

FEDERAL COMMUNICATIONS COMMISSION
Washington DC 20554

OFFICE OF
MANAGING DIRECTOR

March 6, 2012

Mr. Richard Belden
Chief Operating Officer
Universal Service Administrative Company
2000 L St. NW, Suite 200
Washington, DC 20036

RE: Request Approval to Extend Contract for Provision of Schools and Libraries and Rural Health Care Program Operations Support Services

Dear Mr. Belden:

This responds to your letter to David Robbins dated February 2, 2012, requesting approval to extend USAC's existing agreement with Solix, Inc. for an additional two years. In that letter, you proposed to extend the agreement for the period July 1, 2012 through June 30, 2014, at a cost not to exceed \$83 million.

Your subsequent letter to David Robbins, dated February 27, 2012, stated USAC's support for a target of an additional \$1 million reduction over the two year period of the extension, in addition to all reductions already reflected in the \$83 million cost. Your February 27 letter also clarified USAC's plans for transition to a new vendor if Solix is not selected in the coming recompetition of this contract.

Your email to me, sent on March 1, 2012 further clarified that if Solix is selected in the coming recompetition of this contract, then the second year of the proposed extension will be superseded by Solix's winning proposal, as a no cost termination of the existing agreement. Your email also clarified that the proposed two-year extension will specify prices per hour for various labor categories, which will be used as the basis for price reductions if Solix is not selected in the recompetition of this contract, and USAC issues change notices to Solix to reduce services and fees during transition to a new vendor.

We approve the request to extend the agreement as stated in your letter of February 2, 2012, clarified in your letter of February 27, 2012, and further clarified in

your email of March 1, 2012, pursuant to the Memorandum of Understanding (MOU)¹. Any change orders or other contract changes should be submitted to FCC for approval if required by the MOU or other FCC instructions as may then be in effect.

The Commission expects USAC to award and oversee this and all procurements in accordance with FCC instructions, the Memorandum of Understanding, and Federal Acquisition Regulations. If you have any questions, please do not hesitate to contact me. Thank you for your prompt attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dana Shaffer', with a long horizontal flourish extending to the right.

Dana Shaffer
Deputy Managing Director

cc: David Reed, FCC
FCC/USAC correspondence file

¹ Memorandum of Understanding between the Federal Communications Commission and the Universal Service Administrative Company, executed September 9, 2008, section IV.B.3.a.