

**Before The
Federal Communications Commission
Washington, D.C.**

In the Matter of)	
)	
Request for Review by)	CC Docket No. 02-6
Net56, Inc. of Decisions of the)	
Universal Service Administrator)	
)	CC Docket No. 96-45
)	
Schools and Libraries Universal Service)	Wheeling School District 21
Service Support Mechanism)	2009 Funding Year
)	FRNs 1859569, 1859578, 1859583,
)	1859585, 1859586

**SUPPLEMENT TO REQUEST FOR REVIEW BY NET56, INC. OF DECISION OF THE
UNIVERSAL SERVICE ADMINISTRATOR**

Net56, Inc. (“Net56”) respectfully submits this supplement to its pending request for review filed in this proceeding on October 31, 2011 regarding the Universal Service Administrative Company (“USAC”) Decision on Appeal for the 2009 funding year (“Administrator’s Decision”) and the associated USAC funding decision for the above-referenced FRNs.¹ Net56 requests, pursuant to Sections 54.719 through 54.723 of the Commission’s rules,² that the Commission review and reverse the Administrator’s Decision and the April 27, 2010 2009 Funding Decision.

The central remaining issue in this case USAC’s position that Wheeling School District 21 (the “District”) failed to conduct competitive bidding for the e-rate services provided by Net56 for the 2009 funding year because it did not file a Form 470 to initiate a new competitive bidding process for that year. But under Commission rules, a new Form 470 was not required

¹ See Administrator’s Decision on Appeal for Funding Year 2009-2010, dated September 1, 2011, attached hereto as Exhibit A (“Administrator’s Decision”); *see also* the Funding Commitment Decision Letter, dated April 27, 2010 (“FCDL”) and the Further Explanation of Administrator’s Funding Decision Letter, dated April 27, 2010 (“Further Explanation Letter”), jointly attached hereto as Exhibit B.

² 47 C.F.R. §§ 54.719-54.723.

because the District agreed to a voluntary extension of the parties' 2008 funding year contract that was competitively bid in accordance with Commission rules. All of the other issues in this case have been favorably resolved by the Commission's recent decisions in otherwise factually similar cases in which Net56 provided services to other nearby school districts during this same period.³

For the reasons set forth below, the Commission should grant this appeal, along with any waivers that may be necessary or warranted, and remand the underlying applications to USAC for immediate approval.⁴

I. The District Was Not Required to Post a Form 470 Because it Executed a Voluntary Extension of its 2008 Competitively-Bid E-Rate Contract.

In 2007, Net56 and the District became parties to a multi-year framework for the provision of communications and other services. That year, the District entered a five-year lease agreement that established a long-term mechanism to pay Net56 through a leasing company, and the District used that multi-year lease arrangement to pay Net56 for e-rate services in 2007. The District was interested in continuing this relationship long-term, so in its Form 470 for the 2008 funding year seeking bids for these services, the District expressly solicited bids for multi-year contracts or contracts with an option for a voluntary extension.⁵ Even though the bid process was open to all potential service providers, only Net56 entered a bid. After the 28-day waiting

³ See *Request for Review of Decisions of the Universal Service Administrator by Net56, Inc.*, CC Docket No. 02-6, Order, DA 12-1792 (rel. Nov. 7, 2012), *Request for Review of Decisions of the Universal Service Administrator by Net56, Inc.*, CC Docket No. 02-6, Order, DA 12-1951 (rel. Dec. 4, 2012), and *Requests for Review of Decisions of the Universal Service Administrator by Net56, Inc.*, CC Docket No. 02-6, Order, DA 12-2031 (Dec. 19, 2012).

⁴ Net56 requests that to the extent necessary, the Commission waive section 54.507(d) of its rules and direct USAC to waive any procedural deadline, such as the invoicing deadline, that might be necessary to effectuate the Commission's order in this proceeding.

⁵ See FCC Form 470 Application Number 898200000631616, attached hereto as Exhibit C (District's 2008 Form 470 posted November 9, 2007 seeking bids for Internet access, web hosting, and e-mail, firewall, and wide area network services).

period, on February 6, 2008 the District entered a contract with Net56 for these services.⁶ The District filed its 2008 Form 471 Application for these services on February 7, 2008,⁷ and USAC approved funding in a Funding Commitment Decision Letter dated July 1, 2008.⁸

Both Net56 and the District understood the February 6, 2008 contract to be renewable through voluntary extensions, which the District had requested in its Form 470. The parties had already established a long-term relationship and payment mechanism through the five-year lease agreement that the District entered in 2007. Prior to the 2008 e-rate contract, Net56 had also proposed a long-term Master Service Agreement to the District that included a provision for services to be continued for multiple years with an annual price adjustment based upon the U.S. Bureau of Labor Statistics' Consumer Price Index. Thus, when the District began to plan for the 2009 funding year and decided that it wanted to continue to purchase the same e-rate services in 2009 that were provided in 2008, it determined that it did not need to post a new Form 470 and would instead enter a voluntary extension of its existing contract. The District and Net56 formally signed this extension on February 9, 2009, for the provision of e-rate services for the 2009 funding year.⁹ The District then filed its Form 471 on February 11, 2009.¹⁰

The Commission has expressly held that a new Form 470 and new competitive bidding process are not necessary when a district voluntarily renews an existing contract that was previously selected in a competitive bidding process. For example, it stated that an “applicant can enter into multi-year contracts or contracts with voluntary extensions without reposting an

⁶ See Exhibit D.

⁷ See FCC Form 471 Application Number 606327, attached hereto as Exhibit E.

⁸ See Funding Commitment Decision Letter dated July 1, 2008, attached hereto as Exhibit F. On February 7, 2012, USAC issued a Notification of Improperly Disbursed Funds Letter and Notification of Commitment Adjustment Letter seeking return of the funds on the same grounds that the Commission has now rejected in its appeal orders cited in footnote 3.

⁹ See Exhibit G.

¹⁰ See FCC Form 471 Application Number, 676247, attached hereto as Exhibit H.

FCC Form 470 application and complying with the 28-day rule each year as long as the applicant indicated such intent in the original posting in Item 13 on its FCC Form 470 or in its RFP.”¹¹ In this case, the Wheeling District’s 2008 Form 470 indicated it was seeking a new multi-year contract and/or a contract featuring voluntary extensions.¹² The District’s extension of its contract with Net56 without posting a new Form 470 complies with program rules because all providers had an opportunity to compete for the same contract initially. As the Commission has explained, “those Petitioners with multi-year contracts complied with our competitive bidding rules when their requests for service were initially posted.”¹³

Admittedly, in hindsight it is evident that it would have been preferable for the 2008 contract to have stated the voluntary extension option more explicitly. But (1) the District clearly stated its interest in a voluntary extension option in its Form 470, (2) the parties had already set up a long-term lease payment arrangement, and (3) the parties signed the voluntary extension on February 9, 2009.¹⁴ It would be an injustice to deny all funding to the district and Net56 simply because they did not use perfect language in the original contract to express this intent. Where, as here, there have arguably been procedural omissions or errors related to the contract, the Commission has granted appeals permitting funding, finding that “denying their requests for funding would create undue hardship and prevent these otherwise eligible schools and libraries from receiving E-rate funding.”¹⁵ In the absence of evidence of misuse of funds, the Commission has held that such “mistakes do not warrant the complete rejection of these

¹¹ See *Request for Review of Decisions of the Universal Service Administrator by Albert Lea Area Schools*, CC Docket No. 02-6, Order, DA 09-285, ¶ 2 (Apr. 14, 2009).

¹² See Exhibit C.

¹³ See *Request for Review of Decisions of the Universal Service Administrator by Aberdeen School District*, CC Docket No. 02-6, Order, DA 07-63, ¶ 9 (May 8, 2007).

¹⁴ See Exhibit G.

¹⁵ See *Request for Review of Decisions of the Universal Service Administrator by Adams County School District 14*, CC Docket No. 02-6, Order, DA 07-35, ¶ 12 (Mar. 28, 2007).

Petitioners' applications for E-rate funding" and that "rigid adherence to certain E-rate rules and requirements that are 'procedural' in nature does not promote the goals of section 254."¹⁶

It would be an even greater injustice to deny funding in this case because such decision would also likely doom the entirety of District's funding for Net56's services for the 2010 funding year as well. The District again extended its Net56 contract for another year and did not post a new Form 470 for the services. If USAC had instead issued a timely denial of the 2009 year funding, the District would certainly have been responsive to USAC's decision by issuing a new Form 470 for 2010 and would have avoided jeopardizing its 2010 funding. (The District did post a new Form 470 for the 2011 funding year, once it was aware of USAC's interpretation of events). The Commission has previously provided funding after finding that USAC "erred by unreasonably delaying its notification to Totowa of the problems with its Form 470."¹⁷ The Commission has also provided funding in a case similar to the Net56 cases in which an applicant's numerous communications with USAC were ignored, pointing to the applicant's "several attempts to follow-up with USAC, and USAC's delay in responding."¹⁸ The Commission should similarly avoid an extended injustice here by liberally construing the parties' 2009 and 2010 agreements as voluntary extensions of their 2008 contract.

¹⁶ See *Request for Review of Decisions of the Universal Service Administrator by Adams County School District 14*, CC Docket No. 02-6, Order, DA 07-35, ¶ 10 (Mar. 28, 2007), citing *Request for Review of the Decision of the Universal Service Administrator by Bishop Perry Middle School*, CC Docket No. 02-6, Order, 21 FCC Rcd 5316, 5316-17, 5319-20, ¶¶ 2, 9 (2006) ("*Bishop Perry Order*").

¹⁷ *Request for Review by Totowa Borough Public Schools, Schools and Libraries Universal Service Support Mechanism*, Order, File No. SLD-265823, CC Docket No. 02-6, DA 04-3898, ¶ 4 and n.14 (Wireline Comp. Bur. 2004) (citing previous instances of unreasonable or excessive delay). See also *Request for Waiver by Lettie W. Jensen Library, Federal-State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc.*, Order, File No. SLD-267950, CC Docket Nos. 96-45 and 97-21, DA 01-2401, ¶¶ 5-7 (Com. Car. Bur. 2001) (holding that a two-month delay in notification regarding an omitted signature was unreasonable); *Request for Waiver by Council Bluffs Community Schools, Federal-State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc.*, Order, File No. SLD-E007282, CC Docket Nos. 96-45 and 97-21, DA 00-1909, ¶ 4 (Com. Car. Bur. 2000) (determining that a failure to post applicant's Form 470 for approximately six weeks was excessive).

¹⁸ *Request for Review by Bradford Regional Medical Center; Rural Health Care Universal Service Support Mechanism*, Order, File No. RHCP 14491, WC Docket No. 02-60, 25 FCC Rcd 7221, 7223, ¶ 4 (Wireline Comp. Bur. 2010).

The parties had intended that the CPI increase that was eventually included in their Master Service Agreement would apply to voluntary extensions of e-rate agreements. Had this been clearly stated in the contract, Net56 believes that this type of provision would have been acceptable because a district can evaluate an inflation provision during the initial competitive bidding period. In addition, because CPI simply reflects inflation, the 2009 really is the same, in 2009 dollars, as the 2008 price was in 2008. However, if the Commission believes that this provision must have been stated explicitly in the renewed contract, Net56 urges that the Commission direct USAC to approve funding but only up to the amount of the initial 2008 contract that was competitively bid, rather than finding such omission as a basis for denial of all funding. This would be analogous to USAC's practice of not allowing parties to change a contract price after the Form 471 is filed, instead limiting the funding commitment to the original amount. It would be draconian to deny all funding simply because the renewal agreement had prices that were only 2% higher to account for inflation.

Another admitted issue in this appeal is that in the Form 471 the District stated an incorrect contract date. The Form apparently intended to refer back to the 2008 contract that had been renewed, though for unknown reasons dated that contract as January 2, 2008, rather than February 6, 2008. The parties now understand that the Commission prefers (although apparently does not require) in voluntary-extension cases that the district enter the date of renewal.¹⁹ In any event, there is no question that the parties believed that the applicable contract was the renewal agreement signed on February 9, 2009, given that the services and prices that were reported on the Form 471 match those listed in that agreement. As noted above, the Commission has held

¹⁹ See *Request for Review of Decisions of the Universal Service Administrator by Kalamazoo Public Schools*, CC Docket No. 02-6, Order, DA 02-2975, ¶ 7 (2002) (“we believe it would facilitate application processing for applicants to memorialize their decision to continue the service and enter the date of this memorialization as the contract award date of the renewed contract in their FCC Form 471”).

technical violations such as the entry of an incorrect contract date on a form does not compel denial of funding.²⁰

For all of these reasons, the Commission should find that the District was not required to post a new Form 470 for the Net56 services that were voluntarily extended through the 2008 contract.

II. USAC's Other Bases for Denial Have Been Rejected by the Commission's Other Recent Net56 Appeal Orders.

All of the other issues raised by USAC's denial have been addressed by the Commission in its other recent Net56 decisions cited above. The parties did in fact allocate and separately state the prices for eligible and ineligible services, plainly in the 2008 contract and the 2009 renewal agreement, and the prices and services were clearly identified in the Form 471. Net56 previously provided documentation (attached hereto) that the District made payments for e-rate services through a leasing company.²¹ Net56 also demonstrates in the attached exhibit that the prices for its services were cost-effective, using the same methodology as in the other Net56 appeals recently granted by the Commission.²²

Respectfully submitted,



Paul B. Hudson
Davis Wright Tremaine LLP
1919 Pennsylvania Ave., NW, Suite 800
Washington, DC 20006-3401

Counsel for Net56, Inc.

January 14, 2013

²⁰ See e.g., *Bishop Perry Order*, ¶¶ 2, 9.

²¹ See CONFIDENTIAL Exhibit I.

²² See CONFIDENTIAL Exhibit J. The exhibit prices are based on the 2008 contract prices (without the CPI increase provided for in the 2009 extension), and less the amounts that USAC found to be ineligible (\$205 each per month for 12 DHCP service, \$1350 per month associated with firewall, and \$1000 per month each for web and email journaling).

CERTIFICATE OF SERVICE

I, Debra Sloan, hereby certify that a true and correct copy of the foregoing *Request For Review By Net56, Inc. of Decision of The Universal Service Administrator* was mailed postage prepaid this 14th day of January, 2013 to the following:

Universal Service Administrative Company
Schools and Libraries Division
100 South Jefferson Road
P.O. Box 902
Whippany, New Jersey 07981

/s/ Debra Sloan

Debra Sloan

EXHIBIT A



Administrator's Decision on Appeal – Funding Year 2009-2010

September 01, 2011

Paul B. Hudson
Davis Wright Tremaine LLP
1919 Pennsylvania Ave NW
Suite 800
Washington, DC 20006

Re: Applicant Name: WHEELING SCHOOL DISTRICT 21
Billed Entity Number: 135338
Form 471 Application Number: 676247
Funding Request Number(s): 1859569, 1859578, 1859583, 1859585, 1859586
Your Correspondence Dated: June 25, 2010

After thorough review and investigation of all relevant facts, the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC) has made its decision in regard to your appeal of USAC's Funding Year 2009 Funding Commitment Decision Letter for the Application Number indicated above. This letter explains the basis of USAC's decision. The date of this letter begins the 60 day time period for appealing this decision to the Federal Communications Commission (FCC). If your Letter of Appeal included more than one Application Number, please note that you will receive a separate letter for each application.

Funding Request Number(s): 1859569, 1859578, 1859583, 1859585, 1859586
Decision on Appeal: **Denied**
Explanation:

- USAC is in receipt of your appeal letter dated June 25, 2010 regarding funding requested on FCC Form 471 #676247. That FCC Form 471 requests funding on behalf of Wheeling School District 21 aka Community Consolidated School District 21 for services to be provided by Net56.

In your appeal letter you indicate that it is your position that:
USAC based its decision upon the wrong contract.
USAC incorrectly concluded that the District had not paid for e-rate services.
"the District did pay in accordance with agreements between the District, and the leasing company, and Net56 that clearly allocate the cost between eligible e-rate services and ineligible services."

In support of your position you provided three documents listed as Attachments 2, 3 and 4.

You state that Attachment 2, entitled "Community Consolidated School District 21 Internet Access Quote," is the contract which should be used in USACs review. This document is signed and dated February 9, 2009.

USAC disagrees that we based our decision on the wrong contract for the following reasons:

In USAC's information request dated April 13, 2009 the applicant was asked to provide a copy of the signed and dated contract related to Net56 services for funding year (FY) 2007 and FY 2008. In his response dated April 29, 2009, the applicant provided the multiyear contract which was evaluated by USAC and not the document which you provided as Attachment 2 to your appeal. The contract provided by the applicant is entitled "Net56 Master Service Agreement" and it was signed and dated December 15, 2008, just six months prior to the beginning of FY2009. The term of this contract is 60 months, so it covers all of FY2009.

All of the funding request numbers (FRNs) on FY2009 FCC Form 471 #676247 list FCC Form 470 #898200000631616 as the establishing 470. This FCC Form 470 was posted on 11/9/2007. This FCC Form 470 was also listed by all of the FY2008 FRNs as the establishing 470. If your Attachment 2 was to be considered a contract it would have required a new FCC Form 470 as the establishing 470 and a new competitive bidding process. The applicant did file two new FCC Forms 470 for FY2009. FCC Form 470 #570770000701153 only posts for Telecommunications Services so it could not be an establishing 470 for your Attachment 2. FCC Form 470 #831270000701204 posts for both Telecommunications Services (TC) and Internet Access (IA). Since there was no Request for Proposal (RFP), the competitive bidding process would have been based on the information included in the FCC Form 470. In both categories, TC and IA, this FCC Form 470 requests bids only for:
Interconnected VoIP Services Lines equivalent to 390 POTS, local toll, and long distance lines

None of the requested Net56 services were included in the posting. Therefore there is no other FCC Form 470 that could serve as the establishing FCC Form 470 for a competitive bidding process which would have resulted in your Attachment 2. Absent an establishing FCC Form 470, any FRNs based on your Attachment 2 would be in violation of the FCC competitive bidding rules.

As part of the above mentioned information request, the applicant was also asked to provide "copies of any and all contracts with Net56 for work that is outside the Schools and Libraries Program." In his April 29, 2009 response the applicant stated: "All of the work performed by Net56, including both eligible E-Rate services and services that are ineligible for E-Rate discounting/reimbursement is included in the attached contract." - which is the Net56 Master Service

Agreement, the contract signed on December 15, 2008 which is the contract that USAC evaluated.

USAC disagrees with your statement that USAC incorrectly concluded that the District had not paid for E-Rate services for the following reasons:

USAC did not definitively assert that the school did not pay their share of non-discounted E-Rate services. Instead, USAC stated in the Further Explanation Letter, dated April 27, 2010, that it was unable to make a positive determination that the school had paid its share. The reason for this position is that the review of the contract is incomplete.

When the applicant provided the contract he provided the Quote/Signature page, the Master Service Agreement Form (terms and conditions) and Exhibits A, B and C, but not the Master Lease Agreement which is Exhibit D. In order to complete the review of this application, USAC requested the missing Master Lease Agreement, which is Exhibit D of the contract, in USAC's October 21, 2009 information request to Wheeling School District 21. The due date for a response to that information request was November 6, 2009. On November 5, 2009, USAC sent Wheeling School District 21 a reminder notification, reminding the applicant of the information request and attaching a copy of that request. Wheeling School District 21 did not respond to either the October 21, 2009 information request or to the reminder notification nor did they request an extension of the response due date.

It is a requirement of the Schools and Libraries Program that documents be retained and made available for review upon request. Without Exhibit D, the Master Lease Agreement, the contract is not complete. The Master Lease Agreement is necessary to make a determination regarding whether the school has paid their share of the eligible services requested in FCC Form 471 #676247. Without that agreement a positive determination of the school having paid their share of the five funding requests on FCC Form 471 #676247 can not be made and as a result, all five associated funding requests are denied.

USAC disagrees with your statement that "the District did pay in accordance with agreements between the District, and the leasing company, and Net56 that clearly allocate the cost between eligible e-rate services and ineligible services."

The Net56 Master Service Agreement specifies a payment of \$32,500 for the first 12 months and \$32,953 per month thereafter. That payment is the only payment specified. According to the contract, that entire amount is to be paid to an unnamed financing entity pursuant to exhibit D of the contract, which is the Master Lease Agreement. A subsequent correspondence from Net56 dated February 19, 2010 indicated that the financial entity is American Capital Financial Services Inc.

The amounts listed in your Attachment 2 do match the requested amounts for each of the FRNs on FCC Form 471 #676247. These amounts total \$63,666.87.

However, this amount does not reconcile with the payment specified in the contract, which is \$32,953. The applicant has stated that this contract represents the totality of Net56 work for the school district - both eligible and ineligible.

In your Attachment 3 to your appeal letter you state that \$2,205.23 of the total payment as specified in the contract is for the rental of equipment in Schedule A. That leaves a balance of \$30,747.23 to cover all Net56 services both eligible and ineligible. Without access to the Master Lease Agreement which has been withheld, USAC can not confirm this amount.

In your Attachment 4 to your appeal letter you attempt to reconcile the payment required by the contract and apportion that amount between eligible services and ineligible services. Attachment 4 states that the total of \$30,747.77 paid for Net56 services is split as follows: the school's share of E-Rate eligible services is \$24,830.08 and the balance, \$5,917.69 is to cover all Net56 ineligible services. This would then have the E-Rate discount being paid directly to Net56.

However, that apportionment is not credible. Exhibit C of the contract lists 41 services being provided by Net56, of which 19 are wholly or partially ineligible. The sum of \$5,917.69 per month, or \$71,012.28 for the funding year is inadequate to cover the cost of these ineligible services. Just one of them, item "r", "2 On-Site Fulltime Field Engineers" would cost more than \$400,000.00 for the funding year at the typical billing rate of \$100 per hour. Since the true cost for the ineligible services far exceeds the apportionment, the amount remaining for the school's share of E-Rate services is far less than the required amount of \$24,830. As a result, the school is not paying their share of the E-rate services.

Finally, you cite the Macomb Order (FCC 07-64) and ask for funding to be instated at a level that is cost-effective based on the precedent set in the Order. However, since the facts in this application are substantively different from that in the Order, it cannot be used as precedent.

The Macomb Order relates to an applicant spreading their procurement over multiple suppliers, each with bids at different price points, the lowest of which was a cost effective bid, the others were found to be not cost effective. The Commission allowed the applicant to procure the same amount of service from a single provider at their original price, and did not result in renegotiated pricing for the other providers that were deemed not cost-effective by USAC.

In this case, however, the procurement resulted in a single winning bidder and the funding requests were deemed not cost-effective. Applicants cannot renegotiate their contracts in order to overcome a cost-effectiveness denial. Finally, the pricing indicated in our analysis served only to demonstrate that the costs exceeded the FCC's thresholds.

USAC cannot honor your request to approve funding up to the amount that is found to be cost effective because doing so would constitute a change in price and after the close of the bidding process as such price changes and renegotiation of

the contract would constitute a violation of the FCC competitive bidding rules. Therefore, your original bid prices are what must be utilized in the cost effectiveness reviews and the cost effectiveness determinations related to those bid prices stand.

In summary, the violations of cost effectiveness, school not paying their share and school not retaining/providing requested documentation have not been resolved. Therefore the denials of the funding requests cited in your appeal stand.

If your appeal has been approved, but funding has been reduced or denied, you may appeal these decisions to either USAC or the FCC. For appeals that have been denied in full, partially approved, dismissed, or canceled, you may file an appeal with 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 or postmarked within 60 days of the date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. 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. Further information and options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD section of the USAC website or by contacting the Client Service Bureau. We strongly recommend that you use the electronic filing options.

We thank you for your continued support, patience and cooperation during the appeal process.

Schools and Libraries Division
Universal Service Administrative Company

EXHIBIT B



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

April 27, 2010

Mary Piazza
Net56, Inc
1266 West Northwest Hwy
Suite 740
Palatine, IL 60067

Re: Service Provider Name: Net56, Inc
Service Provider Identification Number: 143025679

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: Net56, Inc
SPIN: 143025679
Funding Year: 2009

Name of Billed Entity: WHEELING SCHOOL DISTRICT 21
Billed Entity Address: 999 WEST DUNDEE ROAD
Billed Entity City: WHEELING
Billed Entity State: IL
Billed Entity Zip Code: 60090-3986
Billed Entity Number: 135338
Contact Person's Name: Jason Klein
Preferred Mode of Contact: EMAIL
Contact Information: jklein@ccsd21.org
Form 471 Application Number: 676247
Funding Request Number: 1859569
Funding Status: Not Funded
Category of Service: Internet Access
Form 470 Application Number: 898200000631616
Contract Number: Firewall Services
Billing Account Number: N/A
Service Start Date: 07/01/2009
Contract Expiration Date: 06/30/2012
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-Discount Amount for Eligible Recurring Charges: \$114,762.24
Annual Pre-Discount Amount for Eligible Non-Recurring Charges: \$.00
Pre-Discount Amount: \$114,762.24
Applicant's Discount Percentage Approved by SLD: 61%
Funding Commitment Decision: \$.00 - Selective - Program Violation
Funding Commitment Decision Explanation: MR1: The FRN was modified from
\$9563.52/month to \$10,314.15/month to agree with the applicant documentation. DR1:
This funding request is denied as a result of the program violations explained in the
Further Explanation of Administrator's Funding Decision letter sent this date under
separate cover.

FCDL Date: 04/27/2010

Wave Number: 050

Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2011

FUNDING COMMITMENT REPORT
Service Provider Name: Net56, Inc
SPIN: 143025679
Funding Year: 2009

Name of Billed Entity: WHEELING SCHOOL DISTRICT 21
Billed Entity Address: 999 WEST DUNDEE ROAD
Billed Entity City: WHEELING
Billed Entity State: IL
Billed Entity Zip Code: 60090-3986
Billed Entity Number: 135338
Contact Person's Name: Jason Klein
Preferred Mode of Contact: EMAIL
Contact Information: jklein@ccsd21.org
Form 471 Application Number: 676247
Funding Request Number: 1859578
Funding Status: Not Funded
Category of Service: Internet Access
Form 470 Application Number: 898200000631616
Contract Number: Internet Access
Billing Account Number: N/A
Service Start Date: 07/01/2009
Contract Expiration Date: 06/30/2012
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-Discount Amount for Eligible Recurring Charges: \$351,973.44
Annual Pre-Discount Amount for Eligible Non-Recurring Charges: \$.00
Pre-Discount Amount: \$351,973.44
Applicant's Discount Percentage Approved by SLD: 61%
Funding Commitment Decision: \$.00 - Selective - Program Violation
Funding Commitment Decision Explanation: MR1: The ERN was modified from
\$29,331.12/month to \$31,631.60/month to agree with the applicant documentation. DR1:
This funding request is denied as a result of the program violations explained in the
Further Explanation of Administrator's Funding Decision letter sent this date under
separate cover.

FCDL Date: 04/27/2010

Wave Number: 050

Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2011

FUNDING COMMITMENT REPORT
Service Provider Name: Net56, Inc
SPIN: 143025679
Funding Year: 2009

Name of Billed Entity: WHEELING SCHOOL DISTRICT 21
Billed Entity Address: 999 WEST DUNDEE ROAD
Billed Entity City: WHEELING
Billed Entity State: IL
Billed Entity Zip Code: 60090-3986
Billed Entity Number: 135338
Contact Person's Name: Jason Klein
Preferred Mode of Contact: EMAIL
Contact Information: jklein@ccsd21.org
Form 471 Application Number: 676247
Funding Request Number: 1859583
Funding Status: Not Funded
Category of Service: Internet Access
Form 470 Application Number: 89820000631616
Contract Number: Wide Area Network Service
Billing Account Number: N/A
Service Start Date: 07/01/2009
Contract Expiration Date: 06/30/2012
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-Discount Amount for Eligible Recurring Charges: \$168,746.76
Annual Pre-Discount Amount for Eligible Non-Recurring Charges: \$.00
Pre-Discount Amount: \$168,746.76
Applicant's Discount Percentage Approved by SLD: 61%
Funding Commitment Decision: \$.00 - Selective - Program Violation
Funding Commitment Decision Explanation: MR1: The FRN was modified from
\$14,062.23/month to \$15,165.15/month to agree with the applicant documentation. DR1:
This funding request is denied as a result of the program violations explained in the
Further Explanation of Administrator's Funding Decision letter sent this date under
separate cover.

ECDL Date: 04/27/2010

Wave Number: 050

Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2011

FUNDING COMMITMENT REPORT
Service Provider Name: Net56, Inc
SPIN: 143025679
Funding Year: 2009

Name of Billed Entity: WHEELING SCHOOL DISTRICT 21
Billed Entity Address: 999 WEST DUNDEE ROAD
Billed Entity City: WHEELING
Billed Entity State: IL
Billed Entity Zip Code: 60090-3986
Billed Entity Number: 135338
Contact Person's Name: Jason Klein
Preferred Mode of Contact: EMAIL
Contact Information: jklein@ccsd21.org
Form 471 Application Number: 676247
Funding Request Number: 1859585
Funding Status: Not Funded
Category of Service: Internet Access
Form 470 Application Number: 898200000631616
Contract Number: Website Hosting Services
Billing Account Number: N/A
Service Start Date: 07/01/2009
Contract Expiration Date: 06/30/2012
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-Discount Amount for Eligible Recurring Charges: \$64,260.00
Annual Pre-Discount Amount for Eligible Non-Recurring Charges: \$.00
Pre-Discount Amount: \$64,260.00
Applicant's Discount Percentage Approved by SLD: 61%
Funding Commitment Decision: \$.00 - Selective - Program Violation
Funding Commitment Decision Explanation: MR1: The ERN was modified from
\$5355.00/month to \$5775.00/month to agree with the applicant documentation. DR1:
This funding request is denied as a result of the program violations explained in the
Further Explanation of Administrator's Funding Decision letter sent this date under
separate cover.

FCDL Date: 04/27/2010

Wave Number: 050

Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2011

=====

FUNDING COMMITMENT REPORT
Service Provider Name: Net56, Inc
SPIN: 143025679
Funding Year: 2009

Name of Billed Entity: WHEELING SCHOOL DISTRICT 21
Billed Entity Address: 999 WEST DUNDEE ROAD
Billed Entity City: WHEELING
Billed Entity State: IL
Billed Entity Zip Code: 60090-3986
Billed Entity Number: 135338
Contact Person's Name: Jason Klein
Preferred Mode of Contact: EMAIL
Contact Information: jklein@ccsd21.org
Form 471 Application Number: 676247
Funding Request Number: 1859586
Funding Status: Not Funded
Category of Service: Internet Access
Form 470 Application Number: 89820000631616
Contract Number: Email Hosting Services
Billing Account Number: N/A
Service Start Date: 07/01/2009
Contract Expiration Date: 06/30/2012
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-Discount Amount for Eligible Recurring Charges: \$64,260.00
Annual Pre-Discount Amount for Eligible Non-Recurring Charges: \$.00
Pre-Discount Amount: \$64,260.00
Applicant's Discount Percentage Approved by SLD: 61%
Funding Commitment Decision: \$.00 - Selective - Program Violation
Funding Commitment Decision Explanation: MR1: The FRN was modified from
\$5355.00/month to \$5775.00/month to agree with the applicant documentation. DR1:
This funding request is denied as a result of the program violations explained in the
Further Explanation of Administrator's Funding Decision letter sent this date under
separate cover.

FCDL Date: 04/27/2010
Wave Number: 050
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2011

April 27, 2010

Jason Klein
Wheeling School District 21
999 West Dundee Road
Wheeling, IL 60090-3986

Further Explanation of Administrator's Funding Decision
FCC Form 471 Application Number: 676247
Funding Request Numbers: 1859569, 1859578, 1859583, 1859585 and 1859586
Funding Year 2009 (07/01/2009 – 06/30/2010)
Billed Entity Number: 135338

Under separate cover, you are being sent a Funding Commitment Decision Letter concerning the FCC Form 471 Application Number cited above. This Funding Commitment Decision Letter denies the Funding Request Number(s) indicated above.

Please be advised that the Funding Commitment Decision Letter (FCDL) is the official action on this application by the Universal Service Administrative Company (USAC). Please refer to that letter for instructions regarding how to appeal the Administrator's decision, if you wish to do so. The purpose of this letter is to provide you with additional information concerning the reason for modification and denial of these funding requests.

Review of FRN #1859578

FRN 1859578 requests funding in the amount of \$351973.44 for broadband circuits to be used for Internet access. This service is eligible. This FRN was not subjected to a cost effectiveness review.

Review of FRN #1859583

FRN #1859583 requests funding in the amount of \$168,746.76 for Internet access WAN service. This WAN service request includes on-premise equipment. According to the Item 21 attachments and additional documentation you provided on October 29, 2008, which included a more detailed description of the services being procured from Net56 and a network diagram, the on-premise equipment consisted of 14 Cisco 3560 series layer 3, Gb Switch/Routers and 14 IBM Series 3200 Servers, which were to function as DNS/DHCP servers.

Based on a review of the network diagram and related documentation related to this on-premise equipment, in accordance with the requirements of the Tennessee Order (FCC

99-216), the WAN servers, identified as DNS/DHCP servers, are not eligible as part of a Priority 1 Internet access service.

The Tennessee Order questions address the exclusive use of the servers, and whether the DHCP service would function if the servers were removed. For reference, please see <http://www.usac.org/sl/applicants/step06/on-premise-priority1-equipment.aspx>.

- The diagram configuration, and the function of the servers, fail the following requirements of the Tennessee Order:
 - *The Local Area Network of the school or library is functional without dependence on the equipment.* This is because the DHCP/DNS service would not be able to function if the servers were removed.
 - *There is no contractual, technical, or other limitation that would prevent the service provider from using its network equipment, in part, for other customers.* This is because the servers are located at an applicant site; as such, it would not be possible for the vendor to utilize the same servers to provide DNS/DHCP service to another customer.

The WAN servers could potentially be eligible as Priority 2 internal connections, because your establishing FCC Form 470, #898200000631616, did post for Internal Connections. However, there are insufficient funds to support Priority 2 funding below 70%, and since your discount level is 61 percent, any Internal Connections funding requests would be denied.

In response to USAC's request for cost allocation information, your service provider, Net56, in their response dated February 22, 2009, indicated that the cost associated with the servers was \$205 per month each or a total of \$34,440 annually. Your funding request was reduced by that amount.

After modification and removal of the costs associated with the ineligible servers, this FRN was subjected to a cost effectiveness review by USAC. This review was conducted based on the Item 21 attachments, related follow up questions and your responses to those follow up questions. This cost effectiveness review compared the funding requested for the solution from Net56 with the funding required for a comparable premises-based solution.

The result of that review was that the funding request was not justified as cost effective as required by FCC rules. Specifically, the cost of the requested Internet access WAN services exceeds two times the cost of a comparable solution from commercial vendors for the eligible services. The FCC has stated that in some situations in which "the price of services is so exorbitant that it cannot, on its face be cost effective" and cited as an example selling a service "at prices two to three times greater than the prices available from commercial vendors would not be cost effective, absent extenuating services"

Ysleta Order, FCC 03-313, paragraph 54.¹ The funding required for the Net56 solution over the five year life of the contract is \$671,530. However, the cost of a comparable solution that is based on purchasing the networking equipment and annual maintenance would be approximately \$336,000. This amount accounts for the purchase of 14 switches at the market price of \$6000 each, plus 50 percent of that cost for installation and configuration, plus 50 percent of that cost annually for maintenance.

FRN #1859569 Review

FRN #1859569 requests funding in the amount of \$114,762.24 for Internet access firewall service. This firewall service includes on-premise software running on the switches included in the WAN service FRN #1859583. FRN #1859569 also includes firewall equipment located at the Net56 data center. The Net56 data center is an ineligible location; accordingly, equipment located there is ineligible for funding. Also, since the funding request includes the firewall capability of the software running on the switches, which are located at the point of entry of each building, it has been determined that the equipment located at the Net56 data center is redundant and therefore ineligible for that reason as well.

In response to USAC's request for cost allocation information, your service provider, Net56, in their response dated February 22, 2009, indicated that the cost associated with the firewall equipment located at the Net56 data center was \$1,350 per month or \$16,200 annually. The funding request was reduced by that amount.

After modification and removal of the costs associated with the firewall equipment located at the Net56 data center, this FRN was subjected to a cost effectiveness review by USAC. This review was conducted based on the Item 21 attachments, related follow up questions and your responses to those follow up questions. This cost effectiveness review compared the funding requested for the solution from Net56 with the funding required for a comparable premises-based solution.

The result of that review was that the funding request was not justified as cost effective as required by FCC rules. The FCC has stated that in some situations in which "the price of services is so exorbitant that it cannot, on its face be cost effective" and cited as an example selling a service "at prices two to three times greater than the prices available from commercial vendors would not be cost effective, absent extenuating services" Ysleta Order, FCC 03-313, paragraph 54.² Specifically, the Internet access firewall approaches two times the cost of a comparable solution from commercial vendors. The funding required for the Net56 solution over the five year life of the contract is \$492,810. However, the cost of a comparable solution that is based on purchasing firewall equipment for each of the 14 locations and annual maintenance would be approximately

¹ See 47 C.F.R. secs. 54.511(a), 54.504(b)(2)(vii), 54.504(c)(1)(xi). See also Request for Review of the Decision of the Universal Service Administrator by Ysleta Independent School District, et al., CC Docket Nos. 96-45 and 97-21, Order, 18 FCC Rcd 26407, FCC 03-313 paras. 47-55 (Dec. 8, 2003) (*Ysleta Order*).

² See *id*

\$280,000. This amount accounts for the purchase of 14 Cisco PIX Firewall devices at the market price of \$5,000 each, plus 50 percent of that cost for installation and configuration, plus 50 percent of that cost annually for maintenance.

FRN #1859586 Review

FRN #1859586 requests funding in the amount of \$64,260 for email services. In the response to USAC's information request regarding the specific services included in this funding request, you indicated that these services include email retention and email journaling. E-mail retention is archiving of information. E-mail journaling is an application. These products/services are ineligible under program rules.

For details, please refer to the Eligible Services List:

<http://www.universalservice.org/sl/tools/eligible-services-list.aspx>.

In response to USAC's request for cost allocation information, your service provider, Net56, in their response dated February 22, 2009, indicated that the cost associated with the email retention and journaling was \$1,000 per month or \$12,000 annually. The funding request was reduced by that amount.

After modification and removal of the costs associated with the email retention and journaling, this FRN was subjected to a cost effectiveness review by USAC. This review was conducted based on the Item 21 attachments and follow up questions and your responses to the follow up questions. This cost effectiveness review compared the funding requested for the solution from Net56 with the funding required for a comparable premises-based solution.

The result of that review was that the funding request was not justified as cost effective as required by FCC rules. The FCC has stated that in some situations in which "the price of services is so exorbitant that it cannot, on its face be cost effective" and cited as an example selling a service "at prices two to three times greater than the prices available from commercial vendors would not be cost effective, absent extenuating services" Ysleta Order, FCC 03-313, paragraph 54.³ Specifically, the Internet access email services exceed two times the cost of a comparable solution from commercial vendors. The funding required for the Net56 solution over the five year life of the contract is \$261,300. However, the cost of a comparable solution that is based on purchasing the server equipment and annual maintenance would be approximately \$28,500. This amount accounts for the purchase of two servers at a market price of \$14,250, including installation and maintenance for five years.

FRN #1859585 Review

FRN #1859585 requests funding in the amount of \$64,260 for web hosting services. In the response to USAC's information request regarding the specific services included in

³ See id

this funding request, you indicated that these services include web retention and web journaling. Web retention is archiving of information. Web journaling is an application. These products/services are ineligible under program rules.

For details, please refer to the Eligible Services List:

<http://www.universalservice.org/sl/tools/eligible-services-list.aspx>.

In response to USAC's request for cost allocation information, your service provider, Net56, in their response dated February 22, 2009, indicated that the cost associated with web retention and journaling was \$1,000 per month or \$12,000 annually. The funding request was reduced by that amount.

After modification and removal of the costs associated with the web retention and journaling, this FRN was subjected to a cost effectiveness review by USAC. This review was conducted based on the Item 21 attachments and follow up questions and your responses to the follow up questions. This cost effectiveness review compared the funding requested for the solution from Net56 with the funding required for a comparable premises-based solution,

The result of that review was that the funding request was not justified as cost effective as required by FCC rules. The FCC has stated that in some situations in which "the price of services is so exorbitant that it cannot, on its face be cost effective" and cited as an example selling a service "at prices two to three times greater than the prices available from commercial vendors would not be cost effective, absent extenuating services" Ysleta Order, FCC 03-313, paragraph 54.⁴ Specifically, the Internet access web hosting services exceed two times the cost of a comparable solution from commercial vendors. The funding required for the Net56 solution over the five year life of the contract is \$261,300. However, the cost of a comparable solution that is based on purchasing the server equipment and annual maintenance would be approximately \$28,500. This amount accounts for the purchase of two servers at a market price of \$14,250, including installation and maintenance for five years.

⁴ See *id*

Contract Review: Service Eligibility Issues

In response to the April 13, 2009 request by USAC for all contracts between the Wheeling School District 21 and the service provider, Net56, the applicant provided one contract. The contract is signed by Daniel B. Schuler, Assistant Superintendent for Planning and dated December 15, 2008. It is for a term of 60 months.

The contract provided consists of the Net56 Quotation page which is signed and dated as indicated above, the Master Service Agreement Form, and Exhibits A, B, C and D as referenced in the Quotation page. Exhibit D is a financing agreement which was not provided. The other elements of the contract were provided.

The Master Service Agreement portion of the aforementioned contract, in Section 3, states that this is the sole agreement between the school and the service provider "relating to the subject matter hereof." Accordingly, there is no other agreement/contract related to the services requested in FCC Form 471 application #676247.

Exhibit C is entitled "Net56 Service Offering" and it details the services provided to the school district by Net56. This exhibit does not distinguish between eligible and ineligible services.

Included in this exhibit are the requested services related to FCC Form 471 #676247: New Wan, 100Mb Internet access, web hosting services and firewall service. While the inclusion of email services is not specifically indicated, it is inferred based on references to Exchange Mailbox activities.

Also included in Exhibit C is a list of services that are not eligible for funding. Such services include, but are not limited to, the following: maintenance, operation and repair of school owned equipment located in the Net56 data center (co-located equipment), providing anti-virus services on co-located equipment, providing environmentally generated backup power for co-located equipment, backup services for hard drives of co-located equipment, tier 1 & tier 2 help desk support to desktop, two on-site fulltime field engineers, long term archiving of SAN data, business continuity plan, application hosting, Skyward and application support, and SharePoint portal services.

Exhibit A of this contract lists a suite of hardware and software which is customer owned and deployed at the Net56 data center. Since this hardware and software is customer owned, it is not eligible for inclusion in priority one Internet access service. Further, since it is deployed at the Net56 data center, which is an ineligible entity, it is not eligible for funding. Exhibit A does indicate that this equipment is not eligible for funding. Also included in Exhibit A are the 14 switches and 14 servers that are part of the WAN services FRN. This equipment is listed as owned by Net56 and deployed at school sites.

Exhibit B lists the broadband circuits that are part of the broadband Internet access FRN.

Contract Review: Payments

As previously stated, the Master Service Agreement portion of the aforementioned contract, in Section 3, states that this is the sole agreement between the school and the service provider "relating to the subject matter hereof." Accordingly, there is no other agreement/contract related to the services requested in FCC Form 471 application #676247.

This contract specifies a monthly payment of in the amount of \$32,500 which increases to \$32,953 after the first year, to be paid pursuant to the terms and conditions of Exhibit D, which is part of the contract but which was not provided in response to USAC's April 13, 2008 information request for all Net56 contracts. Per the Quotation page of the contract, Exhibit D is a financing agreement between the school and an un-named financing company. In your general response related to your contract with Net56, you indicate that this financing entity is American Capital. There is no other payment specified in the contract other than the payment to this financial entity.

In addition to and separate from the contract, your response to the April 13, 2008 information request, included a spreadsheet entitled "Wheeling District 21 Technology Services." This spreadsheet provides details separating the services that are eligible for funding from those that are not eligible and lists the payments associated with each.

This spreadsheet lists a total payment due to Net56 of \$70,205.92 per month. However, that figure is not supported by anything in the contract, which lists only the \$32,500 price and indicates that it is for all the services, both eligible and ineligible that are indicated in Exhibits A, B and C. As previously stated, this contract indicates that it is the only contract related to the requested services.

Further, this spreadsheet strains credibility because it allocates only \$9,389.92 per month or \$112,679 annually for the full list of the ineligible services outlined above and on the supplied spreadsheet. That \$112,679 annual total cost would not even cover the billing for two on-site full time field engineers. Typical billing rates for field engineers are in the range of \$100 to \$125 per hour. At the low end of that billing range, two full time field engineers should cost \$400,000 or about four times the total cost allocated to all of the ineligible services. The other identified ineligible items are clearly not valueless and they would have a significant cost associate with them.

Finance Agreement Review

In order to complete the review of this application, USAC requested the missing financing agreement, which is Exhibit D of the contract, in the October 21, 2009 information request to Wheeling School District 21. The due date for a response to that information request was November 6, 2009. On November 5, 2009, USAC sent Wheeling School District 21 a reminder notification, reminding the applicant of the information request and attaching a copy of that request. Wheeling School District 21 did not respond to either the October 21, 2009 information request or to the reminder notification.

Without Exhibit D the contract is not complete. Further, the financing agreement is necessary to make a determination regarding whether the school has paid their share of the eligible services requested in FCC Form 471 #676247. Without that agreement a positive determination of the school having paid their share of the five funding requests on FCC Form 471 #676247 can not be made and as a result, all five associated funding requests are denied. .

Net56 Additional Information

USAC management met with several applicants as well as Net56 regarding these concerns. On October 7, 2009, Net56 provided a two page letter in response to USAC's questions. The request was to respond as to why Net56 maintained that the servers would be eligible as a Priority 1 Service; to answer how they arrived at their pricing structure; and to provide the grid referred to by some applicants that would purportedly allocate costs related to eligible and ineligible services.

The Net56 response was reviewed. First, the documentation provided did not affect the determination regarding the servers. Second, the question regarding pricing structure was not answered directly, but rather, a "Total Cost of Ownership" document was provided, which compared costs of the Net56 solution with ineligible staff costs. It is important to note that while a particular solution may lower the overall Total Cost of Ownership to an individual school district, the Schools and Libraries program can only fund eligible products and services that are used in accordance with FCC Rules, which may not always result in the lowest total cost of ownership to the applicant. Third, the grid provided, while it did pertain to the funding requests, did not serve to answer the many questions relating to disparities between the Item 21 documentation, the contract and the finance agreement.

Conclusion

The funding requests were reviewed for service eligibility. Ineligible services were cost allocated and the associated costs were removed from the funding requests. Cost

effectiveness reviews were then performed. FRNs 1859569, 1859583, 1859585 and 1859586 failed cost effectiveness review.

During the course of the review of these FRNs, the contract, without the associated finance agreement, was provided to USAC. The services noted in the contract differ from your responses during the cost effectiveness review; however, the determination that all four of the FRNs that were subjected to cost effectiveness review have failed that cost effectiveness review stands.

In regard to service eligibility of the products and services specified in your contract, apart from the equipment list in Exhibit A, which is noted as not eligible for funding, the contract does not make any distinction between eligible and ineligible services. Further, there is no indication within the contract that the total cost of services is anything other than the specified payment amount of 32,500 per month which increases to \$32,953 after the first year.

The spreadsheet you provided, which is not part of the contract, does separate eligible from ineligible services. However, there is no indication within the contract of the total payment amount due to Net56 of \$70,205.92 per month as indicated in the spreadsheet. Further, the cost allocated to the ineligible services in this spreadsheet is not credible. Since this spreadsheet is not part of the contract, does not show a linkage in the total amount due to Net56 and does not show a credible cost allocation between eligible and ineligible services, it was disregarded.

Additionally, the finance agreement is an integral part of the contract and was requested by USAC. This financing agreement which is needed to make a determination that the school paid their share of the funding requests, was not provided. While Net56 may be providing eligible Internet access services as a part of the contract, without the financing agreement there is no documentation to support that any services, eligible or ineligible, are included in the payments to the finance company. Accordingly, there is no documentation regarding the payment of your Schools and Libraries Program share of Internet access services. As a consequence, all five FRNs on the application are deemed to be ineligible and are denied.

Finally, USAC management made additional attempts to obtain information from Net56 in regard to these concerns; however, the documentation provided did not affect the outcome of the decision.

Sincerely,

The Schools and Libraries Program

cc:

EXHIBIT C

FCC Form

Approval by OMB
3060-0806**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

Form 470 Application Number: 898200000631616		
Applicant's Form Identifier: 470_0809		
Application Status: CERTIFIED		
Posting Date: 11/09/2007		
Allowable Contract Date: 12/07/2007		
Certification Received Date: 11/09/2007		
1. Name of Applicant:		
WHEELING SCHOOL DISTRICT 21		
2. Funding Year:		3. Your Entity Number
07/01/2008 - 06/30/2009		135338
4a. Applicant's Street Address, P.O.Box, or Route Number		
999 WEST DUNDEE ROAD		
City	State	Zip Code
WHEELING	IL	60090 - 3986
b. Telephone number		c. Fax number
(847) 537- 8270		(847) 520- 2710
5. Type Of Applicant		
<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)		
6a. Contact Person's Name: JASON KLEIN		

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.

6b. Street Address, P.O.Box, or Route Number

200 Glendale Street

City	State	Zip Code
Wheeling	IL	60090

Check the box next to your preferred mode of contact and provide your contact information. One box **MUST** be checked and an entry provided.

6c. Telephone Number (847) 520- 2835

6d. Fax Number (847) 520- 2605

6e. E-mail Address JKLEIN@CCSD21.ORG

Block 2: Summary Description of Needs or Services Requested

7 This Form 470 describes (check all that apply):

a. 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.

b. Services for which a new written contract is sought for the funding year in Item 2.
 Check if you are seeking a multi-year contract and/or a contract featuring voluntary extensions

c. 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.

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.

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 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.

<p>a <input type="radio"/> YES, I have released or intend to release an RFP for these services. It is available or will become available on the Web at or via (check one): <input type="checkbox"/> the Contact Person in Item 6 or <input type="checkbox"/> the contact listed in Item 12.</p>		
<p>b <input type="radio"/> NO, I have not released and do not intend to release an RFP for these services.</p>		
<p>Whether you check YES or NO, you must list below the Telecommunications Services you seek. Specify each service or function (e.g., local voice service) and quantity and/or capacity (e.g., 20 existing lines plus 10 new ones). See the Eligible Services List at www.sl.universalservice.org for examples of eligible Telecommunications services. Remember that only eligible telecommunications providers can provide these services under the universal service support mechanism. Attach additional lines if needed.</p>		
<p>c <input type="radio"/> Check this box if you prefer discounts on your bill.</p>	<p><input type="radio"/> Check this box if you prefer reimbursement after paying your bill in full.</p>	<p><input type="radio"/> Check this box if you do not have a preference.</p>
<p>9 <input type="checkbox"/> Internet Access <i>Do you have a Request for Proposal (RFP) that specifies the services you are seeking? If you check YES, your RFP must be available to all interested bidders for at least 28 days. If you check YES and your RFP is not available to all interested bidders, or if you check NO and you have or intend to have an RFP, you risk denial of your funding requests.</i></p>		
<p>a <input type="radio"/> YES, I have released or intend to release an RFP for these services. It is available or will become available on the Web at or via (check one): <input type="checkbox"/> the Contact Person in Item 6 or <input type="checkbox"/> the contact listed in Item 12.</p>		
<p>b <input type="radio"/> NO, I have not released and do not intend to release an RFP for these services.</p>		
<p>Whether you check YES or NO, you must list below the Internet Access Services you seek. Specify each service or function (e.g., monthly Internet service) and quantity and/or capacity (e.g., for 500 users). See the Eligible Services List at www.sl.universalservice.org for examples of eligible Internet Access services. Attach additional lines if needed.</p>		
<p>c <input type="radio"/> Check this box if you prefer discounts on your bill.</p>	<p><input type="radio"/> Check this box if you prefer reimbursement after paying your bill in full.</p>	<p><input type="radio"/> Check this box if you do not have a preference.</p>
<p>Service or Function:</p>	<p>Quantity and/or Capacity:</p>	
<p>Internet Access</p>	<p>14 Buildings, 3000 Computers 1.5 MG or greater</p>	
<p>Domain name registration</p>	<p>2 domain names</p>	
<p>Wide Area Network</p>	<p>14 Buildings, 500 Classrooms, 3000 Computers</p>	
<p>Firewall Services</p>	<p>14 Buildings, 500 Classrooms, 3000 Computers</p>	
<p>Web Hosting</p>	<p>20 major sub-domains of ccsd21.org</p>	
<p>E-mail Service</p>	<p>District-wide service program</p>	
<p>10 <input type="checkbox"/> Internal Connections Other than Basic Maintenance <i>Do you have a Request for Proposal (RFP) that specifies the services you are seeking? If you check YES, your RFP must be available to all interested bidders for at least 28 days. If you check YES and your RFP is not available to all interested</i></p>		

bidder, 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 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 www.sl.universalservice.org for examples of eligible Internal Connections services. Attach additional lines if needed.

c <input type="radio"/> Check this box if you prefer discounts on your bill.	<input type="radio"/> Check this box if you prefer reimbursement after paying your bill in full.	<input checked="" type="radio"/> Check this box if you do not have a preference.
--	--	--

Service or Function:	Quantity and/or Capacity:
Internal Network Connections-Network Switches	24
Internal Network Cabling	35000 feet
Cabling components, such as jacks, panels, faceplates, and wire managers	Assorted amount but adequate to complete cabling
E-mail software	1 District license, 1000 users

11 Basic Maintenance of Internal Connections

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 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 www.sl.universalservice.org for examples of eligible Basic Maintenance services. Attach additional lines if needed.

c <input type="radio"/> Check this box if you prefer discounts on your bill.	<input type="radio"/> Check this box if you prefer reimbursement after paying your bill in full.	<input checked="" type="radio"/> Check this box if you do not have a preference.
--	--	--

Service or Function:	Quantity and/or Capacity:
Basic Maintenance of Switches	260 Switches
Basic Maintenance of Core Switch	1 Core Switch
Basic Maintenance of Routers	14 Routers

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: Jason Klein	Title: Director of Technology
Telephone number (847) 520 - 2835	
Fax number (847) 520 - 2605	
E-mail Address jklein@ccsd21.org	
<p>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.</p> <p><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.</p>	
<p>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. We will likely continue to increase bandwidth over the next three years in order to meet our changing needs.</p>	

Block 3: Technology Assessment

<p>14. <input type="checkbox"/> 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).</p>
<p>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.</p>
<p>a. Desktop communications software: Software required <input type="checkbox"/> has been purchased; and/or <input type="checkbox"/> is being sought.</p>
<p>b. Electrical systems: <input type="checkbox"/> adequate electrical capacity is in place or has already been arranged; and/or <input type="checkbox"/> upgrading for additional electrical capacity is being sought.</p>
<p>c. Computers: a sufficient quantity of computers <input type="checkbox"/> has been purchased; and/or <input type="checkbox"/> is being sought.</p>

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:**

Number of eligible entities	14
<i>For these eligible sites, please provide the following</i>	
Area Codes (list each unique area code)	Prefixes associated with each area code (first 3 digits of phone number) separate with commas, leave no spaces
847	363

847	520
847	537
847	670
847	803

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
135338	WHEELING SCHOOL DISTRICT 21

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): **11/09/2007**

29. Printed name of authorized person: **JASON KLEIN**

30. Title or position of authorized person: **DIRECTOR OF TECHNOLOGY**

31a. Address of authorized person: **200 Glendale Street**
City: **Wheeling** State: **IL** Zip: **60090**

31b. Telephone number of authorized person: **(847) 520 - 2835**

31c. Fax number of authorized person: **(847) 5202605**

31d. E-mail address number of authorized person: **JKLEIN@CCSD21.ORG**

31e. Name of authorized person's employer: **WHEELING SCHOOL DISTRICT
21**

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 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. § 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, 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. § 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. § 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
October 2004

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EXHIBIT D

Community Consolidated School District 21 Internet Access Quote



Community Consolidated School District 21 selects Net56, Inc (SPIN # 143025679) as vendor of choice to provide the District the outlined services below for School Year beginning July 1, 2008, Ending June 30, 2009. The below agreed upon services are subject to final School Board and budget approval.

 Bruce Koch President Net56, Inc. 2/4/2008	 Daniel B. Schuler Asst. Super. for Planning Community Consolidated School District 21 2/6/2008
---	---

Internet Access

Internet Access Monthly Fee (13 Buildings/ _____ Classrooms/ _____ Computers)

Includes: 100 MB Circuit between Community Consolidated School District 21 and Internet w/ Gurantee 100 MB Internet access.
 WAN breakdown: 1-100 Mb Circuit; 10 - 5 Mb Circuits; 2 - 10 Mb Circuits; 1 - 20 Mb Curcuit

\$	28,756.00	Monthly Fee	
\$	28,756.00	Amount E-Ratable	
\$	(18,978.96)	Erate @	66.00%

WAN Service for Internet Access

WAN Services (13 Buildings/ _____ Classrooms/ _____ Computers)

Includes: 13 Cisco 3560 series layer 3, Gb Switch/Routers for 13 buildings ; 13 DNS/DHCP Servers for 13 building .

\$	13,786.50	Monthly Fee	
\$	13,786.50	Amount E-Ratable	
\$	(9,099.09)	Erate @	66.00%

Firewall

Firewall Monthly Fee (13 Buildings/ _____ Classrooms/ _____ Computers)

Includes: Cisco Firewall Service for total district.

Firewall Services	\$	9,376.50	Monthly Fee	
	\$	9,376.50	Amount E-Ratable	
	\$	(6,188.49)	Erate @	66.00%

Web Hosting Fee

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

Web Hosting Services	\$	5,250.00	Monthly Fee	
	\$	5,250.00	Amount E-Ratable	
	\$	(3,465.00)	Erate @	66.00%

Email Local and Web

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

Hosted Application	\$	5,250.00	Monthly Fee	
	\$	5,250.00	Amount E-Ratable	
	\$	(3,465.00)	Erate @	66.00%

	Monthly Non Discounted Service Fee	USAC Monthly E-Rate Discount	District Monthly Contracted Fee
E-Rate Monthly Fees	\$ 62,419.00	\$ 41,196.54	\$ 21,222.46

EXHIBIT E

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.) The instructions include information on the deadlines for filing this application.		
Applicant's Form Identifier (Create your own code to identify THIS form 471)	D21-InternetAccess_0809	Form 471 Application# (To be assigned by administrator)
606327		
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	WHEELING SCHOOL DISTRICT 21
2 a	Funding Year: July 1,	2008 Through June 30: 2009
		Billed Entity Number: 135338
4 a	Street Address, P.O. Box, or Routing Number	999 WEST DUNDEE ROAD
		City
		WHEELING
		State
		IL
		Zip Code 60090 3986
5 a	Type of Application	<input type="checkbox"/> Individual School (individual public or non-public school) <input checked="" type="checkbox"/> School District (LEA; public or non-public [e.g. diocesan] local district representing multiple schools) <input type="checkbox"/> Library (including library system, library outlet/branch or library consortium as defined under LSTA) <input type="checkbox"/> Consortium <input type="checkbox"/> Check here if any members of this consortium are ineligible or non-governmental entities)
6	Contact Person's Name	Jason Klein
First, if the Contact Person's Street Address is the same as in Item 4, check this box. <input type="checkbox"/> If not, please complete the entries for the Street Address below.		
b	Street Address, P.O. Box, or Routing Number	999 WEST DUNDEE ROAD
		City
		WHEELING
		State
		IL
		Zip Code 60090 3986



Entity Number	<u>135338</u>	Applicant's Form Identifier	<u>D21-InternetAccess_0809</u>
Contact Person	<u>Jason Klein</u>	Phone Number	<u>847-537-8270</u>
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		6951
b	Telephone service: Number of classrooms with phone service	669	669
c	Dial-up Internet access: Number of connections (up to 56kbps)	18	18
d	Direct broadband services: Number of buildings served at the following speeds:		
	Less than 10 mbps	0	0
	Between 10 mbps and 200 mbps	14	14
	Greater than 200 mbps	0	0
e	Direct connections to the Internet: Number of drops	4	4
f	Number of classrooms with Internet access	669	669
g	Number of computers or other devices with Internet access	2400	2430

Block 3: Impact of Services Ordered on Libraries

NOT APPLICABLE AS THIS APPLICATION IS FOR DISTRICT

Worksheet A No: 958599

Student Count: 6231

Weighted Product (Sum. Column 8): 4108.8

Shared Discount: 66%

1. School Name: COOPER MIDDLE SCHOOL

2. Entity Number: 68588 **NCES:** 17 42210 04230

3. Rural/Urban: Urban

4. Student Count: 837

5. NSLP Students: 187

6. NSLP Students/Students: 22.341%

7. Discount: 50%

8. Weighted Product: 418.5

9. Pre-K/Adult Ed/Juv:

10. Alt Disc Mech: N

N

1. School Name: DISTRICT 21 ADMINISTRATIVE CENTER

2. Entity Number:

NCES: 17 42210 00000

230363

3. Rural/Urban: Urban

4. Student Count: 0

5. NSLP Students: 0

6. NSLP Students/Students:

7. Discount: 60%

8. Weighted Product: 0

9. Pre-K/Adult Ed/Juv:

10. Alt Disc Mech: N

N

1. School Name: EDGAR A POE ELEMENTARY SCHOOL

2. **Entity Number:** 68135 **NCES:** 17 42210 04233
 3. **Rural/Urban:** Urban
 4. **Student Count:** 454 5. **NSLP Students:** 67 6. **NSLP Students/Students:** 14.757%
 7. **Discount:** 40% 8. **Weighted Product:** 181.6
 9. **Pre-K/Adult Ed/Juv:** N 10. **Alt Disc Mech:** N

1. **School Name:** EUGENE FIELD ELEMENTARY SCHOOL
 2. **Entity Number:** 68596 **NCES:** 17 42210 04237
 3. **Rural/Urban:** Urban
 4. **Student Count:** 512 5. **NSLP Students:** 282 6. **NSLP Students/Students:** 55.078%
 7. **Discount:** 80% 8. **Weighted Product:** 409.6
 9. **Pre-K/Adult Ed/Juv:** N 10. **Alt Disc Mech:** N

1. **School Name:** FROST ELEMENTARY SCHOOL
 2. **Entity Number:** 68402 **NCES:** 17 42210 04232
 3. **Rural/Urban:** Urban
 4. **Student Count:** 545 5. **NSLP Students:** 293 6. **NSLP Students/Students:** 53.761%
 7. **Discount:** 80% 8. **Weighted Product:** 436
 9. **Pre-K/Adult Ed/Juv:** N 10. **Alt Disc Mech:** N

1. **School Name:** HAWTHORNE
 2. **Entity Number:** 230227 **NCES:** 17 42210 00000
 3. **Rural/Urban:** Urban
 4. **Student Count:** 0 5. **NSLP Students:** 0 6. **NSLP Students/Students:**
 7. **Discount:** 60% 8. **Weighted Product:** 0
 9. **Pre-K/Adult Ed/Juv:** N 10. **Alt Disc Mech:** N

1. **School Name:** HOLMES MIDDLE SCHOOL
 2. **Entity Number:** 68599 **NCES:** 17 42210 04240
 3. **Rural/Urban:** Urban
 4. **Student Count:** 691 5. **NSLP Students:** 407 6. **NSLP Students/Students:** 58.900%
 7. **Discount:** 80% 8. **Weighted Product:** 552.8
 9. **Pre-K/Adult Ed/Juv:** N 10. **Alt Disc Mech:** N

1. **School Name:** KILMER ELEMENTARY SCHOOL
 2. **Entity Number:** 68589 **NCES:** 17 42210 04242
 3. **Rural/Urban:** Urban
 4. **Student Count:** 398 5. **NSLP Students:** 216 6. **NSLP Students/Students:** 54.271%
 7. **Discount:** 80% 8. **Weighted Product:** 318.4
 9. **Pre-K/Adult Ed/Juv:** N 10. **Alt Disc Mech:** N

1. **School Name:** LONDON MIDDLE SCHOOL
 2. **Entity Number:** 68595 **NCES:** 17 42210 01184
 3. **Rural/Urban:** Urban
 4. **Student Count:** 702 5. **NSLP Students:** 262 6. **NSLP Students/Students:** 37.321%
 7. **Discount:** 60% 8. **Weighted Product:** 421.2
 9. **Pre-K/Adult Ed/Juv:** N 10. **Alt Disc Mech:** N

1. **School Name:** LONGFELLOW ELEMENTARY SCHOOL
 2. **Entity Number:** 68585 **NCES:** 17 42210 04236
 3. **Rural/Urban:** Urban
 4. **Student Count:** 431 5. **NSLP Students:** 31 6. **NSLP Students/Students:** 7.192%
 7. **Discount:** 40% 8. **Weighted Product:** 172.4
 9. **Pre-K/Adult Ed/Juv:** N 10. **Alt Disc Mech:** N

1. **School Name:** MARK TWAIN ELEMENTARY SCHOOL
 2. **Entity Number:** 68598 **NCES:** 17 42210 04228
 3. **Rural/Urban:** Urban
 4. **Student Count:** 418 5. **NSLP Students:** 361 6. **NSLP Students/Students:** 86.363%
 7. **Discount:** 90% 8. **Weighted Product:** 376.2
 9. **Pre-K/Adult Ed/Juv:** N 10. **Alt Disc Mech:** N

1. **School Name:** RILEY ELEMENTARY SCHOOL
 2. **Entity Number:** 68134 **NCES:** 17 42210 04231
 3. **Rural/Urban:** Urban
 4. **Student Count:** 331 5. **NSLP Students:** 16 6. **NSLP Students/Students:** 4.833%
 7. **Discount:** 40% 8. **Weighted Product:** 132.4
 9. **Pre-K/Adult Ed/Juv:** N 10. **Alt Disc Mech:** N

1. **School Name:** TARKINGTON ELEMENTARY SCHOOL
 2. **Entity Number:** 68597 **NCES:** 17 42210 04234
 3. **Rural/Urban:** Urban
 4. **Student Count:** 437 5. **NSLP Students:** 170 6. **NSLP Students/Students:** 38.901%
 7. **Discount:** 60% 8. **Weighted Product:** 262.2
 9. **Pre-K/Adult Ed/Juv:** N 10. **Alt Disc Mech:** N

1. **School Name:** WHITMAN ELEMENTARY SCHOOL
 2. **Entity Number:** 68594 **NCES:** 17 42210 04238
 3. **Rural/Urban:** Urban
 4. **Student Count:** 475 5. **NSLP Students:** 380 6. **NSLP Students/Students:** 80.000%
 7. **Discount:** 90% 8. **Weighted Product:** 427.5
 9. **Pre-K/Adult Ed/Juv:** N 10. **Alt Disc Mech:** N

Worksheet A No: 958600 **Student Count:** 6231
Weighted Product (Sum. Column 8): 4108.8 **Shared Discount:** 66%

1. **School Name:** COOPER MIDDLE SCHOOL
 2. **Entity Number:** 68588 **NCES:** 17 42210 04230
 3. **Rural/Urban:** Urban
 4. **Student Count:** 837 5. **NSLP Students:** 187 6. **NSLP Students/Students:** 22.341%
 7. **Discount:** 50% 8. **Weighted Product:** 418.5
 9. **Pre-K/Adult Ed/Juv:** N 10. **Alt Disc Mech:** N

1. **School Name:** DISTRICT 21 ADMINISTRATIVE CENTER
 2. **Entity Number:** **NCES:** 17 42210 00000

230363

3. Rural/Urban: Urban
 4. Student Count: 0 5. NSLP Students: 0 6. NSLP Students/Students:
 7. Discount: 60% 8. Weighted Product: 0
 9. Pre-K/Adult Ed/Juv: 10. Alt Disc Mech: N
 N

1. School Name: EDGAR A POE ELEMENTARY SCHOOL
 2. Entity Number: 68135 NCES: 17 42210 04233
 3. Rural/Urban: Urban
 4. Student Count: 454 5. NSLP Students: 67 6. NSLP Students/Students: 14.757%
 7. Discount: 40% 8. Weighted Product: 181.6
 9. Pre-K/Adult Ed/Juv: 10. Alt Disc Mech: N
 N

1. School Name: EUGENE FIELD ELEMENTARY SCHOOL
 2. Entity Number: 68596 NCES: 17 42210 04237
 3. Rural/Urban: Urban
 4. Student Count: 512 5. NSLP Students: 282 6. NSLP Students/Students: 55.078%
 7. Discount: 80% 8. Weighted Product: 409.6
 9. Pre-K/Adult Ed/Juv: 10. Alt Disc Mech: N
 N

1. School Name: FROST ELEMENTARY SCHOOL
 2. Entity Number: 68402 NCES: 17 42210 04232
 3. Rural/Urban: Urban
 4. Student Count: 545 5. NSLP Students: 293 6. NSLP Students/Students: 53.761%
 7. Discount: 80% 8. Weighted Product: 436
 9. Pre-K/Adult Ed/Juv: 10. Alt Disc Mech: N
 N

1. School Name: HAWTHORNE
 2. Entity Number: NCES: 17 42210 00000
 230227
 3. Rural/Urban: Urban
 4. Student Count: 0 5. NSLP Students: 0 6. NSLP Students/Students:
 7. Discount: 60% 8. Weighted Product: 0
 9. Pre-K/Adult Ed/Juv: 10. Alt Disc Mech: N
 N

1. School Name: HOLMES MIDDLE SCHOOL
 2. Entity Number: 68599 NCES: 17 42210 04240
 3. Rural/Urban: Urban
 4. Student Count: 691 5. NSLP Students: 407 6. NSLP Students/Students: 58.900%
 7. Discount: 80% 8. Weighted Product: 552.8
 9. Pre-K/Adult Ed/Juv: 10. Alt Disc Mech: N
 N

1. School Name: KILMER ELEMENTARY SCHOOL
 2. Entity Number: 68589 NCES: 17 42210 04242
 3. Rural/Urban: Urban
 4. Student Count: 398 5. NSLP Students: 216 6. NSLP Students/Students: 54.271%
 7. Discount: 80% 8. Weighted Product: 318.4
 9. Pre-K/Adult Ed/Juv: 10. Alt Disc Mech: N
 N

1. **School Name:** LONDON MIDDLE SCHOOL
 2. **Entity Number:** 68595 **NCES:** 17 42210 01184
 3. **Rural/Urban:** Urban
 4. **Student Count:** 702 5. **NSLP Students:** 262 6. **NSLP Students/Students:** 37.321%
 7. **Discount:** 60% 8. **Weighted Product:** 421.2
 9. **Pre-K/Adult Ed/Juv:** N 10. **Alt Disc Mech:** N

1. **School Name:** LONGFELLOW ELEMENTARY SCHOOL
 2. **Entity Number:** 68585 **NCES:** 17 42210 04236
 3. **Rural/Urban:** Urban
 4. **Student Count:** 431 5. **NSLP Students:** 31 6. **NSLP Students/Students:** 7.192%
 7. **Discount:** 40% 8. **Weighted Product:** 172.4
 9. **Pre-K/Adult Ed/Juv:** N 10. **Alt Disc Mech:** N

1. **School Name:** MARK TWAIN ELEMENTARY SCHOOL
 2. **Entity Number:** 68598 **NCES:** 17 42210 04228
 3. **Rural/Urban:** Urban
 4. **Student Count:** 418 5. **NSLP Students:** 361 6. **NSLP Students/Students:** 86.363%
 7. **Discount:** 90% 8. **Weighted Product:** 376.2
 9. **Pre-K/Adult Ed/Juv:** N 10. **Alt Disc Mech:** N

1. **School Name:** RILEY ELEMENTARY SCHOOL
 2. **Entity Number:** 68134 **NCES:** 17 42210 04231
 3. **Rural/Urban:** Urban
 4. **Student Count:** 331 5. **NSLP Students:** 16 6. **NSLP Students/Students:** 4.833%
 7. **Discount:** 40% 8. **Weighted Product:** 132.4
 9. **Pre-K/Adult Ed/Juv:** N 10. **Alt Disc Mech:** N

1. **School Name:** TARKINGTON ELEMENTARY SCHOOL
 2. **Entity Number:** 68597 **NCES:** 17 42210 04234
 3. **Rural/Urban:** Urban
 4. **Student Count:** 437 5. **NSLP Students:** 170 6. **NSLP Students/Students:** 38.901%
 7. **Discount:** 60% 8. **Weighted Product:** 262.2
 9. **Pre-K/Adult Ed/Juv:** N 10. **Alt Disc Mech:** N

1. **School Name:** WHITMAN ELEMENTARY SCHOOL
 2. **Entity Number:** 68594 **NCES:** 17 42210 04238
 3. **Rural/Urban:** Urban
 4. **Student Count:** 475 5. **NSLP Students:** 380 6. **NSLP Students/Students:** 80.000%
 7. **Discount:** 90% 8. **Weighted Product:** 427.5
 9. **Pre-K/Adult Ed/Juv:** N 10. **Alt Disc Mech:** N

Block 5: Discount Funding Request(s)

FRN: 1670609

FCDL Date: 07/01/2008

10. Original FRN:	
11. Category of Service: Internet Access	12. 470 Application Number: 898200000631616
13. SPIN: 143025679	14. Service Provider Name: Net56, Inc
15a. Non-Contracted tariffed/Month to Month Service:	15b. Contract Number: Firewall Services
15c. Covered under State Master Contract:	15d. FRN from Previous Year: 1618118
16a. Billing Account Number:	16b. Multiple Billing Account Numbers?:
17. Allowable Contract Date: 12/07/2007	18. Contract Award Date: 01/02/2008
19a. Service Start Date: 07/01/2008	19b. Service End Date:
20. Contract Expiration Date: 06/30/2009	
21. Attachment #: Net56 IA-1	22. Block 4 Worksheet No.: 958599
23a. Monthly Charges: \$9,376.50	23b. Ineligible monthly amt.: \$.00
23c. Eligible monthly amt.: \$9,376.50	23d. Number of months of service: 12
23e. Annual pre-discount amount for eligible recurring charges (23c x 23d): \$112,518.00	
23f. Annual non-recurring (one-time) charges: 0	23g. Ineligible non-recurring amt.: 0
23h. Annual pre-discount amount for eligible non-recurring charges (23f - 23g): \$0.00	
23i. Total program year pre-discount amount (23e + 23h): \$112,518.00	
23j. % discount (from Block 4): 66	
23k. Funding Commitment Request (23i x 23j): \$74,261.88	

FRN: 1715650	FCDL Date: 07/01/2008
10. Original FRN:	
11. Category of Service: Internet Access	12. 470 Application Number: 898200000631616
13. SPIN: 143025679	14. Service Provider Name: Net56, Inc
15a. Non-Contracted tariffed/Month to Month Service:	15b. Contract Number: Internet Access
15c. Covered under State Master Contract:	15d. FRN from Previous Year: 1617776
16a. Billing Account Number:	16b. Multiple Billing Account Numbers?:
17. Allowable Contract Date: 12/07/2007	18. Contract Award Date: 02/06/2008
19a. Service Start Date: 07/01/2008	19b. Service End Date:
20. Contract Expiration Date: 06/30/2009	
21. Attachment #: Net56 IA-2	22. Block 4 Worksheet No.: 958599
23a. Monthly Charges: \$28,756.00	23b. Ineligible monthly amt.: \$.00
23c. Eligible monthly amt.: \$28,756.00	23d. Number of months of service: 12
23e. Annual pre-discount amount for eligible recurring charges (23c x 23d): \$345,072.00	
23f. Annual non-recurring (one-time) charges: 0	23g. Ineligible non-recurring amt.: 0
23h. Annual pre-discount amount for eligible non-recurring charges (23f - 23g): \$0.00	
23i. Total program year pre-discount amount (23e + 23h): \$345,072.00	
23j. % discount (from Block 4): 66	
23k. Funding Commitment Request (23i x 23j): \$227,747.52	

FRN: 1715664 FCDL Date: 07/01/2008	
10. Original FRN:	
11. Category of Service: Internet Access	12. 470 Application Number: 898200000631616
13. SPIN: 143025679	14. Service Provider Name: Net56, Inc
15a. Non-Contracted tariffed/Month to Month Service:	15b. Contract Number: WAN Service
15c. Covered under State Master Contract:	15d. FRN from Previous Year: 1618055
16a. Billing Account Number:	16b. Multiple Billing Account Numbers?:
17. Allowable Contract Date: 12/07/2007	18. Contract Award Date: 02/06/2008
19a. Service Start Date: 07/01/2008	19b. Service End Date:
20. Contract Expiration Date: 06/30/2009	
21. Attachment #: Net56 IA-3	22. Block 4 Worksheet No.: 958599
23a. Monthly Charges: \$13,786.50	23b. Ineligible monthly amt.: \$.00
23c. Eligible monthly amt.: \$13,786.50	23d. Number of months of service: 12
23e. Annual pre-discount amount for eligible recurring charges (23c x 23d): \$165,438.00	
23f. Annual non-recurring (one-time) charges: 0	23g. Ineligible non-recurring amt.: 0
23h. Annual pre-discount amount for eligible non-recurring charges (23f - 23g): \$0.00	
23i. Total program year pre-discount amount (23e + 23h): \$165,438.00	
23j. % discount (from Block 4): 66	
23k. Funding Commitment Request (23i x 23j): \$109,189.08	

FRN: 1715691 FCDL Date: 07/01/2008	
10. Original FRN:	
11. Category of Service: Internet Access	12. 470 Application Number: 898200000631616
13. SPIN: 143025679	14. Service Provider Name: Net56, Inc
15a. Non-Contracted tariffed/Month to Month Service:	15b. Contract Number: Web Hosting Services
15c. Covered under State Master Contract:	15d. FRN from Previous Year: 1618153
16a. Billing Account Number:	16b. Multiple Billing Account Numbers?:
17. Allowable Contract Date: 12/07/2007	18. Contract Award Date: 02/06/2008
19a. Service Start Date: 07/01/2008	19b. Service End Date:
20. Contract Expiration Date: 06/30/2009	
21. Attachment #: Net56 IA-4	22. Block 4 Worksheet No.: 958599
23a. Monthly Charges: \$5,250.00	23b. Ineligible monthly amt.: \$.00
23c. Eligible monthly amt.: \$5,250.00	23d. Number of months of service: 12
23e. Annual pre-discount amount for eligible recurring charges (23c x 23d): \$63,000.00	
23f. Annual non-recurring (one-time) charges: 0	23g. Ineligible non-recurring amt.: 0
23h. Annual pre-discount amount for eligible non-recurring charges (23f - 23g): \$0.00	
23i. Total program year pre-discount amount (23e + 23h): \$63,000.00	
23j. % discount (from Block 4): 66	
23k. Funding Commitment Request (23i x 23j): \$41,580.00	

FRN: 1715806 FCDL Date: 07/01/2008	
10. Original FRN:	
11. Category of Service: Internet Access	12. 470 Application Number: 898200000631616
13. SPIN: 143025679	14. Service Provider Name: Net56, Inc
15a. Non-Contracted tarified/Month to Month Service:	15b. Contract Number: Email Hosting Services
15c. Covered under State Master Contract:	15d. FRN from Previous Year: 1618172
16a. Billing Account Number:	16b. Multiple Billing Account Numbers?:
17. Allowable Contract Date: 12/07/2007	18. Contract Award Date: 02/06/2008
19a. Service Start Date: 07/01/2008	19b. Service End Date:
20. Contract Expiration Date: 06/30/2009	
21. Attachment #: Net56 IA-5	22. Block 4 Worksheet No.: 958599
23a. Monthly Charges: \$5,250.00	23b. Ineligible monthly amt.: \$.00
23c. Eligible monthly amt.: \$5,250.00	23d. Number of months of service: 12
23e. Annual pre-discount amount for eligible recurring charges (23c x 23d): \$63,000.00	
23f. Annual non-recurring (one-time) charges: 0	23g. Ineligible non-recurring amt.: 0
23h. Annual pre-discount amount for eligible non-recurring charges (23f - 23g): \$0.00	
23i. Total program year pre-discount amount (23e + 23h): \$63,000.00	
23j. % discount (from Block 4): 66	
23k. Funding Commitment Request (23i x 23j): \$41,580.00	

Block 6: Certifications and Signature

Application
ID:606327

Do not write in this area.

Entity Number <u>135338</u>	Applicant's Form Identifier <u>D21-InternetAccess 0809</u>
Contact Person <u>Jason Klein</u>	Phone Number <u>847-537-8270</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)
- a. **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).

a.	Total funding year pre-discount amount on this Form 471 (Add the entities from Item 23l on all Block 5 Discount Funding Requests.)	\$749,028.00
b.	Total funding commitment request amount on this Form 471 (Add the entities from Items 23K on all Block 5 Discount Funding Requests.)	\$494,358.48
c.	Total applicant non-discount share (Subtract Item 25b from Item 25a.)	\$254,669.52
d.	Total budgeted amount allocated to resources not eligible for E-rate support	\$30,000.00
e.	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.)	\$284,669.52
f.	<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 **2/7/2008**

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**

Print

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EXHIBIT F

FUNDING COMMITMENT DECISION LETTER
(Funding Year 2008: 07/01/2008 - 06/30/2009)

July 1, 2008

Mary Piazza
Net56, Inc
1266 West Northwest Hwy
Suite 740
Palatine, IL 60067

Re: Service Provider Name: Net56, Inc
Service Provider Identification Number: 143025679

Thank you for participating in the Schools and Libraries Program (Program) for Funding Year 2008. 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 2008," 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 the applicant, please provide a copy of your appeal to the service provider(s) affected by the decision. If you are the 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 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 Road
P.O. Box 902
Whippany, NJ 07981

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.

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 Program. 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. USAC 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 USAC, the applicant, or the service provider. USAC, and other appropriate authorities (including but not limited to 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
Funding Year: 2008

Name of Billed Entity: WHEELING SCHOOL DISTRICT 21
Billed Entity Address: 999 WEST DUNDEE ROAD
Billed Entity City: WHEELING
Billed Entity State: IL
Billed Entity Zip Code: 60090-3986
Billed Entity Number: 135338
Contact Person's Name: Jason Klein
Preferred Mode of Contact: EMAIL
Contact Information: jklein@ccsd21.org
Form 471 Application Number: 606327
Funding Request Number: 1670609
Funding Status: Funded
Category of Service: Internet Access
Form 470 Application Number: 89820000631616
Contract Number: Firewall Services
Billing Account Number: N/A
Service Start Date: 07/01/2008
Contract Expiration Date: 06/30/2009
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-Discount Amount for Eligible Recurring Charges: \$112,518.00
Annual Pre-Discount Amount for Eligible Non-Recurring Charges: \$.00
Pre-Discount Amount: \$112,518.00
Applicant's Discount Percentage Approved by SLD: 66%
Funding Commitment Decision: \$74,261.88 - ERN approved; modified by SLD
Funding Commitment Decision Explanation: MR1: The Contract Award Date was changed from 02-06-2007 to 01-02-2008 to agree with the applicant documentation.<><><><> MR2: The discount was increased for <Frost Elementary School> based on State Valid File Line 869, for <Kilmer Elementary School> based on State Valid File Line 868, for <Whitman Elementary School> based on State Valid File Line 865, for <London Middle School> based on State Valid File Line 871, for <Trakington Elementary School> based on State Valid File Line 870, for <Mark Twain Elementary School> based on State Valid File Line 864 and the requested discount in Form 471 application 607903 which was filed by ILLINOIS CENTURY NETWORK Billed Entity Number: 231202

ECDL Date: 07/01/2008
Wave Number: 010

Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2009

FUNDING COMMITMENT REPORT
Service Provider Name: Net56, Inc
SPIN: 143025679
Funding Year: 2008

Name of Billed Entity: WHEELING SCHOOL DISTRICT 21
Billed Entity Address: 999 WEST DUNDEE ROAD
Billed Entity City: WHEELING
Billed Entity State: IL
Billed Entity Zip Code: 60090-3986
Billed Entity Number: 135338
Contact Person's Name: Jason Klein
Preferred Mode of Contact: EMAIL
Contact Information: jklein@ccsd21.org
Form 471 Application Number: 606327
Funding Request Number: 1715650
Funding Status: Funded
Category of Service: Internet Access
Form 470 Application Number: 898200000631616
Contract Number: Internet Access
Billing Account Number: N/A
Service Start Date: 07/01/2008
Contract Expiration Date: 06/30/2009
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-Discount Amount for Eligible Recurring Charges: \$345,072.00
Annual Pre-Discount Amount for Eligible Non-Recurring Charges: \$.00
Pre-Discount Amount: \$345,072.00
Applicant's Discount Percentage Approved by SLD: 66%
Funding Commitment Decision: \$227,747.52 - FRN approved; modified by SLD
Funding Commitment Decision Explanation: MR1: The discount was increased for <Frost Elementary School> based on State Valid File Line 869, for <Kilmer Elementary School> based on State Valid File Line 868, for <Whitman Elementary School> based on State Valid File Line 865, for <London Middle School> based on State Valid File Line 871, for <Trakington Elementary School> based on State Valid File Line 870, for <Mark Twain Elementary School> based on State Valid File Line 864 and the requested discount in Form 471 application 607903 which was filed by ILLINOIS CENTURY NETWORK Billed Entity Number: 231202

FCDL Date: 07/01/2008

Wave Number: 010

Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2009

FUNDING COMMITMENT REPORT
Service Provider Name: Net56, Inc
SPIN: 143025679
Funding Year: 2008

Name of Billed Entity: WHEELING SCHOOL DISTRICT 21
Billed Entity Address: 999 WEST DUNDEE ROAD
Billed Entity City: WHEELING
Billed Entity State: IL
Billed Entity Zip Code: 60090-3986
Billed Entity Number: 135338
Contact Person's Name: Jason Klein
Preferred Mode of Contact: EMAIL
Contact Information: jklein@ccsd21.org
Form 471 Application Number: 606327
Funding Request Number: 1715664
Funding Status: Funded
Category of Service: Internet Access
Form 470 Application Number: 898200000631616
Contract Number: WAN Service
Billing Account Number: N/A
Service Start Date: 07/01/2008
Contract Expiration Date: 06/30/2009
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-Discount Amount for Eligible Recurring Charges: \$165,438.00
Annual Pre-Discount Amount for Eligible Non-Recurring Charges: \$.00
Pre-Discount Amount: \$165,438.00
Applicant's Discount Percentage Approved by SLD: 66%
Funding Commitment Decision: \$109,189.08 - FRN approved; modified by SLD
Funding Commitment Decision Explanation: MRL: The discount was increased for <Frost Elementary School> based on State Valid File Line 869, for <Kilmer Elementary School> based on State Valid File Line 868, for <Whitman Elementary School> based on State Valid File Line 865, for <London Middle School> based on State Valid File Line 871, for <Trakington Elementary School> based on State Valid File Line 870, for <Mark Twain Elementary School> based on State Valid File Line 864 and the requested discount in Form 471 application 607903 which was filed by ILLINOIS CENTURY NETWORK Billed Entity Number: 231202
FCDL Date: 07/01/2008
Wave Number: 010
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2009

FUNDING COMMITMENT REPORT
Service Provider Name: Net56, Inc
SPIN: 143025679
Funding Year: 2008

Name of Billed Entity: WHEELING SCHOOL DISTRICT 21
Billed Entity Address: 999 WEST DUNDEE ROAD
Billed Entity City: WHEELING
Billed Entity State: IL
Billed Entity Zip Code: 60090-3986
Billed Entity Number: 135338
Contact Person's Name: Jason Klein
Preferred Mode of Contact: EMAIL
Contact Information: jklein@ccsd21.org
Form 471 Application Number: 606327
Funding Request Number: 1715691
Funding Status: Funded
Category of Service: Internet Access
Form 470 Application Number: 898200000631616
Contract Number: Web Hosting Services
Billing Account Number: N/A
Service Start Date: 07/01/2008
Contract Expiration Date: 06/30/2009
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-Discount Amount for Eligible Recurring Charges: \$63,000.00
Annual Pre-Discount Amount for Eligible Non-Recurring Charges: \$.00
Pre-Discount Amount: \$63,000.00
Applicant's Discount Percentage Approved by SLD: 66%
Funding Commitment Decision: \$41,580.00 - FRN approved; modified by SLD
Funding Commitment Decision Explanation: MR1: The discount was increased for <Frost Elementary School> based on State Valid File Line 869, for <Kilmer Elementary School> based on State Valid File Line 868, for <Whitman Elementary School> based on State Valid File Line 865, for <London Middle School> based on State Valid File Line 871, for <Trakington Elementary School> based on State Valid File Line 870, for <Mark Twain Elementary School> based on State Valid File Line 864 and the requested discount in Form 471 application 607903 which was filed by ILLINOIS CENTURY NETWORK Billed Entity Number: 231202

FCDL Date: 07/01/2008

Wave Number: 010

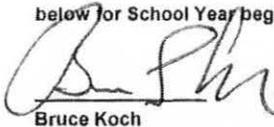
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2009

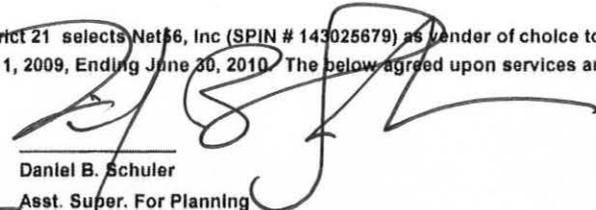
EXHIBIT G

Community Consolidated School District 21 Internet Access Quote



Community Consolidated School District 21 selects Net56, Inc (SPIN # 143025679) as vendor of choice to provide the District the outlined services below for School Year beginning July 1, 2009, Ending June 30, 2010. The below agreed upon services are subject to final School Board and budget approval.


 Bruce Koch
 President
 Net56, Inc.
 2/9/2009


 Daniel B. Schuler
 Asst. Super. For Planning
 Community Consolidated School District 21
 2/9/2009

Internet Access

Internet Access Monthly Fee (13 Buildings/ _____ Classrooms/ _____ Computers)

Includes: 100 MB Circuit between Community Consolidated School District 21 and Internet w/ Gurantee 100 MB Internet access.

WAN breakdown: 1-100 Mb Circuit; 10 - 5 Mb Circuits; 2 - 10 Mb Circuits; 1 - 20 Mb Curcuit

\$ 29,331.12 Monthly Fee
 \$ 29,331.12 Amount E-Ratable
 \$ (17,891.98) Erate @ 61.00%

WAN Service for Internet Access

WAN Services (13 Buildings/ _____ Classrooms/ _____ Computers)

Includes: 13 Cisco 3560 series layer 3, Gb Switch/Routers for 13 buildings ; 13 DNS/DHCP Servers for 13 building .

\$ 14,062.23 Monthly Fee
 \$ 14,062.23 Amount E-Ratable
 \$ (8,577.96) Erate @ 61.00%

Firewall

Firewall Monthly Fee (13 Buildings/ _____ Classrooms/ _____ Computers)

Includes: Cisco Firewall Service for total district.

Firewall Services \$ 9,563.52 Monthly Fee
 \$ 9,563.52 Amount E-Ratable
 \$ (5,833.75) Erate @ 61.00%

Web Hosting Fee

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

Web Hosting Services \$ 5,355.00 Monthly Fee
 \$ 5,355.00 Amount E-Ratable
 \$ (3,266.55) Erate @ 61.00%

Email Local and Web

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

Hosted Application \$ 5,355.00 Monthly Fee
 \$ 5,355.00 Amount E-Ratable
 \$ (3,266.55) Erate @ 61.00%

	Monthly Non Discounted Service Fee	USAC Monthly E-Rate Discount	District Monthly Contracted Fee
E-Rate Monthly Fees	\$ 63,666.87	\$ 38,836.79	\$ 24,830.08

EXHIBIT H

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.) The instructions include information on the deadlines for filing this application.		
Applicant's Form Identifier (Create your own code to identify THIS form 471)	InternetWAN-Net56	Form 471 Application# (To be assigned by administrator)
		676247
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 WHEELING SCHOOL DISTRICT 21	
2 a	Funding Year: July 1, 2009 Through June 30: 2010 Billed Entity Number: 135338	
4 a	Street Address, P.O. Box, or Routing Number 999 WEST DUNDEE ROAD	
	City WHEELING	
	State IL Zip Code 60090 3986	
5 a	Type of Application <input type="checkbox"/> Individual School (individual public or non-public school) <input checked="" type="checkbox"/> School District (LEA; public or non-public [e.g. diocesan] local district representing multiple schools) <input type="checkbox"/> Library (including library system, library outlet/branch or library consortium as defined under LSTA) <input type="checkbox"/> Consortium <input type="checkbox"/> Check here if any members of this consortium are ineligible or non-governmental entities)	
6	Contact Person's Name Jason Klein	
First, if the Contact Person's Street Address is the same as in Item 4, check this box. <input type="checkbox"/> If not, please complete the entries for the Street Address below.		
b	Street Address, P.O. Box, or Routing Number 999 WEST DUNDEE ROAD	
	City WHEELING	
	State IL Zip Code 60090 3986	



Entity Number	<u>135338</u>	Applicant's Form Identifier	<u>InternetWAN-Net56</u>
Contact Person	<u>Jason Klein</u>	Phone Number	<u>847-520-2835</u>
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		7052
b	Telephone service: Number of classrooms with phone service	669	669
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	14	14
	Greater than 200 mbps	0	0
e	Direct connections to the Internet: Number of drops	2537	2537
f	Number of classrooms with Internet access	669	669
g	Number of computers or other devices with Internet access	2470	2500

Block 3: Impact of Services Ordered on Libraries

NOT APPLICABLE AS THIS APPLICATION IS FOR DISTRICT

Worksheet A No: 1105978 **Student Count:** 6414

Weighted Product (Sum. Column 8): 3934.8

Shared Discount: 61%

1. School Name: COOPER MIDDLE SCHOOL

2. Entity Number: 68588 **NCES:** 17 42210 04230

3. Rural/Urban: Urban

4. Student Count: 780 **5. NSLP Students:** 174 **6. NSLP Students/Students:** 22.307%

7. Discount: 50% **8. Weighted Product:** 390

9. Pre-K/Adult Ed/Juv: N **10. Alt Disc Mech:** N

1. School Name: DISTRICT 21 ADMINISTRATIVE CENTER

2. Entity Number: 230363 **NCES:** 17 42210 00000

3. Rural/Urban: Urban

4. Student Count: 0 **5. NSLP Students:** 0 **6. NSLP Students/Students:**

7. Discount: 60% **8. Weighted Product:** 0

9. Pre-K/Adult Ed/Juv: N **10. Alt Disc Mech:** N

1. School Name: EDGAR A POE ELEMENTARY SCHOOL

2. Entity Number: 68135 **NCES:** 17 42210 04233
3. Rural/Urban: Urban
4. Student Count: 468 **5. NSLP Students:** 82 **6. NSLP Students/Students:** 17.521%
7. Discount: 40% **8. Weighted Product:** 187.2
9. Pre-K/Adult Ed/Juv: N **10. Alt Disc Mech:** N

1. School Name: EUGENE FIELD ELEMENTARY SCHOOL
2. Entity Number: 68596 **NCES:** 17 42210 04237
3. Rural/Urban: Urban
4. Student Count: 511 **5. NSLP Students:** 281 **6. NSLP Students/Students:** 54.990%
7. Discount: 80% **8. Weighted Product:** 408.8
9. Pre-K/Adult Ed/Juv: N **10. Alt Disc Mech:** N

1. School Name: FROST ELEMENTARY SCHOOL
2. Entity Number: 68402 **NCES:** 17 42210 04232
3. Rural/Urban: Urban
4. Student Count: 573 **5. NSLP Students:** 272 **6. NSLP Students/Students:** 47.469%
7. Discount: 60% **8. Weighted Product:** 343.8
9. Pre-K/Adult Ed/Juv: N **10. Alt Disc Mech:** N

1. School Name: HAWTHORNE
2. Entity Number: 230227 **NCES:** 17 42210 00000
3. Rural/Urban: Urban
4. Student Count: 0 **5. NSLP Students:** 0 **6. NSLP Students/Students:**
7. Discount: 60% **8. Weighted Product:** 0
9. Pre-K/Adult Ed/Juv: N **10. Alt Disc Mech:** N

1. School Name: HOLMES MIDDLE SCHOOL
2. Entity Number: 68599 **NCES:** 17 42210 04240
3. Rural/Urban: Urban
4. Student Count: 727 **5. NSLP Students:** 459 **6. NSLP Students/Students:** 63.136%
7. Discount: 80% **8. Weighted Product:** 581.6
9. Pre-K/Adult Ed/Juv: N **10. Alt Disc Mech:** N

1. School Name: KILMER ELEMENTARY SCHOOL
2. Entity Number: 68589 **NCES:** 17 42210 04242
3. Rural/Urban: Urban
4. Student Count: 479 **5. NSLP Students:** 204 **6. NSLP Students/Students:** 42.588%
7. Discount: 60% **8. Weighted Product:** 287.4
9. Pre-K/Adult Ed/Juv: N **10. Alt Disc Mech:** N

1. School Name: LONDON MIDDLE SCHOOL
2. Entity Number: 68595 **NCES:** 17 42210 01184
3. Rural/Urban: Urban
4. Student Count: 692 **5. NSLP Students:** 249 **6. NSLP Students/Students:** 35.982%
7. Discount: 60% **8. Weighted Product:** 415.2
9. Pre-K/Adult Ed/Juv: N **10. Alt Disc Mech:** N

1. **School Name:** LONGFELLOW ELEMENTARY SCHOOL
 2. **Entity Number:** 68585 **NCES:** 17 42210 04236
 3. **Rural/Urban:** Urban
 4. **Student Count:** 420 5. **NSLP Students:** 24 6. **NSLP Students/Students:** 5.714%
 7. **Discount:** 40% 8. **Weighted Product:** 168
 9. **Pre-K/Adult Ed/Juv:** N 10. **Alt Disc Mech:** N

1. **School Name:** MARK TWAIN ELEMENTARY SCHOOL
 2. **Entity Number:** 68598 **NCES:** 17 42210 04228
 3. **Rural/Urban:** Urban
 4. **Student Count:** 475 5. **NSLP Students:** 335 6. **NSLP Students/Students:** 70.526%
 7. **Discount:** 80% 8. **Weighted Product:** 380
 9. **Pre-K/Adult Ed/Juv:** N 10. **Alt Disc Mech:** N

1. **School Name:** RILEY ELEMENTARY SCHOOL
 2. **Entity Number:** 68134 **NCES:** 17 42210 04231
 3. **Rural/Urban:** Urban
 4. **Student Count:** 301 5. **NSLP Students:** 14 6. **NSLP Students/Students:** 4.651%
 7. **Discount:** 40% 8. **Weighted Product:** 120.4
 9. **Pre-K/Adult Ed/Juv:** N 10. **Alt Disc Mech:** N

1. **School Name:** TARKINGTON ELEMENTARY SCHOOL
 2. **Entity Number:** 68597 **NCES:** 17 42210 04234
 3. **Rural/Urban:** Urban
 4. **Student Count:** 460 5. **NSLP Students:** 147 6. **NSLP Students/Students:** 31.956%
 7. **Discount:** 50% 8. **Weighted Product:** 230
 9. **Pre-K/Adult Ed/Juv:** N 10. **Alt Disc Mech:** N

1. **School Name:** WHITMAN ELEMENTARY SCHOOL
 2. **Entity Number:** 68594 **NCES:** 17 42210 04238
 3. **Rural/Urban:** Urban
 4. **Student Count:** 528 5. **NSLP Students:** 386 6. **NSLP Students/Students:** 73.106%
 7. **Discount:** 80% 8. **Weighted Product:** 422.4
 9. **Pre-K/Adult Ed/Juv:** N 10. **Alt Disc Mech:** N

Worksheet A No: 1105979 **Student Count:** 6414
Weighted Product (Sum. Column 8): 3934.8

Shared Discount: 61%

1. **School Name:** COOPER MIDDLE SCHOOL
 2. **Entity Number:** 68588 **NCES:** 17 42210 04230
 3. **Rural/Urban:** Urban
 4. **Student Count:** 780 5. **NSLP Students:** 174 6. **NSLP Students/Students:** 22.307%
 7. **Discount:** 50% 8. **Weighted Product:** 390
 9. **Pre-K/Adult Ed/Juv:** N 10. **Alt Disc Mech:** N

1. **School Name:** DISTRICT 21 ADMINISTRATIVE CENTER
 2. **Entity Number:** **NCES:** 17 42210 00000

230363

3. Rural/Urban: Urban
 4. Student Count: 0 5. NSLP Students: 0 6. NSLP Students/Students:
 7. Discount: 60% 8. Weighted Product: 0
 9. Pre-K/Adult Ed/Juv: 10. Alt Disc Mech: N
 N

1. School Name: EDGAR A POE ELEMENTARY SCHOOL
 2. Entity Number: 68135 NCES: 17 42210 04233
 3. Rural/Urban: Urban
 4. Student Count: 468 5. NSLP Students: 82 6. NSLP Students/Students: 17.521%
 7. Discount: 40% 8. Weighted Product: 187.2
 9. Pre-K/Adult Ed/Juv: 10. Alt Disc Mech: N
 N

1. School Name: EUGENE FIELD ELEMENTARY SCHOOL
 2. Entity Number: 68596 NCES: 17 42210 04237
 3. Rural/Urban: Urban
 4. Student Count: 511 5. NSLP Students: 281 6. NSLP Students/Students: 54.990%
 7. Discount: 80% 8. Weighted Product: 408.8
 9. Pre-K/Adult Ed/Juv: 10. Alt Disc Mech: N
 N

1. School Name: FROST ELEMENTARY SCHOOL
 2. Entity Number: 68402 NCES: 17 42210 04232
 3. Rural/Urban: Urban
 4. Student Count: 573 5. NSLP Students: 272 6. NSLP Students/Students: 47.469%
 7. Discount: 60% 8. Weighted Product: 343.8
 9. Pre-K/Adult Ed/Juv: 10. Alt Disc Mech: N
 N

1. School Name: HAWTHORNE
 2. Entity Number: NCES: 17 42210 00000
 230227
 3. Rural/Urban: Urban
 4. Student Count: 0 5. NSLP Students: 0 6. NSLP Students/Students:
 7. Discount: 60% 8. Weighted Product: 0
 9. Pre-K/Adult Ed/Juv: 10. Alt Disc Mech: N
 N

1. School Name: HOLMES MIDDLE SCHOOL
 2. Entity Number: 68599 NCES: 17 42210 04240
 3. Rural/Urban: Urban
 4. Student Count: 727 5. NSLP Students: 459 6. NSLP Students/Students: 63.136%
 7. Discount: 80% 8. Weighted Product: 581.6
 9. Pre-K/Adult Ed/Juv: 10. Alt Disc Mech: N
 N

1. School Name: KILMER ELEMENTARY SCHOOL
 2. Entity Number: 68589 NCES: 17 42210 04242
 3. Rural/Urban: Urban
 4. Student Count: 479 5. NSLP Students: 204 6. NSLP Students/Students: 42.588%
 7. Discount: 60% 8. Weighted Product: 287.4
 9. Pre-K/Adult Ed/Juv: 10. Alt Disc Mech: N
 N

1. **School Name:** LONDON MIDDLE SCHOOL
 2. **Entity Number:** 68595 **NCES:** 17 42210 01184
 3. **Rural/Urban:** Urban
 4. **Student Count:** 692 5. **NSLP Students:** 249 6. **NSLP Students/Students:** 35.982%
 7. **Discount:** 60% 8. **Weighted Product:** 415.2
 9. **Pre-K/Adult Ed/Juv:** N 10. **Alt Disc Mech:** N

1. **School Name:** LONGFELLOW ELEMENTARY SCHOOL
 2. **Entity Number:** 68585 **NCES:** 17 42210 04236
 3. **Rural/Urban:** Urban
 4. **Student Count:** 420 5. **NSLP Students:** 24 6. **NSLP Students/Students:** 5.714%
 7. **Discount:** 40% 8. **Weighted Product:** 168
 9. **Pre-K/Adult Ed/Juv:** N 10. **Alt Disc Mech:** N

1. **School Name:** MARK TWAIN ELEMENTARY SCHOOL
 2. **Entity Number:** 68598 **NCES:** 17 42210 04228
 3. **Rural/Urban:** Urban
 4. **Student Count:** 475 5. **NSLP Students:** 335 6. **NSLP Students/Students:** 70.526%
 7. **Discount:** 80% 8. **Weighted Product:** 380
 9. **Pre-K/Adult Ed/Juv:** N 10. **Alt Disc Mech:** N

1. **School Name:** RILEY ELEMENTARY SCHOOL
 2. **Entity Number:** 68134 **NCES:** 17 42210 04231
 3. **Rural/Urban:** Urban
 4. **Student Count:** 301 5. **NSLP Students:** 14 6. **NSLP Students/Students:** 4.651%
 7. **Discount:** 40% 8. **Weighted Product:** 120.4
 9. **Pre-K/Adult Ed/Juv:** N 10. **Alt Disc Mech:** N

1. **School Name:** TARKINGTON ELEMENTARY SCHOOL
 2. **Entity Number:** 68597 **NCES:** 17 42210 04234
 3. **Rural/Urban:** Urban
 4. **Student Count:** 460 5. **NSLP Students:** 147 6. **NSLP Students/Students:** 31.956%
 7. **Discount:** 50% 8. **Weighted Product:** 230
 9. **Pre-K/Adult Ed/Juv:** N 10. **Alt Disc Mech:** N

1. **School Name:** WHITMAN ELEMENTARY SCHOOL
 2. **Entity Number:** 68594 **NCES:** 17 42210 04238
 3. **Rural/Urban:** Urban
 4. **Student Count:** 528 5. **NSLP Students:** 386 6. **NSLP Students/Students:** 73.106%
 7. **Discount:** 80% 8. **Weighted Product:** 422.4
 9. **Pre-K/Adult Ed/Juv:** N 10. **Alt Disc Mech:** N

Block 5: Discount Funding Request(s)

FRN: 1859569

FCDL Date: 04/27/2010

10. Original FRN:	
11. Category of Service: Internet Access	12. 470 Application Number: 898200000631616
13. SPIN: 143025679	14. Service Provider Name: Net56, Inc
15a. Non-Contracted tariffed/Month to Month Service:	15b. Contract Number: Firewall Services
15c. Covered under State Master Contract:	15d. FRN from Previous Year: 1670609
16a. Billing Account Number:	16b. Multiple Billing Account Numbers?:
17. Allowable Contract Date: 12/07/2007	18. Contract Award Date: 01/02/2008
19a. Service Start Date: 07/01/2009	19b. Service End Date:
20. Contract Expiration Date: 06/30/2012	
21. Attachment #: Net56 IA-1	22. Block 4 Worksheet No.: 1105978
23a. Monthly Charges: \$9,563.52	23b. Ineligible monthly amt.: \$.00
23c. Eligible monthly amt.: \$9,563.52	23d. Number of months of service: 12
23e. Annual pre-discount amount for eligible recurring charges (23c x 23d): \$114,762.24	
23f. Annual non-recurring (one-time) charges: 0	23g. Ineligible non-recurring amt.: 0
23h. Annual pre-discount amount for eligible non-recurring charges (23f - 23g): \$0.00	
23i. Total program year pre-discount amount (23e + 23h): \$114,762.24	
23j. % discount (from Block 4): 61	
23k. Funding Commitment Request (23i x 23j): \$70,004.97	

FRN: 1859578	FCDL Date: 04/27/2010
10. Original FRN:	
11. Category of Service: Internet Access	12. 470 Application Number: 898200000631616
13. SPIN: 143025679	14. Service Provider Name: Net56, Inc
15a. Non-Contracted tariffed/Month to Month Service:	15b. Contract Number: Internet Access
15c. Covered under State Master Contract:	15d. FRN from Previous Year: 1715650
16a. Billing Account Number:	16b. Multiple Billing Account Numbers?:
17. Allowable Contract Date: 12/07/2007	18. Contract Award Date: 01/02/2008
19a. Service Start Date: 07/01/2009	19b. Service End Date:
20. Contract Expiration Date: 06/30/2012	
21. Attachment #: Net56 IA-1	22. Block 4 Worksheet No.: 1105978
23a. Monthly Charges: \$29,331.12	23b. Ineligible monthly amt.: \$.00
23c. Eligible monthly amt.: \$29,331.12	23d. Number of months of service: 12
23e. Annual pre-discount amount for eligible recurring charges (23c x 23d): \$351,973.44	
23f. Annual non-recurring (one-time) charges: 0	23g. Ineligible non-recurring amt.: 0
23h. Annual pre-discount amount for eligible non-recurring charges (23f - 23g): \$0.00	
23i. Total program year pre-discount amount (23e + 23h): \$351,973.44	
23j. % discount (from Block 4): 61	
23k. Funding Commitment Request (23i x 23j): \$214,703.80	

FRN: 1859583 FCDL Date: 04/27/2010	
10. Original FRN:	
11. Category of Service: Internet Access	12. 470 Application Number: 898200000631616
13. SPIN: 143025679	14. Service Provider Name: Net56, Inc
15a. Non-Contracted tariffed/Month to Month Service:	15b. Contract Number: Wide Area Network Service
15c. Covered under State Master Contract:	15d. FRN from Previous Year: 1715664
16a. Billing Account Number:	16b. Multiple Billing Account Numbers?:
17. Allowable Contract Date: 12/07/2007	18. Contract Award Date: 01/02/2008
19a. Service Start Date: 07/01/2009	19b. Service End Date:
20. Contract Expiration Date: 06/30/2012	
21. Attachment #: Net56 IA-1	22. Block 4 Worksheet No.: 1105978
23a. Monthly Charges: \$14,062.23	23b. Ineligible monthly amt.: \$.00
23c. Eligible monthly amt.: \$14,062.23	23d. Number of months of service: 12
23e. Annual pre-discount amount for eligible recurring charges (23c x 23d): \$168,746.76	
23f. Annual non-recurring (one-time) charges: 0	23g. Ineligible non-recurring amt.: 0
23h. Annual pre-discount amount for eligible non-recurring charges (23f - 23g): \$0.00	
23i. Total program year pre-discount amount (23e + 23h): \$168,746.76	
23j. % discount (from Block 4): 61	
23k. Funding Commitment Request (23i x 23j): \$102,935.52	

FRN: 1859585 FCDL Date: 04/27/2010	
10. Original FRN:	
11. Category of Service: Internet Access	12. 470 Application Number: 898200000631616
13. SPIN: 143025679	14. Service Provider Name: Net56, Inc
15a. Non-Contracted tariffed/Month to Month Service:	15b. Contract Number: Website Hosting Services
15c. Covered under State Master Contract:	15d. FRN from Previous Year: 1715691
16a. Billing Account Number:	16b. Multiple Billing Account Numbers?:
17. Allowable Contract Date: 12/07/2007	18. Contract Award Date: 01/02/2008
19a. Service Start Date: 07/01/2009	19b. Service End Date:
20. Contract Expiration Date: 06/30/2012	
21. Attachment #: Net56 IA-1	22. Block 4 Worksheet No.: 1105978
23a. Monthly Charges: \$5,355.00	23b. Ineligible monthly amt.: \$.00
23c. Eligible monthly amt.: \$5,355.00	23d. Number of months of service: 12
23e. Annual pre-discount amount for eligible recurring charges (23c x 23d): \$64,260.00	
23f. Annual non-recurring (one-time) charges: 0	23g. Ineligible non-recurring amt.: 0
23h. Annual pre-discount amount for eligible non-recurring charges (23f - 23g): \$0.00	
23i. Total program year pre-discount amount (23e + 23h): \$64,260.00	
23j. % discount (from Block 4): 61	
23k. Funding Commitment Request (23i x 23j): \$39,198.60	

FRN: 1859586 FCDL Date: 04/27/2010	
10. Original FRN:	
11. Category of Service: Internet Access	12. 470 Application Number: 898200000631616
13. SPIN: 143025679	14. Service Provider Name: Net56, Inc
15a. Non-Contracted tariffed/Month to Month Service:	15b. Contract Number: Email Hosting Services
15c. Covered under State Master Contract:	15d. FRN from Previous Year: 1715806
16a. Billing Account Number:	16b. Multiple Billing Account Numbers?:
17. Allowable Contract Date: 12/07/2007	18. Contract Award Date: 01/02/2008
19a. Service Start Date: 07/01/2009	19b. Service End Date:
20. Contract Expiration Date: 06/30/2012	
21. Attachment #: Net56 IA-1	22. Block 4 Worksheet No.: 1105978
23a. Monthly Charges: \$5,355.00	23b. Ineligible monthly amt.: \$.00
23c. Eligible monthly amt.: \$5,355.00	23d. Number of months of service: 12
23e. Annual pre-discount amount for eligible recurring charges (23c x 23d): \$64,260.00	
23f. Annual non-recurring (one-time) charges: 0	23g. Ineligible non-recurring amt.: 0
23h. Annual pre-discount amount for eligible non-recurring charges (23f - 23g): \$0.00	
23i. Total program year pre-discount amount (23e + 23h): \$64,260.00	
23j. % discount (from Block 4): 61	
23k. Funding Commitment Request (23i x 23j): \$39,198.60	

Block 6: Certifications and Signature

Application
ID:676247

Do not write in this area.

Entity Number	<u>135338</u>	Applicant's Form Identifier	<u>InternetWAN-Net56</u>
Contact Person	<u>Jason Klein</u>	Phone Number	<u>847-520-2835</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)
- a. **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).

a.	Total funding year pre-discount amount on this Form 471 (Add the entities from Item 23l on all Block 5 Discount Funding Requests.)	\$764,002.44
b.	Total funding commitment request amount on this Form 471 (Add the entities from Items 23K on all Block 5 Discount Funding Requests.)	\$466,041.49
c.	Total applicant non-discount share (Subtract Item 25b from Item 25a.)	\$297,960.95
d.	Total budgeted amount allocated to resources not eligible for E-rate support	\$33,000.00
e.	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.)	\$330,960.95
f.	<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 **2/11/2009**

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**

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EXHIBIT I

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EXHIBIT J