

INTRODUCTION

The Education and Library Networks Coalition (“EdLiNC”) respectfully submits these reply comments in response to the Commission’s Notice of Proposed Rulemaking and Order in CC Docket No. 02-6¹ (the “NPRM”). EdLiNC was formed to represent the viewpoint of public and private schools and libraries in the FCC proceedings concerning the implementation of the Telecommunications Act of 1996. The Coalition seeks to expand the use of educational technology and ensure that schools and libraries are aware and take advantage of the affordable rate, which is guaranteed to them in the Universal Service provisions of the Act. EdLiNC is a volunteer-based organization. Those members who are participating in this filing are identified at Exhibit A.

EdLiNC and its members remain encouraged by the Commission’s decision to offer this opportunity, because the discounts for schools and libraries established by the Commission pursuant to Section 254(h) of the Communications Act (the “E-Rate” or “E-Rate discounts”) have proven to be an enormous benefit to America’s libraries. EdLiNC is please to take this opportunity to address the issue of state funding caps that was raised during the initial round of comments.

EdLiNC Strongly Opposes the Introduction of State Funding Caps into the E-Rate Mechanism

In the initial and reply comments of the Florida Public Service Commission, the idea of state funding caps is raised and pursued. Under this proposal, states would be guaranteed a certain

¹ *Schools and Libraries Universal Service Support Mechanism*, Notice of Proposed Rule Making and Order, CC Docket No. 02-6 (rel. Jan. 25, 2002).

percentage of E-Rate dollars. State caps would be set based on a state's population in poverty relative to the national population in poverty.

EdLiNC strongly opposes this concept. We feel it works against the fundamental purpose of the E-Rate program which was designed to focus assistance based on poverty. By introducing 50 separate state funding caps, it would be interfering with USAC's ability to administer this program in a timely and accurate manner. In addition, we feel that it would result in an increased administrative burden for USAC and possibly delay the notification of funding commitments, while providing no benefit to the program overall.

In addition, E-Rate is a voluntary program that does not require anyone to apply. If the dollars were broken up on a state by state amount that would assume that everyone eligible in that state would apply. In reality, we know that is not the case. The variety in the entities that actually do apply could easily lead to mis-allocation of dollars and entities in one state getting funded at a lower priority level than in another state.

Currently, the E-Rate program works out of one pool. Once Priority One services are funded, USAC is able to return to the pool to fund internal connections. For Funding Year 5, the demand outstripped the amount of money available and early reports are unsure if internal connections will be funded below the 90% level. With such limited funds available, separating them out by state will dilute their effectiveness and the ability of USAC to target the discounts to the areas of greatest poverty.

CONCLUSION

The E-Rate discounts have undeniably provided much-needed assistance to schools and libraries around the country. EdLiNC supports the Commission's efforts to improve the program, and urges the Commission to avoid changes that would adversely affect the

fundamental principals of the E-Rate. We appreciate the opportunity provided to submitted additional comments on these matters.

Respectfully submitted,

Mary Conk
Education and Library Network Coalition
Chairperson
1801 N. Moore Street
Arlington, VA 22209
(703) 875-0733

May 6, 2002

Exhibit A

The Members of EdLiNC Participating in this Filing:

American Association of School Administrators
American Library Association
Association of Educational Service Agencies
Consortium for School Networking
International Society for Technology in Education
National Association of Independent Schools
National Association of State Boards of Education
National Catholic Educational Association
National Education Association
National Education Knowledge Industry Association
National Rural Education Association
National School Boards Association
Rural Schools and Community Trust
United States Conference of Catholic Bishops