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Federal Communications Commission  
Office of Secretary~~

Chairman Reed Hundt  
Office of the Secretary  
Federal Communications Commission  
Washington, D.C. 20554

Dear Chairman Hundt:

On behalf of the Washington State Library Commission and the Washington State library community, I offer the enclosed comments on the Notice of Proposed Rulemaking for Consideration of Universal Service, pursuant to the Telecommunications Act of 1996 (CC Docket 96-45).

If you, or anyone on your staff, have any questions on the enclosed, please do not hesitate to contact me. In addition to the address and telephone information on the letterhead above, I can be reached through electronic mail at: [nzussy@statelib.wa.gov](mailto:nzussy@statelib.wa.gov).

Sincerely,

*Green Surpen for  
Nancy Zussy*

Nancy Zussy,  
State Librarian

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Chairman Reed Hundt  
Federal Communications Commission  
Washington D.C. 20554

Dear Chairman Hundt:

Enclosed I offer the Washington State Library's comments on the Notice of Proposed Rulemaking for Consideration of Universal Service, pursuant to the Telecommunications Act of 1996 (CC Docket 96-45), in electronic format.

We have formatted the disk to the specifications suggested in the NPRM. If you, or any of your staff have questions about this information, please do not hesitate to contact me. In addition to the address and telephone information above, I can be reached through electronic mail at: [nzussy@statelib.wa.gov](mailto:nzussy@statelib.wa.gov).

Sincerely,

*Doreen Surpan for*  
*NANCY ZUSSY*

Nancy Zussy  
State Librarian

Enclosure



CERTIFICATE OF SERVICE

I, Doreen Turpen on behalf of Nancy Zussy, do hereby certify that I have this 19th day of December, 1996, mailed postage prepaid, copies to the following:

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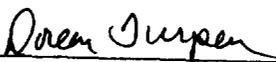
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Doreen Turpen for  
Nancy Zussy, State Librarian  
Washington State Library

**BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C.**

In the Matter of )  
 )  
Notice of Proposed Rulemaking ) CC DOCKET 96-45  
and Order Establishing Joint )  
Board )

To: The Commission

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**1 General Comments**

The Washington State Library (WSL) respectfully submits its comments on the Recommended Decision adopted on November 7, 1996 by the Federal-State Joint Board on Universal Service in response to the Public Notice issued by the Common Carrier Bureau on November 18, 1996 in the above referenced proceeding. WSL has been an active participant in this proceeding, filing in previous rounds of public comments during the Joint Board's deliberations, and welcomes the opportunity to provide further information and assistance in this process.

WSL commends the achievement of the Joint Board and their staffs in producing the Recommended Decision. WSL takes particular note of the efforts to support flexibility throughout the recommendations and to minimize administrative burdens. The application of discounts to any available telecommunications service provides needed flexibility to libraries to identify and select telecommunications services that are most appropriate to their communities.

As will be elaborated in the following comments, WSL believes the discount range of 20%-90% will be significant and meaningful, although we note that for libraries there are more appropriate measures of economic need than the school lunch program. We also believe that modifications are needed to the methodology for discounting high cost areas. WSL supports the Joint Board's efforts to minimize administrative burdens, including the concept of self-certification of eligibility for the discounts. WSL welcomes the Joint Board's recommendation for implementation of the administrative support mechanisms so that discounted services can be deployed by the 1997-1998 school year.

## **2 Discount Methodology**

WSL has concerns about the impact and appropriateness of the discount matrix proposed by the Joint Board. We will raise some issues and illustrate the impact of the matrix for sample libraries in Washington State to demonstrate our concerns. We intend to continue our analysis both of the methodology of the Joint Board's recommendation and alternative discounting methods.

### **2.1 Low Income Eligibility**

WSL has examined the school lunch program data provided by the Washington state's Office of the Superintendent of Public Instruction and attempted to apply it to library service areas. As a result of our trial runs, we

conclude that use of the school lunch program data is problematic for easily determining and verifying relative economic disadvantage for libraries. One immediate difficulty is that more than 5% of the state's public schools do not participate in the school lunch program and no data is available for those geographic areas. Some alternate methodology for determining the discount rate would need to be provided for libraries in those areas.

We also noted that many libraries of the state cover wide geographic areas which include several school districts within each library service area and that there is no clear correlation of a school district to a library service outlet. In Washington State, there are 310 public library service outlets, 263 of these sites are under the jurisdiction of one of the state's library districts or systems that has more than one service outlet. The concept of low administrative burden is at odds with the tangled web of matching school districts to libraries, and more specifically to library service outlets.

Therefore, the WSL recommends that the Joint Board consider alternative measures of economic need which can more readily be applied to libraries. We suggest that the measure be one that can be readily identified from existing census data. The position stated in paragraph 565 that advocates use of school lunch program data for schools because it reflects the level of economic disadvantage for the population of the school receiving the discount is not a position that reflects the realities faced by libraries. Libraries will not receive windfalls when the discount is calculated on the service area since they serve the entire

community in which they are located and their institutional ability to pay is connected to the community's economic condition. Measures of economic need which take into consideration the entire service area rather than just the students enrolled in a particular program are more appropriate for libraries.

WSL has not had an opportunity to fully evaluate the feasibility of applying the measure described in the newly enacted Library Services and Technology Act (LSTA) to the principles laid out in the Telecommunications Act, but observes that this approach holds some possibilities. The LSTA provides for opportunities for targeted outreach services for "families with incomes below the poverty line (as defined by the Office of Management and Budget and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved."

The data noted is derived from the U.S. Census Bureau and this data could be adapted for use in step discounts as was recommended by the Joint Board.

In many cases there is a wide variation in overall percentage of poor households within a library's service area. For example, when correlating the school lunch program information to branches in the King County Regional Library, WSL staff noted that one branch served a school district with 2% of the students on the school lunch program, and another branch served a school district with 53% of the students on the school lunch program. Other measures of poverty will pick up similar disparities. In such cases WSL recommends that a library system be allowed the same flexibility that was recommended for school districts

in paragraph 567: “We recommend that the district office may decide to compute the discounts on an individual school basis or it may decide to compute an average discount. We further recommend that the school district assure that each school receive the full benefit of the discount to which it is entitled.”

Correspondingly, library districts or systems should be allowed to compute discounts on an individual branch basis or to decide to compute an average discount.

WSL has questions about the prioritization of funds under the spending cap.

Paragraph 556 states “only those schools and libraries that are most economically disadvantaged and had not yet received discounts from the universal service mechanism in the previous year would be granted guaranteed funds, until the cap was reached.” Libraries need to have predictability when planning for ongoing costs. We are concerned that libraries receiving discounts in one year will not know if they will be receiving discounts in following years given this language. We are also concerned about the application of discounts at the end of the year, after libraries have already committed to services. It is unrealistic to expect public institutions to make up discounted rates after the fact.

## **2.2 High Cost Areas**

The WSL has concerns about the flattening of the discounts in the last two rows of the matrix. The application of a discount to services in high cost areas may still result in telecommunications costs that are beyond the capabilities of libraries since the base rate is proportionately higher. We believe that the discount scale

should provide more support for the combination of high cost/high economic need.

Timberland Regional Library serves 5 counties in Western Washington. Of their 28 library outlets, seven are served by U.S. West, the rest are served by local telcos. The library district currently uses 56K connections to reach its branches. Costs for those connections vary between \$72 per month and \$250 per month. Library customers are noting degradation of service on 56K lines when downloading images, but the library comments that it will be economically prohibitive to extend T-1 service to all service outlets. The costs to provide T-1 service range from \$237 per month for locations within U.S. West's frame relay cloud to \$750 per month for service to the city of Raymond, a community with high economic need. Similar disparities also exist for installation costs. Installation costs can range from \$465 within U.S. West service area, to nearly \$1000 in branches served by other companies. Even with high discounts, the cost to serve remote, high cost areas is still substantial because the base rate is more than double that of service to other areas of the district.

As in the case of the designation of discounts for economic need, library districts and systems need flexibility in the designation of their category of discount related to low cost/high cost service areas. Several library districts and systems in Washington state cover geographic areas that span low cost, mid-cost, and high cost areas. For example, the Mid-Columbia Library has headquarters in an area of the state in which many federal, state, and local activities are congregated and

which consequently receives early installation of new telecommunications services and rates which could be considered “low cost”. The library district also serves communities which have small populations, which are economically disadvantaged, and which are in high cost service areas. The cost to bring equitable services to the more remote communities in Mid-Columbia Library is disproportionate to the population being served and the cost to provide similar services to branches within the immediate vicinity of the headquarters building.

Flexibility in establishing discounts is also important in order to support consortia and group purchasing. For example, libraries within Washington state will eventually be able to take advantage of a statewide K-20 network. Network capacity is being secured through competitive bid from public carriers. Libraries in the state need the ability to apply discounts to services which they secure through the K-20 network as well as to services secured through other means.

As noted in section 2.1 above the ability to segregate discounts by community will be important to library systems and districts. Such flexibility is needed in order to enable library branches to participate in local consortia. For example, North Central Regional Library has headquarters in Wenatchee and twenty-four branches scattered throughout six large counties. One branch, Republic, is 160 miles from the City of Wenatchee and separated from the headquarters not only by distance, but also by the geography of the mountain regions and separation of other jurisdictions such as Indian Reservation lands and National Forest Lands. The community of Republic is actively seeking to

establish a telecommunications plan and to aggregate demand in order to speed the delivery of high advanced services to this isolated area. The ability for library systems covering broad areas to collaborate in local efforts which will involve a variety of partners needs to be supported by the regulations adopted by the FCC. .

### **3 Timetable and administration**

The WSL agrees with the Joint Board recommendation at paragraph 630 and supports the timetable that will permit schools and libraries to begin using discounted services at the start of the 1997-1998 school year.

Minimal administrative burdens are critical. Many of our small rural communities have limited staffing capabilities and are unable to institutionally support extensive reporting and filing requirements. WSL supports self-certification requirements. WSL also notes, that while we support the requirement for a plan for securing access to all of the necessary supporting technologies needed to use the services purchased under section 254(h), we also encourage flexibility and simplicity in the definition of what constitutes a plan. It is unclear to the WSL how education-based consortia will apply for discounts. WSL suggests that consortia be allowed to file a plan relative to its members rather than requiring that each library or eligible entity file separately.