receives through the schools and libraries program for eligible products and services which were competitively bid and at the discount level to which the applicant is entitled. Since the entire payment related to the FCC Form 471 # 552545 and all associated FRNs was utilized to pay for leased equipment, no payment was made by the school for the Internet Access Service provided by the service provider. Provision of free services or products by the service provider constitutes a rebate of the non-discount portion of the supported services. Moreover, offering of free services subsidizes ineligible products or services, of which there are many on this FCC Form 471, including: Maintenance,

operation and repair of co-located equipment (customer equipment located at the Net56 data center), phone support of standard Microsoft applications running on co-located equipment, monitor 7 x 24 of co-located equipment, Provide anti-virus services on co-located equipment and maintain and deploy anti-virus at desktop, Tier 1 help desk, On site support to the desktop, on-site floating field engineer, redesign of District web site, Tier 1 & 2 help desk support to desktop, business continuity plan, application hosting services, application support for accounting and student information systems, SharePoint portal services, unlimited professional development on Microsoft Office and other applications. Accordingly, program rules are violated if the funding request does not reduce the pre-discount cost of services by the fair market value of free products or services. Your request for funding included \$30,000 of free Internet Access Service, Firewall Service, which at the applicants 50 percent discount rate, resulted in an improper commitment of \$15,000. Your funding commitment has been reduced by \$30,000 pre-discount to reflect deduction of the entire amount of the request associated with the free services. USAC has determined that the applicant is responsible for this rule violation and, if recovery is required, USAC will seek recovery from the applicant.

# **EXHIBIT B**



MAY 13 2011

Schools & Libraries Division

Notification of Improperly Disbursed Funds Recovery Letter  
Funding Year 2007: July 1, 2007 - June 30, 2008

May 6, 2011

Mary Piazza  
Net56, Inc  
1254 W. Northwest Hwy  
Palatine, IL 60067

Re: SPIN: 143025679  
Form 471 Application Number: 552545  
Funding Year: 2007  
FCC Registration Number:  
Applicant Name: HARRISON SCHOOL DISTRICT 36  
Billed Entity Number: 135349  
Applicant Contact Person: Shirley Peterson

Our routine review of Schools and Libraries Program (Program) funding commitments has revealed certain applications where funds were disbursed 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 recover these improper disbursements. The purpose of this letter is to inform you of the recoveries as required by Program rules, and to give you an opportunity to appeal this decision. USAC has determined the service provider is responsible for all or some of the Program rule violations. Therefore, the service provider is responsible to repay all or some of the funds disbursed in error.

This is NOT a bill. The next step in the recovery of improperly disbursed funds 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](http://www.fcc.gov/debt_collection/faq.html).

Schools and Libraries Division - Correspondence Unit  
100 South Jefferson Road, P.O. Box 902, Whippany, NJ 07981  
Visit us online at: [www.usac.org/sl](http://www.usac.org/sl)

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 Notification of Improperly Disbursed Funds 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:

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  - 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 Funding Disbursement Recovery Report included with this 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 USAC by email, email your appeal to [appeals@sl.universalservice.org](mailto:appeals@sl.universalservice.org). USAC will automatically reply to incoming emails to confirm receipt.

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

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 DISBURSEMENT RECOVERY REPORT

On the pages following this letter, we have provided a Funding Disbursement Recovery Report (Report) for the Form 471 application cited above. The enclosed Report includes the Funding Request Number(s) from the application for which recovery is 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 these FRN(s), a separate letter will be sent to the applicant detailing the necessary applicant action. The Report explains the exact amount the service provider is responsible for repaying.

Schools and Libraries Division  
Universal Services Administrative Company

cc: Shirley Peterson  
HARRISON SCHOOL DISTRICT 36

Funding Disbursement Recovery Report  
for Form 471 Application Number: 552545

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Funding Request Number: 1531745  
Contract Number: NET561  
Services Ordered: INTERNET ACCESS  
Billing Account Number: 8156532311  
Funding Commitment: \$0.00  
Funds Disbursed to Date: \$7,764.00  
Funds to be Recovered from Service Provider: \$7,764.00

Disbursed Funds Recovery Explanation:

SP RIDF

After a thorough investigation, it has been determined that funds were improperly disbursed on this funding request. During the course of review, it was determined that the service provider did not bill the applicant for the non-discounted portion. The contract between the applicant and the service provider, which is the only agreement between these two parties regarding the Internet Access services requested in this FRN, specifies a payment for the entire FCC Form 471 of \$7,377.25 per month. This is the only payment specified by the contract. The contract requires the school to enter into a financing agreement whereby payment is rendered to a third party financing company. That financing agreement, also in the amount of \$7,377.25 per month, specifies that the full payment is for the lease of equipment shown on Schedule A and no portion of the payment is allocated for the Internet Access services. Therefore, there is no documentation regarding billing for the Internet Access services in this funding request, nor is there any documentation related to payment for Internet Access services. On the Service Provider Annual Certification Form at Block 2 Item 10, the authorized person certifies on behalf of the service provider that the Service Provider Invoice Forms that are submitted by this service provider contain requests for universal service support for services which have been billed to the service providers customers on behalf of schools, libraries, and consortia of those entities, as deemed eligible for universal service support by the fund administrator. Failure to bill for the non-discounted portion is a violation of program rules. Accordingly, USAC will seek recovery of any disbursed funds from the service provider.

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Funding Request Number:	1531757
Contract Number:	NET561
Services Ordered:	INTERNET ACCESS
Billing Account Number:	8156532311
Funding Commitment:	\$0.00
Funds Disbursed to Date:	\$4,770.00
Funds to be Recovered from Service Provider:	\$4,770.00

Disbursed Funds Recovery Explanation:

SP RIDF

After a thorough investigation, it has been determined that funds were improperly disbursed on this funding request. During the course of review, it was determined that the service provider did not bill the applicant for the non-discounted portion. The contract between the applicant and the service provider, which is the only agreement between these two parties regarding the Internet Access services requested in this FRN, specifies a payment for the entire FCC Form 471 of \$7,377.25 per month. This is the only payment specified by the contract. The contract requires the school to enter into a financing agreement whereby payment is rendered to a third party financing company. That financing agreement, also in the amount of \$7,377.25 per month, specifies that the full payment is for the lease of equipment shown on Schedule A and no portion of the payment is allocated for the Internet Access services. Therefore, there is no documentation regarding billing for the Internet Access services in this funding request, nor is there any documentation related to payment for Internet Access services. On the Service Provider Annual Certification Form at Block 2 Item 10, the authorized person certifies on behalf of the service provider that the Service Provider Invoice Forms that are submitted by this service provider contain requests for universal service support for services which have been billed to the service providers customers on behalf of schools, libraries, and consortia of those entities, as deemed eligible for universal service support by the fund administrator. Failure to bill for the non-discounted portion is a violation of program rules. Accordingly, USAC will seek recovery of any disbursed funds from the service provider.

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Funding Request Number: 1531771  
Contract Number: NET561  
Services Ordered: INTERNET ACCESS  
Billing Account Number: 8156532311  
Funding Commitment: \$0.00  
Funds Disbursed to Date: \$15,000.00  
Funds to be Recovered from Service Provider: \$15,000.00  
Disbursed Funds Recovery Explanation:

SP RIDF

After a thorough investigation, it has been determined that funds were improperly disbursed on this funding request. During the course of review, it was determined that the service provider did not bill the applicant for the non-discounted portion. The contract between the applicant and the service provider, which is the only agreement between these two parties regarding the Internet Access services requested in this FRN, specifies a payment for the entire FCC Form 471 of \$7,377.25 per month. This is the only payment specified by the contract. The contract requires the school to enter into a financing agreement whereby payment is rendered to a third party financing company. That financing agreement, also in the amount of \$7,377.25 per month, specifies that the full payment is for the lease of equipment shown on Schedule A and no portion of the payment is allocated for the Internet Access services. Therefore, there is no documentation regarding billing for the Internet Access services in this funding request, nor is there any documentation related to payment for Internet Access services. On the Service Provider Annual Certification Form at Block 2 Item 10, the authorized person certifies on behalf of the service provider that the Service Provider Invoice Forms that are submitted by this service provider contain requests for universal service support for services which have been billed to the service providers customers on behalf of schools, libraries, and consortia of those entities, as deemed eligible for universal service support by the fund administrator. Failure to bill for the non-discounted portion is a violation of program rules. Accordingly, USAC will seek recovery of any disbursed funds from the service provider.

After a thorough review, it was determined that the funding commitment for this request must be reduced by \$16,200. During the course of review it was determined that funding was provided for the following ineligible items: firewall equipment located at the Net56 data center. The pre-discount cost associated with these items is \$16,200, for a total ineligible amount of \$16,200. At the applicants 50 percent discount rate this resulted in an improper commitment of \$8,100. 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](http://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, the commitment has been reduced by \$8,100 and if the recovery of improperly disbursed funds is required, USAC will seek recovery from the service provider.

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Funding Request Number: 1531783  
Contract Number: NET561  
Services Ordered: INTERNET ACCESS  
Billing Account Number: 8156532311  
Funding Commitment: \$0.00  
Funds Disbursed to Date: \$15,000.00  
Funds to be Recovered from Service Provider: \$15,000.00

Disbursed Funds Recovery Explanation:

SP RIDF

After a thorough investigation, it has been determined that funds were improperly disbursed on this funding request. During the course of review, it was determined that the service provider did not bill the applicant for the non-discounted portion. The contract between the applicant and the service provider, which is the only agreement between these two parties regarding the Internet Access services requested in this FRN, specifies a payment for the entire FCC Form 471 of \$7,377.25 per month. This is the only payment specified by the contract. The contract requires the school to enter into a financing agreement whereby payment is rendered to a third party financing company. That financing agreement, also in the amount of \$7,377.25 per month, specifies that the full payment is for the lease of equipment shown on Schedule A and no portion of the payment is allocated for the Internet Access services. Therefore, there is no documentation regarding billing for the Internet Access services in this funding request, nor is there any documentation related to payment for Internet Access services. On the Service Provider Annual Certification Form at Block 2 Item 10, the authorized person certifies on behalf of the service provider that the Service Provider Invoice Forms that are submitted by this service provider contain requests for universal service support for services which have been billed to the service providers customers on behalf of schools, libraries, and consortia of those entities, as deemed eligible for universal service support by the fund administrator. Failure to bill for the non-discounted portion is a violation of program rules. Accordingly, USAC will seek recovery of any disbursed funds from the service provider.

After a thorough review, it was determined that the funding commitment for this request must be reduced by \$12,000. During the course of review it was determined that funding was provided for the following ineligible items: e-mail retention and e-mail journaling. The pre-discount cost associated with these items is \$6,000 each, for a total ineligible amount of \$12,000. At the applicants 50 percent discount rate this resulted in an improper commitment of \$6,000. 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](http://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, the commitment has been reduced by \$6,000 and if the recovery of improperly disbursed funds is required, USAC will seek recovery from the service provider.

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Funding Request Number: 1531795  
Contract Number: NET561  
Services Ordered: INTERNET ACCESS  
Billing Account Number: 8156532311  
Funding Commitment: \$0.00  
Funds Disbursed to Date: \$15,000.00  
Funds to be Recovered from Service Provider: \$15,000.00

Disbursed Funds Recovery Explanation:

SP RIDF

After a thorough investigation, it has been determined that funds were improperly disbursed on this funding request. During the course of review, it was determined that the service provider did not bill the applicant for the non-discounted portion. The contract between the applicant and the service provider, which is the only agreement between these two parties regarding the Internet Access services requested in this FRN, specifies a payment for the entire FCC Form 471 of \$7,377.25 per month. This is the only payment specified by the contract. The contract requires the school to enter into a financing agreement whereby payment is rendered to a third party financing company. That financing agreement, also in the amount of \$7,377.25 per month, specifies that the full payment is for the lease of equipment shown on Schedule A and no portion of the payment is allocated for the Internet Access services. Therefore, there is no documentation regarding billing for the Internet Access services in this funding request, nor is there any documentation related to payment for Internet Access services. On the Service Provider Annual Certification Form at Block 2 Item 10, the authorized person certifies on behalf of the service provider that the Service Provider Invoice Forms that are submitted by this service provider contain requests for universal service support for services which have been billed to the service providers customers on behalf of schools, libraries, and consortia of those entities, as deemed eligible for universal service support by the fund administrator. Failure to bill for the non-discounted portion is a violation of program rules. Accordingly, USAC will seek recovery of any disbursed funds from the service provider.

After a thorough review, it was determined that the funding commitment for this request must be reduced by \$12,000. During the course of review it was determined that funding was provided for the following ineligible items: web retention and web journaling. The pre-discount cost associated with these items is \$6,000 each, for a total ineligible amount of \$12,000. At the applicants 50 percent discount rate this resulted in an improper commitment of \$6,000. 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](http://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, the commitment has been reduced by \$6000 and if the recovery of improperly disbursed funds is required, USAC will seek recovery from the service provider.

# **EXHIBIT C**

FCC Form 471

Do not write in this area.

Approval by OMB  
3060-0806

**Schools and Libraries Universal Service  
Description of Services Ordered and Certification Form 471**

**Estimated Average Burden Hours per Response: 4 hours**

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](http://www.sl.universalservice.org).)**

**The instructions include information on the deadlines for filing this application.**

Applicant's Form Identifier

(Create your own code to identify THIS form 471) D36F47107-2

Form 471 Application#

(To be assigned by administrator)

552545

**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 HARRISON SCHOOL DISTRICT 36

**2 a** Funding Year: July 1, 2007 Through June 30: 2008 Billed Entity Number:135349

**4 a** Street Address, P.O. Box, or Routing Number 6809 MCCULLOM LAKE RD

City WONDER LAKE

State IL

Zip Code 60097 9546

**5 a** Type of Application

Individual School (individual public or non-public school)

School District (LEA; public or non-public [e.g. diocesan] local district representing multiple schools)

Library ( including library system, library outlet/branch or library consortium as defined under LSTA)

Consortium  Check here if any members of this consortium are ineligible or non-governmental entities)

**6** Contact Person's Name Shirley Peterson

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 6809 MCCULLOM LAKE RD

City WONDER LAKE

State IL

Zip Code 60097 9546

Page 1 of 7



FCC Form 471 - November 2004

Entity Number 135349

Applicant's Form Identifier D36F47107-2

Contact Person Shirley Peterson

Phone Number 815-653-2311

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		484
b	Telephone service: Number of classrooms with phone service	5	5
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	0	0
	Greater than 200 mbps	0	0
e	Direct connections to the Internet: Number of drops	1	1
f	Number of classrooms with Internet access	33	33
g	Number of computers or other devices with Internet access	50	50

**Block 3: Impact of Services Ordered on Libraries**

**NOT APPLICABLE AS THIS APPLICATION IS FOR DISTRICT**

**Worksheet A No:** 850132

**Student Count:** 484

**Weighted Product (Sum. Column 8):** 242

**Shared Discount:** N/A

**1. School Name:** HARRISON ELEMENTARY SCHOOL

**2. Entity Number:** 68629      **NCES:** 17 18360 02120

**3. Rural/Urban:** Urban

**4. Student Count:** 484

**5. NSLP Students:** 101

**6. NSLP Students/Students:** 20.867%

**7. Discount:** 50%

**8. Weighted Product:** 242

**9. Pre-K/Adult Ed/Juv:** Y

**10. Alt Disc Mech:** N

**Block 5: Discount Funding Request(s)**

**FRN:** 1524513

**FCDL Date:** 07/26/2007

**10. Original FRN:**

**11. Category of Service:** Telecommunications Service

**12. 470 Application Number:** 361000000602991

**13. SPIN:** 143001157

**14. Service Provider Name:** Qwest Communications Corporation

**15a. Non-Contracted tariffed/Month to Month Service:** Y

**15b. Contract Number:** MTM

<b>15c. Covered under State Master Contract:</b>	<b>15d. FRN from Previous Year:</b>
<b>16a. Billing Account Number:</b> 55050851	<b>16b. Multiple Billing Account Numbers?:</b>
<b>17. Allowable Contract Date:</b> 01/03/2007	<b>18. Contract Award Date:</b>
<b>19a. Service Start Date:</b> 07/01/2007	<b>19b. Service End Date:</b> 06/30/2008
<b>20. Contract Expiration Date:</b>	
<b>21. Attachment #:</b> 1QWEST	<b>22. Block 4 Entity Number:</b> 68629
<b>23a. Monthly Charges:</b> \$36.98	<b>23b. Ineligible monthly amt.:</b> \$.00
<b>23c. Eligible monthly amt.:</b> \$36.98	<b>23d. Number of months of service:</b> 12
<b>23e. Annual pre-discount amount for eligible recurring charges ( 23c x 23d):</b> \$443.76	
<b>23f. Annual non-recurring (one-time) charges:</b> 0	<b>23g. Ineligible non-recurring amt.:</b> 0
<b>23h. Annual pre-discount amount for eligible non-recurring charges ( 23f - 23g):</b> \$0.00	
<b>23i. Total program year pre-discount amount ( 23e + 23h):</b> \$443.76	
<b>23j. % discount (from Block 4):</b> 50	
<b>23k. Funding Commitment Request ( 23i x 23j):</b> \$221.88	

<b>FRN:</b> 1524528	<b>FCDL Date:</b> 07/26/2007
<b>10. Original FRN:</b>	
<b>11. Category of Service:</b> Telecommunications Service	<b>12. 470 Application Number:</b> 361000000602991
<b>13. SPIN:</b> 143025240	<b>14. Service Provider Name:</b> Cingular Wireless
<b>15a. Non-Contracted tariffed/Month to Month Service:</b> Y	<b>15b. Contract Number:</b> MTM
<b>15c. Covered under State Master Contract:</b>	<b>15d. FRN from Previous Year:</b>
<b>16a. Billing Account Number:</b> 256911263	<b>16b. Multiple Billing Account Numbers?:</b>
<b>17. Allowable Contract Date:</b> 01/03/2007	<b>18. Contract Award Date:</b>
<b>19a. Service Start Date:</b> 07/01/2007	<b>19b. Service End Date:</b> 06/30/2008
<b>20. Contract Expiration Date:</b>	
<b>21. Attachment #:</b> 1CINGULAR	<b>22. Block 4 Entity Number:</b> 68629
<b>23a. Monthly Charges:</b> \$24.09	<b>23b. Ineligible monthly amt.:</b> \$.00
<b>23c. Eligible monthly amt.:</b> \$24.09	<b>23d. Number of months of service:</b> 12
<b>23e. Annual pre-discount amount for eligible recurring charges ( 23c x 23d):</b> \$289.08	
<b>23f. Annual non-recurring (one-time) charges:</b> 0	<b>23g. Ineligible non-recurring amt.:</b> 0
<b>23h. Annual pre-discount amount for eligible non-recurring charges ( 23f - 23g):</b> \$0.00	
<b>23i. Total program year pre-discount amount ( 23e + 23h):</b> \$289.08	
<b>23j. % discount (from Block 4):</b> 50	
<b>23k. Funding Commitment Request ( 23i x 23j):</b> \$144.54	

<b>FRN:</b> 1524541	<b>FCDL Date:</b> 07/26/2007
<b>10. Original FRN:</b>	
<b>11. Category of Service:</b> Telecommunications Service	<b>12. 470 Application Number:</b> 361000000602991
<b>13. SPIN:</b> 143004791	<b>14. Service Provider Name:</b> Verizon North Inc.
<b>15a. Non-Contracted tariffed/Month to Month Service:</b> Y	<b>15b. Contract Number:</b> MTM
<b>15c. Covered under State Master Contract:</b>	<b>15d. FRN from Previous Year:</b>
<b>16a. Billing Account Number:</b> 123967274104245402	<b>16b. Multiple Billing Account Numbers?:</b>
<b>17. Allowable Contract Date:</b> 01/03/2007	<b>18. Contract Award Date:</b>
<b>19a. Service Start Date:</b> 07/01/2007	<b>19b. Service End Date:</b> 06/30/2008
<b>20. Contract Expiration Date:</b>	
<b>21. Attachment #:</b> 1VERIZON	<b>22. Block 4 Entity Number:</b> 68629
<b>23a. Monthly Charges:</b> \$163.59	<b>23b. Ineligible monthly amt.:</b> \$.00
<b>23c. Eligible monthly amt.:</b> \$163.59	<b>23d. Number of months of service:</b> 12

<b>23e. Annual pre-discount amount for eligible recurring charges ( 23c x 23d):</b> \$1,963.08	
<b>23f. Annual non-recurring (one-time) charges:</b> 0	<b>23g. Ineligible non-recurring amt.:</b> 0
<b>23h. Annual pre-discount amount for eligible non-recurring charges ( 23f - 23g):</b> \$0.00	
<b>23i. Total program year pre-discount amount ( 23e + 23h):</b> \$1,963.08	
<b>23j. % discount (from Block 4):</b> 50	
<b>23k. Funding Commitment Request ( 23i x 23j):</b> \$981.54	

**FRN:** 1524552      **FCDL Date:** 07/26/2007

**10. Original FRN:**

<b>11. Category of Service:</b> Internet Access	<b>12. 470 Application Number:</b> 361000000602991
<b>13. SPIN:</b> 143001912	<b>14. Service Provider Name:</b> Illinois Bell Telephone Company
<b>15a. Non-Contracted tariffed/Month to Month Service:</b> Y	<b>15b. Contract Number:</b> MTM
<b>15c. Covered under State Master Contract:</b>	<b>15d. FRN from Previous Year:</b>
<b>16a. Billing Account Number:</b> 312Z8973056521	<b>16b. Multiple Billing Account Numbers?:</b>
<b>17. Allowable Contract Date:</b> 01/03/2007	<b>18. Contract Award Date:</b>
<b>19a. Service Start Date:</b> 07/01/2007	<b>19b. Service End Date:</b> 06/30/2008
<b>20. Contract Expiration Date:</b>	
<b>21. Attachment #:</b> 1ATT	<b>22. Block 4 Entity Number:</b> 68629
<b>23a. Monthly Charges:</b> \$135.39	<b>23b. Ineligible monthly amt.:</b> \$0.00
<b>23c. Eligible monthly amt.:</b> \$135.39	<b>23d. Number of months of service:</b> 12
<b>23e. Annual pre-discount amount for eligible recurring charges ( 23c x 23d):</b> \$1,624.68	
<b>23f. Annual non-recurring (one-time) charges:</b> 0	<b>23g. Ineligible non-recurring amt.:</b> 0
<b>23h. Annual pre-discount amount for eligible non-recurring charges ( 23f - 23g):</b> \$0.00	
<b>23i. Total program year pre-discount amount ( 23e + 23h):</b> \$1,624.68	
<b>23j. % discount (from Block 4):</b> 50	
<b>23k. Funding Commitment Request ( 23i x 23j):</b> \$812.34	

**FRN:** 1524563      **FCDL Date:** 07/26/2007

**10. Original FRN:**

<b>11. Category of Service:</b> Internet Access	<b>12. 470 Application Number:</b> 361000000602991
<b>13. SPIN:</b> 143004791	<b>14. Service Provider Name:</b> Verizon North Inc.
<b>15a. Non-Contracted tariffed/Month to Month Service:</b> Y	<b>15b. Contract Number:</b> MTM
<b>15c. Covered under State Master Contract:</b>	<b>15d. FRN from Previous Year:</b>
<b>16a. Billing Account Number:</b> 123967277832134900	<b>16b. Multiple Billing Account Numbers?:</b>
<b>17. Allowable Contract Date:</b> 01/03/2007	<b>18. Contract Award Date:</b>
<b>19a. Service Start Date:</b> 07/01/2007	<b>19b. Service End Date:</b> 06/30/2008
<b>20. Contract Expiration Date:</b>	
<b>21. Attachment #:</b> 2VERIZON	<b>22. Block 4 Entity Number:</b> 68629
<b>23a. Monthly Charges:</b> \$290.00	<b>23b. Ineligible monthly amt.:</b> \$0.00
<b>23c. Eligible monthly amt.:</b> \$290.00	<b>23d. Number of months of service:</b> 12
<b>23e. Annual pre-discount amount for eligible recurring charges ( 23c x 23d):</b> \$3,480.00	
<b>23f. Annual non-recurring (one-time) charges:</b> 0	<b>23g. Ineligible non-recurring amt.:</b> 0
<b>23h. Annual pre-discount amount for eligible non-recurring charges ( 23f - 23g):</b> \$0.00	
<b>23i. Total program year pre-discount amount ( 23e + 23h):</b> \$3,480.00	
<b>23j. % discount (from Block 4):</b> 50	
<b>23k. Funding Commitment Request ( 23i x 23j):</b> \$1,740.00	

**FRN:** 1531745      **FCDL Date:** 07/26/2007

<b>10. Original FRN:</b>	
<b>11. Category of Service:</b> Internet Access	<b>12. 470 Application Number:</b> 361000000602991
<b>13. SPIN:</b> 143025679	<b>14. Service Provider Name:</b> Net56, Inc.
<b>15a. Non-Contracted tariffed/Month to Month Service:</b>	<b>15b. Contract Number:</b> NET561
<b>15c. Covered under State Master Contract:</b>	<b>15d. FRN from Previous Year:</b>
<b>16a. Billing Account Number:</b> 8156532311	<b>16b. Multiple Billing Account Numbers?:</b>
<b>17. Allowable Contract Date:</b> 01/03/2007	<b>18. Contract Award Date:</b> 01/11/2007
<b>19a. Service Start Date:</b> 07/01/2007	<b>19b. Service End Date:</b>
<b>20. Contract Expiration Date:</b> 06/30/2008	
<b>21. Attachment #:</b> IA-1	<b>22. Block 4 Entity Number:</b> 68629
<b>23a. Monthly Charges:</b> \$1,294.00	<b>23b. Ineligible monthly amt.:</b> \$0.00
<b>23c. Eligible monthly amt.:</b> \$1,294.00	<b>23d. Number of months of service:</b> 12
<b>23e. Annual pre-discount amount for eligible recurring charges ( 23c x 23d):</b> \$15,528.00	
<b>23f. Annual non-recurring (one-time) charges:</b> 0	<b>23g. Ineligible non-recurring amt.:</b> 0
<b>23h. Annual pre-discount amount for eligible non-recurring charges ( 23f - 23g):</b> \$0.00	
<b>23i. Total program year pre-discount amount ( 23e + 23h):</b> \$15,528.00	
<b>23j. % discount (from Block 4):</b> 50	
<b>23k. Funding Commitment Request ( 23i x 23j):</b> \$7,764.00	

<b>FRN:</b> 1531757	<b>FCDL Date:</b> 07/26/2007
<b>10. Original FRN:</b>	
<b>11. Category of Service:</b> Internet Access	<b>12. 470 Application Number:</b> 361000000602991
<b>13. SPIN:</b> 143025679	<b>14. Service Provider Name:</b> Net56, Inc.
<b>15a. Non-Contracted tariffed/Month to Month Service:</b>	<b>15b. Contract Number:</b> NET561
<b>15c. Covered under State Master Contract:</b>	<b>15d. FRN from Previous Year:</b>
<b>16a. Billing Account Number:</b> 8156532311	<b>16b. Multiple Billing Account Numbers?:</b>
<b>17. Allowable Contract Date:</b> 01/03/2007	<b>18. Contract Award Date:</b> 01/11/2007
<b>19a. Service Start Date:</b> 07/01/2007	<b>19b. Service End Date:</b>
<b>20. Contract Expiration Date:</b> 06/30/2008	
<b>21. Attachment #:</b> IA-1	<b>22. Block 4 Entity Number:</b> 68629
<b>23a. Monthly Charges:</b> \$795.00	<b>23b. Ineligible monthly amt.:</b> \$0.00
<b>23c. Eligible monthly amt.:</b> \$795.00	<b>23d. Number of months of service:</b> 12
<b>23e. Annual pre-discount amount for eligible recurring charges ( 23c x 23d):</b> \$9,540.00	
<b>23f. Annual non-recurring (one-time) charges:</b> 0	<b>23g. Ineligible non-recurring amt.:</b> 0
<b>23h. Annual pre-discount amount for eligible non-recurring charges ( 23f - 23g):</b> \$0.00	
<b>23i. Total program year pre-discount amount ( 23e + 23h):</b> \$9,540.00	
<b>23j. % discount (from Block 4):</b> 50	
<b>23k. Funding Commitment Request ( 23i x 23j):</b> \$4,770.00	

<b>FRN:</b> 1531771	<b>FCDL Date:</b> 07/26/2007
<b>10. Original FRN:</b>	
<b>11. Category of Service:</b> Internet Access	<b>12. 470 Application Number:</b> 361000000602991
<b>13. SPIN:</b> 143025679	<b>14. Service Provider Name:</b> Net56, Inc.
<b>15a. Non-Contracted tariffed/Month to Month Service:</b>	<b>15b. Contract Number:</b> NET561
<b>15c. Covered under State Master Contract:</b>	<b>15d. FRN from Previous Year:</b>
<b>16a. Billing Account Number:</b> 8156532311	<b>16b. Multiple Billing Account Numbers?:</b>
<b>17. Allowable Contract Date:</b> 01/03/2007	<b>18. Contract Award Date:</b> 01/11/2007
<b>19a. Service Start Date:</b> 07/01/2007	<b>19b. Service End Date:</b>
<b>20. Contract Expiration Date:</b> 06/30/2008	
<b>21. Attachment #:</b> IA-1	<b>22. Block 4 Entity Number:</b> 68629

<b>23a. Monthly Charges:</b> \$2,500.00	<b>23b. Ineligible monthly amt.:</b> \$0.00
<b>23c. Eligible monthly amt.:</b> \$2,500.00	<b>23d. Number of months of service:</b> 12
<b>23e. Annual pre-discount amount for eligible recurring charges ( 23c x 23d):</b> \$30,000.00	
<b>23f. Annual non-recurring (one-time) charges:</b> 0	<b>23g. Ineligible non-recurring amt.:</b> 0
<b>23h. Annual pre-discount amount for eligible non-recurring charges ( 23f - 23g):</b> \$0.00	
<b>23i. Total program year pre-discount amount ( 23e + 23h):</b> \$30,000.00	
<b>23j. % discount (from Block 4):</b> 50	
<b>23k. Funding Commitment Request ( 23i x 23j):</b> \$15,000.00	

<b>FRN:</b> 1531783 <b>FCDL Date:</b> 07/26/2007	
<b>10. Original FRN:</b>	
<b>11. Category of Service:</b> Internet Access	<b>12. 470 Application Number:</b> 361000000602991
<b>13. SPIN:</b> 143025679	<b>14. Service Provider Name:</b> Net56, Inc.
<b>15a. Non-Contracted tariffed/Month to Month Service:</b>	<b>15b. Contract Number:</b> NET561
<b>15c. Covered under State Master Contract:</b>	<b>15d. FRN from Previous Year:</b>
<b>16a. Billing Account Number:</b> 8156532311	<b>16b. Multiple Billing Account Numbers?:</b>
<b>17. Allowable Contract Date:</b> 01/03/2007	<b>18. Contract Award Date:</b> 01/11/2007
<b>19a. Service Start Date:</b> 07/01/2007	<b>19b. Service End Date:</b>
<b>20. Contract Expiration Date:</b> 06/30/2008	
<b>21. Attachment #:</b> IA-1	<b>22. Block 4 Entity Number:</b> 68629
<b>23a. Monthly Charges:</b> \$2,500.00	<b>23b. Ineligible monthly amt.:</b> \$0.00
<b>23c. Eligible monthly amt.:</b> \$2,500.00	<b>23d. Number of months of service:</b> 12
<b>23e. Annual pre-discount amount for eligible recurring charges ( 23c x 23d):</b> \$30,000.00	
<b>23f. Annual non-recurring (one-time) charges:</b> 0	<b>23g. Ineligible non-recurring amt.:</b> 0
<b>23h. Annual pre-discount amount for eligible non-recurring charges ( 23f - 23g):</b> \$0.00	
<b>23i. Total program year pre-discount amount ( 23e + 23h):</b> \$30,000.00	
<b>23j. % discount (from Block 4):</b> 50	
<b>23k. Funding Commitment Request ( 23i x 23j):</b> \$15,000.00	

<b>FRN:</b> 1531795 <b>FCDL Date:</b> 07/26/2007	
<b>10. Original FRN:</b>	
<b>11. Category of Service:</b> Internet Access	<b>12. 470 Application Number:</b> 361000000602991
<b>13. SPIN:</b> 143025679	<b>14. Service Provider Name:</b> Net56, Inc.
<b>15a. Non-Contracted tariffed/Month to Month Service:</b>	<b>15b. Contract Number:</b> NET561
<b>15c. Covered under State Master Contract:</b>	<b>15d. FRN from Previous Year:</b>
<b>16a. Billing Account Number:</b> 8156532311	<b>16b. Multiple Billing Account Numbers?:</b>
<b>17. Allowable Contract Date:</b> 01/03/2007	<b>18. Contract Award Date:</b> 01/11/2007
<b>19a. Service Start Date:</b> 07/01/2007	<b>19b. Service End Date:</b>
<b>20. Contract Expiration Date:</b> 06/30/2008	
<b>21. Attachment #:</b> IA-1	<b>22. Block 4 Entity Number:</b> 68629
<b>23a. Monthly Charges:</b> \$2,500.00	<b>23b. Ineligible monthly amt.:</b> \$0.00
<b>23c. Eligible monthly amt.:</b> \$2,500.00	<b>23d. Number of months of service:</b> 12
<b>23e. Annual pre-discount amount for eligible recurring charges ( 23c x 23d):</b> \$30,000.00	
<b>23f. Annual non-recurring (one-time) charges:</b> 0	<b>23g. Ineligible non-recurring amt.:</b> 0
<b>23h. Annual pre-discount amount for eligible non-recurring charges ( 23f - 23g):</b> \$0.00	
<b>23i. Total program year pre-discount amount ( 23e + 23h):</b> \$30,000.00	
<b>23j. % discount (from Block 4):</b> 50	
<b>23k. Funding Commitment Request ( 23i x 23j):</b> \$15,000.00	

### Block 6: Certifications and Signature

**Application ID:552545**

Do not write in this area.

<b>Entity Number</b>	<u>135349</u>	<b>Applicant's Form Identifier</b>	<u>D36F47107-2</u>
<b>Contact Person</b>	<u>Shirley Peterson</u>	<b>Phone Number</b>	<u>815-653-2311</u>

### 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)
- 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).

<b>a.</b>	Total funding year pre-discount amount on this Form 471 (Add the entities from Item 23l on all Block 5 Discount Funding Requests.)	\$122,868.60
<b>b.</b>	Total funding commitment request amount on this Form 471 (Add the entities from Items 23K on all Block 5 Discount Funding Requests.)	\$61,434.30
<b>c.</b>	Total applicant non-discount share (Subtract Item 25b from Item 25a.)	\$61,434.30
<b>d.</b>	Total budgeted amount allocated to resources not eligible for E-rate support	\$0.00
<b>e.</b>	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.)	\$61,434.30
<b>f.</b>	<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 1/22/2007

**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.

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**

[<< Previous](#)

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# **EXHIBIT D**

**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**

<b>Form 470 Application Number: 36100000602991</b>		
<b>Applicant's Form Identifier: D36Y10f470REV</b>		
<b>Application Status: CERTIFIED</b>		
<b>Posting Date: 12/06/2006</b>		
<b>Allowable Contract Date: 01/03/2007</b>		
<b>Certification Received Date: 12/12/2006</b>		
<b>1. Name of Applicant:</b> <b>HARRISON SCHOOL DISTRICT 36</b>		
<b>2. Funding Year:</b> <b>07/01/2007 - 06/30/2008</b>	<b>3. Your Entity Number</b> <b>135349</b>	
<b>4a. Applicant's Street Address, P.O.Box, or Route Number</b> <b>6809 MCCULLOM LAKE RD</b>		
<b>City</b> <b>WONDER LAKE</b>	<b>State</b> <b>IL</b>	<b>Zip Code</b> <b>60097 - 9546</b>
<b>b. Telephone number</b> <b>(815) 653- 2311</b>	<b>ext.</b>	<b>c. Fax number</b> <b>(815) 653- 1712</b>
<b>5. Type Of Applicant</b>		
<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)		
<b>6a. Contact Person's Name: Shirley Peterson</b>		
<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>		
<b>6b. Street Address, P.O.Box, or Route Number</b> <b>6809 MCCULLOM LAKE RD</b>		
<b>City</b> <b>WONDER LAKE</b>	<b>State</b> <b>IL</b>	<b>Zip Code</b> <b>60097 - 9546</b>
<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>		
<input type="radio"/> <b>6c. Telephone Number (815) 653- 2311</b>		
<input type="radio"/>		

<b>6d. Fax Number</b>	<b>(815) 653- 1712</b>
<b>6e. E-mail Address</b>	<b>speterson@harrisonschooldistrict.org</b>
<b>Block 2: Summary Description of Needs or Services Requested</b>	
<b>7 This Form 470 describes (check all that apply):</b>	
<p><b>a.</b> <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>b.</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 <input type="checkbox"/> a multi-year contract <input type="checkbox"/> a contract featuring voluntary  seeking and/or extensions</p>	
<p><b>c.</b> <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><b>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.</b></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](http://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 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](http://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="radio"/> <b>Check this box if you prefer discounts on your bill.</b>	<input type="radio"/> <b>Check this box if you prefer reimbursement after paying your bill in full.</b>	<input type="radio"/> <b>Check this box if you do not have a preference.</b>
--	---	--

Service or Function:	Quantity and/or Capacity:
<a href="#">local and long distance voice services</a>	<a href="#">3 lines/ 15 extensions</a>
<a href="#">dedicated internet access</a>	<a href="#">1 - T-1(1.544mb)</a>
<a href="#">cellular phones</a>	<a href="#">3 lines</a>
<a href="#">E911/Alarm Lines</a>	<a href="#">2 lines</a>

**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 an RFP, you risk denial of your funding requests.*

<p><b>a</b> <input type="radio"/> <b>YES</b>, 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):</p> <p><input type="checkbox"/> the Contact Person in Item 6 or <input type="checkbox"/> the contact listed in Item 12.</p>		
<p><b>b</b> <input checked="" type="radio"/> <b>NO</b>, I have not released and do not intend to release an RFP for these services.</p>		
<p><b>Whether you check YES or NO</b>, 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 <a href="http://www.sl.universalservice.org">www.sl.universalservice.org</a> for examples of eligible Internet Access services. Attach additional lines if needed.</p>		
<p><b>c</b> <input checked="" type="radio"/> <b>Check this box if you prefer discounts on your bill.</b></p>	<p><input type="radio"/> <b>Check this box if you prefer reimbursement after paying your bill in full.</b></p>	<p><input type="radio"/> <b>Check this box if you do not have a preference.</b></p>
<b>Service or Function:</b>		<b>Quantity and/or Capacity:</b>
Internet access		1 - T-1(1 building/50 computers at 1.5Mb or greater
Email/Web hosting Services		54 Users/1Gb
Wide Area Network		1 building/33 classrooms/50 computers
Firewall Service		1 building/33 classrooms/50 computers
<p><b>10</b> <input checked="" type="checkbox"/> <b>Internal Connections Other than Basic Maintenance</b>  <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><b>a</b> <input type="radio"/> <b>YES</b>, 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):</p> <p><input type="checkbox"/> the Contact Person in Item 6 or <input type="checkbox"/> the contact listed in Item 12.</p>		
<p><b>b</b> <input checked="" type="radio"/> <b>NO</b>, I have not released and do not intend to release an RFP for these services.</p>		
<p><b>Whether you check YES or NO</b>, 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 <a href="http://www.sl.universalservice.org">www.sl.universalservice.org</a> for examples of eligible Internal Connections services. Attach additional lines if needed.</p>		
<p><b>c</b> <input checked="" type="radio"/> <b>Check this box if you prefer discounts on your bill.</b></p>	<p><input type="radio"/> <b>Check this box if you prefer reimbursement after paying your bill in full.</b></p>	<p><input type="radio"/> <b>Check this box if you do not have a preference.</b></p>
<b>Service or Function:</b>		<b>Quantity and/or Capacity:</b>
LAN/WAN upgrades		1 building/33 rooms/50 computers
<p><b>11</b> <input checked="" type="checkbox"/> <b>Basic Maintenance of Internal Connections</b>  <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><b>a</b> <input type="radio"/> <b>YES</b>, 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):</p> <p><input type="checkbox"/> the Contact Person in Item 6 or <input type="checkbox"/> the contact listed in Item 12.</p>		
<p><b>b</b> <input checked="" type="radio"/> <b>NO</b>, I have not released and do not intend to release an RFP for these services.</p>		
<p><b>Whether you check YES or NO</b>, 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 <a href="http://www.sl.universalservice.org">www.sl.universalservice.org</a> for examples of eligible Basic Maintenance services. Attach additional lines if needed.</p>		
<p><b>c</b> <input checked="" type="radio"/> <b>Check this box if you prefer discounts on your bill.</b></p>	<p><input type="radio"/> <b>Check this box if you prefer reimbursement after paying your bill in full.</b></p>	<p><input type="radio"/> <b>Check this box if you do not have a preference.</b></p>

<b>Service or Function:</b>	<b>Quantity and/or Capacity:</b>
LAN/WAN maintenance	1 building/33 rooms/50 computers
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:	Title:
Telephone number 0 -	
Fax number 0 -	
E-mail Address	
13a. <input type="checkbox"/> 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 provide a Web address where they are posted and a contact name and telephone number.	
<input type="checkbox"/> 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 Assessment

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 one or both boxes in 15a through 15e. You may provide details for purchases being sought.

a. Desktop communications 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 ineligible 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:**

<b>Number of eligible entities</b>	<b>1</b>
<i>For these eligible sites, please provide the following</i>	
<b>Area Codes (list each unique area code)</b>	<b>Prefixes associated with each area code (first 3 digits of phone number) separate with commas, leave no spaces</b>
<b>815</b>	

**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 Number	Entity
135349	HARRISON SCHOOL DISTRICT 36

**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**

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 statute 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): **12/07/2006**

29. Printed name of authorized person: **D. WILLIAM DODDS**

**30. Title or position of authorized person: SUPERINTENDENT**

**31a. Address of authorized person: 6809 MCCULLOM LAKE RD**

**City: WONDER LAKE State: IL Zip: 60097-9546**

**31b. Telephone number of authorized person: (815) 653 - 2311**

**31c. Fax number of authorized person: (815) 6531712**

**31d. E-mail address number of authorized person:**

**DWDODDS@HARRISONSCHOOLDISTRICT.ORG**

**31e. Name of authorized person's employer: HARRISON SCHOOL DISTRICT 36**

**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](http://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. Â§ 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. Â§ 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. Â§ 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. Â§ 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. Â§ 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

# **EXHIBIT E**

# Harrison School District 36 Internet Access Quote



Harrison School District 36 selects Net56, Inc (SPIN# 14302679) as vendor of choice to provide the District the outlined services below for School Year beginning July 1, 2007, Ending June 30, 2008. The below agreed upon services are subject to final School Board and budget approval.

*Bruce Koch*  
 Bruce Koch  
 President  
 Net56, Inc.  
 1/10/2007

*Dr. D. William Dodds*  
 Dr. D. William Dodds  
 SUPERINTENDENT  
 Harrison School District 36  
 1/10/2007

Number of Buildings	Number of Class Rooms	Number of Computers
1	33	50

## Internet Access

### Internet Access Monthly Fee (1 Buildings/33 Classrooms/ 50 Computers)

Includes: 3 MB Curt between NET56 & Harrison School District 36 w/ Guarantee 3 MB Internet access.

\$ 1,424.00	Monthly Fee
\$ 1,424.00	Amount E-Ratable
\$ (712.00)	Erate @
	50.00%

## WAN Service for Internet Access

### WAN Services (1 Buildings/33 Classrooms/ 50 Computers)

Includes: 1Cisco 2800 series layer 3, Gb Routers for 1building; 1 DNS/DHCP Servers for 1 building

\$ 795.00	Monthly Fee
\$ 795.00	Amount E-Ratable
\$ (397.50)	Erate @
	50.00%

## Firewall

### Firewall Monthly Fee (1 Buildings/33 Classrooms/50 Computers)

Includes: Cisco Firewall Service for total district.

\$ 2,500.00	Monthly Fee
\$ 2,500.00	Amount E-Ratable
\$ (1,250.00)	Erate @
	50.00%

## Web Hosting Fee

### Portal and Hosting Fee (2 Web Servers: 1 Secure zoned server and 1DMZ zoned server.)

\$ 2,500.00	Monthly Fee
\$ 2,500.00	Amount E-Ratable
\$ (1,250.00)	Erate @
	50.00%

## Email Local and Web

### Email Service (2 Email Servers: 1 Secure zoned server and 1DMZ zoned server.)

\$ 2,500.00	Monthly Fee
\$ 2,500.00	Amount E-Ratable
\$ (1,250.00)	Erate @
	50.00%

Monthly Non Discounted Service Fee	USAC Monthly E-Rate Discount	District Monthly Contracted Fee
\$ 9,719.00	\$ 4,859.50	\$ 4,859.50

# **EXHIBIT F**



**REVISED FUNDING COMMITMENT DECISION LETTER**  
(Funding Year 2007: 07/01/2007 - 06/30/2008)

December 4, 2007

Quin Kowalski  
Net56, Inc  
1266 West Northwest Hwy  
Suite 740  
Palatine, IL 60067

**SPIN: 143025679**

This letter is your notification that your appeal has been resolved and your official decision(s) regarding the appealed funding request decision(s) that featured your company's Service Provider Identification Number (SPIN).

The Funding Commitment Report (report) that follows this Revised FCDL contains a list of items that were included in your original FCDL. An explanation of the items in the attached report is included in the sample applicant FCDL posted to the SLD section of the USAC web site, and was included in your original FCDL. The report attached to this letter may have been updated. Use this updated information when completing FCC Form 474 or certifying FCC Forms 472. Your customer(s) should use this information when completing and certifying FCC Forms 486 and 472.

This same information is being sent to your customer(s). We urge you to contact your customer(s) to make any necessary arrangements regarding delivery of service and provision of discounts.

**IMPLEMENTATION TIMEFRAME:**

On June 29, 2001, the Federal Communications Commission (FCC) released an Order extending the implementation period for non-recurring services. Any non-recurring service for which funds are committed in this letter may be delivered and installed up to September 30, 2008, not including extensions. Support for recurring services, however, is available only for services provided during the period of July 01, 2007 through June 30, 2008.

If Forms 486 have not already been submitted for these services provided by this service provider as identified by the SPIN in the attached Funding Report, Forms 486, must be received or postmarked no later than 120 days after the Service Start Date or 120 days after the date of an FCDL that approves funding, whichever is later to receive discounts retroactively to the Service Start Date. If any funding was approved in the original FCDL and any services were provided by the service provider whose SPIN was referenced in the original Funding Report, the deadlines described above are calculated based on the original FCDL. If these services are approved as a result of a SPIN Correction, a new Form 486 will be required to allow invoicing for such services. Invoices for these services must be received or postmarked within 120 days of the date of the Form 486 Notification Letter or within 120 days of the last date to receive service, whichever is later. Work closely with your customers to ensure that Forms 486 and invoice forms are completed in a timely manner.

**NEXT STEPS**

File your FCC Form 473, Service Provider Annual Certification Form, for this funding year, if you have not already done so, to complete the procedure for submitting invoice forms. Form 473 must be completed each funding year by each service provider, for each separate SPIN, to confirm that the invoice forms

submitted by each service provider are in compliance with the FCC's rules governing the Schools and Libraries Universal Service Support Mechanism.

USAC needs to have current, complete and accurate contact and address information in order to properly make payments to service providers. The FCC Form 498, Service Provider Information Form, is the official form to use to submit or update this information. Please ensure that the information on our web site is accurate, and file the Form 498 if an update is needed.

NON-RECURRING SERVICES: Contract Expiration Date(s) featured on the FCC Form 471 may have passed. The attached report includes the Contract Expiration Dates from the Form 471, if provided, for each FRN. FCC rules grant a limited extension for contracts for non-recurring services. "[C]ontracts for nonrecurring services may be voluntarily extended to coincide with the appropriate deadline for the implementation [of delivery and installation for nonrecurring services]. Parties may not, however, extend other contractual provisions beyond the dates established by the Commission's rules without complying with the competitive bidding process." [FCC 01-195, released June 29, 2001] In other words, if an applicant is granted an extension of time for delivery and installation of non-recurring services, the applicant may extend the relevant contract without rebidding. If this is true for your customer, you should first negotiate a contract extension. Your customer must then file an FCC Form 500, Adjustment to Funding Commitment and Modification to Receipt of Service Confirmation Form to notify the SLD of the new Contract Expiration Date. After Form 500 has been submitted by your customer and successfully data entered, they can file the Form 486 with the SLD and you can begin invoicing the SLD for approved services.

#### TO APPEAL THIS DECISION:

If you wish to appeal a decision in this letter, your appeal must be received by the SLD 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) e-mail 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 decision letter and the decision you are appealing:
  - appellant name,
  - applicant or service provider name, if different than appellant,
  - applicant BEN and service provider SPIN,
  - application number as assigned by USAC,
  - name of the letter and funding year - both are located at the top of the letter, 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 an applicant, please provide a copy of your appeal to the service provider(s) affected by the SLD's decision. If you are a service provider, please provide a copy of your appeal to the applicant affected by the SLD's decision.
5. Provide an authorized signature on your letter of appeal.

To submit your appeal to the SLD by e-mail, use the "Submit a Question" feature on the web site at [www.sl.universalservice.org](http://www.sl.universalservice.org). Click "Continue," choose "Appeals" from the Topics Inquiry on the lower portion of your screen, and click "Go" to begin your appeal submission. The system will prompt you through the process. The SLD will automatically reply to incoming e-mails to confirm receipt.

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

To submit your appeal to the SLD on paper, send your appeal to:

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

While we encourage you to resolve your appeal with the SLD first, you have the option of

filing an appeal directly with the Federal Communications Commission (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 web site. 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.

#### 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 Universal Service Support Mechanism. 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. The SLD 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 the SLD, the applicant, or the service provider. The SLD, and other appropriate authorities (including but not limited to USAC and 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  
Service Provider Name: Net56, Inc  
SPIN: 143025679

Name of Billed Entity: HARRISON SCHOOL DISTRICT 36  
Billed Entity Address: 6809 MCCULLOM LAKE RD  
Billed Entity City: WONDER LAKE  
Billed Entity State: IL  
Billed Entity Zip: 60097-9546  
Billed Entity Number: 135349  
Name of Contact Person: Shirley Peterson  
Preferred Mode of Contact: PHONE  
Contact Information: (815) 653-2311  
Form 471 Application Number: 552545  
Funding Request Number: 1531745  
Funding Status: Funded  
Category Of Service: INTERNET ACCESS  
Form 470 Application Number: 361000000602991  
Contract Number: NET561  
Billing Account Number: 8156532311  
Service Start Date: 07/01/2007  
Contract Expiration Date: 06/30/2008  
Number of Months Recurring Service Provided in Funding Year: 12  
Annual Pre-Discount Amount for Eligible Recurring Charges: \$15,528.00  
Annual Pre-Discount Amount for Eligible Non-Recurring Charges: \$.00  
Pre-Discount Amount: \$15,528.00  
Applicant's Discount Percentage Approved by SLD: 50%  
Funding Commitment Decision: \$7,764.00 - ERN approved as submitted  
Applicant Revised FCDL Letter Date: 12/04/2007  
Appeal Wave Number: A02

FUNDING COMMITMENT REPORT  
Service Provider Name: Net56, Inc  
SPIN: 143025679

Name of Billed Entity: HARRISON SCHOOL DISTRICT 36  
Billed Entity Address: 6809 MCCULLOM LAKE RD  
Billed Entity City: WONDER LAKE  
Billed Entity State: IL  
Billed Entity Zip: 60097-9546  
Billed Entity Number: 135349  
Name of Contact Person: Shirley Peterson  
Preferred Mode of Contact: PHONE  
Contact Information: (815) 653-2311  
Form 471 Application Number: 552545  
Funding Request Number: 1531757  
Funding Status: Funded  
Category Of Service: INTERNET ACCESS  
Form 470 Application Number: 361000000602991  
Contract Number: NET561  
Billing Account Number: 8156532311  
Service Start Date: 07/01/2007  
Contract Expiration Date: 06/30/2008  
Number of Months Recurring Service Provided in Funding Year: 12  
Annual Pre-Discount Amount for Eligible Recurring Charges: \$9,540.00  
Annual Pre-Discount Amount for Eligible Non-Recurring Charges: \$.00  
Pre-Discount Amount: \$9,540.00  
Applicant's Discount Percentage Approved by SLD: 50%  
Funding Commitment Decision: \$4,770.00 - ERN approved as submitted  
Applicant Revised FCDL Letter Date: 12/04/2007  
Appeal Wave Number: A02

FUNDING COMMITMENT REPORT  
Service Provider Name: Net56, Inc  
SPIN: 143025679

Name of Billed Entity: HARRISON SCHOOL DISTRICT 36  
Billed Entity Address: 6809 MCCULLOM LAKE RD  
Billed Entity City: WONDER LAKE  
Billed Entity State: IL  
Billed Entity Zip: 60097-9546  
Billed Entity Number: 135349  
Name of Contact Person: Shirley Peterson  
Preferred Mode of Contact: PHONE  
Contact Information: (815) 653-2311  
Form 471 Application Number: 552545  
Funding Request Number: 1531771  
Funding Status: Funded  
Category Of Service: INTERNET ACCESS  
Form 470 Application Number: 361000000602991  
Contract Number: NET561  
Billing Account Number: 8156532311  
Service Start Date: 07/01/2007  
Contract Expiration Date: 06/30/2008  
Number of Months Recurring Service Provided in Funding Year: 12  
Annual Pre-Discount Amount for Eligible Recurring Charges: \$30,000.00  
Annual Pre-Discount Amount for Eligible Non-Recurring Charges: \$.00  
Pre-Discount Amount: \$30,000.00  
Applicant's Discount Percentage Approved by SLD: 50%  
Funding Commitment Decision: \$15,000.00 - ERN approved as submitted  
  
Applicant Revised FCDL Letter Date: 12/04/2007  
Appeal Wave Number: A02

FUNDING COMMITMENT REPORT  
Service Provider Name: Net56, Inc  
SPIN: 143025679

Name of Billed Entity: HARRISON SCHOOL DISTRICT 36  
Billed Entity Address: 6809 MCCULLOM LAKE RD  
Billed Entity City: WONDER LAKE  
Billed Entity State: IL  
Billed Entity Zip: 60097-9546  
Billed Entity Number: 135349  
Name of Contact Person: Shirley Peterson  
Preferred Mode of Contact: PHONE  
Contact Information: (815) 653-2311  
Form 471 Application Number: 552545  
Funding Request Number: 1531783  
Funding Status: Funded  
Category Of Service: INTERNET ACCESS  
Form 470 Application Number: 361000000602991  
Contract Number: NET561  
Billing Account Number: 8156532311  
Service Start Date: 07/01/2007  
Contract Expiration Date: 06/30/2008  
Number of Months Recurring Service Provided in Funding Year: 12  
Annual Pre-Discount Amount for Eligible Recurring Charges: \$30,000.00  
Annual Pre-Discount Amount for Eligible Non-Recurring Charges: \$.00  
Pre-Discount Amount: \$30,000.00  
Applicant's Discount Percentage Approved by SLD: 50%  
Funding Commitment Decision: \$15,000.00 - FRN approved as submitted  
Applicant Revised FCDL Letter Date: 12/04/2007  
Appeal Wave Number: A02

RECEIVED DEC - 7

FUNDING COMMITMENT REPORT  
Service Provider Name: Net56, Inc  
SPIN: 143025679

Name of Billed Entity: HARRISON SCHOOL DISTRICT 36  
Billed Entity Address: 6809 MCCULLOM LAKE RD  
Billed Entity City: WONDER LAKE  
Billed Entity State: IL  
Billed Entity Zip: 60097-9546  
Billed Entity Number: 135349  
Name of Contact Person: Shirley Peterson  
Preferred Mode of Contact: PHONE  
Contact Information: (815) 653-2311  
Form 471 Application Number: 552545  
Funding Request Number: 1531795  
Funding Status: Funded  
Category Of Service: INTERNET ACCESS  
Form 470 Application Number: 361000000602991  
Contract Number: NET561  
Billing Account Number: 8156532311  
Service Start Date: 07/01/2007  
Contract Expiration Date: 06/30/2008  
Number of Months Recurring Service Provided in Funding Year: 12  
Annual Pre-Discount Amount for Eligible Recurring Charges: \$30,000.00  
Annual Pre-Discount Amount for Eligible Non-Recurring Charges: \$.00  
Pre-Discount Amount: \$30,000.00  
Applicant's Discount Percentage Approved by SLD: 50%  
Funding Commitment Decision: \$15,000.00 - ERN approved as submitted  
  
Applicant Revised FCDL Letter Date: 12/04/2007  
Appeal Wave Number: A02

# **EXHIBIT G**



Dear Harrison Elementary School District No. 36,

The District has advised Net56 that it will submit \$6,306.90 per month in payments for Net56 services through a leasing company, American Capital. As of July 1, 2007, subject to any subsequent change in services, Net56 will apply this payment as follows:

District's Share of E-Rate Eligible Services (see below for detail):	\$4,859.50
Other non E-rate services:	\$1,577.40
Paid Monthly from American Capital:	(\$6,306.90)
Balance to be Invoiced Monthly by Net56 to District:	\$0.00

Detailed Allocation of E-Rate Eligible Services:

E-rate Eligible Service	Total Monthly Price	Discount Amount to be billed to USAC by Net56	District's Monthly Share Paid from District's Lease Payment
Internet Access	\$1,294.00	\$647.00	\$647.00
WAN Services for Internet Access	\$795.00	\$397.50	\$397.50
Firewall Service	\$2,500.00	\$1,250.00	\$1,250.00
Email Service	\$2,500.00	\$1,250.00	\$1,250.00
Web Hosting Service	\$2,500.00	\$1,250.00	\$1,250.00

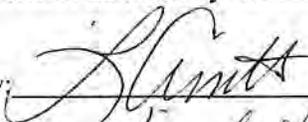
If you have any questions, please let us know.

Very Truly Yours,

Net56, Inc

Acknowledged and Agreed to:

Harrison Elementary School District No. 36

By: 

Print Name: Linda Amettis

Title: Harrison District 36 Board President