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March 26, 2012

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VIA ELECTRONIC FILING

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Room TW-A325
Washington, DC 20554

ATT: Telecommunications Access Policy Division

Re: Petition for Reconsideration
Requests for Waiver and Review of Decisions of the Universal Service Administrator by Charlton County School System, Folkston, Georgia, *et al*., File Nos. SLD-498690, *et al*.; DA 12-260, CC Docket No. 02-6

Dear Ms. Dortch:

On behalf of Trillion Partners, Inc. ("Trillion"), enclosed please find a Petition for Reconsideration of the Telecommunications Access Policy Division's order, DA 12-260, released on February 23, 2012 denying the appeal of E-Rate applications filed by Bloomfield School District.

Should you have any questions or concerns, please contact the undersigned.

Respectfully submitted,

/s/ Henry M. Rivera
Henry M. Rivera
Counsel to Trillion Partners, Inc.

Attachments

cc: Trent Harkrader
Gina Spade

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	
Requests for Review of	)	
Decisions of the	)	
Universal Service Administrator by	)	
	)	
Charlton County School System	)	File Nos. SLD-498690,
Folkston, Georgia, *et al*.	)	545994, 600085, 656519,
	)	693027, 739004
Schools and Libraries Universal Service	)	
Support Mechanism	)	CC Docket No. 02-6

PETITION FOR RECONSIDERATION

Trillion Partners, Inc. (hereinafter "Trillion"), through counsel and pursuant to Section 1.106 of the Federal Communications Commission's ("FCC" or "Commission") rules,[1] hereby petitions the Telecommunications Access Policy Division ("Division") of the Commission's Wireline Competition Bureau for reconsideration of the above-captioned Order denying appeals filed by Trillion of applications filed by Bloomfield School District ("District").[2]

I. BACKGROUND

On October 12, 2010, the Universal Service Administrative Company ("USAC") issued a Funding Commitment Decision Letter ("FCDL") denying the District's E-Rate

[1] 47 C.F.R. § 1.106.

[2] *Requests for Waiver and Review of Decisions of the Universal Service Administrator by Charlton County School System, Folkston, Georgia, et al., File Nos. SLD-658765, et al.; Schools and Libraries Universal Service Support Mechanism, CC Docket No. 02-6*, DA 12-260, Order (Telecommunications Access Policy Division, rel. Feb. 23, 2012) ("*Order*").

applications for funding year 2010.[3] On October 20, 2010, USAC issued FCDLs denying the District's E-Rate applications for funding years 2008 and 2009 (for funding year 2009, the FCDL denied funding for Internet Access service only).[4] On October 21, 2010, USAC issued Notification of Commitment Adjustment Letters ("COMADs") rescinding committed funds for the District's applications for funding years 2006 and 2007.[5] On December 22, 2010, USAC issued a FCDL denying the District's application for E-Rate funding for Telecommunications Services for funding year 2009.[6]

The 2006 and 2007 COMAD letters state that the funding requests were rescinded because the District was "offered and accepted gifts, meals, gratuities, or entertainment from the service provider." The 2008, 2009 and 2010 FCDLs state that the applications were denied because the District was "offered and accepted gifts, meals, gratuities, or entertainment from the service provider" and because the District allegedly engaged in "numerous meetings, e-mail discussions, and/or verbal discussions with Trillion employees prior to the posting of the Form 470 and throughout the competitive bidding process which tainted the competitive bidding process."

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[3] *See* Funding Commitment Reports from USAC, Schools and Libraries Division (dated Oct. 12, 2010) (regarding FY2010 FCC Form 471 application 739004, FRNs 2033024 and 1996413) (Attached as Exhibit A).

[4] *See* Funding Commitment Reports from USAC, Schools and Libraries Division (dated Oct. 20, 2010) (regarding FY2008 FCC Form 471 application 600085, FRNs 1655134 and 1655119) (Attached as Exhibit B); Funding Commitment Report from USAC, Schools and Libraries Division (dated Oct. 20, 2010) (regarding FY2009 FCC Form 471 application 693027, FRN 1901285) (Attached as Exhibit C).

[5] *See* Notification of Commitment Adjustment Letter from USAC, Schools and Libraries Division, to Virginia Bryant, Trillion Partners, Inc. (dated Oct. 21, 2010) (regarding funding year 2006, FCC Form 471 application 498690, FRNs 1438436 and 1438482) (Attached as Exhibit D); Notification of Commitment Adjustment Letter from USAC, Schools and Libraries Division, to Matthew Hetman, Bloomfield School District (dated Oct. 21, 2010) (regarding funding year 2007, FCC Form 471 application 545994, FRNs 1508051 and 1508056) (Attached as Exhibit E).

[6] *See* Funding Commitment Decision Letter from USAC, Schools and Libraries Division (dated Dec. 22, 2010) (regarding FY2009 FCC Form 471 application 656519, FRN 1797099) (Attached as Exhibit F).

On December 13, 2010 and February 2, 2011, Trillion filed with the Commission appeals of USAC's decisions denying the District's applications and rescinding funding commitments for funding years 2006 through 2010.[7]

On February 23, 2012, the Division issued a two-paragraph *Order* denying the appeals filed by Trillion.[8] As demonstrated below, the *Order* erred in concluding that there was a violation of the Commission's rules.

II. The Division Fails to Provide a Reasoned Analysis for its Decision.

It is well established that "[a]n agency is required to make its decision 'based on a consideration of the relevant factors.'"[9] The *Order*, however, fails to explain why the appeals were denied. The *Order* merely states that, "Based on our review of the record, we find that petitioners violated the Commission's competitive bidding requirements" and that such denial is "consistent with precedent."[10] Other than this reference to the "record," there is no actual discussion of the record, the arguments and evidence presented by Trillion, or why those arguments and evidence were found not to be persuasive. In addition, the facts in the cases cited by the Commission as precedent are inapposite to the facts in this case. In a footnote, the *Order* indicates that although USAC denied the District's funding requests due to the receipt of gifts, the applicants "violated

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[7] Letter from Trillion Partners, Inc. to the Federal Communications Commission, Telecommunications Access Policy Division, CC Docket No. 02-6 (dated December 13, 2010); Letter from Trillion Partners, Inc. to the Federal Communications Commission, Telecommunications Access Policy Division, CC Docket No. 02-6 (dated Feb. 2, 2011) (collectively referred to as "*Trillion Appeals*"). In addition, Trillion had previously filed with the Commission a Master Appeal addressing the denial of applications and rescission of funding commitments by USAC of many of Trillion's customers, including the District. *See* Letter from Trillion Partners, Inc., to Federal Communications Commission, CC Docket No. 02-6 (filed Nov. 3, 2010).

[8] *Order*, ¶ 1.

[9] *Natural Res. Def. Council, Inc. v. EPA*, 790 F.2d 289, 297 (3d Cir. 1986) (quoting *Bowman Transp., Inc. v. Arkansas-Best Freight Sys., Inc.*, 419 U.S. 281, 285 (1974)).

[10] *Order*, ¶ 1.

the Commission's competitive bidding violations [sic] by engaging in improper communications with their service provider."[11] Because the *Order* contains no discussion of the communications between the District and Trillion and why those communications were improper, the *Order* fails to articulate any connection, much less a rational connection, between the communications and the conclusion that there was a violation of the Commission's rules.[12] Indeed, the courts have held that failure to respond to the arguments presented by a petitioner or to provide a "reasoned analysis" of the factors it considered in making its decision renders an agency's decision arbitrary and capricious.[13] Given the lack of reasoned analysis in the *Order*, Trillion is at a loss to understand the basis for the denial of the appeals.

The precedent cited in the *Order* stands for the following principles: (i) there must be a fair and open competitive bidding process; (ii) all potential bidders must have access to the same information and be treated in the same manner throughout the procurement process; and (iii) service provider participation may suppress fair and open competitive bidding. Absent further guidance as to the reason for the denial, Trillion submits this

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[11] *Order*, ¶ 1, n.1.

[12] *See Latino Issues Forum v. EPA*, 558 F.3d 936, 941 (9th Cir. 2009) (stating that the general standard of review for agency actions set forth in the Administrative Procedure Act requires an agency to articulate a rational connection between the facts found and the choice made); *Friends of Yosemite Valley v. Kempthorne*, 520 F.3d 1024, 1032 (9th Cir. 2008) ("[C]ourts must carefully review the record to ensure that agency decisions are founded on a reasoned evaluation of the relevant factors…") (citing *Friends of Yosemite Valley v. Norton*, 348 F.3d 789, 793 (9th Cir. 2003); *Environmental Def. Ctr., Inc. v. EPA*, 344 F.3d 832, 858 n.36 (9th Cir. 2003), *cert. denied*, 541 U.S. 1085 (2004) ("[t]he agency must articulate a rational connection between the facts found and the conclusions made.") (citation omitted).

[13] *Motor Vehicle Mfg. Ass'n v. State Farm Mut. Auto Ins. Co.*, 463 U.S. 29, 57 (1983); *see also id.* at 43, 50-51 (failure to respond to commenters' arguments renders agency decision arbitrary and capricious); *Darrell Andrews Trucking, Inc. v. Fed. Motor Carrier Safety Admin.*, 296 F.3d 1120, 1134-35 (D.C. Cir. 2002) ("substantial" argument "requires an answer from the agency"); *Iowa v. FCC*, 218 F.3d 756, 759 (D.C. Cir. 2000) ("[T]he Commission's failure to address [commenters'] arguments requires that [the Court] remand this matter for the Commission's further consideration."); *NAACP v. FCC*, 682 F.2d 993, 997-98 (D.C. Cir. 1982) (FCC must respond to "significant comments made in the . . . proceeding") (citing *Ala. Power Co. v. Costle*, 636 F.2d 323, 384-85 (D.C. Cir. 1979)).

petition demonstrating that the competitive bid process used by the District was open and fair and its integrity was unharmed by the allegedly impermissible participation by Trillion.

III. The Communications between Trillion and the District Did Not Violate the Commission's Rules.

Neither the FCDLs nor the COMADs specify the facts upon which USAC relied in its decisions to deny the applications and rescind the previously granted applications. Furthermore, as previously noted, the *Order* fails to specify the facts upon which it relied to uphold USAC's decisions. Therefore, Trillion can only assume that USAC's and the Commission's decisions were based on allegations raised in a USAC intent to deny letter dated August 26, 2010 ("Intent to Deny Letter"), attached hereto as Exhibit G, in which USAC said:

> The Form 470 221250000552188 associated with all the FRNs listed above was posted on 1/10/2006 with an Allowable Contract Date of 02/07/2006. The documentation indicates that Sondra Adams engaged in numerous meetings, e-mail discussions, and verbal discussions with Trillion employees beginning in 07/19/2005 through the award of the 5 year contract to Trillion in 01/29/2006. These discussions were not general marketing discussions, but rather show that you provided Trillion with inside information regarding your needs and details about their procurement process, that Trillion influenced the procurement process by providing input into your requirements regarding WAN and FCC Form 470 to ensure that Trillion would be awarded the contract, and that before the bids were even submitted and the selection made.[14]

As demonstrated below, the communications referenced by USAC did not result in an unfair competitive bidding process or in a violation of the Commission's rules.

The referenced emails, copies of which were provided in Trillion's appeals, state that on August 28, 2005, a Trillion employee asked Sondra Adams, the District's Director

[14] Letter from Gaurangi Shah, Program Integrity Assurance, USAC, Schools and Libraries Division, to Chuck Culpepper, Bloomfield School District (dated August 26, 2010) ("Intent to Deny Letter") (Attached as Exhibit G).

of Technology, about the status of the District's Form 470 and whether the District needed "possible language to use," to which the District's employee responded "I would like any examples that you could give me."[15] An email dated August 30, 2005 indicates that the Trillion employee provided the following suggested language for the Form 470: "Description: Wide Area Network for data and voice. Quantity: District Wide," and indicated that this language "should work for both the WAN and the Voice service over the WAN."[16] There was nothing wrong with this communication and it is consistent with USAC's guidelines.

USAC's guidelines state that service providers may not offer and/or provide vendor-specific language for the Form 470 or an RFP.[17] The suggested language offered by Trillion was not vendor-specific because many service providers, not just Trillion, offer WAN services for data and voice. Furthermore, the Eligible Services List in effect at the time this communication took place specifically stated that, "Digital transmission services used to link local networks are commonly called "wide area networks" (WANs)."[18] In addition, the terms "data" and "voice" are used extensively throughout the Eligible Services List. Because the suggested language was vendor-neutral and directly from the Eligible Services List, which is a *public* document posted on the Commission's and USAC's websites, it is unclear how the vendor-neutral language suggested by Trillion's employee constituted anything but neutral guidance.

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15 *Trillion Appeals* at p. 6.

16 *Trillion Appeals* at p. 4.

17 USAC, School and Libraries Division, Program Compliance for Service Providers, May 4, 2010 – Los Angeles, May 11, 2010 – Tampa, at 4, *available at*: http://www.usac.org/sl/about/training-sessions/training-presentations-archive/training-2010/spring/materials.aspx (last visited on March 26, 2012).

18 *Trillion Appeals* at p. 5.

Furthermore, the District ultimately ignored the suggested language in its Form 470, which confirms that the District, not Trillion, was in control of the Form 470.

In another email communication dated August 30, 2005, the Trillion employee communicated with the District's Director of Technology regarding a conference call to discuss "your LAN network, i.e., switching, equip, models, hubs, QOS capabilities etc."[19] In this communication, the Trillion employee was merely requesting information regarding the District's infrastructure to understand how Trillion's technology might fit the District's needs. The Commission's rules do not prohibit a potential service provider from discussing its product offerings with a school district, nor do they prohibit a school district from engaging in due diligence to determine what their needs are and the options available to them. In fact, applicants are encouraged to "do their homework" to determine which products and services are needed to implement their technology plan.[20] Therefore, it is unclear how this communication gave an unfair advantage to Trillion over other potential bidders so that it tainted the entire competitive bidding process, and the *Order* fails to address this critical issue.

IV. The Cases Cited in the Order do not Support a Denial of Funding.

The Commission's rules are clear; the bidding process must be open and competitive. Based on the competitive bidding guidance provided in Commission precedent, the facts in this case do not support a denial of funding. In this case, Trillion did not serve as the contact person for the Form 470. The District did not surrender control of the bidding process to Trillion. The *Order* cites three cases as precedent for

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[19] *Trillion Appeals* at p. 3.

[20] *Request for Review of the Decision of the Universal Service Administrator by Ysleta Independent School District, El Paso, Texas, et al*, FCC 03-313, Order, 18 FCC Rcd 26406, 26423 (2003) ("*Ysleta*").

the denial of funding: *Mastermind*, *Dickenson* and *Approach Learning*. This precedent, however, fails to support a finding that the District's bid process was not open and competitive.

In *Mastermind*, the Commission found violations of its competitive bidding rules when: (i) an employee of the service provider that ultimately won the bid was listed as the contact person on the applicant's Form 470; and (ii) the applicant allowed an employee of that same service provider to prepare and distribute the request for bids to potential bidders.[21] Ultimately, the Commission concluded that this level of influence resulted in the applicant surrendering control of the bidding process to the service provider.[22] In the instant case, Trillion did not serve as the contact person for the Form 470 and the District retained control throughout the competitive bid process. The *Dickenson* case, like the *Mastermind* case, also addressed a situation in which the applicant's Form 470 listed a contact person who was an employee of a service provider, which is not the case here.[23]

In *Approach Learning*, the Commission found a connection between the contact person listed on the Form 470 and the service provider that ultimately won the contract. In that order, the Commission noted that it believes "that the contact person exerts great influence over an applicant's competitive bidding process by controlling the

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[21] *Request for Review by Mastermind Internet Services, Inc., Federal-State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc.*, FCC 00-167, Order, 16 FCC Rcd 4028, ¶ 10 (2000) ("*Mastermind*").

[22] *Mastermind*, 16 FCC Rcd at 4033, ¶ 10.

[23] *Request for Review of the Decision of the Universal Service Administrator by Dickenson County Public Schools, Clintwood, Virginia; Federal-State Joint Board on Universal Service*, DA 02-1971, Order on Reconsideration, 17 FCC Rcd 15747 (Telecommunications Access Policy Division, rel. Aug. 9, 2002).

dissemination of information regarding the services requested."[24] This was not the case here. The District's contact person listed on the Form 470 was an employee of the District with no connection to Trillion. Moreover, there was no evidence that the District's contact person was unresponsive to requests for information from competing service providers.

V. Conclusion and Request for Relief

Procedurally, the Commission's two-paragraph *Order* denying the appeals filed by Trillion fails to provide any analysis for its decision. There is no discussion of the evidence and arguments presented by Trillion, which is contrary to the well-established principle that an agency is required to make its decision based on a consideration of the relevant factors. On the merits, the Commission's rules do not prohibit a potential service provider from discussing its product offerings with a school district, nor do they prohibit a school district from engaging in due diligence to determine what their needs are and the options available to them.[25] With respect to the Form 470, the suggested language provided by Trillion, which was ultimately ignored by the District, was consistent with USAC's guidance because it was not vendor-specific. Finally, the facts in the cases cited by the *Order* as precedent are inapposite to the facts in this case and, therefore, the precedent is not applicable.

For the reasons set forth above, Trillion respectfully requests reconsideration of the Division's *Order* and a grant of the appeals of the USAC orders specified above.

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[24] *Requests for Review of the Decisions of the Universal Service Administrator by Approach Learning and Assessment Center, Santa Ana, CA, et al.*, DA 07-1332, Order, 22 FCC Rcd 5296, 5303, ¶ 19 (Wireline Competition Bureau 2007).

[25] The Commission has stated: "If a bidder cannot, because it lacks critical information, determine how to best serve the applicant's requirements, the bidder cannot prepare a cost-effective proposal, thereby failing to achieve the intended goals of the competitive bidding process." *Mastermind*, 16 FCC Rcd 4028, ¶ 10.

Respectfully submitted,

TRILLION PARTNERS, INC.

By: */s/ Henry M. Rivera*

Henry M. Rivera
Edgar Class
Joan Stewart
Wiley Rein LLP
1776 K Street, NW
Washington, DC 20006
Tel: (202) 719-7000

Its Attorneys

Dated: March 26, 2012

Exhibit A

Funding Commitment Reports from USAC, Schools and Libraries Division dated Oct. 12, 2010 (regarding FY2010 FCC Form 471 application 739004, FRNs 2033024 and 1996413)

FUNDING COMMITMENT REPORT
Service Provider Name: Trillion Partners, Inc
SPIN: 143025872
Funding Year: 2010

Name of Billed Entity: BLOOMFIELD SCHOOL DISTRICT
Billed Entity Address: 325 N BERGIN LN
Billed Entity City: BLOOMFIELD
Billed Entity State: NM
Billed Entity Zip Code: 87413-6729
Billed Entity Number: 143262
Contact Person's Name: Matthew Hetman
Preferred Mode of Contact: EMAIL
Contact Information: mhetman@erate360.com
Form 471 Application Number: 739004
Funding Request Number: 2033024
Funding Status: Not Funded
Category of Service: Internet Access
Form 470 Application Number: 221250000552188
Contract Number: N/A
Billing Account Number: N/A
Service Start Date: 07/01/2010
Contract Expiration Date: 06/30/2011
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-Discount Amount for Eligible Recurring Charges: $21,090.00
Annual Pre-Discount Amount for Eligible Non-Recurring Charges: $.00
Pre-Discount Amount: $21,090.00
Applicant's Discount Percentage Approved by SLD: 78%
Funding Commitment Decision: $.00 - Bidding Violation- SRC
Funding Commitment Decision Explanation: DR1: This FRN is denied because the documents provided by you and/or your vendor indicates that there was not a fair and open competitive bid process free from conflicts of interest. The documentation provided by you and/or your service provider indicates that prior to/throughout your contractual relationship with the service provider listed on the FRN, that you were offered and accepted <gifts, meals, gratuities, entertainment> from the service provider, which resulted in a competitive process that was no longer fair and open and therefore funding is denied. <><><><><> DR2: The FRN will be denied because you did not conduct a fair and open competitive bidding process. The documentation provided by you and/or the service provider indicates that the school district engaged in numerous meetings, e-mail discussions, and/or verbal discussions with Trillion employees prior to the posting of the Form 470 and throughout the competitive bidding process which tainted the competitive bidding process. Trillion was consulted and/or offered details about services and products you were requesting on your FCC Form 470 and/or Request for Proposal (RFP). The competitive bidding process was influenced by Trillion when they assisted you in developing your services specifications for your FCC Form 470/or RFP. You failed to conduct a fair and open competitive bidding process free from conflicts of interest

FCDL Date: 10/12/2010
Wave Number: 021
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2011

FUNDING COMMITMENT REPORT
Service Provider Name: Trillion Partners, Inc
SPIN: 143025872
Funding Year: 2010

Name of Billed Entity: BLOOMFIELD SCHOOL DISTRICT
Billed Entity Address: 325 N BERGIN LN
Billed Entity City: BLOOMFIELD
Billed Entity State: NM
Billed Entity Zip Code: 87413-6729
Billed Entity Number: 143262
Contact Person's Name: Matthew Hetman
Preferred Mode of Contact: EMAIL
Contact Information: mhetman@erate360.com
Form 471 Application Number: 739004
Funding Request Number: 1996413
Funding Status: Not Funded
Category of Service: Telecommunications Service
Form 470 Application Number: 221250000552188
Contract Number: N/A
Billing Account Number: N/A
Service Start Date: 07/01/2010
Contract Expiration Date: 06/30/2011
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-Discount Amount for Eligible Recurring Charges: $280,140.36
Annual Pre-Discount Amount for Eligible Non-Recurring Charges: $.00
Pre-Discount Amount: $280,140.36
Applicant's Discount Percentage Approved by SLD: 78%
Funding Commitment Decision: $.00 - Bidding Violation- SRC
Funding Commitment Decision Explanation: DR1: This FRN is denied because the documents provided by you and/or your vendor indicates that there was not a fair and open competitive bid process free from conflicts of interest. The documentation provided by you and/or your service provider indicates that prior to/throughout your contractual relationship with the service provider listed on the FRN, that you were offered and accepted <gifts, meals, gratuities, entertainment> from the service provider, which resulted in a competitive process that was no longer fair and open and therefore funding is denied. <><><><><> DR2: The FRN will be denied because you did not conduct a fair and open competitive bidding process. The documentation provided by you and/or the service provider indicates that the school district engaged in numerous meetings, e-mail discussions, and/or verbal discussions with Trillion employees prior to the posting of the Form 470 and throughout the competitive bidding process which tainted the competitive bidding process. Trillion was consulted and/or offered details about services and products you were requesting on your FCC Form 470 and/or Request for Proposal (RFP). The competitive bidding process was influenced by Trillion when they assisted you in developing your services specifications for your FCC Form 470/or RFP. You failed to conduct a fair and open competitive bidding process free from conflicts of interest

FCDL Date: 10/12/2010
Wave Number: 021
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2011

Exhibit B

Funding Commitment Reports from USAC, Schools and Libraries Division dated Oct. 20, 2010 (regarding FY2008 FCC Form 471 application 600085, FRNs 1655134 and 1655119)

FUNDING COMMITMENT REPORT
Service Provider Name: Trillion Partners, Inc
SPIN: 143025872
Funding Year: 2008

Name of Billed Entity: BLOOMFIELD SCHOOL DISTRICT
Billed Entity Address: 325 N BERGIN LN
Billed Entity City: BLOOMFIELD
Billed Entity State: NM
Billed Entity Zip Code: 87413-6729
Billed Entity Number: 143262
Contact Person's Name: Matthew Hetman
Preferred Mode of Contact: EMAIL
Contact Information: mhetman@erateconsulting.com
Form 471 Application Number: 600085
Funding Request Number: 1655134
Funding Status: Not Funded
Category of Service: Internet Access
Form 470 Application Number: 221250000552188
Contract Number: N/A
Billing Account Number: N/A
Service Start Date: 07/01/2008
Contract Expiration Date: 06/30/2011
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-Discount Amount for Eligible Recurring Charges: $21,090.00
Annual Pre-Discount Amount for Eligible Non-Recurring Charges: $.00
Pre-Discount Amount: $21,090.00
Applicant's Discount Percentage Approved by SLD: 77%
Funding Commitment Decision: $.00 - Bidding Violation- SRC
Funding Commitment Decision Explanation: The FRN will be denied because you did not conduct a fair and open competitive bidding process. The documentation provided by you and/or the service provider indicates that the school district engaged in numerous meetings, e-mail discussions, and/or verbal discussions with Trillion employees prior to the posting of the Form 470 and throughout the competitive bidding process which tainted the competitive bidding process. Trillion was consulted and/or offered details about services and products you were requesting on your FCC Form 470 and/or Request for Proposal (RFP). The competitive bidding process was influenced by Trillion when they assisted you in developing your services specifications for your FCC Form 470/or RFP. You failed to conduct a fair and open competitive bidding process free from conflicts of interest. <><><><><> This FRN is denied because the documents provided by you and/or your vendor indicates that there was not a fair and open competitive bid process free from conflicts of interest. The documentation provided by you and/or your service provider indicates that prior to/throughout your contractual relationship with the service provider listed on the FRN, that you were offered and accepted either gifts, meals, gratuities, entertainment from the service provider, which resulted in a competitive process that was no longer fair and open and therefore funding is denied.

FCDL Date: 10/20/2010
Wave Number: 800
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2011

FUNDING COMMITMENT REPORT
Service Provider Name: Trillion Partners, Inc
SPIN: 143025872
Funding Year: 2008

Name of Billed Entity: BLOOMFIELD SCHOOL DISTRICT
Billed Entity Address: 325 N BERGIN LN
Billed Entity City: BLOOMFIELD
Billed Entity State: NM
Billed Entity Zip Code: 87413-6729
Billed Entity Number: 143262
Contact Person's Name: Matthew Hetman
Preferred Mode of Contact: EMAIL
Contact Information: mhetman@erateconsulting.com
Form 471 Application Number: 600085
Funding Request Number: 1655119
Funding Status: Not Funded
Category of Service: Telecommunications Service
Form 470 Application Number: 221250000552188
Contract Number: N/A
Billing Account Number: N/A
Service Start Date: 07/01/2008
Contract Expiration Date: 06/30/2011
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-Discount Amount for Eligible Recurring Charges: $280,140.36
Annual Pre-Discount Amount for Eligible Non-Recurring Charges: $.00
Pre-Discount Amount: $280,140.36
Applicant's Discount Percentage Approved by SLD: 77%
Funding Commitment Decision: $.00 - Bidding Violation- SRC
Funding Commitment Decision Explanation: The FRN will be denied because you did not conduct a fair and open competitive bidding process. The documentation provided by you and/or the service provider indicates that the school district engaged in numerous meetings, e-mail discussions, and/or verbal discussions with Trillion employees prior to the posting of the Form 470 and throughout the competitive bidding process which tainted the competitive bidding process. Trillion was consulted and/or offered details about services and products you were requesting on your FCC Form 470 and/or Request for Proposal (RFP). The competitive bidding process was influenced by Trillion when they assisted you in developing your services specifications for your FCC Form 470/or RFP. You failed to conduct a fair and open competitive bidding process free from conflicts of interest. <><><><><> This FRN is denied because the documents provided by you and/or your vendor indicates that there was not a fair and open competitive bid process free from conflicts of interest. The documentation provided by you and/or your service provider indicates that prior to/throughout your contractual relationship with the service provider listed on the FRN, that you were offered and accepted either gifts, meals, gratuities, entertainment from the service provider, which resulted in a competitive process that was no longer fair and open and therefore funding is denied.

FCDL Date: 10/20/2010
Wave Number: 800
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2011

Exhibit C

Funding Commitment Report from USAC, Schools and Libraries Division dated Oct. 20, 2010 (regarding FY2009 FCC Form 471 application 693027, FRN 1901285)

FUNDING COMMITMENT REPORT
Service Provider Name: Trillion Partners, Inc
SPIN: 143025872
Funding Year: 2009

Name of Billed Entity: BLOOMFIELD SCHOOL DISTRICT
Billed Entity Address: 325 N BERGIN LN
Billed Entity City: BLOOMFIELD
Billed Entity State: NM
Billed Entity Zip Code: 87413-6729
Billed Entity Number: 143262
Contact Person's Name: Matthew Hetman
Preferred Mode of Contact: EMAIL
Contact Information: mhetman@erate360.com
Form 471 Application Number: 693027
Funding Request Number: 1901285
Funding Status: Not Funded
Category of Service: Internet Access
Form 470 Application Number: 221250000552188
Contract Number: N/A
Billing Account Number: N/A
Service Start Date: 07/01/2009
Contract Expiration Date: 06/30/2011
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-Discount Amount for Eligible Recurring Charges: $21,090.00
Annual Pre-Discount Amount for Eligible Non-Recurring Charges: $.00
Pre-Discount Amount: $21,090.00
Applicant's Discount Percentage Approved by SLD: 78%
Funding Commitment Decision: $.00 - Bidding Violation- SRC
Funding Commitment Decision Explanation: DR1: This FRN is denied because the documents provided by you and/or your vendor indicates that there was not a fair and open competitive bid process free from conflicts of interest. The documentation provided by you and/or your service provider indicates that prior to/throughout your contractual relationship with the service provider listed on the FRN, that you were offered and accepted <gifts, meals, gratuities, entertainment> from the service provider, which resulted in a competitive process that was no longer fair and open and therefore funding is denied. <><><><><> DR2: The FRN will be denied because you did not conduct a fair and open competitive bidding process. The documentation provided by you and/or the service provider indicates that the school district engaged in numerous meetings, e-mail discussions, and/or verbal discussions with Trillion employees prior to the posting of the Form 470 and throughout the competitive bidding process which tainted the competitive bidding process. Trillion was consulted and/or offered details about services and products you were requesting on your FCC Form 470 and/or Request for Proposal (RFP). The competitive bidding process was influenced by Trillion when they assisted you in developing your services specifications for your FCC Form 470/or RFP. You failed to conduct a fair and open competitive bidding process free from conflicts of interest

FCDL Date: 10/20/2010
Wave Number: 070
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2011

Exhibit D

Notification of Commitment Adjustment Letter
dated Oct. 21, 2010 (regarding funding year 2006, FCC Form 471
application 498690, FRNs 1438436 and 1438482)

USAC
Universal Service Administrative Company

Schools & Libraries Division

Notification of Commitment Adjustment Letter

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

October 21, 2010

Virginia Bryant
Trillion Partners, Inc
9208 Waterford Center Blvd. Suite 150
Austin, TX 78758

Re: SPIN:	**143025872**
Service Provider Name:	**Trillion Partners, Inc**
Form 471 Application Number:	**498690**
Funding Year:	**2006**
FCC Registration Number:	
Applicant Name	**BLOOMFIELD SCHOOL DISTRICT**
Billed Entity Number:	**143262**
Applicant Contact Person:	**Steve Tenzer**

Our routine review of Schools and Libraries 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 the overall funding commitment. The purpose of this letter is to make the required adjustments to the funding commitment, 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 (if any).

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

TO APPEAL THIS DECISION:

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

If you wish to appeal the Commitment Adjustment Decision indicated in this letter to USAC your appeal must be received or postmarked within 60 days of the date of this letter. If you wish to appeal the Commitment Adjustment Decision indicated in this letter, 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 USAC by email, email your appeal to appeals@sl.universalservice.org. USAC will automatically reply to incoming emails to confirm receipt.

To submit your appeal to 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.

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

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

Schools and Libraries Division
Universal Services Administrative Company

cc: Steve Tenzer
BLOOMFIELD SCHOOL DISTRICT

Funding Commitment Adjustment Report
Form 471 Application Number: 498690

Funding Request Number:	1438436
Contract Number:	N/A
Services Ordered:	TELCOMM SERVICES
Billing Account Number:	
Original Funding Commitment:	$215,708.08
Commitment Adjustment Amount:	$215,708.08
Adjusted Funding Commitment:	$0.00
Funds Disbursed to Date:	$138,156.28
Funds to be Recovered from Service Provider:	$138,156.28

Funding Commitment Adjustment Explanation:

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. During the course of a review, documentation provided by you and/or your vendor indicated that there was not a fair and open competitive bid process free from conflicts of interest. The documents provided by you and/or your service provider indicated that, prior to/throughout your contractual relationship with the service provider listed on the FRN, you were offered and accepted gifts, meals, gratuities, or entertainment from the service provider, which resulted in a competitive process that was no longer fair and open. Therefore, the commitment has been rescinded in full and USAC will seek recovery of any disbursed funds from the applicant and service provider.

Funding Request Number:	1438482
Contract Number:	N/A
Services Ordered:	INTERNET ACCESS
Billing Account Number:	
Original Funding Commitment:	$16,239.30
Commitment Adjustment Amount:	$16,239.30
Adjusted Funding Commitment:	$0.00
Funds Disbursed to Date:	$13,838.33
Funds to be Recovered from Service Provider:	$13,838.33

Funding Commitment Adjustment Explanation:

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. During the course of a review, documentation provided by you and/or your vendor indicated that there was not a fair and open competitive bid process free from conflicts of interest. The documents provided by you and/or your service provider indicated that, prior to/throughout your contractual relationship with the service provider listed on the FRN, you were offered and accepted gifts, meals, gratuities, or entertainment from the service provider, which resulted in a competitive process that was no longer fair and open. Therefore, the commitment has been rescinded in full and USAC will seek recovery of any disbursed funds from the applicant and service provider.

Exhibit E

Notification of Commitment Adjustment Letter
dated Oct. 21, 2010 (regarding funding year 2007, FCC Form 471
application 545994, FRNs 1508051 and 1508056)

USAC
Universal Service Administrative Company

Schools and Libraries Division

Notification of Commitment Adjustment Letter

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

October 21, 2010

Matthew Hetman
BLOOMFIELD SCHOOL DISTRICT
PO Box 242157
Montgomery, AL 36124 6729

Re: Form 471 Application Number:	**545994**
Funding Year:	**2007**
Applicant's Form Identifier:	**143262-2007-471**
Billed Entity Number:	**143262**
FCC Registration Number:	**0014521603**
SPIN:	**143025872**
Service Provider Name:	**Trillion Partners, Inc**
Service Provider Contact Person:	**Virginia Bryant**

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

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

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

TO APPEAL THIS DECISION:

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

If you wish to appeal the Commitment Adjustment Decision indicated in this letter to USAC your appeal must be received or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and email address (if available) for the person who can most readily discuss this appeal with us.

2. State outright that your letter is an appeal. Identify the date of the Notification of Commitment Adjustment Letter and the Funding Request Number(s) (FRN) you are appealing. Your letter of appeal must include the
- Billed Entity Name,
- Form 471 Application Number,
- Billed Entity Number, and
- FCC Registration Number (FCC RN) from the top of your letter.

3. When explaining your appeal, copy the language or text from the Notification of Commitment Adjustment Letter that is the subject of your appeal to allow USAC to more readily understand your appeal and respond appropriately. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep a copy of your entire appeal including any correspondence and documentation.

4. If you are an applicant, please provide a copy of your appeal to the service provider(s) affected by USAC's decision. If you are a service provider, please provide a copy of your appeal to the applicant(s) affected by USAC's decision.

5. Provide an authorized signature on your letter of appeal.

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

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

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

If you wish to appeal a decision in this letter to the FCC, you should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received by the FCC or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. We strongly recommend that you use the electronic filing options described in the "Appeals Procedure" posted on our website. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554.

FUNDING COMMITMENT ADJUSTMENT REPORT

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: Virginia Bryant
Trillion Partners, Inc

Funding Commitment Adjustment Report for
Form 471 Application Number: 545994

Funding Request Number:	1508051
Services Ordered:	TELCOMM SERVICES
SPIN:	143025872
Service Provider Name:	Trillion Partners, Inc
Contract Number:	N/A
Billing Account Number:	
Site Identifier:	143262
Original Funding Commitment:	$215,708.08
Commitment Adjustment Amount:	$215,708.08
Adjusted Funding Commitment:	$0.00
Funds Disbursed to Date	$167,772.96
Funds to be Recovered from Applicant:	$167,772.96

Funding Commitment Adjustment Explanation:

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. During the course of a review, documentation provided by you and/or your vendor indicated that there was not a fair and open competitive bid process free from conflicts of interest. The documents provided by you and/or your service provider indicated that, prior to/throughout your contractual relationship with the service provider listed on the FRN, you were offered and accepted gifts, meals, gratuities, or entertainment from the service provider, which resulted in a competitive process that was no longer fair and open. Therefore, the commitment has been rescinded in full and USAC will seek recovery of any disbursed funds from the applicant and service provider.

Funding Request Number:	1508056
Services Ordered:	INTERNET ACCESS
SPIN:	143025872
Service Provider Name:	Trillion Partners, Inc
Contract Number:	N/A
Billing Account Number:	
Site Identifier:	143262
Original Funding Commitment:	$16,239.30
Commitment Adjustment Amount:	$16,239.30
Adjusted Funding Commitment:	$0.00
Funds Disbursed to Date	$12,630.56
Funds to be Recovered from Applicant:	$12,630.56

Funding Commitment Adjustment Explanation:

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. During the course of a review, documentation provided by you and/or your vendor indicated that there was not a fair and open competitive bid process free from conflicts of interest. The documents provided by you and/or your service provider indicated that, prior to/throughout your contractual relationship with the service provider listed on the FRN, you were offered and accepted gifts, meals, gratuities, or entertainment from the service provider, which resulted in a competitive process that was no longer fair and open. Therefore, the commitment has been rescinded in full and USAC will seek recovery of any disbursed funds from the applicant and service provider.

Exhibit F

Funding Commitment Decision Letter dated Dec. 22, 2010 (regarding FY2009 FCC Form 471 application 656519, FRN 1797099)

USAC
Universal Service Administrative Company

Schools and Libraries Division

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

December 22, 2010

Virginia Bryant
Trillion Partners, Inc
9208 Waterford Center Blvd.
Suite 150
Austin, TX 78758

Re: Service Provider Name: Trillion Partners, Inc
Service Provider Identification Number: 143025872

Thank you for participating in the Schools and Libraries Program (Program) for Funding Year 2009. This letter is your notification of our decision(s) regarding application funding requests that listed your company's Service Provider Identification Number (SPIN).

NEXT STEPS

- File Form 498, Service Provider Information Form, if appropriate
- File Form 473, Service Provider Annual Certification Form (SPAC), for the above Funding Year
- Work with your customer to provide appropriate invoicing to USAC: Service Provider Invoice (Form 474) or Billed Entity Applicant Reimbursement (Form 472)

Please refer to the Funding Commitment Report(s) (Report) following this letter for specific funding request decisions and explanations. Each Report contains detailed information extracted from the applicant's Form 471. A guide that provides a definition for each line of the Report is available in the Reference Area of our website.

Once you have reviewed this letter, we urge you to contact your customers to establish any necessary arrangements regarding start of services, billing of discounts, and any other administrative details for implementation of discount services. As a reminder, only eligible services delivered in accordance with Federal Communications Commission (FCC) rules are eligible for these discounts.

TO APPEAL THIS DECISION:

You have the option of filing an appeal with the SLD or directly with the FCC.

If you wish to appeal a decision in this letter to USAC, your appeal must be received by USAC or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and (if available) email address for the person who can most readily discuss this appeal with us.

2. State outright that your letter is an appeal. Include the following to identify the decision letter and the decision you are appealing:
   - Appellant name,
   - Applicant or service provider name, if different from appellant,
   - Applicant Billed Entity Number (BEN) and Service Provider Identification Number (SPIN),
   - Form 471 Application Number as assigned by USAC,
   - "Funding Commitment Decision Letter for Funding Year 2009," AND
   - The exact text or the decision that you are appealing.

FUNDING COMMITMENT REPORT
Service Provider Name: Trillion Partners, Inc
SPIN: 143025872
Funding Year: 2009

Name of Billed Entity: BLOOMFIELD SCHOOL DISTRICT
Billed Entity Address: 325 N BERGIN LN
Billed Entity City: BLOOMFIELD
Billed Entity State: NM
Billed Entity Zip Code: 87413-6729
Billed Entity Number: 143262
Contact Person's Name: Matthew Hetman
Preferred Mode of Contact: EMAIL
Contact Information: mhetman@erate360.com
Form 471 Application Number: 656519
Funding Request Number: 1797099
Funding Status: Not Funded
Category of Service: Telecommunications Service
Form 470 Application Number: 221250000552188
Contract Number: N/A
Billing Account Number: N/A
Service Start Date: 07/01/2009
Contract Expiration Date: 06/30/2011
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-Discount Amount for Eligible Recurring Charges: $280,140.36
Annual Pre-Discount Amount for Eligible Non-Recurring Charges: $.00
Pre-Discount Amount: $280,140.36
Applicant's Discount Percentage Approved by SLD: 78%
Funding Commitment Decision: $.00 - Red Light Rule Implementation
Funding Commitment Decision Explanation: MR1: This FRN 1797099 is for both Priority 1 and Priority 2 services and was split in order to conduct an independent review of these respective services. Your new FRN for Priority 2 services is 2094921 and service provider is Trillion Partners, Inc. The product(s)/service(s) remaining in this FRN are: WAN Voice and Data Services. <><><><><> MR2: The FRN was modified from $23,345.03/month to $9,470.03/month to agree with the applicant documentation. <><><><><> DR1: The FRN will be denied because you did not conduct a fair and open competitive bidding process. The documentation provided by you and/or the service provider indicates that the school district engaged in numerous meetings, e-mail discussions, and/or verbal discussions with Trillion employees prior to the posting of the Form 470 and throughout the competitive bidding process which tainted the competitive bidding process. Trillion was consulted and/or offered details about services and products you were requesting on your FCC Form 470 and/or Request for Proposal (RFP). The competitive bidding process was influenced by Trillion when they assisted you in developing your services specifications for your FCC Form 470/or RFP. You failed to conduct a fair and open competitive bidding process free from conflicts of interest. <><><><><> This FRN is denied because the documents provided by you and/or your vendor indicates that there was not a fair and open competitive bid process free from conflicts of interest. The documentation provided by you and/or your service provider indicates that prior to/throughout your contractual relationship with the service provider listed on the FRN, that you were offered and accepted either gifts, meals, gratuities, entertainment from the service provider, which resulted in a competitive process that was no longer fair and open and therefore funding is denied.

FCDL Date: 12/22/2010
Wave Number: 076
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2011

Exhibit G

Intent to Deny Letter from Gaurangi Shah, Program Integrity Assurance, USAC, Schools and Libraries Division, to Chuck Culpepper, Bloomfield School District (dated August 26, 2010)

Date: August 26, 2010

Chuck Culpepper
Bloomfield School District
Application Number(s) 498690, 545994, 600085, 656519, 693027 & 739004

Response Due Date: September 03, 2010

We are in the process of reviewing Funding Years 2006, 2007, 2008, 2009 and 2010 Form(s) 471 to ensure that they are in compliance with the rules of the Universal Service program. The Funding Request Number (FRNs) 1655119, 1655134, 1797099, 1901285, 1996413, 2033024, 1508056, 1508051, 1438436, and 1438482 will be denied for the following reasons:

Based on the documentation that you have provided, the entire FRN 1655119, 1655134, 1797099, 1901285, 1996413, 2033024, 1508056, 1508051, 1438436, and 1438482 will be denied because you did not conduct a fair and open competitive bid process free from conflicts of interest. The documentation you provided indicates that you were offered and accepted valuable lunches, dinners, flowers, and lodging prior to and/or during the process you conducted to select a service to provide these goods and services from the service provider you selected. These lunches, dinners, flowers and lodging shows that you engaged in non-competitive bidding practices in violation of program rules. For additional guidance regarding the competitive bidding process, please refer to the USAC website at: http://www.usac.org/sl/applicants/step03/run-open-fair-competition.aspx.

Based on the documentation Trillion Partners provided, the FRNs 1655119, 1655134, 1797099, 1901285, 1996413, 2033024, 1508056, 1508051, 1438436, and 1438482 will also be denied because you did not conduct a fair and open competitive bid process. The Form 470 221250000552188 associated with all the FRNs listed above was posted on 1/10/2006 with an Allowable Contract Date of 02/07/2006. The documentation indicates that Sondra Adams engaged in numerous meetings, e-mail discussions, and verbal discussions with Trillion employees beginning in 07/19/2005 through the award of the 5 year contract to Trillion in 01/29/2006. These discussions were not general marketing discussions, but rather show that you provided Trillion with inside information regarding your needs and details about their procurement process, that Trillion influenced the procurement process by providing input into your requirements regarding WAN and FCC Form 470 to ensure that Trillion would be awarded the contract, and that before the bids were even submitted and the selection made.

If the entire FRNs should not be denied and you have alternative information, please provide the supporting documentation.

You have 7 days to respond to this request. Your response is due by the close of business September 03, 2010. Please reply via e-mail or fax. Please provide complete responses and

documentation to the questions listed above. It is important that you provide complete responses to ensure the timely review of your applications. If you do not respond, or provide incomplete responses, your funding request(s) (FRNs) may be reduced or denied, or in the case of committed FRNs subjected to commitment adjustment.

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

Should you wish to cancel your Form 471 application(s), or any of your individual funding requests, please clearly indicate in your response that it is your intention to cancel an application or funding request(s). Include in any cancellation request the Form 471 application number(s) and/or funding request number(s). The cancellation request should be signed and dated and including both the name and title of the authorized individual.

If you fail to respond to this letter within 15 days, we will perform the action(s) listed above.

Thank you for your cooperation and continued support of the Universal Service Program.

Gaurangi Shah
Program Integrity Assurance
USAC, Schools and Libraries Division
Phone: 973-581-5064
Fax: 973-599-6515
E-mail: gshah@sl.universalservice.org