

Notification of Commitment Adjustment Letter

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

June 13, 2014

Genie Natale
YOUNGSTOWN CITY SCHOOL DIST
20 W WOOD ST
YOUNGSTOWN, OH 44503

Re: Form 471 Application Number: 566374
Funding Year: 2007
Applicant's Form Identifier: 2007YCSD5
Billed Entity Number: 129631
FCC Registration Number: 0013062021
SPIN: 143004812
Service Provider Name: AT&T DataComm, Inc.
Service Provider Contact Person: Brett Behrens

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

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

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

TO APPEAL THIS DECISION:

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

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

1. Include the name, address, telephone number, fax number, and email address (if available) for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Identify the date of the Notification of Commitment Adjustment Letter and the Funding Request Number(s) (FRN) you are appealing. Your letter of appeal must include the
 - Billed Entity Name,
 - Form 471 Application Number,
 - Billed Entity Number, and
 - FCC Registration Number (FCC RN) from the top of your letter.
3. When explaining your appeal, copy the language or text from the Notification of Commitment Adjustment Letter that is the subject of your appeal to allow USAC to more readily understand your appeal and respond appropriately. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep a copy of your entire appeal including any correspondence and documentation.
4. If you are an applicant, please provide a copy of your appeal to the service provider(s) affected by USAC's decision. If you are a service provider, please provide a copy of your appeal to the applicant(s) affected by USAC's decision.
5. Provide an authorized signature on your letter of appeal.

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

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

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

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

FUNDING COMMITMENT ADJUSTMENT REPORT

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

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

Schools and Libraries Division
Universal Services Administrative Company

cc: Brett Behrens
AT&T DataComm, Inc.

Funding Commitment Adjustment Report for
Form 471 Application Number: 566374

Funding Request Number: 1562694
Services Ordered: INTERNAL CONNECTIONS
SPIN: 143004812
Service Provider Name: AT&T DataComm, Inc.
Contract Number: N/A
Billing Account Number: N/A
Site Identifier: 129631
Original Funding Commitment: \$172,864.45
Commitment Adjustment Amount: \$172,864.45
Adjusted Funding Commitment: \$0.00
Funds Disbursed to Date \$172,864.45
Funds to be Recovered from Applicant: \$172,864.45
Funding Commitment Adjustment Explanation:

During a review for compliance with the 2-in-5 Rule it was determined that entity, #227215, EAST HIGH SCHOOL, received support for Internal Connections more than twice in a five year period. FCC rules prohibit eligible entities from receiving support for Internal Connections services, except basic maintenance, more than twice every five years. The review was conducted on Funding Years 2007, 2010, and 2011 which were all approved for funding for internal connections for Entity #227215. Since the review of the funding requests revealed that support for Internal Connections was received beyond what is permissible under the Commission rules, the commitment has been rescinded in full for FY2007, FRN 1562694 listed above. USAC will seek recovery of improperly disbursed funds from the applicant.



Youngstown City Schools
Educational Technology Department
Genie Natale, Manager of Educational Technology
20 West Wood Street
Youngstown, Ohio 44503



330.744.6986 Fax: 330.744.2056 email: Genie.Natale @Youngstown.k12.oh.us

June 27, 2014

Letter of Appeal
Schools and Libraries Division - Correspondence Unit
100 S. Jefferson Road.
PO Box 902
Whippany NJ 07981

Gentlemen and/or Ladies:

1. Direct questions to:
Genie Natale
Youngstown City Schools
20 West Wood Street
Youngstown OH 44503
(330) 744-6978 Office
(330) 744-2056 Fax
Genie.Natale@Youngstown.k12.oh.us (preference)

Or, contact as back-up:
Lorrie Germann
State E-Rate Coordinator
Office of Information Technology
25 South Front Street, Mail Stop 619
Columbus, Ohio 43215-4183
(614) 466-3413 Office
(614) 406-4398 Cell
lorrie.germann@education.ohio.gov

2. This letter is an appeal.
Notification of Commitment Adjustment Letter dated 6/13/14
FRN #1562694
Youngstown City School District
471 #566374
BEN #129631
FCC #0013062021

3. Subject of our appeal:
From the Commitment Adjustment Report: "Since the review of the funding requests revealed that support for Internal Connections was received beyond what is permissible under the Commission rules, the commitment has been rescinded in full for FY2007,

FRN 1562694 listed above. USAC will seek recovery of improperly disbursed funds from the applicant."

East was inadvertently included in the project for 2011, because I used the Two-in-Five Year Status tool on the SLD's website. From the SLD website, "This tool will help you determine in which funding year an entity will be eligible for discounts on products and services." As you can see by the attached screenshot from that year, East showed as Eligible, so it was included. I cannot understand why the online 471 didn't catch it, PIA didn't catch it, and it didn't come up in our recent audit. I don't understand why, after USAC found out the tool was faulty, they didn't notify applicants who were affected at that time. What is USAC's responsibility in this situation?

I have attached a spreadsheet showing the FRN's and commitment amounts from all three years (2007, 2010, and 2011). It has cost allocation for East. Even though "Based on our records, the funding commitment amount(s) will be rescinded fully and USAC will seek recovery of any improperly disbursed funds." I included the cost allocation information. I don't believe having to return the whole FRN is really in the spirit of E-Rate.

If we are forced to give up the whole FRN funding amount, then we will choose 2007. It is the year with the lowest amount for the whole FRN (\$172,864.45 discount), which is all East's. (See spreadsheet - mint green highlight.) If we are not forced to lose the entire funding amount and can cost allocate East, then we choose 2010. East's portion of those FRN's totals \$30,488.87. (See spreadsheet - yellow highlight.)

I feel it is unfairly punitive to COMAD the whole FRN, especially in this case where the 2-in-5 tool was incorrect, which forced me to choose 2007. If the tool was correct, I would not have included East in 2011.

I am asking for the decision to be reversed, since the 2-in-5-year tool was faulty. If that is not possible, I am asking that you cost allocate East in 2010.

Sincerely,



Genie Natale
Manager of Educational Technology

cc: Brett Behrens, AT&T DataComm, Inc.
Harry Evans, Chief of Operations Office of Business Affairs
Doug Hiscox, Deputy Superintendent of Academic Affairs
Jim Reinhard, Treasurer

Enclosures: Screenshot and spreadsheet



Universal Service Administrative Company
Schools & Libraries Division

Administrator's Decision on Appeal – Funding Year 2007-2008

July 23, 2014

Genie Natale
Youngstown City Schools
20 West Wood Street
Youngstown, OH 44503

Re: Applicant Name: YOUNGSTOWN CITY SCHOOL DIST
Billed Entity Number: 129631
Form 471 Application Number: 566374
Funding Request Number(s): 1562694
Your Correspondence Dated: June 27, 2014

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 2007 Commitment Adjustment 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): 1562694
Decision on Appeal: **Denied**
Explanation:

- Your funding request included an entity that has received internal connections funding for two out of five funding years starting with Funding Year 2007. For this FRN, you were sent a Notification of Commitment Adjustment Letter but have requested to have the charges for Entity #227215, East High School, cost allocated out of FY2010 FCC Form 471s and associated FRNs. To address the 2-in-5 violation of funding being approved for 3 funding years of FY2007, 2010, & 2011, we cannot agree with your request to have the charges associated with Entity 227215, East High School, cost allocated from FY2010 and allow the funding for FY2007 to be reinstated. The Notification of Commitment Adjustment Letter for the FY2007, Form 471, 566374, FRN 1562694, will not be reversed. The FY 2010 FRNs (1971225, 1971656, 1973917, 2092081, and 2092301) were all disbursed. Therefore, we are not able to honor the applicant's request to cost allocate the FY2010 FRNs, they will instead have to be rescinded in full.

According to the USAC website (<http://www.usac.org/sl/applicants/beforeyoubegin/eligible-services/two-in-five.aspx>), "Applicants can remove entities from a Block 4 worksheet in order to gain a year of eligibility for those entities under the Two-in-Five Rule. However, if USAC has disbursed funds on the Funding Request Number (FRN) that features that worksheet, the entities listed in the worksheet cannot return the funds and regain a year".

In your appeal, you did not show that USAC's determination was incorrect regarding the violation of the 2 In 5 programs rules. Consequently, your appeal is Denied.

- Your funding request for internal connections was denied (or modified) because the entity (ies) associated with it has/have received internal connections funding for two out of the last five funding years. Each eligible school or library shall be eligible for support for internal connections services, except basic maintenance services, no more than twice in every five funding years. For the purpose of determining eligibility, the five-year period begins in any funding year, starting with Funding Year 2005, in which the school or library receives discounted internal connections services other than basic maintenance services. See 47 C.F.R. sec. 54.506(c).

Since your appeal was denied in full, dismissed or cancelled, you may file an appeal with the FCC. Your appeal must be postmarked within 60 days of the date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. 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 under the Reference Area/"Appeals" 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



Demand Payment Letter

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

August 14, 2014

Genie Natale
YOUNGSTOWN CITY SCHOOL DIST
20 W WOOD ST
YOUNGSTOWN, OH 44503

Re: Form 471 Application Number: 566374
Funding Year: 2007
Applicant's Form Identifier: 2007XCSD5
Billed Entity Number: 129631
FCC Registration Number: 0013062021
SPIN: 143004812
Service Provider Name: AT&T DataComm, Inc.
Service Provider Contact Person: Brett Behrens
Payment Due By: 9/13/2014

You were previously sent a Notification of Commitment Adjustment Letter informing you of the need to recover funds for the Funding Request Number(s) (FRNs) listed on the Funding Commitment Adjustment Report (Report) attached to the Notification of Commitment Adjustment Letter. A copy of that Report is attached to this letter.

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

If the Universal Service Administrative Company (USAC) has determined that both the applicant and the service provider are responsible for a Program rule violation, then, pursuant to the Order on Reconsideration and Fourth Report and Order (FCC 04-181), USAC will seek recovery of the improperly disbursed amount from BOTH parties and will continue to seek recovery until either or both parties have fully paid the debt. If USAC has determined that both the applicant and the service provider are responsible for a Program rule violation, this was indicated in the Funding Commitment Adjustment Explanation on the Funding Commitment Adjustment Report.

If USAC is attempting to collect all or part of the debt from both the applicant and the service provider, then you should work with your service provider to determine who will be repaying the debt to avoid duplicate payment. Please note, however, that the debt is the responsibility of both the applicant and service provider. Therefore, you are responsible for ensuring that the debt is paid in a timely manner.

Please remit payment for the full "Funds to be Recovered from Applicant" amount shown in the Report. To ensure that your payment is properly credited, please include a copy of the Report with your check. Make your check payable to the Universal Service Administrative Company (USAC).

If sending payment by U. S. Postal Service or major courier service (e.g. Airborne, FedEx, and UPS) please send check payments to:

Universal Service Administrative Company
Lock Box 105056
1075 Loop Road
Atlanta, GA 30337
Phone: 404-209-6377

Local messenger service should deliver to the Lockbox Receiving Window at the above address.

Payment is due within 30 days from the date of this letter.

Complete Program information is posted to the SLD section of the USAC website at www.usac.org/sl/. You may also contact the SLD Client Service Bureau by email using the "Submit a Question" link on the SLD website, by fax at 1-888-276-8736 or by phone at 1-888-203-8100.

Universal Service Administrative Company
Schools and Libraries Division

cc: Brett Behrens
AT&T DataComm, Inc.

Funding Commitment Adjustment Report
Form 471 Application Number: 566374

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PLEASE SEND A COPY OF THIS PAGE WITH YOUR
CHECK TO ENSURE TIMELY PROCESSING