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

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In the Matter of   )
)   CC Docket No. 02-6
Schools and Libraries Universal Service)
Support Mechanism   )
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_____)

**REPLY COMMENTS OF THE EDUCATION AND LIBRARY
NETWORKS COALITION**

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August 19, 2003

INTRODUCTION

The Education and Library Networks Coalition ("EdLiNC") respectfully submits these reply comments in response to the Commission's Notice of Proposed Rulemaking (NPRM) and Order in CC Docket No. 02-6. EdLiNC was formed to represent the viewpoint of public and private schools and libraries in the FCC proceedings concerning the implementation of the E-Rate. The Coalition seeks to 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 1996 Telecommunications Act. EdLiNC is a volunteer-based coalition. Those members who are participating in this filing are identified at Exhibit A.

In response to the first round of comments for Docket 02-6 due on July 21, 2003, EdLiNC would like to comment on the suggestion for state caps, the proposal for a yearly advisory group on E-Rate, the hiring of ombudsman, having a set date for the Form 471 to close and the transfer of equipment.

EdLiNC Strongly Opposes the Introduction of State Funding Caps into the

E-Rate Mechanism

In the initial comments of the Florida Public Service Commission and their comments and reply comments from last year's NRPM request, the idea of state funding caps is raised and pursued. Under this proposal, states would be guaranteed a certain 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. Introducing separate state funding caps would interfere 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 6, the demand outstripped the amount of money available. 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.

EdLiNC Opposes the Implementation of the Advisory Group on E-Rate Issues

Several comments proposed the development of a permanent working group to advise the Schools and Libraries Division (SLD) and the FCC on issues relating to improving and making changes to the operation of E-Rate. This is currently being done through the SLD Waste, Fraud and Abuse Taskforce. EdLiNC firmly opposes making this working group or one similar a permanent working group. While we support the

efforts of the Waste, Fraud and Abuse Taskforce and their work specifically regarding Waste, Fraud and Abuse, we feel this was a special situation.

USAC already has a Board of Directors and specifically, a Schools and Libraries Committee. That is a public board that is made up with representatives from the different constituencies that benefit from E-Rate and representatives of the telephone companies who contribute to Universal Service. Their meetings happen in public, with opportunity for public comment and public input. This allows for transparency in the operation of the E-Rate program.

EdLiNC firmly believes that we should be taking steps to constantly evolve this highly effective program, but we should not waste resources on duplicative efforts. Under the current constructs of the USAC Board and the NRPM process used by the FCC, there are plenty of opportunities for feedback from affected constituencies and the formalized public debate. This can only happen because all of the proceedings happen in public. We support the current system and urge it to remain.

EdLiNC Expresses Concern Over Ombudsman Position

The State E-Rate Coordinators Association (SECA) proposed in their comments the development of a position at SLD of an independent Ombudsman that would oversee the operation of the program and look for problems and trends. EdLiNC understands the reasoning for this proposal but we are concerned that once again there might be duplication of services, taking away from limited dollars for discounts. Over this past year, we have watched as the system that SLD has in place caught many of the

questionable practices that have been publicized. We urge that any additions to this system are well thought out and proven necessary before they are included.

EdLiNC Supports Calls to Standardize the Dates of the Form 471 Window

Many of the comments in the first wave of responses called for the formalization of the filing window for the Form 471 and the extension of the filing window until the middle of February. While EdLiNC does not support the notion that the filing window should be extended into February, we concur that it would eliminate a lot of confusion and streamline the application process if the window was set. However, we want to ensure that that the dates selected reflect the current processes, in terms of length of the application window.

The constant variation about the 471 window timing can often cause burdens on the applicants, especially schools as they leave for both the Thanksgiving and Christmas holidays. Awareness of the yearly timeline would allow applicants to work the E-Rate application into a steady position in their yearly to-do calendars. EdLiNC suggests that this be accomplished by setting a specific day of the week in the opening and closing months. For instance, the window could open the 2nd Tuesday of November and close on the 3rd Thursday in January. This would offer the applicants the option of pre-planning and hopefully ease applicant burden.

EdLiNC Urges the FCC to Develop Rules on Transfer of Equipment

Several of the comments mentioned the need for the FCC to develop polices for transfer of equipment. EdLiNC supports any efforts that the FCC can take to resolve this

issue. While one would hope that applicants are not accessing the same technology each year under internal connections and transferring it to a lower poverty area, program rules do not guard against it. EdLiNC urges the FCC to come up with a transfer of equipment policy based on the life expectancy of the equipment. This was first attempted in the NRPM of last spring. We feel that a policy for this will help curb requests under internal connects and improve effectiveness of the operation of E-Rate.

In addition, we feel there should we a wavier for the transfer of equipment policy based on extraordinary circumstances, such as if a school or library had a building fire, where part of the building was destroyed but the router was still useable.

Conclusion

We would like to thank you for this opportunity to comment on this highly successful program. As always, we offer ourselves as a resource to you representing the constituencies that benefit greatly from the success of the E-Rate program.

Respectfully submitted,

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Appendix A

American Association of School Administrators
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 PTA
National Rural Education Association
National School Boards Association
Rural Schools and Community Trust
United States Conference of Catholic Bishops