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March 28, 2013

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VIA ECFS

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

ATT: Telecommunications Access Policy Division

Re: **Request for Review, CC Docket No. 02-6**
Trillion Partners, Inc.'s Request for Review of Decisions of the Universal
Service Administrator re Charlton County School System, Billed Entity No.
127480, Funding Year 2012, Form 471 Application No. 850298, Funding
Request No. 2311849

Dear Ms. Dortch:

On behalf of Trillion Partners, Inc., enclosed please find a Request for Review of a decision by the Universal Service Administrative Company denying the above-referenced E-Rate application filed by Charlton County School System.

Should any questions arise regarding this filing, please do not hesitate to contact the undersigned at 202.719.7504.

Respectfully submitted,

/s/ Edgar Class
Edgar Class
Counsel to Trillion Partners, Inc.

Enclosure

cc (via email): Lisa Hone
James A. Bachtell
Appeals@sl.universalservice.org

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

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|---|---|---------------------------------|
| In the Matter of |) | Charlton County School System |
| |) | Billed Entity Number 127480 |
| Requests for Review of |) | Funding Year 2012 |
| Decisions of the |) | Form 471 Application No. 850298 |
| Universal Service Administrator by |) | Funding Request No. 2311849 |
| |) | |
| Trillion Partners, Inc. |) | |
| |) | CC Docket No. 02-6 |
| Schools and Libraries Universal Service |) | |
| Support Mechanism |) | |

ATT: Telecommunications Access Policy Division
Wireline Competition Bureau

REQUEST FOR REVIEW

Trillion Partners, Inc. (hereinafter “Trillion”), through counsel and pursuant to Sections 54.719(c) and 54.722(a) of the Federal Communications Commission’s (“FCC” or “Commission”) rules,¹ hereby petitions the Commission’s Wireline Competition Bureau for review of an adverse decision by the Universal Service Administrative Company (“USAC”) with respect to Funding Request No. 2311849 for funding year 2012 by Charlton County School System (“Charlton”).

I. Background

FRNs for Funding Years 2009 and 2010. On September 28, 2010, the Universal Service Administrative Company (“USAC”) issued a Funding Commitment Decision Letter (“FCDL”) denying Charlton’s E-Rate application for funding year 2010 (“2010

¹ 47 C.F.R. §§ 54.719(c), 54.722(a).

FCDL”).² On September 29, 2010, USAC issued a FCDL denying Charlton’s E-Rate application for funding year 2009 (“2009 FCDL”).³ The 2010 FCDL states that the funding request was denied because Charlton “did not conduct a fair and open competitive bidding process,” “engaged in numerous meetings, e-mail discussions, and/or verbal discussions with Trillion employees prior to the posting of the Form 470 and throughout the competitive bidding process,” and “Trillion was consulted and/or offered details about services and products” requested on the Form 470. The 2009 FCDL raises the same concerns as the 2010 FCDL and, in addition, states that Charlton accepted “either gifts, meals, gratuities, or entertainment from the service provider, which resulted in a competitive process that was no longer fair and open....”

On November 17, 2010, Charlton filed with the Commission an appeal of both the 2009 and 2010 FCDLs.⁴ On November 19, 2010, Trillion also filed appeals of both the 2009 and 2010 FCDLs.⁵ On February 23, 2012, the Commission’s Telecommunications Access Policy Division (“Division”) issued an *Order* denying the appeals filed by Trillion and Charlton.⁶ On March 23, 2012, Trillion and Charlton filed petitions for

² Funding Commitment Reports from USAC, Schools and Library Division (dated Sept. 28, 2010) (regarding FY 2010, FCC Form 471 Application No. 742443, FRNs 2023430 and 2023445).

³ Funding Commitment Reports from USAC, Schools and Library Division (dated Sept. 29, 2010) (regarding FY 2009, FCC Form 471 Application No. 658765, FRNs 1842340 and 1842292).

⁴ Letter from Sandra Slater, Ed.D, Director of Technology, Charlton County School System, to Federal Communications Commission, CC Docket No. 02-6 (dated Nov. 17, 2010) (regarding FCC Form 471 Application Nos. 658765 and 742443) (“*Charlton Nov. 17, 2010 Appeal*”).

⁵ Letters from Trillion Partners, Inc. to the Federal Communications Commission, Telecommunications Access Policy Division, CC Docket No. 02-6 (dated Nov. 19, 2010). In addition, Trillion had previously filed with the Commission a Master Appeal addressing the denial of applications and rescission of funding commitments by USAC of many of Trillion’s customers, including Charlton’s. See Letter from Trillion Partners, Inc., to Federal Communications Commission, CC Docket No. 02-6 (filed Nov. 3, 2010).

⁶ *Requests for Waiver and Review of Decisions of the Universal Service Administrator by Charlton County School System, Folkston, Georgia, et al., File Nos. SLD-658765, et al.; Schools and Libraries Universal Service Support Mechanism*, CC Docket No. 02-6, DA 12-260, Order, 27 FCC Rcd 2010 (TAPD 2012) (“*Order*”).

reconsideration of the Division's *Order*.⁷ Those petitions for reconsideration remain pending.

FRNs for Funding Year 2011. On December 5, 2012, USAC issued two FCDLs denying Charlton's E-Rate applications with FRNs 2203806 and 2203827 for funding year 2011 ("2011 FCDLs").⁸ The 2011 FCDLs state that the funding requests were denied for the following reason: "*Consistent with FCC Order DA 12-260, the FCC has determined that your competitive bidding process was flawed due to improper service provider involvement in the competitive bidding process that lead to this contract. Therefore, funding is denied.*" The FRNs for funding years 2009, 2010 and 2011 all arise out of the same FCC Form 470 (Application Number 757500000691055) and the same competitive bidding process that the Commission is considering pursuant to the pending petitions for reconsideration.⁹ On January 18, 2013, Trillion filed a Request For Review of USAC's denial of the 2011 FCDLs.¹⁰ On January 31, 2013, Charlton also filed a

⁷ Trillion Partners, Inc., Petition for Reconsideration re Charlton County School System, CC Docket No. 02-6 (filed Mar. 23, 2012) ("*Trillion's Petition for Reconsideration*"), available at: <http://apps.fcc.gov/ecfs/document/view?id=7021903142> (last accessed Mar. 28, 2013); Charlton County School System, Petition for Reconsideration, CC Docket No. 02-6 (filed Mar. 23, 2012) ("*Charlton Petition for Reconsideration*"), available at: <http://apps.fcc.gov/ecfs/document/view?id=7021903148> (last accessed Mar. 28, 2013).

⁸ Funding Commitment Report from USAC, Schools and Libraries Division (dated Dec. 5, 2012) (regarding Charlton County School System, FY 2011, FCC Form 471 Application No. 805658, FRN 2203806); Funding Commitment Report from USAC, Schools and Libraries Division (dated Dec. 5, 2012) (regarding Charlton County School System, FY 2011, FCC Form 471 Application No. 805658, FRN 2203827).

⁹ USAC informed Trillion that USAC would hold in abeyance actions regarding specific FRNs that are on appeal at the Commission, but that it would not hold in abeyance processing any other FRNs, even if they have the same fact patterns as those that are under reconsideration at the Commission. Thus, Trillion was required to file a separate appeal of the denial of the FRNs for funding year 2011.

¹⁰ Trillion Partners, Inc., Request for Review re Charlton County School System, CC Docket No. 02-6 (filed Jan. 18, 2013), available at: <http://apps.fcc.gov/ecfs/document/view?id=7022107327> (last accessed Mar. 28, 2013).

Request For Review of USAC’s denial of the 2011 FCDLs.¹¹ Those requests for review remain pending.

FRN for Funding Year 2012. On February 26, 2013, USAC issued an FCDL denying Charlton’s E-Rate application with FRN 2311849 for funding year 2012 (“2012 FCDL”).¹² Both FCDLs state that the funding requests were denied for the following reason: “*Consistent with FCC Order DA 12-260, the FCC has determined that your competitive bidding process was flawed due to improper service provider involvement in the competitive bidding process that lead to this contract. Therefore, funding is denied.*”¹³ The FRN at issue in this appeal (FRN #2311849 for funding year 2012) and the FRNs for funding years 2009, 2010 and 2011 arise out of the same FCC Form 470 (Application Number 757500000691055) and the same competitive bidding process that the Commission is considering pursuant to the pending petitions for reconsideration. As demonstrated below, the 2012 FCDL erred in concluding that there was a violation of the Commission’s competitive bidding rules.

II. Charlton Conducted a Fair and Open Competitive Bid Process.

As noted above, the 2012 FCDL states that the application was denied because, “*Consistent with FCC Order DA 12-260, the FCC has determined that your competitive bidding process was flawed due to improper service provider involvement in the competitive bidding process that lead to this contract. Therefore, funding is denied.*” As

¹¹ Charlton County School System, Request for Review, CC Docket No. 02-6 (filed Jan. 31, 2013) (“*Charlton Jan. 31, 2013 Request for Review*”), available at: <http://apps.fcc.gov/ecfs/document/view?id=7022115911> (last accessed Mar. 28, 2013).

¹² Funding Commitment Report from USAC, Schools and Libraries Division (dated Feb. 26, 2013) (regarding Charlton County School System, FY 2012, FCC Form 471 Application No. 850298, FRN 2311849) (Attached as Exhibit A).

¹³ See Exhibit A.

Trillion noted in its petition for reconsideration regarding the 2009 and 2010 FCDLs and in its request for review regarding the 2011 FCDLs, the *Order* cited does not identify or discuss the specific communications that the Commission found to be improper and, therefore, Trillion was unable to address the concerns the Commission had about improper communications.¹⁴ The same holds true for this Request for Review of the 2012 FCDL. The *Order* merely states that, “Based on our review of the record, we find that petitioners violated the Commission’s competitive bidding requirements...” and that such denial is “consistent with precedent.”¹⁵ Other than this reference to the “record,” there is no actual discussion of the arguments and evidence presented by Trillion or Charlton, or why those arguments and evidence were found unpersuasive.

Similarly, the 2009, 2010, 2011 and 2012 FCDLs did not specify the facts upon which USAC relied in its decisions to deny the applications. Since USAC did not specify the facts upon which it relied in denying the applications for funding years 2009, 2010, 2011 and 2012 and the Division’s *Order* did not specify the facts upon which it relied to deny the appeals, Trillion can only assume that USAC’s and the Commission’s decisions were based on allegations raised in a USAC letter to Charlton dated June 4, 2010 (hereinafter, the “*Intent to Deny Letter*”) in which USAC indicated that the funding requested for funding years 2009 and 2010 would be denied because Charlton did not

¹⁴ Trillion submits that basic equity and Due Process requires the Commission to at least identify the specific communications that it found to be improper so that Trillion and Charlton might understand the Commission’s concerns and, if appropriate, explain and defend those communications.

¹⁵ *Order*, 27 FCC Red at 2010-2011, ¶ 1.

conduct a fair and open bidding process.¹⁶ USAC's characterization of the bidding process is simply not accurate.

Dr. Slater, Charlton's Director of Technology, was solely responsible for preparing and posting Charlton's Form 470 for funding year 2009.¹⁷ On October 29, 2008, Dr. Slater made a *bona fide* request for services by filing with USAC a Form 470, which was posted to USAC's website for all potential competing service providers to review.¹⁸ After the Form 470 was posted, the school received only one bid for wide area network services - that of Trillion.¹⁹ Charlton carefully evaluated this bid, confirmed that the bid provided a cost-effective solution for the school, and waited the requisite 28-days before selecting Trillion as its vendor.²⁰ The competitive bidding process that resulted in the award of a contract to Trillion beginning in funding year 2009 was conducted in a fair and open manner and was not tainted in any way.

The *Intent to Deny Letter* references meetings and emails between Charlton and Trillion employees in October 2008, prior to the posting of the Form 470. However, the communication between Trillion and Charlton prior to the posting of the Form 470 did

¹⁶ Letter from Pina Portanova, USAC, Schools and Libraries Division, to Dr. Sandy Slater, Charlton County School System, dated June 4, 2010 re Application Numbers: 658765 and 742443 ("*Intent to Deny Letter*") (Attached as Exhibit B).

¹⁷ *Charlton's January 31, 2013 Request for Review*, at 5 (stating that, "Charlton, not Trillion, prepared, signed and submitted the Form 470 and certification.").

¹⁸ Charlton County School System, FCC Form 470 Application Number 757500000691055 (posted on October 29, 2008) (Attached as Exhibit C).

¹⁹ *Charlton's January 31, 2013 Request for Review*, at 4. In its March 23, 2012 *Petition for Reconsideration* regarding funding years 2009 and 2010 and its January 18, 2013 *Request for Review* regarding funding year 2011, Trillion stated that Charlton received only one bid in response to Charlton's Form 470 for funding year 2009. This is not inconsistent with what Trillion states in the instant Request for Review because Charlton received only one bid for wide area network services. As Trillion explains in the instant Request for Review, Charlton received several bids from service providers other than Trillion for other services that are not supported by Trillion. *See, infra*, pages 8-9.

²⁰ *Charlton's January 31, 2013 Request for Review*, at 4.

not violate the competitive bid rules. Below Trillion addresses each of the four communications that USAC identified in the *Intent to Deny Letter* as grounds for its conclusion the competitive bidding process was not open or fair.

Communication #1

In an email dated October 27, 2008, Dr. Slater sent a draft copy of the Form 470 (75750000691055) to Ms. Jennifer Carter, Trillion Partners, to review to ensure that Charlton County School System was requesting the services Trillion Partners provides. Dr. Slater writes, “Look this over and make sure I have this correct, thanks.” Ms. Carter responded, “Looks fine, Sandy... The competitive bid process was no longer fair nor open when Charlton County School System provided Trillion Partners an advance review of the Form 470.”²¹

At the outset, Trillion wishes to address two preliminary issues with respect to the above-referenced email. First, the language in the *Intent to Deny Letter* indicating that the purpose of sending the draft Form 470 to Trillion was “to ensure that Charlton County School System was requesting the services Trillion Partners provides” is, to the best of Trillion knowledge and belief, a characterization by USAC and not a fact. The actual language quoted by USAC is: “Look this over and make sure I have this correct.” This language says nothing about the purpose of the communication other than to “make sure I have this correct.” Nothing in the record suggests that the purpose of the communications was so that Trillion could ensure that Charlton was requesting the services that Trillion offered nor does USAC offer any explanation as to why or how it arrived at this conclusion.

Second, and notwithstanding the clarification above, Trillion acknowledges that providing a copy of the Form 470 to a potential bidder prior to its posting to USAC’s website is highly undesirable because, as in this case, it leads to the appearance of

²¹ *Intent to Deny Letter*, ¶ 1.

impropriety regardless of the actual intent of the parties. Trillion assures the Commission that it is not a company practice to request advance copies of the Form 470, and any employee that engages in such conduct will be disciplined. However, there is no Commission rule that says that sharing a copy of the Form 470 with a prospective bidder is a *per se* violation of the Commission’s competitive bidding rules nor does USAC cite to any such rule. In the absence of any such rule or precedent, Trillion urges the Commission to look beyond the potential appearance of impropriety to determine whether the referenced email, in fact, constituted a violation of the rules.²² Trillion suggests the email did not constitute a rule violation.

The referenced email did not violate the competitive bidding rules because Trillion did not gain an unfair advantage just because Charlton provided it with an unsolicited copy of the Form 470. First, the list of Telecommunications Services requested by Charlton on the Form 470 contains 35 services,²³ of which Trillion was capable of providing only eight. Thus, the referenced email was not part of some elaborate conspiracy by Charlton and Trillion to rig the competitive bidding process to ensure that Trillion would be selected as the service provider for all of the requested services. Second, the description of all of the Telecommunications Services in the Form 470 came directly – virtually word for word – from the FCC’s own Eligible Services List (“ESL”) in effect at the time, which is a public document. Thus, Trillion gained nothing by seeing a list of services, most of which it was not capable of offering and whose descriptions came directly from the ESL. Third, the telecommunications services

²² “The Wireline Competition Bureau shall conduct *de novo* review of request for review of decisions issue [sic] by the Administrator.” 47 C.F.R. § 54.723(a).

²³ Exhibit C, Block 8, “Telecommunications Services.”

specified in the Form 470 could have been and, in fact, were provided by many successful bidders from across the country. Charlton's related Form 471 (No. 658765) resulted in nine vendors, besides Trillion, being awarded contracts. Those vendors were: AT&T, Windstream, AllTel, Network Technology Consulting, Network Service Consultants, XETA Technologies, Centrifuge Solutions, Gaggle.net, and Gov Connection. Thus, there was no shortage of bids and contract awards, which demonstrates that the competitive process worked as intended. Fourth, assuming that the Trillion employee's terse response ("Looks fine, Sandy") constitutes "guidance" (and Trillion denies that it does), it is hard to understand how such advice could be interpreted as being anything but generic and vendor-neutral.²⁴ The Trillion employee did not suggest any changes or modifications to any aspect of the Form 470. There was no affirmative guidance or suggestion to do or not do anything. As previously stated by both parties in the numerous pleadings before the Commission on this particular competitive bidding process, Charlton's Director of Technology was solely responsible for preparing and posting Charlton's Form 470 and remained so throughout the entire bidding process.

²⁴ See *The ABCs of E-Rate*, 2005 Fall Applicant Training Presentation, by John Noran, Schools and Libraries Division, Universal Service Administrative Company, available at: <http://usac.org/res/documents/sl/training/2005/ABCs%20of%20Erate.ppt> (last accessed Mar. 14, 2013) (stating on slide #26 regarding technology plans, "If you offer assistance, make sure it is neutral technical advice") (stating on slide #37 regarding the competitive bidding process, "DO remain neutral at all times during the applicant's competitive bidding process"); *2010 SL Service Provider Conference Call Minutes*, Universal Service Administrative Company, January 6, 2010, at p. 46, available at: <http://usac.org/res/documents/sl/pdf/conference-calls/archive/2010-SL-Minutes.pdf> (last accessed Mar. 14, 2013) (stating that: "If you get a question from an applicant, ask if the applicant has already posted a Form 470 and/or issued an RFP. If so, your questions and comments should be submitted as indicated in the Form 470 and/or RFP. *If not, but the applicant indicates an interest in using the information you provide to construct a Form 470 or RFP, keep your responses generic and vendor-neutral or refer the applicant to USAC's Client Service Bureau...*") (emphasis added).

Communication #2

On October 28, 2008, Mr. Chuck Browning, Trillion Partners, sent Dr. Slater an email thanking her for the opportunity to present Trillion's upgrade proposal on Wednesday (October 22, 2008) ... In addition, when Dr. Slater accepted Mr. Browning proposal and advised him to prepare pricing in anticipation of the Form 470 posting [sic].²⁵

The choice of the words "upgrade proposal" in the above-referenced email was a poor one by Trillion's former employee. The document, which is attached as Exhibit D for the Commission's review, was not a proposal; instead, it was a Preliminary Design & Good Faith Estimate, which included the following language:

It is our understanding that your district is not seeking a formal proposal and that you are requesting this information purely as a tool to assist you with your budget planning efforts. We expect that your district is seeking similar information from other service providers as well. Since this is only a preliminary design and estimated pricing, the enclosed documentation is not a binding offer, is not a detailed, formal proposal, and is not a response to any request for proposals. It is our policy to wait to provide our formal, detailed proposal to governmental entities such as school districts until the appropriate time in the competitive bidding process. We would be happy to provide you with a formal Trillion proposal and Services Agreement once your district has commenced its competitive bidding process.²⁶

The information provided in the Preliminary Design & Good Faith Estimate was computer generated based upon publicly available data such as school locations that any potential service provider had access to. The Preliminary Design & Good Faith Estimate was merely an illustration of Trillion's product offerings. The Commission has affirmatively stated that service providers may provide information to applicants about products or services, including demonstrations,

²⁵ *Intent to Deny Letter*, ¶ 1.

²⁶ Trillion Partners, Inc., Preliminary Design & Good Faith Estimate, prepared for Charlton County School District, September 2008, at slide # 2 (Attached as Exhibit D) (emphasis added).

prior to the posting of the Form 470 and during the 28-day waiting period.²⁷ The Preliminary Design & Good Faith Estimate was nothing more than information about Trillion’s products and services that was based on publicly available information. The actual proposal that Trillion submitted in response to the Form 470 was a different document from the Preliminary Design & Good Faith Estimate because the actual proposal: (a) relied on information gathered as a result of an on-site engineering study, which revealed accurate information regarding the precise location of the sites to be served, whether those sites should be served with a fiber connection or a wireless link, etc., and (b) provided firm pricing information. Evidence that the Preliminary Design & Good Faith Estimate and the proposal in response to the Form 470 had different purposes is that both documents exist. Why would both exist if they were intended to serve the same purpose — that of a response to a request to the Form 470?

The Commission must also remember that Trillion was Charlton’s incumbent service provider prior to the competitive process at issue in this request for review. Because Trillion managed, monitored and maintained Charlton’s WAN network on a daily basis, it necessarily had information regarding Charlton’s use of E-Rate services, including technical specifications, traffic volume, capacity constraints, and it could make

²⁷ *Schools and Libraries Universal Service Support Mechanism; A National Broadband Plan for Our Future*, Sixth Report and Order, FCC 10-175, 25 FCC Rcd 18762, 18803 ¶ 92 (2010) (“*Sixth Report and Order*”) (“Some commenters challenged the statement in the NPRM that ‘[a] service provider may provide information to an applicant about products or services – including demonstrations – before the applicant posts the FCC Form 470, but not during the bid selection process.’ They argue that applicants need vendor information during the bid selection process in order to make the best decision about the services they are requesting. We agree with these commenters and note that, currently, service providers are permitted to supply information about their products and services during the 28-day waiting period.”); *See also Schools and Libraries Universal Service Support Mechanism; A National Broadband Plan for Our Future*, FCC 10-83, Notice of Proposed Rulemaking, 25 FCC Rcd 6872, 6886 ¶ 30 (2010).

some estimates regarding the potential need for upgrades. Making use of such information to submit a bid in response to a future Form 470 is not a violation of the Commission's rules. In fact, if use of such information were deemed as providing an "unfair advantage" to the incumbent service provider, then applicants would never be able to select the same service provider during two consecutive competitive bidding cycles. The fact that Trillion may have had more information about Charlton's E-Rate needs and infrastructure than other non-incumbent third parties did not taint the competitive bidding process and was a natural by-product of the fact that Trillion was Charlton's incumbent provider.

Communication #3

Dr. Slater responded to the email, advising Mr. Browning to prepare his pricing and that she would be posting the Form 470 that same day. (see enclosed email subject: Charlton CSD Visit dated October 28, 2008). The Form 470 (75750000691055) was later posted to USAC's website October 29, 2008.²⁸

The actual language used by Dr. Slater in the above-referenced email was: "Start working on the pricing, etc. for this project. I will submit my 470 today, thanks." This email provided no inside information to Trillion. In fact, the information in the email was of no use to Trillion nor does USAC suggest otherwise. As a service provider, Trillion is aware of the need to prepare pricing information for inclusion in formal proposals. However, for purposes of the instant Request for Review, this email confirms the fact that Trillion had not provided a formal proposal to Charlton, but would need to do so if it wanted to participate in the bid process. Finally, there is no FCC rule that prohibits a school district from providing notice that a Form 470 or, for that matter, a

²⁸ *Intent to Deny Letter*, ¶ 1.

request for proposals, will be posted to USAC's website nor does USAC cite any such rule.

Communication #4

Further you [Dr. Slater] sent an email to Ms. Cater and Mr. Chuck Browning on October 31, 2008, stating "I am not suppose [sic] to even talk to you all until I have filed the 470 form. I know what I am suppose [sic] to do and it is done. ..." ²⁹

The actual e-mail string is as follows:

*From: Chuck Browning
Sent: Friday, October 31, 2008 2:44 PM
To: Sandy Slater
Cc: Jennifer Carter; Renee Hahn; David Jolly
Subject: Charlton CSD*

*Sandy,
I wanted to let you know how sorry I am about the confusion. Please feel free to contact me if you have any questions or if I can help you in any way.*

Regards,

Chuck

*From: Sandy Slater
Sent: Friday, October 31, 2008 2:55 PM
To: Jennifer Carter; Chuck Browning
Subject: Erate*

I am not suppose to even talk to you all until I have filed the 470 form. I know what I am suppose to do and it is done. If I missed anything on the original form then and only then do I need to file another form. Please check with Mr. Smyph if you are not sure about our contract.

Sandy Slater, Ed.D.

The subject of the discussion implied by the emails is based upon an internal Trillion discussion that took place after Charlton posted its Form 470 on October 29,

²⁹ *Intent to Deny Letter*, ¶ 1.

2008. Specifically, after reviewing the published Form 470, Trillion thought it might be possible to provide Charlton with higher bandwidth capacity via a contract upgrade and extension under the previous Form 470 that Charlton had posted to USAC's website, which Trillion personnel verbally communicated to Dr. Slater. After further discussion within Trillion, Trillion personnel realized that a contract upgrade and extension of the prior Form 470 was not possible because neither the existing contract nor the original Form 470 allowed for extensions, and this information, too, was verbally communicated to Dr. Slater. This communication was entirely appropriate because Trillion was Charlton's incumbent service provider and, if there was an option for the provision of an upgrade pursuant to a contract extension rather than going through a new competitive bid process, the parties were entitled to discuss such option. However, since the initial information regarding the ability to do a contract extension was incorrect, the Trillion employee felt the need to apologize to Dr. Slater for the "confusion." In her response, Dr. Slater told the Trillion employee that, with respect to the FCC Form 470 that had been posted two days earlier, she knew what she was doing, and that if the Trillion employee did not understand the then existing contract between Charlton and Trillion, the Trillion employee should consult with Trillion's then in-house attorney, Mr. Smyth.

Trillion was Charlton's incumbent service provider and the above-referenced email exchange pertained to their existing contract and whether certain upgrades to the system could be implemented under the then existing contract. The communication between Charlton and Trillion was entirely appropriate given their existing vendor-customer relationship and did not constitute a violation of the competitive bid rules. As previously noted, the Commission has explicated stated that there is no prohibition on

communications during the 28-day waiting period.³⁰ Thus, the Commission should not interpret the competitive bidding rules so narrowly so as to prevent an incumbent vendor and its customer from discussing whether a particular upgrade can be provided under their existing contract. If the referenced email exchange shows anything, it is that Charlton, not Trillion, was in control of the Form 470 application process.

III. The Alleged “Gifts” Did Not Violate the Commission’s Rules.

USAC’s denials of the applications for funding year 2009 state that the funding requests were denied because Charlton was “*offered and accepted either gifts, meals, gratuities, or entertainment from the service provider, which resulted in a competitive process that was no longer fair and open....*”³¹ As noted above, USAC’s denial does not specify which gifts, meals, gratuities or entertainment were of concern to USAC. Therefore, Trillion can only assume that USAC’s decisions were based on allegations raised in the *Intent to Deny Letter*. Specifically, the *Intent to Deny Letter* states:

Dr. Slater had several business lunches and dinners with Trillion Partner representatives prior to the competitive bidding process. (see enclosed Expense Summary). The documentation Trillion Partners provided indicates that you were offered and accepted meals immediately prior to and/or during the process you conducted to select a service to provide these goods and services from the service provider you selected. These meals show that you engaged in non-competitive bidding practices in violation of program rules.³²

The above-referenced meals did not violate the Commission’s rules. The meals were for insignificant amounts (the cost ranged from \$5.40 to \$36.44 per

³⁰ *Sixth Report and Order*, 25 FCC Rcd at 18803 ¶ 92.

³¹ Funding Commitment Reports from USAC, Schools and Library Division (dated Sept. 29, 2010) (regarding FY 2009, FCC Form 471 Application No. 658765, FRNs 1842340 and 1842292).

³² *Intent to Deny Letter*, ¶ 2.

person) and took place over an eight-month period.³³ In addition, the meals were not received by employees with authority to bind Charlton to a contract or affect the competitive bidding decision. During the time period involved in the applications for funding year 2009, the only standard provided by USAC training materials regarding gifts was that applicants and service providers were to comply with state contract law and state and local procurement laws. In this case, Charlton followed all state procurement laws.³⁴ USAC alleges no violations of state procurement laws by Charlton. Furthermore, the meals took place in 2008 and early 2009, well before the Commission's gift rules became effective in January 2011. Consistent with the Division's decision in *Dimmitt*, none of these meals influenced or compromised the bidding process.³⁵

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

As noted above, USAC cites to the Division's *Order* as the sole basis for the denial of the FRNs for funding year 2011, but the cases cited in the *Order*, while they stand for the proposition that the bidding process must be open and competitive, do not support a denial of funding in this case.

In *Mastermind*, the Commission found violations of its competitive bidding rules when: (i) an employee of the service provider that ultimately won the bid was listed as the contact person on the applicant's Form 470; and (ii) the applicant allowed an

³³ Trillion Partners, Inc., Expense Summary re Charlton County School System (Attached as Exhibit E).

³⁴ *Charlton Nov. 17, 2010 Appeal*, at 1 (stating that, "Charlton County has complied with the proper rules and regulations for the district"); *Charlton Jan. 31, 2013 Request for Review*, at 7 (stating that, "In this case, Charlton followed all state procurement laws").

³⁵ *Requests for Review of Decisions of the Universal Service Administrator by Dimmitt Independent School District, et al.*, DA 11-1854, Order, 26 FCC Rcd 15581 (TAPD 2011).

employee of that same service provider to prepare and distribute the request for bids to potential bidders.³⁶ Ultimately, the Commission concluded that this level of influence resulted in the applicant surrendering control of the bidding process to the service provider.³⁷ In the instant case, Trillion did not serve as the contact person for the Form 470 nor did Trillion distribute the request for bids to potential bidders. USAC does not allege otherwise. The *Dickenson* case, like the *Mastermind* case, also addressed a situation in which the applicant's Form 470 listed a contact person who was an employee of a service provider, which is not the case here.³⁸

In *Approach Learning*, the Commission found a connection between the contact person listed on the Form 470 and the service provider that ultimately won the contract. In that order, the Commission noted that it believes “that the contact person exerts great influence over an applicant's competitive bidding process by controlling the dissemination of information regarding the services requested.”³⁹ This was not the case here. Charlton's contact person listed on the Form 470 was an employee of the school district with no connection to Trillion. Moreover, there was no evidence that Charlton's contact person was unresponsive to requests for information from competing service providers.

³⁶ *Request for Review by Mastermind Internet Services, Inc., Federal-State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc.*, FCC 00-167, Order, 16 FCC Rcd 4028, 4033 ¶ 10 (2000) (“*Mastermind*”).

³⁷ *Mastermind*, 16 FCC Rcd at 4033, ¶ 10.

³⁸ *Request for Review of the Decision of the Universal Service Administrator by Dickenson County Public Schools, Clintwood, Virginia; Federal-State Joint Board on Universal Service*, DA 02-1971, Order on Reconsideration, 17 FCC Rcd 15747 (TAPD 2002).

³⁹ *Requests for Review of the Decisions of the Universal Service Administrator by Approach Learning and Assessment Center, Santa Ana, CA, et al.*, DA 07-1332, Order, 22 FCC Rcd 5296, 5303, ¶ 19 (WCB 2007).

V. Conclusion

For the reasons set forth above, Trillion respectfully requests grant of the instant Petition for Review with respect to Charlton's E-Rate applications for funding year 2012.

Respectfully submitted,

TRILLION PARTNERS, INC.

By: /s/ Henry M. Rivera

Henry M. Rivera

Edgar Class

Wiley Rein LLP

1776 K Street NW

Washington, DC 20006

Tel: (202) 719-7504

Its Attorneys

Dated: March 28, 2013

Exhibit A

Funding Commitment Report from USAC, Schools and Libraries
Division (dated Feb. 26, 2013) regarding:

Charlton County School System
Funding Year 2012
FCC Form 471 Application Number: 850298
Funding Request Number: 2311849

FUNDING COMMITMENT REPORT
 Service Provider Name: Trillion Partners, Inc
 SPIN: 143025872
 Funding Year: 2012

Name of Billed Entity: CHARLTON COUNTY SCHOOL SYSTEM
 Billed Entity Address: 1259 THIRD. STREET
 Billed Entity City: FOLKSTON
 Billed Entity State: GA
 Billed Entity Zip Code: 31537-3710
 Billed Entity Number: 127480
 Contact Person's Name: Dr. Sandy Slater
 Preferred Mode of Contact: EMAIL
 Contact Information: sslater@charlton.k12.ga.us
 Form 471 Application Number: 850298
 Funding Request Number: 2311849
 Funding Status: Not Funded
 Category of Service: Telecommunications Service
 Form 470 Application Number: 757500000691055
 Contract Number: N/A
 Billing Account Number: N/A
 Service Start Date: 07/01/2012
 Contract Expiration Date: 06/30/2019
 Number of Months Recurring Service Provided in Funding Year: 12
 Annual Pre-Discount Amount for Eligible Recurring Charges: \$67,502.88
 Annual Pre-Discount Amount for Eligible Non-Recurring Charges: \$.00
 Pre-Discount Amount: \$67,502.88
 Applicant's Discount Percentage Approved by SLD: 88%
 Funding Commitment Decision: \$.00 - Selective - Contract Violation
 Funding Commitment Decision Explanation: MR1: The establishing FCC Form 470 Application Number was changed at the request of the applicant. <><><><><> MR2: The Contract Award Date was changed from 03/22/2012 to 02/04/2009 to agree with the documentation provided during the review of the FCC Form 471. <><><><><> MR3: The FRN was modified from \$73,128.12 to \$67,502.88 to agree with the applicant documentation. <><><><><> DR1: Consistent with FCC Order DA 12-260, the FCC has determined that your competitive bidding process was flawed due to improper service provider involvement in the competitive bidding process that lead to this contract. Therefore, funding is denied.

FCDL Date: 02/26/2013
 Wave Number: 032
 Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2013

Consultant Name:
 Consultant Number (CRN):
 Consultant Employer:

Exhibit B

Letter from Pina Portanova, USAC, Schools and Libraries Division, to Dr. Sandy Slater, Charlton County School System, dated June 4, 2010 re: Application Numbers: 658765 and 742443 (“Intent to Deny Letter”)

**Schools and Libraries Division**

Date: June 4, 2010

Dr. Sandy Slater
Charlton County School System
Application Number(s): 658765,742443

Response Due Date: June 21, 2010

We are in the process of reviewing Funding Year 2009, and 2010 Form(s) 471 to ensure that they are in compliance with the rules of the Universal Service program. FY 2009 application 658765 FRNs 1842292 and 1842340 and FY 2010 application 742443 FRN 2023430 and 2023445 will be denied for the following reasons:

1. Based on the documentation provided by Trillion Partners, Charlton County School System did not conduct an open and fair competitive bidding process. The competitive bidding process must be fair and open. "Fair" means that all bidders are treated the same and that no bidder has advance knowledge of the project information. The applicant should not have a relationship with a service provider prior to the competitive bidding that would unfairly influence the outcome of a competition or would furnish the service provider with "inside" information or allow it to unfairly compete in any way. "Open" means there are no secrets in the process – such as information shared with one bidder but not with others – and that all bidders know what is required of them. In an email dated October 27, 2008, Dr. Slater sent a draft copy of the Form 470 (75750000691055) to Ms. Jennifer Carter, Trillion Partners, to review to ensure that Charlton County School System was requesting the services Trillion Partners provides. Dr. Slater writes, "Look this over and make sure I have this correct, thanks." Ms. Carter responded, "Looks fine, Sandy." (see enclosed email subject: Re: 470 *Erate* dated October 27, 2008) On October 28, 2008, Mr. Chuck Browning, Trillion Partners, sent Dr. Slater an email thanking her for the opportunity to present Trillion's upgrade proposal on Wednesday (October 22, 2008). Dr. Slater responded to the email, advising Mr. Browning to prepare his pricing and that she would be posting the Form 470 that same day. (see enclosed email subject: Charlton CSD Visit dated October 28, 2008). The Form 470 (75750000691055) was later posted to USAC's website October 29, 2008. Further you sent an email to Ms. Cater and Mr. Chuck Browning on October 31, 2008, stating "I am not suppose to even talk to you all until I have filed the 470 form. I know what I am suppose to do and it is done. ..." (see enclosed email subject: *Erate* dated October 31, 2008). The competitive bid process was no longer fair nor open when Charlton County School System provided Trillion Partners an advance review of the Form 470. In addition, when Dr. Slater accepted Mr. Browning proposal and advised him to prepare pricing in anticipation of the Form 470 posting. If you disagree with our determinations, and you have alternative information, please provide the supporting documentation.
2. Based on the documentation that you have provided, the entire FRNs will be denied because you did not conduct a fair and open competitive bid process free from conflicts of interest. On October 28, 2008, Mr. Chuck Browning, Trillion Partners, sent Dr. Slater an email thanking her for the opportunity to present Trillion's upgrade proposal on Wednesday (October 22, 2008). (see enclosed email subject: Charlton CSD Visit dated October 28, 2008). Mr. Browning had lunch with Dr. Slater on that day. Dr. Slater had several business lunches and dinners with Trillion Partner representatives prior to the competitive bidding process. (see enclosed Expense Summary). The documentation Trillion Partners provided indicates that you were offered and accepted meals immediately prior to and/or during the process you conducted to select a service to provide these goods and services from the service provider you selected. These meals show

that you engaged in non-competitive bidding practices in violation of program rules. For additional guidance regarding the competitive bidding process, please refer to the USAC website at: <http://www.usac.org/sl/applicants/step03/run-open-fair-competition.aspx>.

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

You have 15 days to respond to this request. Your response is due by the close of business June 21, 2010. Please reply via e-mail or fax. Please provide complete responses and documentation to the questions listed above. It is important that you provide complete responses to ensure the timely review of your applications. If you do not respond, or provide incomplete responses, your funding request(s) (FRNs) may be reduced or denied, or in the case of committed FRNs subjected to commitment adjustment.

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

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

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

Pina Portanova
USAC, Schools and Libraries Division
Phone: 973-581-5016
Fax: 973-599-6552
E-mail: pportan@sl.universalservice.org

Exhibit C

Charlton County School System
FCC Form 470 Application Number 75750000691055
(posted on October 29, 2008)

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: 757500000691055 | | |
| Applicant's Form Identifier: 624010 | | |
| Application Status: CERTIFIED | | |
| Posting Date: 10/29/2008 | | |
| Allowable Contract Date: 11/26/2008 | | |
| Certification Received Date: 10/29/2008 | | |
| 1. Name of Applicant: | | |
| CHARLTON COUNTY SCHOOL SYSTEM | | |
| 2. Funding Year: | 3. Your Entity Number | |
| 07/01/2009 - 06/30/2010 | 127480 | |
| 4a. Applicant's Street Address, P.O.Box, or Route Number | | |
| 500 S 3RD ST | | |
| City | State | Zip Code |
| FOLKSTON | GA | 31537 - 3710 |
| b. Telephone number | ext. | c. Fax number |
| (912) 496- 2596 | | (912) 496- 2595 |
| 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) | | |

- Library (including library system, library outlet/branch or library consortium as defined under LSTA)
- Consortium (intermediate service agencies, states, state networks, special consortia of schools and/or libraries)

6a. Contact Person's Name: Dr. Sandy Slater

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

500 S 3RD ST

| City | State | Zip Code |
|-----------------|-----------|---------------------|
| FOLKSTON | GA | 31537 - 3710 |

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 (912) 496- 2596

6d. Fax Number (912) 496- 2595

6e. E-mail Address sslater@charlton.k12.ga.us

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 a multi-year a contract featuring
are seeking contract and/or 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.

a YES, I have released or intend to release an RFP for these services. It is available or will become available on the Web at or via (check one):
 the Contact Person in Item 6 or the contact listed in Item 12.

b NO, I have not released and do not intend to release an RFP for these services.

Whether you check YES or NO, you must list below the Telecommunications Services you seek. Specify each service or function (e.g., local voice service) and quantity and/or capacity (e.g., 20 existing lines plus 10 new ones). See the Eligible Services List at www.sl.universalservice.org 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.

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

| Service or Function: | Quantity and/or Capacity: |
|---------------------------------------|----------------------------------|
| T1/T3 Lines | 6 locations |
| Centrex Lines T1/T3 Lines | 250 lines |
| Centrex Common Equipment | 6 locations |
| Long Distance Service | 6 locations |
| Cellular Services | 6 locations, 15 lines |
| Fax Machine Lines | 6 locations |
| Digital Transmission Services | 6 locations |
| Asynchronous Transfer Mode ATM | 6 locations |
| Gigabit Fiber Services | 6 locations |

| | |
|---|-------------|
| Wireless WAN | 6 locations |
| Wide Area Network Services | 6 locations |
| Direct Inward Dialing | 6 locations |
| SMDS | 6 locations |
| POTS | 6 locations |
| Trunks | 6 locations |
| Distance Learning Circuits | 6 locations |
| Inside Wire Maintenance Plans | 6 locations |
| Directory Assistance Charges | 6 locations |
| Interactive Television | 6 locations |
| 911/E911 Lines | 6 locations |
| Alarm Telephone Lines | 6 locations |
| Conferencing Services | 6 locations |
| PVCs | 6 locations |
| Permanent Virtual Circuit | 6 locations |
| PIC Change Charge | 6 locations |
| Video Conferencing Services | 6 locations |
| Design & Engineering | 6 locations |
| Installation | 6 locations |
| Maintenance & Technical Support | 6 locations |
| Project Management | 6 locations |
| Training | 6 locations |
| Wide Area Network Services | 6 locations |
| Wireless Wide Area Network | 6 locations |
| Integrated Services Digital Network(PRI) | 6 locations |
| Local phone lines | 6 locations |
| <p>9 <input checked="" type="checkbox"/> Internet Access</p> <p><i>Do you have a Request for Proposal (RFP) that specifies the services you are seeking ? If you check YES, your RFP must be available to all interested bidders for at least 28 days. If you check YES and your RFP is not available to all interested bidders, or if you check NO and you have or intend to have an RFP, you risk denial of your funding requests.</i></p> | |
| <p>a <input checked="" type="checkbox"/> 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):</p> <p><input type="checkbox"/> the Contact Person in Item 6 or <input type="checkbox"/> the contact listed in Item 12.</p> | |
| <p>b <input checked="" type="checkbox"/> NO, I have not released and do not intend to release an RFP for these services.</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.

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

| Service or Function: | Quantity and/or Capacity: |
|---------------------------------------|----------------------------------|
| T1/T3 Lines | 6 location |
| Centrex Lines | 250 lines |
| Centrex Common Equipment | 6 location |
| Long Distance Service | 6 location |
| Cellular Services | 6 location, 15 lines |
| Fax Machine Line | 6 location |
| Digital Transmission Services | 6 location |
| Asynchronous Transfer Mode ATM | 6 location |
| Gigabit Fiber Services | 6 location |
| Wireless WAN | 6 location |
| Wide Area Network Services | 6 location |
| Direct Inward Dialing | 6 location |
| SMDS | 6 location |
| POTS | 6 location |
| Trunks | 6 location |
| Distance Learning Circuits | 6 location |
| Inside Wire Maintenance Plans | 6 location |
| Directory Assistance Charges | 6 location |
| Interactive Television | 6 location |
| 911/E911 Lines | 6 location |
| Alarm Telephone Lines | 6 location |
| Conferencing Services | 6 location |
| Webpage Hosting | 6 location |
| PVCs | 6 location |

10 Internal Connections Other than Basic Maintenance
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 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 checked="" type="radio"/> Check this box if you prefer discounts on your bill. | <input checked="" type="radio"/> Check this box if you prefer reimbursement after paying your bill in full. | <input type="radio"/> Check this box if you do not have a preference. |
|--|--|--|

| Service or Function: | Quantity and/or Capacity: |
|--|--|
| Access Points | 6 locations |
| Antennas | 6 locations |
| ARS | 6 locations |
| Bridge | 6 locations |
| Cabling | Expand, upgrade, & install new cabling to include hubs, racks, routers, fiber convertors, racks, cabinets, connectors, copper, switches, conduit, raceway, power poles, couplers, face plates, masts, convertors, TX to FX convertors, etc. |
| Circuit Cards | 16 existing & new elig. servers, 5 routers, etc. |
| Client Access Licenses | 1000 users |
| Video Components/Equipment | CODEC/Video Encoder, PBX, PVBX, & other elig equip. |
| Expansion & support of LAN | 6 locations, Connect all classrooms @ 100Gig |
| File Servers w/monitors & CD/RW/ tape backups | 6 locations |
| E911 Reader Board | 6 locations |
| Gateways | 6 locations |

| | |
|--|--|
| Interface/Edge Device | 5 locations |
| Hard Disk Drives | 6 locations |
| Hub | 6 locations |
| LAN | Continued expansion of LAN |
| Memory Modules | Specific memory needed for elig. equip. |
| Multiplexor | 6 locations |
| NIC | Needed for elig. servers & equip. |
| NID | Needed for POTS upgrade - 7 locations |
| Network switches | 6 locations |
| Operating System Software | 1500 nodes |
| PBX | 6 locations |
| Storage Products | 6 locations |
| Switchboard & Attendant Console | 6 locations |
| System Improvement Upgrades | 6 locations |
| Terminal Adapters | 6 locations |
| Uninterruptible Power Supplies/Battery Backup | 6 locations |
| Voice Compression Module | 6 locations |
| VC, VIC, V/F Network Module, VoIP Components | 6 locations |
| Wire & Cable Maintenance | 6 locations |
| Wireless LAN | 6 locations |
| Wireless PBX Adjunct | 6 locations |
| Firewall | Handle 1500 nodes |
| Voice Mail Services | 250 users |
| Design & Engineering | 6 locations |
| Installation | 6 locations |
| Project Management & Consulting | 6 locations |
| Training | 6 locations |

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.

| | | |
|---|--|--|
| <p>a <input checked="" type="radio"/> YES, I have released or intend to release an RFP for these services. It is available or will become available on the Web at or via (check one):</p> <p><input type="checkbox"/> the Contact Person in Item 6 or <input type="checkbox"/> the contact listed in Item 12.</p> | | |
| <p>b <input checked="" 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 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.</p> | | |
| <p>c <input checked="" type="radio"/> Check this box if you prefer discounts on your bill.</p> | <p><input checked="" 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> |
| Service or Function: | Quantity and/or Capacity: | |
| WAN & LAN Network maintenance | 6 locations | |
| Server Maintenance - Must be MS Certified | 14 servers | |
| Cabling Maintenance for Cat 6E | Must be certified by Georgia required standards & industry standards | |
| Other Eligible Internal Connections Components | Various equipment & components in the system | |
| <p>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.</p> | | |
| Name: | Title: | |
| Dr. Sandy Slater | Technology Director | |
| <p>Telephone number (912) 496 - 2596 extn: 2010</p> | | |
| <p>Fax number (912) 496 - 2595</p> | | |
| <p>E-mail Address sslater@charlton.k12.ga.us</p> | | |
| <p>13a. <input checked="" 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</p> | | |

restrictions or procedures, and/or provide a Web address where they are posted and a contact name and telephone number. **We obey the bidding regulations of the Georgia Department of Education (www.doe.k12.ga.us) as well as the requirements of the Schools and Libraries E-Rate program.**

Check this box if no state and local procurement/competitive bidding requirements apply to the procurement of services sought on this Form 470.

13b. If you have plans to purchase additional services in future years, or expect to seek new contracts for existing services, you may summarize below (including the likely timeframes). If you are requesting services for a funding year for which a Form 470 cannot yet be filed online, include that information here. Distance learning, Webpage, Email, Wireless LAN equipment, and networking to connect to all classrooms for access to all students and staff.

Block 3: Technology Assessment

14. Basic telephone service only: If your application is for basic telephone service and voice mail only, check this box and skip to Item 16. Basic telephone service is defined as wireline or wireless single line voice service (local, cellular/PCS, and/or long distance) and mandatory fees associated with such service (e.g., federal and state taxes and universal service fees).

15. Although the following services and facilities are ineligible for support, they are usually necessary to make effective use of the eligible services requested in this application. Unless you indicated in Item 14 that your application is ONLY for basic telephone service, you must check one or both boxes in 15a through 15e. You may provide details for purchases being sought.

a. Desktop communications software: Software required has been purchased; and/or is being sought.

b. Electrical systems: adequate electrical capacity is in place or has already been arranged; and/or upgrading for additional electrical capacity is being sought.

c. Computers: a sufficient quantity of computers has been purchased; and/or is being sought.

| |
|---|
| d. Computer hardware maintenance: adequate arrangements <input type="checkbox"/> have been made; and/or <input type="checkbox"/> are being sought. |
| e. Staff development: <input type="checkbox"/> all staff have had an appropriate level of training /additional training has already been scheduled; and/or <input type="checkbox"/> 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)
GA 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 | 6 |
|------------------------------------|----------|

| <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 |
| 912 | 496 |
| 912 | 843 |

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 |
|----------------------|-------------------------------|
| 127480 | CHARLTON COUNTY SCHOOL SYSTEM |

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): **10/29/2008**

29. Printed name of authorized person: **Dr. Sandy Slater**

30. Title or position of authorized person: **Technology Director**

31a. Address of authorized person: **500 S. Third Street**
City: **Folkston** State: **GA** Zip: **31537**

31b. Telephone number of authorized person: **(912) 496 - 2596** ext.
2010

31c. Fax number of authorized person: **(912) 4962595**

31d. E-mail address number of authorized person:
sslater@charlton.k12.ga.us

31e. Name of authorized person's employer: **Charlton County School System**

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

[New Search](#)

[Return To Search Results](#)

Exhibit D

Trillion Partners, Inc.
Preliminary Design & Good Faith Estimate
prepared for Charlton County School District
(September 2008)

Charlton County School District Preliminary Design & Good Faith Estimate

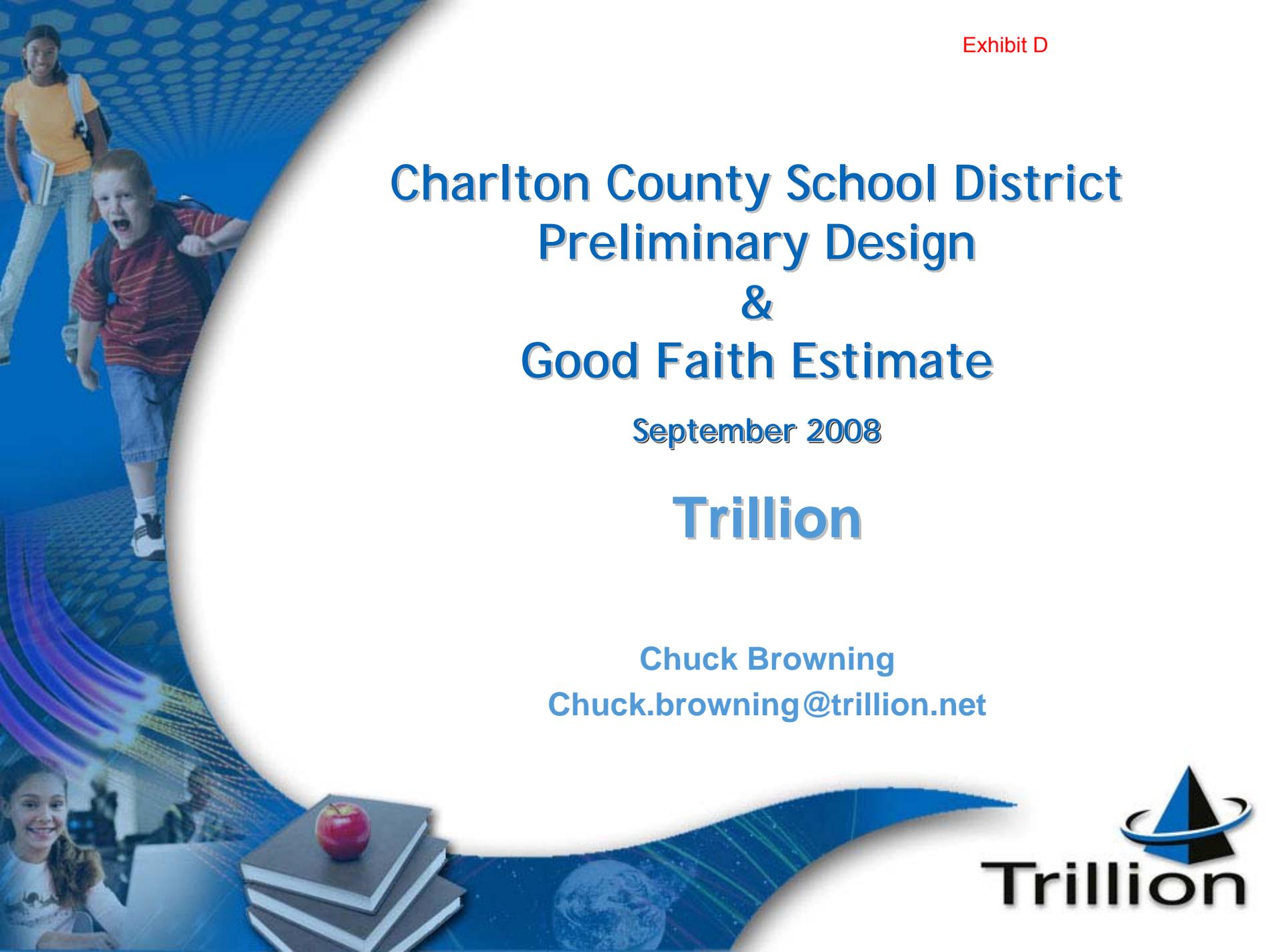
September 2008

Trillion

Chuck Browning
Chuck.browning@trillion.net



Trillion





Preliminary Design & Good Faith Estimate

It is our understanding that your district is not seeking a formal proposal and that you are requesting this information purely as a tool to assist you with your budget planning efforts. We expect that your district is seeking similar information from other service providers as well. Since this is only a preliminary design and estimated pricing, the enclosed documentation is not a binding offer, is not a detailed, formal proposal, and is not a response to any request for proposals. It is our policy to wait to provide our formal, detailed proposal to governmental entities such as school districts until the appropriate time in the competitive bidding process.

We would be happy to provide you with a formal Trillion proposal and Services Agreement once your district has commenced its competitive bidding process.

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WAN (Wireless and Fiber): 6 Sites 100 Mbps



Although 7 sites are listed, only 6 will be counted for billing purposes since one site is for a repeater.

Preliminary Design & Good Faith Estimate

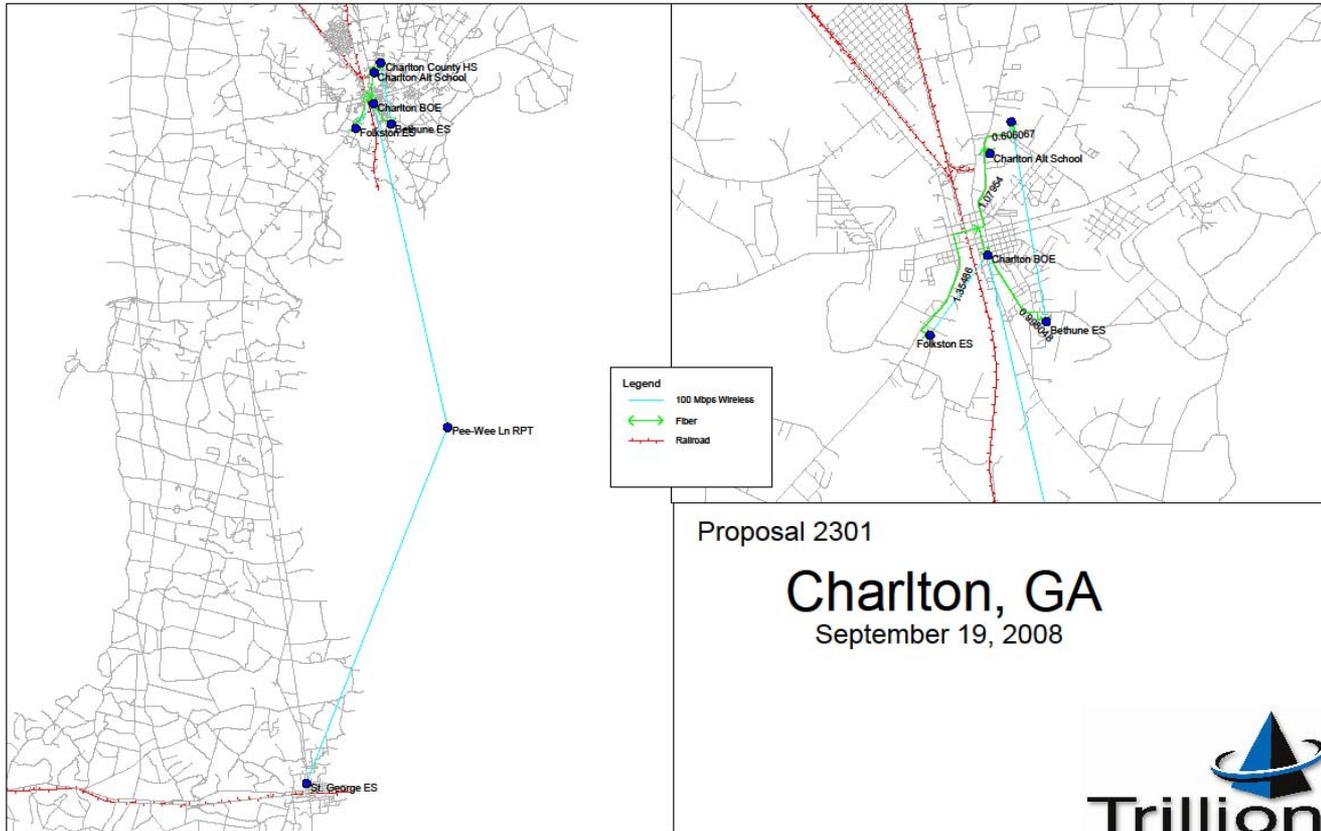
6 Sites - 100 Mbps

| Service Locations | Burstable Mbps per site | Service Type (Wireless/Fiber/MPLS) |
|---------------------|-------------------------|------------------------------------|
| Charlton BOE | 100 | Fiber |
| Charlton County HS | 100 | Fiber |
| Charlton Alt School | 100 | Fiber |
| Folkston ES | 100 | Fiber |
| Bethune ES | 100 | Fiber |
| Pee Wee Ln Rpt | 100 | Wireless |
| St George ES | 100 | Wireless |

3. This is where the disclaimer should be placed – it is the only slide with the names of all the schools.)



Preliminary Design & Good Faith Estimate 6 Sites - 100 Mbps



6HIGHLY CONFIDENTIAL – COMPANY PROPRIETARY

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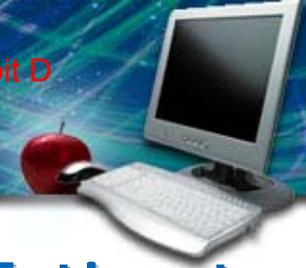


Preliminary, Non-binding, Good Faith Estimate

6 Sites - 100 Mbps

Service Summary

| | |
|----------------------------|-----------------------------------|
| Service: | Wide Area Network Services |
| Number of Sites: | 6 |
| Contract Term in Years: | 10 |
| Estimated E-Rate Discount: | 80% |



Preliminary, Non-binding, Good Faith Estimate

6 Sites - 100 Mbps

| | Before E-Rate | | After E-Rate | |
|--------------------------------------|--------------------|---------------------|--------------|-------------|
| | Month | Annual | Month | Annual |
| Installation Charge Per Site | \$0.00 | | \$0.00 | |
| Total Service Charge - All Sites | \$12,000.00 | \$144,000.00 | \$2,400.00 | \$28,800.00 |
| Total Service Charge per Site | \$2,000.00 | \$24,000.00 | \$400.00 | \$4,800.00 |
| | | | | |
| Customer Payments to Trillion | \$12,000.00 | \$144,000.00 | | |

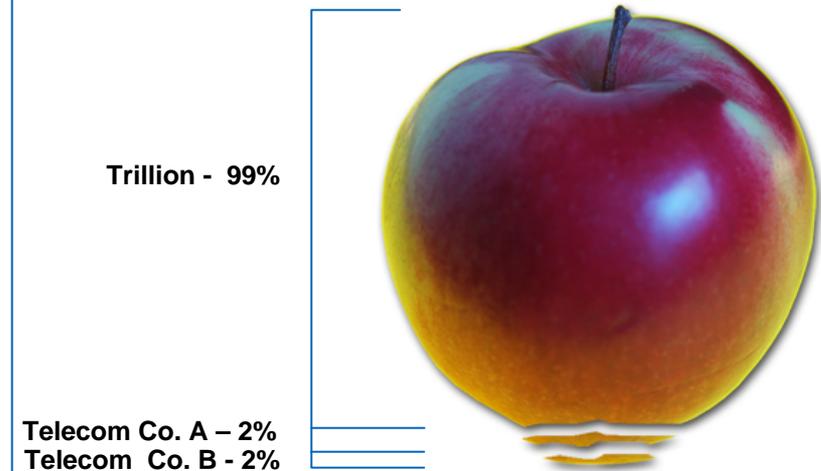
* Does not include taxes or governmental fees, including but not limited to USF fees, sales taxes, etc., that Customer is also required to pay as listed on the invoice.



Why Choose Trillion?

- ▲ Superior Solution Offerings
 - WAN
 - VoIP
 - Internet
- ▲ Lower Total Cost of Ownership
- ▲ Consistent Pricing Throughout Contract
- ▲ Quality of Service with Money-back Service Level Agreements
- ▲ Professional Expertise with Proven E-Rate Experience
- ▲ Service Excellence Delivered

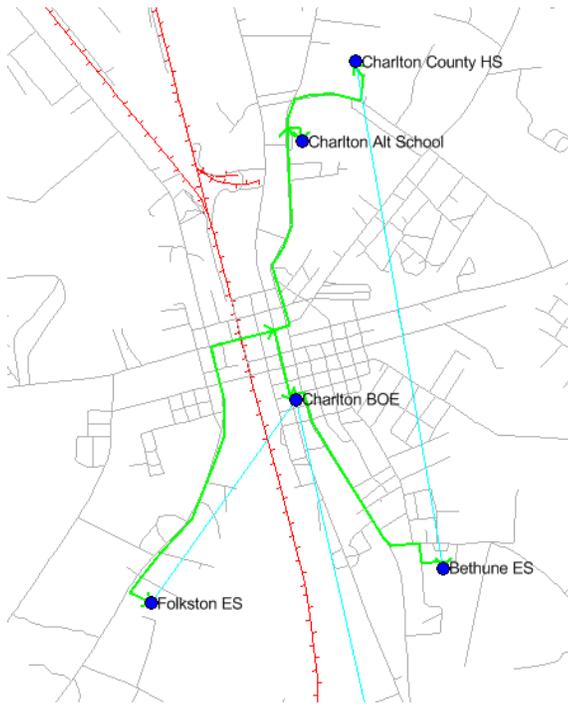
Percentage of Business Focused on K-12 Schools



Focused on the Success of our Education Partners Because Education is our Business

Comparative Illustration

Preliminary Design & Good Faith Estimate



Proposal Design

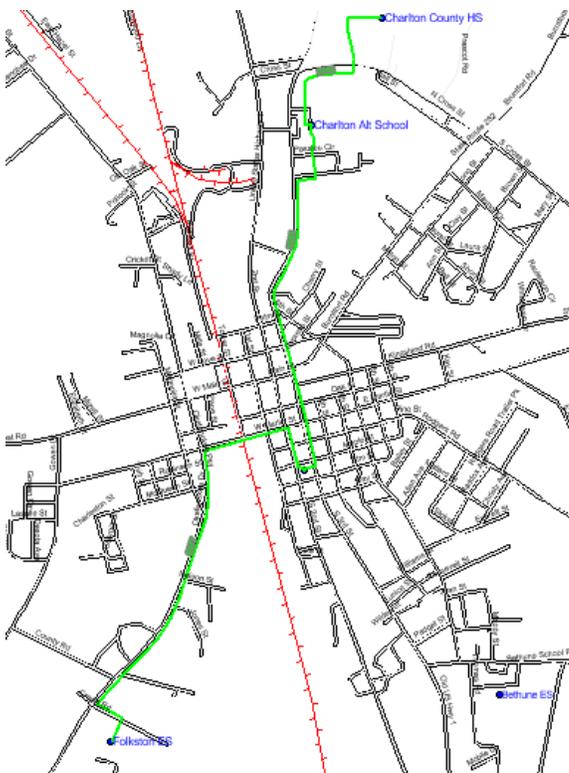


Exhibit E

Trillion Partners, Inc.
Expense Summary re Charlton County School System

Expense Summary

| Description | Customer | Status | Date | Gross Receipt Amount | Customer Attendees | \$ per Cust. Attendee | Total \$ to Customer | Customer State | Contract Ref # | State Compliance | Notes | Attendees |
|-------------------------------|-------------------------------|-------------------|------------|----------------------|--------------------|-----------------------|----------------------|----------------|----------------|------------------|-------|-------------------------------|
| Business Lunch with Customer | CHARLTON COUNTY SCHOOL SYSTEM | Existing Customer | 5/20/2008 | \$62.90 | 2 | \$17.30 | \$34.60 | GA | 58 | Yes | | Sandy Slater & Wendy Marshall |
| Business Dinner with Customer | CHARLTON COUNTY SCHOOL SYSTEM | Existing Customer | 7/26/2008 | \$45.07 | 1 | \$22.54 | \$22.54 | GA | 58 | Yes | | Sandy Slater |
| Business Dinner with Customer | CHARLTON COUNTY SCHOOL SYSTEM | Existing Customer | 8/6/2008 | \$109.33 | 1 | \$36.44 | \$36.44 | GA | 58 | Yes | | Sandy Slater |
| Business Lunch with Customer | CHARLTON COUNTY SCHOOL SYSTEM | Existing Customer | 8/7/2008 | \$16.21 | 1 | \$5.40 | \$5.40 | GA | 58 | Yes | | Sandy Slater |
| Business Lunch with Customer | CHARLTON COUNTY SCHOOL SYSTEM | Existing Customer | 10/22/2008 | \$16.85 | 1 | \$5.62 | \$5.62 | GA | 58 | Yes | | Sandy Slater |
| Business Lunch with Customer | CHARLTON COUNTY SCHOOL SYSTEM | Existing Customer | 1/7/2009 | \$113.34 | 1 | \$32.78 | \$32.78 | GA | 58 | Yes | | Sandy Slater |