

**Compliance with Applicable Requirements of 47 C.F.R. Section 54 of the Federal Communications Commission's Rules, Regulations and Related Orders**

A. Record Keeping – School District:

Maintained for its purchases of telecommunications and other supported services at discounted rates the kind of procurement records that it maintains for other purchases. (Section 54.516 (a) which was effective from July 17, 1997 through October 12, 2004).

Retained all documents, to date, related to the application for, receipt, and delivery of discounted telecommunications and other supported services, to date. Also, any other document that demonstrated compliance with the statutory or regulatory requirements for the schools and libraries mechanism was retained. (Sections 54.516 (a) (1) and 54.504 (c) (1) (x) which were effective as of October 13, 2004 and require a five-year retention period for such documents).

maintained, to date, asset and inventory records of equipment purchased as components of supported internal connections services sufficient to verify the actual location of such equipment. (Section 54.516 (a) which was applicable from March 11, 2004 to October 12, 2004 and Section 54.516 (a) (1) which was effective as of October 13, 2004, both of which require maintenance of such records for a period of five years after purchase)

B. Application Matters – School District:

Requested discounts from the Universal Service Fund for telecommunications and other supported services only for schools that meet the statutory definition of elementary and secondary schools found under section 254(h) of the Communications Act of 1934, as amended in the No Child Left Behind Act of 2001, 20 U.S.C. 7801(18) and (38), do not operate as for-profit businesses, and do not have endowments exceeding \$50 million. (Section 54.504 (b) (2) (i) which was effective as of October 13, 2004 and superseded Section 54.504 (b) (2) (i) which was effective as of February 12, 1998; as well as Section 54.501 (b), as revised, which was originally effective as of July 17, 1997).

Submitted a completed FCC Form 470, including the required certifications, signed by the person authorized to order telecommunications and other supported services. (Section 54.504 (b) (2), as revised, which was originally effective as of July 17, 1997).

Had the resources required to make use of the services requested, or such resources were budgeted for purchase for the current, next or other future academic years, at the time the FCC Form 470 was filed. (Section 54.504 (b) (1), as revised, which was originally effective as of July 17, 1997; and Section 54.504 (b) (2) (vi) which was (Section) 54.504 (b) (2), as revised, which was originally effective as of July 17, 1997).

Had a technology plan for using the services requested at the time of filing the FCC Form 470 that had been or would be approved by its state or other authorized body prior to the receipt of the requested services. (Sections 54.504 (b) (2) (iii) and (iv); as well as 54.508 (c) which were effective as of October 13, 2004).

- The technology plan for using the services requested in the FCC Form 470 included the following elements: (Section 54.508 (a) which was effective as of October 13, 2004).
- a. a statement of goals and a strategy for using telecommunications and information technology to improve education;
  - b. a professional development strategy to ensure that the staff understands how to use these new technologies to improve education;
  - c. an assessment of the telecommunication services, hardware, software, and other services that will be needed to improve education;
  - d. a budget sufficient to acquire and support the non-discounted elements of the plan: the hardware, software, professional development, and other services that will be needed to implement the strategy; and
  - e. an evaluation process that enables the school to monitor progress toward the specific goals and make mid-course corrections in response to new developments and opportunities as they arise.
- Had a technology plan that had been certified by its state, USAC or an independent entity approved by the FCC at the time of filing the FCC Form 470. (Sections 54.504 (b) (2) (vii) which was effective from July 17, 1997 to October 12, 2004).
- Accurately determined its level of poverty, for use in determining its available discount rate, by using the percentage of its student enrollment that is eligible for a free or reduced price lunch under the national school lunch program or a federally-approved alternative mechanism in the public school district in which they are located. (Section 54.505 (b) which was effective as of July 17, 1997).
- Accurately applied the approved discount matrix, with the correct consideration of urban or rural location, to its determined level of poverty to set its discount rate to be applied to eligible goods and/or services. (Section 54.505 (c), as revised, which was originally effective as of July 17, 1997).
- submitted a completed FCC Form 471 only after signing a contract for eligible goods and/or services. (Section 54.504 (c) which was effective as of February 12, 1998)
- requested, and funds were disbursed by the Universal Service Fund for, only eligible goods and services. (Sections 54.504 (b) (1) which was effective as of July 17, 1997 and 54.504 (c) which was effective as of February 12, 1998)
- Submitted a certification on FCC Form 486 that an Internet safety policy is being enforced and complied with the certification such that: (Section 54.520 (c) which was effective as of April 20, 2001).
- a. it enforced a policy of Internet safety that includes monitoring the online activities of minors and the operation of a technology protection measure, with respect to any of its computers with Internet access, that protects against access through such computers to visual depictions that are obscene, child pornography or harmful to minors (Section 54.520 (c) (1) (i) which was effective as of April 20, 2001); and

- b. its Internet safety policy addresses each of the following (Section 54.520 (c) (1) (ii) which was effective as of April 20, 2001):
- i) access by minors to inappropriate matter on the Internet and World Wide Web;
  - ii) the safety and security of minors when using electronic mail, chat rooms, and other forms of direct electronic communications;
  - iii) unauthorized access, including so-called 'hacking', and other unlawful activities by minors online;
  - iv) unauthorized disclosure, use, and dissemination of personal identification information regarding minors; and
  - v) measures designed to restrict minors' access to materials harmful to minors.

C. Service Provider Selection Matters – School District:

Made a request for competitive bids for all eligible goods and/or services for which Universal Service Fund support was requested and complied with applicable state and local procurement processes included in its documented policies and procedures. (Section 54.504 (a) which was effective as of February 12, 1997, with clarification included in FCC Order 03-313, paragraphs 39 and 56, which was issued December 8, 2003 and was effective for Funding Year 2005).

Waited at least four weeks after the posting date of the FCC Form 470 on the USAC Schools and Libraries website before making commitments with the selected service providers. (Section 54.504 (b) (4) which was effective as of January 1, 1999).

Considered all bids submitted and selected the most cost-effective service offering, with price being the primary factor considered. (Section 54.511 (a) which was effective as of July 21, 2003).

Did not surrender control of its competitive bidding process to a service provider that participated in that bidding process and did not include service provider contact information on its FCC Forms 470. (FCC Order 00-167, paragraph 10, which was issued on May 23, 2000).

D. Receipt of Services and Reimbursement Matters – School District:

Applied its discount percentage to the appropriate pre-discount price. (Section 54.505 (a) which was effective as of July 17, 1997).

Received reimbursement from its service provider for purchases for which it had paid full price to the service provider. (Section 54.514 (b), as revised, which was originally effective as of July 21, 2003 as confirmation of earlier administrative practices).

requested, and funds were disbursed by the Universal Service Fund, amounts related to service substitutions that provided the same functionality and were based on the lower of the pre-discount price of the service for which support was originally requested or the

pre-discount price of the new, substituted service (Section 54.504 (f) which was effective as of March 11, 2004 as confirmation of earlier administrative practices).

Used the services requested solely for educational purposes. (Section 54.504 (b) (2) (v) which was effective as of October 13, 2004 and superseded Section 54.504 (b) (2) (ii) which was effective as of February 12, 1998; as well as Section 54.504 (c) (1) (vii) which was effective as of October 13, 2004, and Section 54.500 (b) which was effective as of July 21, 2003).

With respect to eligible services and equipment components purchased at a discount: (Section 54.504 (b) (2) (iii) which was effective July 17, 1997 and Section 54.513 (c) which was effective March 11, 2004).

- a) did not sell or resell such items for money or any other thing of value;
- b) did not transfer such items, with or without consideration of money or any other thing of value, for a period of three years after purchase, or to date, other than in the event that such transfer was made to another eligible school or library in the event the particular location where the service was originally received was permanently or temporarily closed;
- c) notified USAC of any such allowable transfer; and
- d) maintained, as did the recipient, detailed records documenting the transfer and the reason for the transfer date.

Paid all “non-discount” portions of requested goods and/or services. (Section 54.523 which was effective as of March 11, 2004; and was clarified in FCC Order 04-190, paragraph 24, which was issued August 13, 2004; as well as Section 54.504 (b) (2) (v) which was effective from July 17, 1997 through March 10, 2004).

Allocated the costs of any contract that included both eligible and ineligible components to those eligible and ineligible components in the related request for discount (Section 54.504, which was effective as of July 17, 1997, with confirmation of earlier administrative practices included in FCC Order 03-313, paragraph 60, which was issued on December 8, 2003, and codified in Section 54.504 (g) which was effective as of March 11, 2004).

Deducted from the pre-discount cost of services, indicated in funding requests, the value of all price reductions, promotional offers and “free” products or services. (Section 54.504 which was effective as of July 17, 1997, with confirmation of earlier administrative practices included in FCC Order 03-313, paragraph 60, that confirmed earlier administrative practices, which was issued on December 8, 2003, and codified in Section 54.523 which was effective as of March 11, 2004).