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Office for Information Technology Policy

EX PARTE OR LATE FILED

ALA American Library Association

April 21, 1997

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, NW Room 222
Washington, DC 20554

RECEIVED
APR 23 1997
Federal Communications Commission
Office of Secretary

Re: Ex Parte Presentation
CC Docket No: 96-45, Federal-State Joint Board on Universal Service

Dear Mr. Caton:

The following letter and attached filings were sent on April 17, 1997 to the members of the Joint Board on Universal Service, including Chairman Hundt and Commissioners Chong and Ness. These materials address some of our concerns at the American Library Association regarding the administrative details of the Universal Service Fund.

If you have any questions concerning this filing, please call me at 202/628 8421.

Sincerely,

Andrew Magpantay
Director
Office for Information Technology Policy
American Library Association

Enclosure

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Office for Information Technology Policy

ALA American Library Association

RECEIVED
APR 23 1997

April 17, 1997

Reed E. Hundt, Chairman
Federal Communications Commission
1919 M Street, NW Room 814
Washington, DC 20554

Re: ALA Filings in CC Docket No: 96-45, Federal State Joint Board on Universal Service

Honorable Chairman Hundt:

I would like to take this opportunity to thank you and all of your colleagues and staff on the Joint Board once again for your excellent work in formulating the Recommendations on Universal Service. The American Library Association (ALA) believes that these Recommendations strike a fair balance between the needs of the education and library communities, on the one hand, and the desire of the telecommunications industry for predictability in their Universal Service obligations on the other. We also believe that the range of discounts and eligible services outlined in the Joint Board Recommendations will allow libraries and schools to make the transition into the 21st century. Your excellent work on behalf of libraries and schools will help make access to modern information technologies a reality for many Americans.

I have included ALA's most recent ex parte filings, which deal with some of the administrative issues surrounding the implementation of the discount program. ALA has remained active in the proceedings subsequent to the Joint Board's Recommendations. ALA is especially concerned about the self-certification process and the determination of discount levels for libraries. The attached filings address these issues in some detail. Throughout these filings ALA has continued to advocate the policies outlined in the Recommendations, including a series of significant, stepped discounts, and maximum flexibility for schools and libraries in implementing this program.

The American Library Association, founded in 1876, is the oldest and largest library association in the world. Its concerns span state, public, school, academic, and special libraries. With a membership of more that 57,000 librarians, library trustees, library educators, friends of libraries, and other interested persons from every state, ALA is the chief advocate for the people of the United States in their search for the highest quality of library and information services. ALA is also a member of the Education and Libraries Networks Coalition (EdLiNC), which has also been active in this proceeding.

Again, thank you for your efforts. If you have any questions or concerns, please feel free to contact me at 202/628 8421.

J. Andrew Magpantay
Director
Office for Information Technology Policy

Enclosures

CC: Reed Hundt, Chairman, FCC
Susan Ness, Commissioner, FCC
Rachelle Chong, Commissioner, FCC
Ken McClure, Vice Chairman, Missouri PSC
Julia Johnson, Commissioner, Florida PSC
Sharon Nelson, Chairman, Washington UTC
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Washington Office

RECEIVED
MAR 17 '97
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

ALA American Library Association

March 17, 1997

Mark Nadel
Federal Communications Commission
1919 M Street, NW
Washington, DC 20554

Re: Ex Parte Presentation
CC Docket No: 96-45, Federal-State Joint Board on Universal Service

Dear Mr. Nadel

The American Library Association (ALA) respectfully submits the attached ex parte comments on the Recommended Decision adopted on November 7, 1996 by the Federal-State Joint Board on Universal Service to further clarify and elaborate on its comments and ex partes and those of others filed in this docket. Specifically, ALA wishes to address three issues in this ex parte:

1) The self-certification of eligibility for discounts.
2) Library eligibility.
3) Determination of the level of low income discounts for libraries.

The American Library Association, founded in 1876, is the oldest and largest library association in the world. Its concerns span all types of libraries: state, public, school, academic, and special libraries. With a membership of more than 57,000 librarians, library trustees, library educators, friends of libraries, and other interested persons from every state, ALA is the chief advocate for the people of the United States in their search for the highest quality of library and information services. ALA has been an active participant in this proceeding, filing in all five rounds of public comments during and subsequent to the Joint Board's deliberations.

Respectfully submitted,
AMERICAN LIBRARY ASSOCIATION

By: Carol C. Henderson
Carol C. Henderson
Executive Director, ALA Washington Office
1301 Pennsylvania Avenue, NW Suite 403
Washington, DC 20004
202/628-8410

CC: Mr. William F. Caton, Acting Secretary
Federal Communications Commission

INTRODUCTION

The American Library Association (ALA) respectfully submits the attached ex parte comments on the Recommended Decision adopted on November 7, 1996 by the Federal-State Joint Board on Universal Service to further clarify and elaborate on its comments and ex partes and those of others filed in this docket. Specifically, ALA wishes to address three issues in this ex parte:

1) The self-certification of eligibility for discounts.
2) Library eligibility.
3) Determination of the level of low income discounts for libraries.

SELF-CERTIFICATION

ALA wishes to submit a modified version of the self-certification form that EdLiNC representatives submitted in its ex parte discussion with the FCC staff on February 25, 1996. (Attachment 1) ALA believes that this form provides better clarification for applicants and other interested parties on eligibility criteria for the discounts while keeping the form simple and unburdensome to applicants. Discounts on basic or core services should not require self-certification of elaborate technology plans.

In particular, paragraph 1 more explicitly lays out the eligibility requirements as stated in Section 254(h)(4) and 254(h)(5) of the Telecommunications Act of 1996 (the Act). Paragraph 2, allows for eligible institutions to self-certify the level of discount they are eligible for based on tables to be provided in the final rule on this docket and that would need to be made publicly available through the fund administrator. ALA expects that such a table would be similar to that recommended by the Joint Board in paragraph 555 of its Recommended Decision of November 7, 1996 and the one submitted by ALA in its Reply Comments of January 10, 1997.

ALA notes that **nothing in Section 254(h)(4) or 254(h)(5) of the Act requires that an institution have a plan for securing access to supporting technologies in order to be an institution eligible for discounts**. The language in Section (254)(h)(4) and 254(h)(5) specifies only that the institution be an eligible non-profit institution, and, if a library, is eligible for assistance from a State library administrative agency under the Library Services and Technology Act, or if an elementary or secondary school, has an endowment of $50,000,000 or less and is an elementary or secondary school as defined in paragraphs (14) and (25), respectively, of section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801) as amended in Public Law 103-382, October 20, 1994.

Nonetheless, all the elements in paragraph 3 of the attached draft self-certification do correspond to the elements listed in paragraphs 601-604 of the Joint Board Recommended Decision, including self-certification that the eligible institution has, as stated in paragraph 601, "done their homework." Furthermore, in this revision, element 2 of paragraph 3 has been expanded to allow for the self-certification of the existence of a technology plan that may be part of a state plan, consortia, or other legal arrangement, or to allow an applicant to actually submit a copy of the plan as part of the self-certification. ALA feels that an applicant who self-certifies **to any one of the elements** in ALA's proposed draft self-certification form has met the requirements of certifying that they have "done their homework" as set forth in paragraph 601 of the Joint Board Recommended Decision.

Furthermore, ALA recommends that if the FCC does go beyond the eligibility requirements stated in Section (254)(h)(4) and 254(h)(5) and requires self-certification of the existence of a technology plan, that the FCC be very explicit in stating that such self-certification does not require the review or approval of the technology plan by the FCC, the fund administrator, or any other entity. No other entity should be involved in specifying the nature of educational or library technology plans that have been or are already being developed for other federal, state, or local programs. **Such review or approval would constitute an unwarranted intrusion into the local administration of libraries and schools**.

LIBRARY ELIGIBILITY

There are approximately 16,000 public library facilities in the U.S., 4,700 academic libraries, and approximately 10,282 special libraries excluding public, academic, armed forces, and government libraries. Section 254(h)(4) of the Telecommunications Act of 1996 states, as amended, that "No entity listed in this subsection shall be entitled to preferential rates or treatments as required by this subsection, if such entity operates as a for-profit business...or is a library not eligible for participation in State-based plans for funds under the Library Services and Technology Act (LSTA)."

LSTA is intended, among other things, to promote resource sharing among libraries in order to make more materials and information available to the public. In ALA's Comments on the Questions on Public Notice of November 18, 1996 in this docket, page 12, ALA notes that in section 212 of the Library Services and Technology Act (LSTA), PL 104-208, it is explicitly stated that the purpose of LSTA is to "promote access to learning and information resources in all types of libraries **for individuals of all ages**"; "promote library services that provide **all users access to information** through

State, regional, national and international electronic networks"; and "promote targeted library services to **people of diverse geographic, cultural, and socioeconomic backgrounds, to individuals with disabilities, and to people with limited functional literacy or information skills**" (emphasis added).

In other words, the purpose of LSTA is to maximize information access to the public. This purpose is identical to what was stated in the conference report on Section 254 of the Act: "The ability of K-12 classrooms, libraries and rural health care providers to obtain access to advanced telecommunications services is critical to ensuring that these services are available on a universal basis."[1]

LSTA provides for resource sharing among libraries so that information, that might normally only be available to certain segments of the public, is available to the entire public. For example, in ALA's Reply Comments of May 7, 1996, we cited the example of how in Cairo, Georgia, orchard owners check weather conditions, fruit and vegetable prices, and search for new markets on the Internet by accessing a University of Georgia database, GALILEO, through their local public library.[2] Without this resource sharing arrangement, access to GALILEO would be restricted to the University of Georgia community.

ALA therefore recommends that, consistent with section 254(h)(4) of the Act, any library that is not operating in or as a for-profit business, and is a library or library consortium eligible for assistance from a State library administrative agency under the Library Services and Technology Act, be eligible for discounted rates. Consistent with its authority to administer LSTA, the state library agency would be responsible for verifying that any non-profit, non-public library applying for a discount was qualified for such discount as part of the state's LSTA plan.

ALA recognizes that eligible non-profit, non-public libraries included in state plans under LSTA have less well-defined service areas than their public library counterparts. Furthermore, it may be difficult or too complex to ascertain what proportion of an eligible non-profit, non-public library's telecommunications services is being used for LSTA purposes. **For this reason, ALA proposes that, once high cost**

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[1] H.R. CONF. REP. NO. 458, 104th Cong., 2d Sess. 134 (1996)

[2] ALA Reply Comments, May 7, 1996 at 11.

adjustments have been made[3] a flat-rate 20% discount for eligible non-profit, non-public libraries be made. Eligible higher education libraries which fall into this category and which are serving particular categories of users such as Indian reservations, historically black colleges and universities, etc. that are defined in the Higher Education Act could receive an additional flat rate discount beyond 20%, say 40% or even 60%.

LOW INCOME DISCOUNTS FOR LIBRARIES

In its comments and reply comments on the Recommended Decision adopted on November 7, 1996 by the Federal-State Joint Board on Universal Service, ALA has noted that a formula based on free or reduced cost school lunch program eligibility may not be appropriate for most libraries. Libraries should have an option that appropriately reflects the relative income level of the population served by the institution, and that can be easily applied and verified. ALA also noted that the Library Services and Technology Act, the reference in the Telecommunications Act for library eligibility, makes use of a poverty factor based on data derived from the U.S. Census Bureau.

The Education and Library Networks Coalition (EdLiNC), in its comments on the Joint Board recommendations, also noted that the poverty factor included in LSTA would be less burdensome and may provide a more accurate proxy for calculating low income discounts.

For the vast majority of public library systems, service areas correspond to county, city, town, township, or other local government unit boundaries. U.S. census poverty data is easily available for areas congruent with local government units. Most counties, cities, and states have economic development agencies that already have this information at hand, as many federal, state, and other grant programs rely on this data. This is readily available public information.

The state library agency that administers the Library Services and Technology Act could easily provide or verify the poverty data for any particular public library in the state. For instance, the Library of Michigan would work with the Michigan Information Center to obtain current official maps of a library's legal service area showing the income level of each census tract or other specific geographic unit as directed by the FCC. This map could form the basis for the certification of the proper low-income level discount for each library. The Missouri State Library has Census-based poverty data for every public library easily available as a result of implementing a recent legislatively mandated equalization formula.

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[3] See ALA Reply Comments, January 10, 1997 at 2-3, ALA Comments, December 19, 1997 at 5-9

Therefore, **ALA recommends that any public library seeking discounted rates self-certify the level of discount they are eligible for by providing ONE of the following measures for economic need**:

1) poverty data based on the U.S. Census figures applicable to its service area, with a published or electronically available source cited, OR
2) poverty data for its service area as provided by the state library agency, with a published or electronically available source cited, OR
3) the participation rate in the national school lunch program for the school district with a comparable service area.

The low-income discount would therefore be determined based on the level of economic need, as determined by either local poverty data or local participation in the national school lunch program, matched against tables indexed to various discount rates provided by the FCC. ALA has provided data in its Reply Comments of January 10, 1997 on how such a table can be established based on poverty rates within a given service area of a public library. (Attachment 2) This ex parte also presents corrections to typographical errors made in Column E of Table 2 in the January 10, 1997 filing. This sample table was designed to match the distribution of discounts set up in the Joint Board Recommendation using school lunch program data.

Attachment 1
Draft Self Certification

The applicant(s) listed below hereby certifies that as defined in Section 254(h)(4) of the Telecommunications Act of 1996, it is an eligible non-profit institution (or combination of such), and, if a library, is eligible for assistance from a State library administrative agency under the Library Services and Technology Act, PL 104-208, or if an elementary or secondary school, has an endowment of $50,000,000 or less and, as is stated in Section 254(h)(5), is an elementary or secondary school as defined in paragraphs (14) and (25), respectively, of section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801) as amended in Public Law 103-382, October 20, 1994.

The above named applicant(s) further certifies that it is eligible for a ____% discount off of the attached requested telecommunications services based on Table ____ provided by the Federal Communications Commission under Section 254 of the 1996 Telecommunications Act.

Furthermore the above named applicant(s) certifies its eligibility by having:

1) Submitted its request(s) for services to the federal universal service fund administrator for electronic posting.[1]

2) Confirmed that its request(s) for services is in at least partial implementation of **one** of the following:[2]

   a) the state education or state library agency technology plan or component of a state education or state library agency plan; or

   b) a technology plan of an appropriate education, library, or regional legal entity of which the applicant is a member; or

   c) a technology plan on file with the applicant(s) and approved by its governing body or equivalent on _____(date), or attached as part of this self-certification.

3) Certified in its submitted request for services that the applicant(s) is eligible under section 254(h)(4) and 254(h)(5) of the 1996 Telecommunications Act; that such requested services will be used solely for educational purposes; that such services

---

[1] See Joint Board Recommended Decision, Paragraph 602

[2] See Joint Board Recommended Decision, Paragraph 601

will be sold, resold or transferred only for educational purposes and only for the purpose of transferring a discounted service from a consortia agent to an eligible member of the consortia; that such permitted sale, resale, or transfer shall be on a cost-recovery basis; and if the services are being purchased as part of an aggregated purchase with other entities, that a list of the identities of all co-purchasers and the portion of the services being purchased by the applicant(s) has been submitted.[3]

4) Records that it will maintain for inspection and audit by the fund administrator that support both the percentage discount requested and compliance with items 1-3 above.[4]

Signed this ____ day of _____,_____

By_____ as an authorized fiscal agent of [applicant(s) name]

Name,
Title
Address
Phone Number
Fax
E-mail

[3] See Joint Board Recommended Decision, Paragraph 603, and EDLINC Comments of 12/17/96, II.D. Prohibition on Resale

[4] See Joint Board Recommended Decision, Paragraph 604

Attachment 2
Sample Tables for Library Low Income Discount

ALA has taken a sample of library outlets, which may be a main or branch library facility, from the most recently available National Center for Education Statistics (NCES) data which reflects public library data for 1993. Table 1 shows the sample size and the percentage of library outlets falling inside and outside metropolitan areas.

Table 1

	Total Number	Percentage
Number of Library Outlets in Sample	500	100.00%
Library Outlets in Metropolitan Areas	239	47.80%
Library Outlets in Non-Metropolitan Areas	261	52.20%

Table 2 shows how this sample was matched against 1990 U.S. Census poverty data. Column A shows the percentage of poverty residents within a 1-mile radius of library outlet. This 1-mile radius serves as an approximation for a library outlet's service area. Column B shows the percentage of the sample in each category. The break points for Column A were specifically designed to approximate the distributions of schools in the chart referred to in the Recommended Decision in paragraph 555. Column C represents the percent discount category corresponding to each poverty range. Columns D and E represent the number of library outlets in metropolitan and non-metropolitan areas respectively, for each of these poverty ranges.

Table 2
Percentage Poverty Within 1-Mile Radius of Library Outlet

	A	B	C	D	E
	Percentage of Poverty Residents Within 1 Miles Radius of Library Outlet	Percentage of Library Outlets from Sample in Each Poverty Category	Percentage Discount Category	Percentage of Sampled Library Outlets in Metropolitan Areas in Each Poverty Category	Percentage of Sampled Library Outlet in Non-Metropolitan Areas in Each Product Category
1	0-3%	3.00%	20	7.53%	1.15%
2	3-9%	30.70%	40	37.66%	22.99%
3	9-13%	19.00%	50	17.57%	22.22%
4	13-16%	15.00%	60	8.79%	18.39%
5	16-22%	16.00%	80	10.46%	20.69%
6	22-100%	16.30%	90	17.99%	14.56%
7	Total Percent	100.00%		100.00%	100.00%

Using this or a similarly constructed table as the index, libraries would self-certify the poverty level within their service area in order to receive the corresponding discount in Column C. For example, if a library system self-certified that within its service area, 15% of its residents were poverty residents, the library system would qualify for a 60% discount. If another library system self-certified that within its service area 7% of its residents were poverty residents, that library would qualify for a 40% discount.

Washington Office

ALA American Library Association

March 27, 1997

Ms Irene Flannery
Federal Communications Commission
2100 M. Street
Washington, DC 20554

RECEIVED
MAR 28 '97
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Re: Ex Parte Presentation
CC Docket No: 96-45, Federal-State Joint Board on Universal Service

Dear Ms. Flannery:

In response to our conversation last week regarding the low-income factor for public library discounts, I have some additional information that I believe you should consider in allowing libraries the option of using residential poverty data.

Kendall Wiggin, the New Hampshire State Librarian reports that his state does not keep school lunch statistics by town, but by school, and that there are many towns that have libraries but do not have schools. (These towns send their children to schools in other localities outside the town.) If school lunch is the **only** way to determine low-income discounts for these libraries which other town's school lunch statistics should be used? Some examples of these communities include:

> Dummer, NH which sends its children to Milan Village for grades 1-6 and Berlin for grades 7-12.
>
> Easton, NH sends its children to Lafayette Regional for kindergarten through 6th grade and Profile for grades 7-12.
>
> Acworth, NH supports grades 1-4 but sends its children to Walpole for grades 5-8 and Langdon for grades 9-12.

Each of these towns, except for Langdon, has a library. Incidentally, we were able to call the New Hampshire State Librarian and immediately got poverty rates for Dummer, Easton, and Acworth (6.3%, 5.6%, and 7.8% respectively).

A similar situation occurs in Illinois. There the state librarian reports that many Illinois public libraries serve more than one school district. Again, if you restrict library self-certification of the low income discount to school lunch, you will need to provide guidance as to which school district a library should choose in order to arrive at an appropriate discount. In our Reply Comments of January 10, 1997 and our ex parte communication of March 17, 1997 we included information matching a sample of public library facilities with their residential poverty levels. We are currently looking into doing such an analysis for all public library facilities. **ALA maintains that it would be far easier and less burdensome on the libraries -- and on the rules you would need to write -- to simply allow libraries the option of self-certifying the degree of residential poverty in their service area based on the most current U.S. Census data available.**

As we have stated in prior filings, poverty rates better relate to the communities libraries serve. School lunch eligibility counts families with children in school and does not reflect families or households in poverty which do not have school age children. Even where school districts and library service areas are roughly similar, the use of school lunch to determine the low income discount could deprive libraries of the full discount to which they were entitled. In Adair County, Missouri for example, 42% of their children are eligible for school lunch, 23.8% of the residents are in poverty. In the ALA filings of January 10 and March 17 ALA provided discount tables based on a sample of residential poverty information matched to public library facilities. The distribution in ALA's table matches the distribution of discounts in the Joint Board Recommendation. Using the Adair County data against these tables, the Adair County Public Library would receive a 65% discount under school lunch and a 90% discount using the residential poverty measure assuming that high cost was not a factor in the area. For Kansas City with a 22.4% poverty rate and 72.77% school lunch participation, the library discount would be 90% under a poverty level measure, 80% under school lunch; for Knox County with a 22.7% poverty rate and 45.06% school lunch participation, the discount would be 90% under our poverty level table, 65% under school lunch; for Putnam County with 19.9% poverty rate and 38.55% school lunch participation the discounts would be 80% under our poverty level table, 65% under school lunch.

It is important to reiterate that the ALA sample table does have the same distribution of discounts as the Joint Board Recommendation and that the Missouri data was received subsequent to the construction of the sample table. Undoubtedly, there will be public libraries for whom school lunch eligibility will be a sufficient measure for calculating the appropriate discount rate. However, as noted above, **restricting library self-certification of the discount only to school lunch eligibility poses problems for libraries whose service areas do not encompass a school, serve multiple schools, or for whom the use of a school lunch measure would result in serious discrepancies in the discount received**. For these reasons, ALA again urges the FCC to allow libraries the **option** of self-certifying its low-income discount based on the most current residential poverty level available.

Please feel free to contact me, Andrew Magpantay, or Lynne Bradley if you have any questions.

Sincerely,

Carol Henderson
Executive Director
Washington Office
American Library Association

CC: Mr. William F. Caton

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Office for Information Technology Policy

ALA American Library Association

April 4, 1997

RECEIVED
APR 4 '97
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Irene M. Flannery
Attorney
Federal Communications Commission
2100 M Street, NW
8th Floor
Washington, DC 20554

Re: Ex Parte Presentation
CC Docket No: 96-45, Federal-State Joint Board on Universal Service

Dear Ms. Flannery:

Below is the information you requested regarding calculation of poverty levels for library outlets. The ALA *ex partes* of January 10, 1997 and March 17, 1997 demonstrated how tables for library universal service discounts could be constructed. The tables were based on a random sample of 500 library outlets.

Three source files were used to construct these tables:

1) Data on the location of public library outlets from the Department of Education, National Center for Education Statistics (NCES). This data is collected every year from state library agencies who have agreed on the data to be collected and what the data represents. NCES 1994 Public Release Files data, the latest year for which data was available were used. The sample chosen was a random sample of library outlets, from the outlet file. The complete file can be found at the NCES Web site at gopher://gopher.ed.gov:10000/11/data/library/public/library94. The elements used in the ALA analysis included the library's unique identifier code, location address and zip code information, and the name of the library.

2) The second file used was the U.S. Census 1990 Summary Tape File 3A. This file contains 1989 data on the total number of people within each census tract as well as the number of people at or below the poverty level within that tract.

3) Finally, a digital map of all the census tracts within the United States was built from U.S. Bureau of the Census TIGER files. The unique identifier for each census tract from the TIGER files was then linked to the corresponding census tract identifier (and the data associated with that census tract) from the Summary Tape File 3A. The net result is a digital map showing by census tract the number of people in poverty throughout all regions of the U.S.

Analysis was performed by the Institute of Science and Public Affairs at the Florida Resources and Environmental Analysis Center using Caliper Corporation's Maptitude Geographic Information System (GIS) software. The street address and zip code information data for each library was sent to Qualitative Marketing Software of Clearwater, Florida for geocoding. Qualitative Marketing Software took the street address or zip code data and came up with the most accurate longitude and latitude for each library outlet in our sample. This geocoded information was incorporated into Maptitude to generate a one mile radius circle around each library outlet in the sample. Using Maptitude each one-mail radius circle was overlaid on top of the digital map depicting poverty distribution throughout the U.S. by census tracts.

Maptitude was then used to sum up the number of people within each circle as well as the number of people at or below poverty level within each circle. If partial tracts were included within the circle, Maptitude weighted those tracts appropriately in its calculations. This provided a set of data listing the total number of residents and the total number of residents living at or below the poverty level within a one-mile radius of each library outlet in the sample by metropolitan status code as well as urban versus rural location.

This data was then exported to a Microsoft Excel spreadsheet to calculate the number of outlets that had given levels of poverty within a 1-mile radius of their geographic location. The library universal service discount tables submitted by ALA in its January 10, 1997 and March 17, 1997 *ex partes* were designed to follow the equitable distribution of universal discounts called for in the Joint Board Recommendation at paragraph 555. Following the distribution of universal service discounts in the matrix in paragraph 555 of the Joint Board Recommendation should obviate the need for recalculating residential poverty data to set up library universal service discount distributions based on residents within 185% of the poverty level as has been suggested by some respondents.

According to the Economics and Statistics Administration, U.S. Department of Commerce, a poverty area is defined as a "census tracts or block numbering areas (BNA's) where at least 20 percent of residents were poor in 1989" and an "extreme poverty area" is an area where "40 percent or more of residents were poor."[1]

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[1]Census tracts are small, statistical subdivisions of a county (or statistically equivalent entity). They usually have between 2,500 and 8,000 residents and **do not cross county boundaries.** (Emphasis added). All metropolitan counties are subdivided into census tracts. BNA's are subdivisions of the many non metropolitan counties where local census committees have not established census tracts. BNA's are comparable to census tracts in population. These definitions, as well as the ones for poverty area and extreme poverty area were taken from U.S. Census Bureau, Office of Statistics, Statistical Brief, Poverty Areas, revised, September 23, 1996 which can be

I have included a list and graph of the distribution of all libraries in our sample based on residential poverty level (Attachments 1 and 2, respectively) along with our library universal service discount tables from our March 17, 1997 *ex parte* which was based on this sample (Attachment 3).

ALA has discussed with the Institute of Science and Public Affairs the feasibility of running a similar analysis for all 15,904 stationary public library outlets and has begun the process of running this analysis which is expected to be completed by the end of May 1997. ALA will make this information available to libraries and the fund administrator when the analysis is completed.

Please feel free to contact me if you have questions about any of this material.

Sincerely,

F. Andrew Magpantay
Director
Office for Information Technology Policy
American Library Association

CC: William Caton
Acting Secretary
Federal Communications Commission

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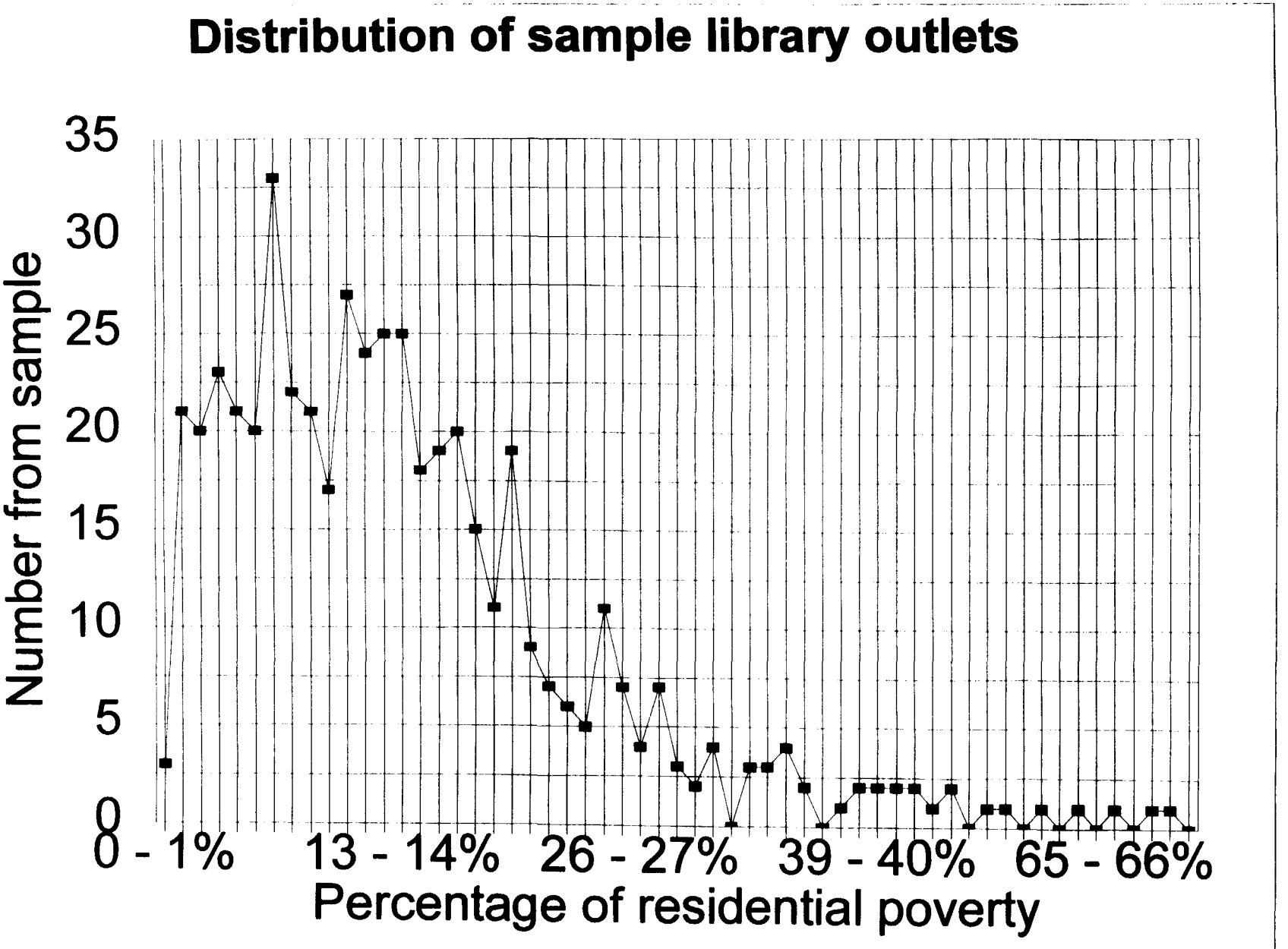
found at http://www.census.gov/socdemo/www/povarea.html.

Table 1 - Library Outlet Sample Distribution by Percentage of Poverty

1	2	3
Percentage of poverty within a 1-mile,radius of library outlet	Number of library outlets in sample	Percentage of library outlet sample
0 - 1%	3	0.60%
1 - 2%	21	4.20%
2 - 3%	20	4.00%
3 - 4%	23	4.60%
4 - 5%	21	4.20%
5 - 6%	20	4.00%
6 - 7%	33	6.60%
7 - 8%	22	4.40%
8 - 9%	21	4.20%
9 - 10%	17	3.40%
10 - 11%	27	5.40%
11 - 12%	24	4.80%
12 - 13%	25	5.00%
13 - 14%	25	5.00%
14 - 15%	18	3.60%
15 - 16%	19	3.80%
16 - 17%	20	4.00%
17 - 18%	15	3.00%
18 - 19%	11	2.20%
19 - 20%	19	3.80%
20 - 21%	9	1.80%
21 - 22%	7	1.40%
22 - 23%	6	1.20%
23 - 24%	5	1.00%
24 - 25%	11	2.20%
25 - 26%	7	1.40%
26 - 27%	4	0.80%
27 - 28%	7	1.40%
28 - 29%	3	0.60%
29 - 30%	2	0.40%
30 - 31%	4	0.80%
31 - 32%	0	0.00%
32 - 33%	3	0.60%
33 - 34%	3	0.60%
34 - 35%	4	0.80%
35 - 36%	2	0.40%
36 - 37%	0	0.00%
37 - 38%	1	0.20%
38 - 39%	2	0.40%
39 - 40%	2	0.40%
40 - 41%	2	0.40%
41 - 42%	2	0.40%
42 - 43%	1	0.20%
43 - 44%	2	0.40%
44 - 46%	0	0.00%
46 - 47%	1	0.20%
47 - 48%	1	0.20%
48 - 51%	0	0.00%
51 - 52%	1	0.20%
52 - 63%	0	0.00%
63 - 64%	1	0.20%
64 - 65%	0	0.00%
65 - 66%	1	0.20%
66 - 76%	0	0.00%
76 - 77%	1	0.20%
77 - 78%	1	0.20%
78 - 100%	0	0.00%
Total	500	100.00%

Attachment 2



Sample Tables for Library Low Income Discount

ALA has taken a sample of library outlets, which may be a main or branch library facility, from the most recently available National Center for Education Statistics (NCES) data which reflects public library data for 1993. Table 1 shows the sample size and the percentage of library outlets falling inside and outside metropolitan areas.

Table 1

	Total Number	Percentage
Number of Library Outlets in Sample	500	100.00%
Library Outlets in Metropolitan Areas	239	47.80%
Library Outlets in Non-Metropolitan Areas	261	52.20%

Table 2 shows how this sample was matched against 1990 U.S. Census poverty data. Column A shows the percentage of poverty residents within a 1-mile radius of library outlet. This 1-mile radius serves as an approximation for a library outlet's service area. Column B shows the percentage of the sample in each category. The break points for Column A were specifically designed to approximate the distributions of schools in the chart referred to in the Recommended Decision in paragraph 555. Column C represents the percent discount category corresponding to each poverty range. Columns D and E represent the number of library outlets in metropolitan and non-metropolitan areas respectively, for each of these poverty ranges.

Table 2
Percentage Poverty Within 1-Mile Radius of Library Outlet

	A	B	C	D	E
	Percentage of Poverty Residents Within 1 Miles Radius of Library Outlet	Percentage of Library Outlets from Sample in Each Poverty Category	Percentage Discount Category	Percentage of Sampled Library Outlets in Metropolitan Areas in Each Poverty Category	Percentage of Sampled Library Outlet in Non-Metropolitan Areas in Each Product Category
1	0-3%	3.00%	20	7.53%	1.15%
2	3-9%	30.70%	40	37.66%	22.99%
3	9-13%	19.00%	50	17.57%	22.22%
4	13-16%	15.00%	60	8.79%	18.39%
5	16-22%	16.00%	80	10.46%	20.69%
6	22-100%	16.30%	90	17.99%	14.56%
7	Total Percent	100.00%		100.00%	100.00%

Using this or a similarly constructed table as the index, libraries would self-certify the poverty level within their service area in order to receive the corresponding discount in Column C. For example, if a library system self-certified that within its service area, 15% of its residents were poverty residents, the library system would qualify for a 60% discount. If another library system self-certified that within its service area 7% of its residents were poverty residents, that library would qualify for a 40% discount.