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September 25, 1997

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Re: Universal Service Support Distribution Options for Schools, Libraries
and Rural Health Care Providers (CC Docket No. 96-45; DA 97-1957)

Dear Mr. Caton:

This letter is submitted on behalf of the South Carolina Budget and Control Board, Office of Information Resources ("OIR") in response to the Commission's Public Notice (DA 97-1957) released in the above-referenced matter on September 10, 1997. OIR is the governmental body in South Carolina charged with procuring and managing telecommunications resources on behalf of the State and its various agencies. As part of its responsibilities, OIR is in the process of aiding the public schools in South Carolina in improving their telecommunications capabilities. Specifically, OIR is working with the schools to achieve district-wide and state-wide interconnectivity and Internet access.

OIR and the South Carolina Department of Education are cooperating to prepare applications on behalf of the public schools and libraries in South Carolina to receive discounts from the Universal Service Fund for telecommunications services used by the public schools and libraries. In this role, OIR is interested in ensuring that the Universal Service Fund for schools and libraries is administered in an efficient and equitable manner. As explained below, certain of the proposals made by the Commission in its September 10, 1997 Public Notice would improve the administration and the equitable distribution of the schools and libraries and rural health care providers Universal Service Funds. Accordingly, OIR urges their adoption.

With respect to filing "windows," OIR supports the proposal for a rolling or ongoing series of windows for filing applications. Under this system, all applications filed within a particular window would be given equal priority in the first-come-first-serve system for allocating Universal Service Funds for schools and libraries. OIR submits that the length of each window should be two weeks, and the Commission should give parties a two week period after the application forms are available to prepare applications prior to the opening of the first two-week window.

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With respect to the priority system for distributing funds to schools and libraries, OIR concurs with the proposal that the priority system be triggered during the first six months of 1998 if the level of the schools and libraries Universal Service Fund falls to \$250 Million. OIR believes that this clarification is necessary to ensure that the most needy libraries, schools and school districts will receive some funding during the early months of the Universal Service program. OIR also believes that a similar mechanism of priorities should be established for rural health care providers. This priority system should apply both during the first quarter of 1998 and on a permanent basis thereafter.

For the reasons set forth above, OIR urges the Commission to adopt the described changes and clarifications to the Universal Service Fund implementation process to ensure that the process will function smoothly and efficiently and that there will be some assurance that the schools, libraries and rural health care providers with the greatest needs receive some funding from the outset of the Universal Service program.

Respectfully submitted,



Benjamin J. Griffin

Counsel for **South Carolina
Budget and Control Board,
Office of Information Resources**

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