

connections were not funded.⁹⁹ The data received from the applications submitted during the initial filing window also support this revision in our rules of priority.¹⁰⁰

39. *Rural Health Care Support Mechanism.* The Commission concluded in the *Universal Service Order* that support for health care providers should be allocated on a first-come, first-served basis.¹⁰¹ Unlike the schools and libraries support mechanism, however, the Commission did not adopt rules that allocate support among health care providers on the basis of their economic circumstances. We determine that we should adopt rules that will take effect in the event that the support requested by health care providers during a filing window exceeds the total authorized support in a funding year. As with the schools and libraries mechanism, our decisions to adjust the maximum collection amounts during 1998 and to adopt a filing window for the rural health care support mechanism lead us to conclude that we should establish rules to allocate funds in the event that all of the available funds will be requested before the window period closes. Several commenters suggested various means by which to prioritize the need of health care providers.¹⁰² We conclude, however, that the complexity of the proposals outweighs their utility. We are not convinced that the administrative burden and the costs associated with any of the proposals outweighs the benefits that would accrue to health care providers.

40. We conclude, therefore, that we should not adopt, at this time, a method by which to prioritize health care providers in the event that demand requested during a filing window exceeds available support. We conclude instead that we should adopt a pro-rata rule

⁹⁹ See, e.g., Great City Schools comments at 3-4 (stating that unless the neediest schools and libraries receive support for internal connections, support for other services will have little value and the digital divide will be perpetuated); WinStar comments at 2-4 (stating that internal connections are important for all schools and libraries, but especially so for those in low-income areas); Cisco Systems comments at 1 (asserting that it is the poorest and most rural schools and libraries, those that are not currently connected, that are seeking support for internal connections); EdLiNC comments at 4, n.2 (stating that support for internal connections is essential of the goals of section 254 are to be met, especially for the neediest schools and libraries).

¹⁰⁰ See Letter from Ira Fishman, CEO, SLC to the Honorable William E. Kennard, Chairman, Federal Communications Commission, dated May 7, 1998. A chart attached to the letter contains a funding request analysis for telecommunications services, Internet access, and internal connections by discount level, based on the applications received within the initial 75-day filing window period.

¹⁰¹ *Universal Service Order*, 12 FCC Rcd at 9143. See also 47 C.F.R. § 54.623(c).

¹⁰² Robert Clark Sept. 10 Public Notice comments (supporting adoption of a staged allocation approach that avoids granting all support to metro-based state hospital networks); CNMI Sept. 10 Public Notice comments at 2-3 (stating that priority should be given to health care providers with the greatest costs); NYSDPS/NYSED Sept. 10 Public Notice comments at 5-7 (stating that priority should be based on current participation in state or federal rural network development programs and/or number of persons served by particular providers); RUPRI Sept. 10 Public Notice comments at 2-3 (asserting that priority should be given to health care providers located in Health Professional Shortage Areas and rurality should be evaluated by the Beale code or other rurality index).

that will reduce each applicant's level of support by an equal amount in the event that demand exceeds the total fund allocated for a given funding year. This approach will ensure fairness and equity to each health care provider applying for universal service support and will not impose an undue administrative burden upon either the applicants or the Administrator. If, however, parties submit specific prioritization methods that can be implemented without substantial expense, administrative burden, or complexity, and that ensure equitable distribution of funds as well or better than the pro-rata rule we adopt herein, we will consider modifying this approach in the future.

41. When the filing window closes, RHCC shall calculate the total demand for support submitted by all eligible applicants. If the total demand submitted during the filing window exceeds the total funding available for the funding year, RHCC shall take the following steps. RHCC shall divide the total funds available for the funding year by the total amount of support requested to produce a pro-rata factor. RHCC shall multiply the pro-rata factor by the total amount of support requested by each applicant that has filed during the filing window. RHCC shall then commit funds to each applicant consistent with this calculation. For example, if at the close of the filing window \$125 million has been requested in 1998, RHCC would calculate the pro-rata factor by dividing \$100 million by \$125 million to produce a factor of four-fifths (.8). RHCC would then multiply the total dollar amount requested by each applicant by .8 and would commit such reduced dollar amount to each applicant. We, therefore, add section 54.623(f) to our rules as provided in Appendix A to reflect the procedure described herein.

42. We conclude that the amendments to our rules adopted herein shall be effective upon publication in the Federal Register.¹⁰³ We find that we have good cause to take such action, pursuant to the Administrative Procedure Act,¹⁰⁴ because compliance with these

¹⁰³ Prior to their publication in the Federal Register, the Commission will submit a report on the amended rules adopted herein to Congress and the GAO, as required by the Contract with America Advancement Act (CWAAA), 5 U.S.C. § 801. Pursuant to the CWAAA, the amended rules may take effect following that submission. 5 U.S.C. §801(a)(4). Contrary to the suggestion in Commissioner Furchtgott-Roth's dissent (at 7), the CWAAA does not require that the Commission wait 60 days after this submission is made for the rules to go into effect. Such a delay in the effective date is required only for major rules, and by definition "major rules" do "not include any rule promulgated under the Telecommunications Act of 1996 and the amendments made by that Act." 5 U.S.C. §804(2). We have confirmed with the Office of Management and Budget, which is responsible for determining whether or not a rule is major, 5 U.S.C. §804(2), that the amended rules adopted herein are promulgated under the Telecommunications Act of 1996 because they are part of the Commission's continuing implementation of section 254 as added by the 1996 Act and therefore are non-major rules. Despite the Order's citation in the ordering paragraphs to other provisions of the Communications Act as subsidiary sources of authority, it could not be clearer that the amended rules adopted herein implement the 1996 Act because explicit statutory authorization for the universal service mechanism for schools and libraries did not exist prior to addition of section 254 by the 1996 Act.

¹⁰⁴ 5 U.S.C. § 553(d)(3).

amendments requires preparation only by USAC, SLC, and RHCC, each of which is able to comply with these amendments in a short amount of time. Compliance with these amendments does not require preparation by other affected entities, such as schools, libraries, or health care providers. To the extent that contributors are affected, their burdens are lessened.

V. LEVEL OF COMPENSATION FOR OFFICERS AND EMPLOYEES OF THE ADMINISTRATIVE CORPORATIONS

A. BACKGROUND

43. In connection with supplemental appropriations legislation enacted on May 1, 1998, Congress requested that the Commission propose a single entity to administer the universal service support mechanisms for schools and libraries and rural health care providers.¹⁰⁵ The Conference Report for the emergency supplemental appropriations bill noted that the House-Senate conferees concurred with the salary limitations contained in section 2005(c) of the Senate bill.¹⁰⁶ Those limitations related to compensation for officers and employees of the unified entity proposed by the Commission to administer the support mechanisms for schools, libraries, and rural health care providers. Specifically, section 2005(c) of the Senate bill provided that no such officer or employee may be compensated at an annual rate of pay, including any non-regular payments, bonuses, or other compensation in an amount exceeding the rate of basic pay in effect for Level I of the Executive Schedule under section 5312 of title 5 of the United States Code.¹⁰⁷

44. On May 8, 1998, the Commission issued a Report to Congress that proposed merging SLC and RHCC into USAC and vesting the consolidated USAC with the administrative responsibilities for all of the universal service support mechanisms, including the support mechanisms for schools, libraries, and rural health care providers.¹⁰⁸ The *May 8th*

¹⁰⁵ H.R. 3579, which makes emergency supplemental appropriations for fiscal year 1998, was signed into law on May 1, 1998. The Conference Report on H.R. 3579 eliminated from the final bill specific legislative language contained in S. 1768, the supplemental appropriations bill adopted by the Senate on March 31, 1998 (the Senate bill). Section 2005 of the Senate bill had directed the Commission to prepare and submit to Congress by May 8, 1998, a two-part report on universal service. The statement of the House-Senate conferees accompanying the final bill nevertheless expresses the expectation that, among other things, "the FCC will comply with the reporting requirement in the Senate bill, respond to inquiries regarding the universal service contribution mechanisms, access charges and cost data, and propose a new structure for the implementation of the universal service programs." Conference Report on H.R. 3579, H. Rept. 105-504.

¹⁰⁶ Conference Report on H.R. 3579, H. Rept. 105-504.

¹⁰⁷ S. 1768, sec. 2005(c).

¹⁰⁸ *May 8th Report*, FCC 98-85, at para. 8.

Report proposed that the functions, assets, employees, rights, and liabilities of SLC and RHCC be transferred to USAC by January 1, 1999.¹⁰⁹ To implement this transfer, the Commission stated that USAC, SLC, and RHCC would be required jointly to prepare and submit a plan of reorganization for approval by the Commission. Moreover, the Commission requested from Congress specific statutory authority to create or designate one or more entities, such as USAC, to administer the federal universal service support mechanisms.¹¹⁰ In the *May 8th Report*, the Commission also stated that it would address in a forthcoming reconsideration order the salary limitations provided in the Senate bill.¹¹¹ The Commission further stated its intent to seek comment on whether the salary limitations provided in the Senate bill should apply to the officers and employees of USAC and NECA as well.¹¹²

45. On May 15, 1998, the Commission sent a letter to USAC, SLC, and RHCC requesting that the administrative corporations jointly prepare and submit for Commission approval a plan of reorganization that is consistent with the language of section 2005 of the Senate bill, the Conference Report on H.R. 3579, the Commission's *May 8th Report*, and established principles and requirements of corporate law.¹¹³ In particular, the Commission directed the administrative corporations to address in the reorganization plan "the transfer of employees' contractual rights and other benefits, and obligations of SLC and RHCC."¹¹⁴ As set forth in the May 15, 1998 letter, the administrative corporations are directed to file with the Commission a joint plan of reorganization addressing these issues by July 1, 1998.

B. DISCUSSION

46. We conclude that Congress's intent regarding the level of compensation for officers and employees of SLC and RHCC was clearly stated in both section 2005(c) of the Senate bill and in the Conference Report. The Senate and the House-Senate conferees expressly stated that there should be limits on the level of compensation afforded to the officers and employees of the two independent corporations. We conclude, therefore, consistent with the will of Congress, that, effective July 1, 1998, the administrator must, as a condition of its continued service, compensate all officers and employees of SLC and RHCC

¹⁰⁹ *May 8th Report*, FCC 98-85, at para. 10.

¹¹⁰ *May 8th Report*, FCC 98-85, at para. 15.

¹¹¹ *May 8th Report*, FCC 98-85, at para. 11 n.34.

¹¹² *May 8th Report*, FCC 98-85, at para. 11 n.34.

¹¹³ Letter from A. Richard Metzger, Jr., Chief, Common Carrier Bureau, to the USAC, SLC, and RHCC Boards of Directors, dated May 15, 1998 (*May 15, 1998 letter*).

¹¹⁴ *May 15, 1998 letter* at 2.

at an annual rate of pay, including any non-regular payments, bonuses, or other compensation, that does not exceed the rate of basic pay in effect for Level I of the Executive Schedule under section 5312 of Title 5 of the United States Code. This level of compensation will apply to all officers and employees of SLC and RHCC, as currently organized, as well as to all such officers and employees in the consolidated administrative corporation following reorganization on July 1, 1998.¹¹⁵ Accordingly, we amend section 69.620(a) of our rules, as provided in Appendix A.

VI. PUBLICATION OF QUARTERLY CONTRIBUTION FACTORS IN THE FEDERAL REGISTER

A. BACKGROUND

47. In the *NECA Report and Order*, the Commission established an administrative process by which quarterly universal service contribution factors will be calculated.¹¹⁶ The Commission stated that USAC would be responsible for processing Universal Service Worksheets, FCC Form 457s, which are the forms that require contributors to list their end-user telecommunications revenues.¹¹⁷ The Commission also stated that USAC, SLC, and RHCC must submit their quarterly projections of demand and administrative expenses for their respective support mechanisms to the Commission at least sixty days before the start of each quarter.¹¹⁸ The Commission further stated that it would publish those projections and the proposed quarterly contribution factors in a Public Notice and that USAC could not use those contribution factors to calculate individual contributions until those factors were deemed approved by the Commission.¹¹⁹

48. Specifically, section 54.709(a) of the Commission's rules requires that the proposed contribution factors appear in the Federal Register when it states that "[t]he projections of demand and administrative expenses and the contribution factors shall be announced by the Commission in a Public Notice published in the Federal Register and shall

¹¹⁵ We note that, following submission of the joint plan for reorganization by USAC, SLC, and RHCC, the Commission will seek comment on whether the salary limitations provided in the Senate bill should apply to the officers and employees of USAC and NECA as well.

¹¹⁶ *NECA Report and Order*, 12 FCC Rcd at 18426-27.

¹¹⁷ *NECA Report and Order*, 12 FCC Rcd at 18424.

¹¹⁸ *NECA Report and Order*, 12 FCC Rcd at 18426-27.

¹¹⁹ *NECA Report and Order*, 12 FCC Rcd at 18427. In the *Fourth Reconsideration Order*, the Commission clarified that "the Commission, not USAC, shall be responsible for calculating the quarterly universal service contribution factors." *Fourth Reconsideration Order*, 13 FCC Rcd at 5490.

be made available on the Commission's website."¹²⁰ Also in section 54.709(a), however, the Commission's rules state that the proposed contribution factors will be deemed approved "[i]f the Commission takes no action *within 14 days of the date of the Public Notice* announcing the projections of demand and administrative expenses."¹²¹

B. DISCUSSION

49. The existing rule has caused some confusion because it requires publication of the proposed contribution factors in the Federal Register, but at the same time states that those proposed factors will become effective within 14 days of the date on which the Public Notice is released. Because an item is not published in the Federal Register immediately upon release, and because it is not possible to predict with certainty when an item will be published in the Federal Register, the existing rule creates uncertainty about the date on which the contribution factors are deemed approved.

50. We, therefore, amend our rule to clarify that the proposed contribution factors will be deemed approved, in the absence of further Commission action, 14 days after release of the Public Notice in which they are announced. We conclude that the public is given adequate notice of release of the proposed contribution factors because they are posted on the Commission's website immediately upon release. Moreover, this change will eliminate any ambiguity in the rules and will create certainty about when the proposed contribution factors are deemed approved. Accordingly, we amend section 54.709(a)(3) of our rules, as provided in Appendix A.¹²²

¹²⁰ 47 C.F.R. § 54.709(a)(3).

¹²¹ 47 C.F.R. § 54.709(a) (emphasis added).

¹²² We note that several parties commented in response to the *Collection Public Notice* on certain administrative and access charge reform issues. Because these issues have no substantive bearing on the issues addressed in this Order, we do not respond substantively to those comments. *See, e.g.*, AirTouch comments at 3 (end-user surcharges); GTE comments at 8 (same); Sprint comments at 3 (same); SBC comments at 2-4 (fundamental changes to schools and libraries universal service support mechanism); API comments at 3-4 (access charge reform and the productivity factor); RUPRI comments at 5 (high cost fund); USTA comments at 5 (high cost fund, SLC administrative expenses, support for telecommunications carriers only); Nassau BOCES comments at 2-3 (retroactive payments); NTIA comments at 2 (truth-in-billing, local plans for Internet use); CTIA comments at 1-4 (calculation of universal service contributions for wireless providers); USCC comments at 6 (limitation on contributions by CMRS providers); ICA comments at 2 (access charge reform); MCI comments at 4 (pending petition for declaratory ruling); AT&T comments at 1 (support for telecommunications services only).

VII. CONCLUSION

51. In conclusion, we note that our colleagues' statements dissenting from this Order raise several issues that are well beyond the scope of this Order. Although we believe it would be inappropriate to include here a point-by-point analysis of issues that are not presented in the matters before the Commission in this Order, we do not wish our silence to be construed as acquiescence. We are, therefore, compelled to note that several of the issues raised in dissent have been addressed at length in the context of prior Commission orders, after due consideration and based on complete records. For example, although one of the dissenting statements questions the legal basis for providing support to schools and libraries for internal connections,¹²³ the legal basis for that decision was thoroughly established in both the *Universal Service Order*¹²⁴ and the *April 10, 1998 Report to Congress*.¹²⁵ It was further addressed in the Joint Board's *Recommended Decision* in which the Joint Board unanimously recommended that universal service support be provided to schools and libraries for internal connections.¹²⁶ Similarly, as noted above, the Commission previously has established that universal service contributions do not constitute an unlawful tax.¹²⁷

52. One of the dissenting statements also remarks on proposed regulation of carriers' billing practices.¹²⁸ We are indeed concerned that, when the Commission takes action to reduce carriers' costs of providing service, carriers' bills are creating the false impression that the opposite is true. We note that these matters are not pending before the Commission, and therefore we do not find it practical or appropriate to comment in this context on specific proposals. We do intend to issue in the near future a notice of proposed rulemaking seeking comment on issues relating to the manner in which carriers include billing statements regarding charges relating to universal service support mechanisms. We intend to use that proceeding to develop a complete record on all the relevant issues, including those raised by our dissenting colleague. Only then, after full consideration, would the Commission be able to determine whether it is necessary and appropriate to take any action on these issues, and if so, what action should be taken. Although we remain committed to ensure that carriers include complete and truthful information regarding the contribution amount, we await further consideration of these matters.

¹²³ Statement of Commissioner Harold Furchtgott-Roth, dated June 22, 1998, at 9-11.

¹²⁴ 12 FCC Rcd at 9084-90 .

¹²⁵ *April 10 Report to Congress*, FCC 98-67, at 89, para. 185.

¹²⁶ *Recommended Decision*, 12 FCC Rcd at 330.

¹²⁷ See *supra* section III.B.

¹²⁸ See Statement of Commissioner Harold Furchtgott-Roth, dated June 22, 1998, at 4-5.

53. Finally, our dissenting colleagues suggest that the Commission has not acted to fulfill the Act's requirements regarding support for high cost carriers and low-income consumers.¹²⁹ Pursuant to the 1996 Act, the Commission has taken significant action to implement the universal service provisions of the Act.¹³⁰ As we noted earlier, rural, insular, and high cost telephone subscribers continue to receive high cost support at the same level that they have received for years. In addition, one of the first steps in universal service reform was to make existing high cost support explicit.¹³¹ With respect to low-income consumers, we substantially expanded the reach of the Commission's Lifeline and Link Up programs.¹³² We are considering petitions for reconsideration of some aspects of our actions, as well as requests from the Joint Board that we refer some issues to it, including the so-called "25/75" issue.¹³³ We believe that a second referral to the Joint Board, if clearly defined in terms of issues and timing, could be extremely valuable. We are also actively developing an economic model that will assist us in determining the level of high cost support due to carriers in a way that produces neither a windfall for carriers at the expense of consumers nor a spike in local telephone rates. We are confident that in this manner we will fulfill Congress's goals embodied in section 254. These actions demonstrate the Commission's firm commitment to implementing all parts of universal service. We look forward to working with Congress, the States, the industry, consumers, and our dissenting colleagues, as we move forward in achieving this goal.

¹²⁹ See generally Separate Statement of Commissioner Michael K. Powell, Dissenting in Part, dated June 22, 1998; Statement of Commissioner Harold Furchtgott-Roth, dated June 22, 1998, at 2-3, 12, 17.

¹³⁰ Section 254(a)(2) directed the Commission to complete a proceeding to implement the recommendations from the universal service Joint Board within 15 months after enactment of the 1996 Act (i.e. by May 1997) that would include a "timetable for implementation" of the rules to be adopted. The Commission satisfied this directive when it released its May 8, 1997 *Universal Service Order*, including a definition of supported services and a timetable for implementation. See Brief of FCC, *Texas Office of Public Utility Counsel v. FCC and USA*, No. 97-60421 (5th Cir. 1997) (*appeal pending*) pp. 48-51.

¹³¹ See, e.g., *Universal Service Order*, 12 FCC Rcd at 9165 (removing Long Term Support (LTS) from access charges); 12 FCC Rcd at 8940-41 (stating that "[w]e adopt the Joint Board's recommendation that a subsidy corresponding in amount to that generated formerly by DEM [dial equipment minutes] weighting be recovered from the new universal service support mechanisms").

¹³² See generally *Universal Service Order*, 12 FCC Rcd at 8952-94; see also *supra* discussion at para. 18.

¹³³ See, e.g., Letter from the Honorable Julia Johnson, Chairman, Florida Public Service Commission, the Honorable Laska Schoenfelder, Commissioner, South Dakota Public Utilities Commission, the Honorable Martha Hogerty, Missouri Public Counsel, the Honorable David Baker, Commissioner, Georgia Public Service Commission, and the Honorable Pat Wood, III, Chairman, Texas Public Utilities Commission to the Honorable William E. Kennard, Chairman, Federal Communications Commission, dated June 18, 1998 (*State Joint Board letter*).

VIII. SUPPLEMENTAL FINAL REGULATORY FLEXIBILITY ANALYSIS

54. In compliance with the Regulatory Flexibility Act (RFA)¹³⁴ and the Initial Regulatory Flexibility Analysis (IRFA) that accompanied the *Collection Public Notice* in the Federal Register,¹³⁵ this Supplemental Final Regulatory Flexibility Analysis (SFRFA) supplements the Final Regulatory Flexibility Analysis (FRFA) included in the *Universal Service Order*,¹³⁶ only to the extent that changes to that Order adopted here on reconsideration require changes in the conclusions reached in the FRFA. As required by section 603 RFA, 5 U.S.C. § 603, the FRFA was preceded by an Initial Regulatory Flexibility Analysis (IRFA) incorporated in the Notice of Proposed Rulemaking and Order Establishing the Joint Board (NPRM), and an IRFA, prepared in connection with the Recommended Decision, which sought written public comment on the proposals in the NPRM and the Recommended Decision.¹³⁷

A. NEED FOR AND OBJECTIVES OF THIS REPORT AND ORDER AND THE RULES ADOPTED HEREIN

55. The Commission is required by section 254 of the Act to promulgate rules to implement promptly the universal service provisions of section 254. On May 8, 1997, the Commission adopted rules whose principle goal is to reform our system of universal service support mechanisms so that universal service is preserved and advanced as markets move toward competition. In this Order, we reconsider five aspects of those rules. First, to ameliorate the concerns of applicants seeking support for internal connections that they will be unable to complete installation before December 31, 1998, we reconsider, on our own motion, the funding cycle for schools and libraries. We conclude that it is in the public interest to change the funding year for the schools and libraries universal service support mechanism from a calendar year cycle to a fiscal year cycle running from July 1 to June 30. Moreover, this change to a fiscal year funding cycle will synchronize the schools and libraries universal service support mechanism with the budgetary and planning cycles of most schools and libraries and will align universal service contribution levels with projected reductions in access charges. Second, in order to reduce financial burdens on all contributors to universal service, we reconsider, on our own motion, the amounts that will be collected during the second six months of 1998 and the first six months of 1999 for the schools and libraries support

¹³⁴ See 5 U.S.C. § 604. The Regulatory Flexibility Act, 5 U.S.C. § 601 *et seq.*, was amended by the "Small Business Regulatory Enforcement Act of 1996" (SBREFA), Subtitle II of the Contract with America Advancement Act of 1996, Pub. L. No. 104-121, 110 Stat. 847 (1996) (CWAAA).

¹³⁵ 63 Fed. Reg. 27,524 (May 19, 1998).

¹³⁶ *Universal Service Order*, 12 FCC Rcd at 9219.

¹³⁷ 61 Fed. Reg. 63,778, 63,796 (1996).

mechanism, and the amounts that will be collected during the second six months of 1998 for the rural health care support mechanism. Third, we modify the rules of priority for the schools and libraries mechanism to provide for the greatest assurance of support to schools and libraries with the greatest levels of economic disadvantage while ensuring that all applicants filing during a filing window period receive at least some support in the event that the amounts requested for support submitted during the filing window exceed the total support available in a funding year. In addition, we adopt a rule to pro-rate the distribution of support to health care providers if demand by health care providers exceeds the total support allocated for a given funding year. Fourth, we conclude, consistent with the will of Congress, that the universal service administrator must, as a condition of continued service, compensate all officers and employees of SLC and RHCC at an annual rate of pay, including any non-regular payments, bonuses, or other compensation, that does not exceed the rate of basic pay in effect for Level I of the Executive Schedule under section 5312 of Title 5 of the United States Code, effective July 1, 1998. Fifth, we amend our rule regarding publication of the proposed universal service contribution factors to state that the proposed contribution factors will be deemed approved, in the absence of further Commission action, 14 days after release of the Public Notice in which they are announced. We conclude that this rule change will eliminate ambiguity regarding publication requirements currently existing in our rules.

B. SUMMARY AND ANALYSIS OF THE SIGNIFICANT ISSUES RAISED BY PUBLIC COMMENTS IN RESPONSE TO THE IRFA

56. No entities commented directly in response to either the *September 10 Public Notice*¹³⁸ or the *Collection Public Notice*,¹³⁹ although some commenters urged the Commission to modify the rules of priority to ensure that applicants in all states, including small applicants, would receive some opportunity to receive funding.¹⁴⁰ In response to the

¹³⁸ *September 10 Public Notice*. This Public Notice was published in the Federal Register on September 15, 1997. 62 Fed. Reg. 48280 (Sept. 15, 1997).

¹³⁹ See Great City Schools comments at 4 (proposing priority rules that would permit full funding for schools and libraries eligible for 80 percent and 90 percent discounts and a proportional scale back of discounts for all other eligible schools and libraries).

¹⁴⁰ See Anchorage School Dist. Sept. 10 Public Notice comments at 1 (stating that if sufficient funds are not available to meet all approved applications in subsequent filing periods, the Commission should apply an equal percentage reduction to all approved applicants during period); Mississippi Council for Ed. Tech. Sept. 10 Public Notice comments at 4 (stating that funds should be available first to the most disadvantaged schools and libraries); Montana School Boards Ass'n Sept. 10 Public Notice comments at 3 (asserting that a mechanism similar to the rules of priority should be applied to all funds, not just \$250 million); New York City Dept. of IT&T Sept. 10 Public Notice comments at 3 (stating that, if funds are exhausted within the window filing period, distribution of funds should be subject to a pro-rata reduction based on economic disadvantage, obviating need of a \$250 million trigger); New York Pub. Library Sept. 10 Public Notice comments at 1 (advocating a filing window and pro-rata allocation of funds when only \$500 million remains for the year). *But see* Colorado Dept.

Collection Public Notice,¹⁴¹ some commenters urged the Commission to ensure that schools and libraries that filed applications within the initial 75-day filing window are fully funded,¹⁴² and to ensure that schools and libraries have a predictable level of funding.¹⁴³ Other commenters disagreed with the Commission's proposal to link access charge reductions with universal service funding for schools, libraries, and rural health care providers.¹⁴⁴

of Ed. Spet. 10 Public Notice comments at 2 (opposing any proposal that limits the funds available to schools and libraries in the first six months because the Commission has chosen to collect only \$1 billion in the first six months); DataCast Sept. 10 Public Notice comments at 2 (favoring rules of priority that allocate 1/4 of all funds to rural, high cost schools and takes into account "relative economic advantage" in allocating support); Illinois State Board of Dirs. Sept. 10 Public Notice comments at 10-12 (favoring granting states greater authority in implementing rules of priority, favors granting priority to schools with the least amount of infrastructure, and favors a higher trigger level because current 10 percent trigger represents insufficient funds); Maine Dept. of Ed. Sept. 10 Public Notice comments at 2 (favoring allocation of support according to the Technology Literacy Challenge Grants formula).

¹⁴¹ *Collection Public Notice*. This Public Notice was published in the Federal Register on May 19, 1998. 63 Fed. Reg. 27,542 (May 19, 1998).

¹⁴² See, e.g., Funds for Learning comments at 2 (stating that schools and libraries have spent time completing applications and designing technology plans and have modified or delayed installation schedules, all in reliance on the availability of \$2.25 billion); NC Governor comments at 1-2 (supporting full funding because of tremendous effort, especially in terms of human resources, to participate in universal service); EdLiNC comments at 3-5 (stating that schools and libraries have devoted substantial resources, made contractual commitments, and issued bonds with the expectation that universal service would be funded up to the amount recommended by the Joint Board and adopted a year ago by the Commission); Great City Schools comments at 3 (stating that the submission of over 30,000 applications is evidence that schools and libraries have relied upon the expectation of full funding and have had to devote substantial resources toward applying for universal service discounts).

¹⁴³ See, e.g., U.S. Department of Education comments at 1 (stating that schools and libraries require predictability of funding to facilitate long-range technology planning); DTG comments at 4-5 (stating that "[t]he proposed revision of support collections after the initial round of applications is final imposes new risk and unpredictability on the process at a time when it should become more predictable if the goal of access to advanced telecommunications for all schools is to be met"); NC DPI comments at 3 (changing the rules at this point causes mistrust and economic hardship); Funds for Learning comments at 2 (asserting that schools and libraries need predictability, not more frustration, and that service providers may become disenchanted with the changing rules and potential loss of business has schools and libraries have to delay projects for which they anticipated receiving support).

¹⁴⁴ See, e.g., AirTouch comments at 8 (stating that the Commission should not link access charge reductions to funding for schools, libraries, and rural health care providers); USTA comments at 2 (stating that "[t]here is no legal basis for the Commission to arbitrarily reduce access charges in order to reflect contributions to u.s. or to determine the appropriate level of funding for the schools, libraries and rural health care programs based on the level of access charge reductions"); Time Warner comments at 3-4 (stating that the Commission should establish a universal service fund that is sufficient to address the policy goals of affordability of basic telecommunications services and support of eligible services for schools, libraries, and rural health care providers, but should not be tied into access charge reduction; access reform policy should instead be based on efficiency principles).

C. DESCRIPTION AND ESTIMATES OF THE NUMBER OF SMALL ENTITIES TO WHICH THE RULES ADOPTED IN THIS REPORT AND ORDER WILL APPLY

57. In the FRFA at paragraphs 890-925 of the *Universal Service Order*, we described and estimated the number of small entities that would be affected by the new universal service rules. The rules adopted herein may apply to the same entities affected by the universal service rules. We therefore incorporate by reference paragraphs 890-925 of the *Universal Service Order*.¹⁴⁵

D. SUMMARY ANALYSIS OF THE PROJECTED REPORTING, RECORDKEEPING, AND OTHER COMPLIANCE REQUIREMENTS AND SIGNIFICANT ALTERNATIVES

58. In the FRFA to the *Universal Service Order*, we described the projected reporting, recordkeeping, and other compliance requirements and significant alternatives associated with the Schools and Libraries section, the Rural Health Care Provider section, and the Administration section of the *Universal Service Order*. Because the rules adopted herein may only affect those requirements in a marginal way, we incorporate by reference paragraphs 956-60, 968-71, and 980 of the *Universal Service Order*, which describe those requirements and provide the following analysis of the new requirements adopted herein.¹⁴⁶

59. Under the rules adopted herein, we revise the funding year for the schools and libraries support mechanism from a calendar year cycle (January 1 - December 31) to a fiscal year cycle (July 1 - June 30). This revision will benefit schools and libraries in three ways: (1) it will ameliorate the concerns of applicants seeking support for internal connections that they will be unable to complete installation before December 31, 1998; (2) it will synchronize the schools and libraries support mechanism with the budgetary and planning cycles of most schools and libraries; and (3) it will align universal service contribution levels with projected reductions in access charges. These changes will not have a significant impact on the reporting, recordkeeping, and other compliance requirements for the schools and libraries and rural health care universal service support mechanisms.

60. In addition, we do not revise the annual caps adopted in the *Universal Service Order*, but we do adjust the maximum amounts that may be collected and spent during the initial eighteen months of implementation for the schools and libraries support mechanism and during the initial year of implementation for the rural health care provider support mechanism. The Administrator is instructed to collect only as much as required by demand, but in no

¹⁴⁵ *Universal Service Order*, 12 FCC Rcd at 9227-43.

¹⁴⁶ *Universal Service Order*, 12 FCC Rcd at 9259.

event more than \$25 million per quarter for the third and fourth quarters of 1998 to support the rural health care universal service support mechanism and no more than \$325 million per quarter for the third and fourth quarters of 1998 and the first and second quarters of 1999 to support the schools and libraries universal service support mechanism. We also direct the Administrator neither to commit nor disburse more than \$100 million for the rural health care support mechanism for 1998 and no more than \$1.925 billion for the schools and libraries support mechanism for the eighteen month period from January 1, 1998 through June 30, 1999. These changes will not have a significant impact on the reporting, recordkeeping, and other compliance requirements for the schools and libraries and rural health care universal service support mechanisms.

61. In addition, we modify the rules of priority for the schools and libraries support mechanism to equitably provide the greatest assurance of support to the schools and libraries with the greatest level of economic disadvantage while ensuring that all applicants filing during a filing window period receive at least some support in the event that the amounts requested for support submitted during the filing window exceed the total support available in a funding year. We also adopt a rule to pro-rate the distribution of support to health care providers if demand by health care providers exceeds the total fund allocated for a given funding year. These changes will not have a significant impact on the reporting, recordkeeping, and other compliance requirements for the schools and libraries and rural health care universal service support mechanisms.

62. Moreover, consistent with the will of Congress, we conclude that the universal service Administrator must, as a condition of continued service, compensate all officers and employees of SLC and RHCC at an annual rate of pay, including any non-regular payments, bonuses, or other compensation, that does not exceed the rate of basic pay in effect for Level I of the Executive Schedule under section 5312 of Title 5 of the United States Code, effective July 1, 1998. We also amend our rule regarding publication of the proposed universal service contribution factors to state that the proposed contribution factors will be deemed approved, in the absence of further Commission action, 14 days after release of the Public Notice in which they are announced. Neither of these changes will have a significant impact on the reporting, recordkeeping, and other compliance requirements for the schools and libraries and rural health care universal service support mechanisms.

E. STEPS TAKEN TO MINIMIZE THE SIGNIFICANT ECONOMIC IMPACT ON A SUBSTANTIAL NUMBER OF SMALL ENTITIES, AND SIGNIFICANT ALTERNATIVES CONSIDERED

63. In the FRFA to the *Universal Service Order*, we described the steps taken to minimize the significant economic impact on a substantial number of small entities consistent with stated objectives associated with the Schools and Libraries section, the Rural Health Care Provider section, and the Administration section of the *Universal Service Order*. Because the

rules adopted herein may only affect those requirements in a marginal way, we incorporate by reference paragraphs 961-67, 972-76, and 981-82 of the *Universal Service Order*, which describe those requirements and provide the following analysis of the new requirements adopted herein.¹⁴⁷

64. As described above, our decision to change to a fiscal year funding cycle will benefit schools and libraries, as well as their chosen service providers, who may be small entities, by equitably providing the greatest assurance of support to the schools and libraries with the greatest levels of economic disadvantage while ensuring that all applicants filing during a window receive at least some support in the event that the amounts requested for support submitted during the filing window exceed the total support available in a funding year. Some schools and libraries that did not file within the initial window in 1998 will not be eligible to receive funding until July 1999, rather than January 1999. We find, however, that on balance, the benefits that will be conferred on the approximately 30,000 applicants that filed within the initial window outweigh this potential six-month delay in funding for some applicants. We also find that this approach strikes the best balance between fulfilling the statutory mandate to enhance access to advanced telecommunications and information services for schools and libraries, and fulfilling the statutory principle of providing quality services at "just, reasonable, and affordable rates,"¹⁴⁸ without imposing unnecessary burdens on schools and libraries or service providers, including small entities.

65. As described above, we adopt the decision to adjust the amount of money to be collected in 1998 and the first and second quarters of 1999 for the schools and libraries universal service support mechanism and in 1998 for the rural health care support mechanism because we do not want to impose unnecessary financial requirements on service provider contributors to universal service, including contributors that are small entities. We find that our decision to adjust the maximum collectible amounts provides substantial support to schools, libraries, and rural health care providers without imposing unnecessary burdens on carriers or subscribers, including small entities.

66. Moreover, our conclusion that the universal service Administrator must, as a condition of continued service, compensate all officers and employees of SLC and RHCC at an annual rate of pay that does not exceed the rate of basic pay in effect for Level I of the Executive Schedule under section 5312 of Title 5 of the United States Code, effective July 1, 1998 will not have a significant impact on the reporting, recordkeeping, and other compliance requirements for the schools and libraries and rural health care universal service support mechanisms on any entities other than SLC and RHCC. For those entities, compliance with the amended rule will have a significant impact on the level of compensation afforded some

¹⁴⁷ *Universal Service Order*, 12 FCC Rcd at 9259.

¹⁴⁸ 47 U.S.C. § 254(b)(1).

of their employees, but we conclude that this decision is consistent with the intent of Congress. Our decision to amend our rule regarding publication of the proposed universal service contribution factors will not have a significant impact on the reporting, recordkeeping, and other compliance requirements for the schools and libraries and rural health care universal service support mechanisms.

IX. ORDERING CLAUSES

67. Accordingly, IT IS ORDERED that, pursuant to the authority contained in sections 1-4, 201-205, 218-220, 254, 303(r), 403, and 405 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151-154, 201-205, 218-220, 254, 303(r), 403, and 405, section 1.108 of the Commission's rules, 47 C.F.R. § 1.108, the FIFTH ORDER ON RECONSIDERATION IN CC DOCKET NO. 96-45 IS ADOPTED.

68. IT IS FURTHER ORDERED that, pursuant to the authority contained in sections 1-4, 201-205, 218-220, 254, 303(r), 403, and 405 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151-154, 201-205, 218-220, 254, 303(r), 403, and 405, section 1.108 of the Commission's rules, 47 C.F.R. § 1.108, the FOURTH REPORT AND ORDER IN CC DOCKET NO. 96-45 IS ADOPTED.

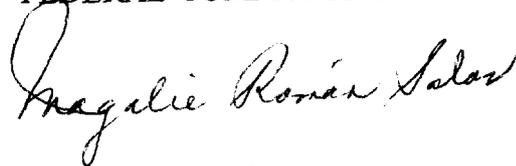
69. IT IS FURTHER ORDERED that, pursuant to the authority contained in sections 1-4, 201-205, 218-220, 254, 303(r), 403, and 405 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151-154, 201-205, 218-220, 254, 303(r), 403, and 405, section 1.108 of the Commission's rules, 47 C.F.R. § 1.108, Part 54 of the Commission's rules, 47 C.F.R. Part 54, and Part 69 of the Commission's rules, 47 C.F.R. Part 69, ARE AMENDED as set forth in Appendix A attached hereto.

70. IT IS FURTHER ORDERED that, pursuant to the authority contained in sections 1-4, 201-205, 218-220, 254, 303(r), 403, and 405 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151-154, 201-205, 218-220, 254, 303(r), 403, and 405, section 1.108 of the Commission's rules, 47 C.F.R. § 1.108, effective July 1, 1998, Universal Service Administrative Company shall compensate all officers and employees of Schools and Libraries Corporation and Rural Health Care Corporation at an annual rate of pay, including any non-regular payments, bonuses, or other compensation, that does not exceed the rate of basic pay in effect for Level I of the Executive Schedule under section 5312 of Title 5 of the United States Code.

71. IT IS FURTHER ORDERED that, because the Commission has found good cause, the rule changes set forth in Appendix A ARE EFFECTIVE immediately upon publication in the Federal Register.

72. IT IS FURTHER ORDERED that the Commission's Office of Public Affairs, Reference Operations Division, SHALL SEND a copy of this Fifth Order on Reconsideration and Fourth Report and Order, including the Final Regulatory Flexibility Analysis, to the Chief Counsel for Advocacy of the Small Business Administration.

FEDERAL COMMUNICATIONS COMMISSION

A handwritten signature in cursive script that reads "Magalie Roman Salas". The signature is written in black ink and is positioned below the printed name of the signatory.

Magalie Roman Salas
Secretary

Appendix A -- Rule Changes

Part 54 of Title 47 of the Code of Federal Regulations is amended as follows:

Part 54 -- UNIVERSAL SERVICE

1. The authority citation for part 54 continues to read as follows:

Authority: 47 USC Secs. 1, 4(i), 201, 205, 214, and 254 unless otherwise noted.

§ 54.507 **Cap.**

2. Revise section 54.507(a) and add subsections 54.507(a)(1) and (2) to read as follows:

(a) Amount of the annual cap. The annual cap on federal universal service support for schools and libraries shall be \$2.25 billion per funding year, and all funding authority for a given funding year that is unused in that funding year shall be carried forward into subsequent funding years for use in accordance with demand, with the following exceptions:

(1) No more than \$625 million shall be collected or spent for the funding period from January 1, 1998 through June 30, 1998. No more than \$325 million shall be collected for the funding period from July 1, 1998 through September 30, 1998. No more than \$325 million shall be collected for the funding period from October 1, 1998 through December 31, 1998. No more than \$325 million shall be collected for the funding period from January 1, 1999 through March 31, 1999. No more than \$325 million shall be collected for the funding period from April 1, 1999 through June 30, 1999. No more than \$1.925 billion shall be collected or disbursed during the eighteen month period from January 1, 1998 through June 30, 1999.

(2) The carryover of unused funding authority will not apply for the funding period January 1, 1998 through June 30, 1999. To the extent that the amounts collected in the funding period January 1, 1998 through June 30, 1999 are less than \$2.25 billion, the difference will not be carried over to subsequent funding years. Carryover of funds will occur only to the extent that funds are collected but not disbursed in the funding period January 1, 1998 through June 30, 1999.

3. Revise section 54.507(b) to read as follows:

* * * * *

(b) Funding year. A funding year for purposes of the schools and libraries cap shall be the period July 1 through June 30. For the initiation of the mechanism only, the eighteen

month period from January 1, 1998 to June 30, 1999 shall be considered a funding year. Schools and libraries filing applications within the initial 75-day filing window shall receive funding for requested services through June 30, 1999.

* * * * *

4. Amend section 54.507(g) by redesignating the introductory text as 54.507(g)(2), redesignating subparagraphs 54.507(g)(1)-(4) as 54.507(g)(2)(i)-(iv), adding new introductory text to section 54.507(g) and adding new subparagraphs 54.507(g)(1)(i)-(iv), to read as follows:

(g) Rules of priority. Schools and Libraries Corporation shall act in accordance with subparagraph (1) of this section with respect to applicants that file a Form 471, as described in section 54.504(c) of this part, when a filing period described in paragraph (c) of this section is in effect. Schools and Libraries Corporation shall act in accordance with subparagraph (2) of this section with respect to applicants that file a Form 471, as described in section 54.504(c) of this part, at all times other than within a filing period described in paragraph (c) of this section.

(1) When the filing period described in paragraph (c) of this section closes, Schools and Libraries Corporation shall calculate the total demand for support submitted by applicants during the filing period. If total demand exceeds the total support available for that funding year, Schools and Libraries Corporation shall take the following steps:

(i) Schools and Libraries Corporation shall first calculate the demand for telecommunications services and Internet access for all discount categories, as determined by the schools and libraries discount matrix in section 54.505(c) of this part. These services shall receive first priority for the available funding.

(ii) Schools and Libraries Corporation shall then calculate the amount of available funding remaining after providing support for all telecommunications services and Internet access for all discount categories. Schools and Libraries Corporation shall allocate the remaining funds to the requests for support for internal connections, beginning with the most economically disadvantaged schools and libraries, as determined by the schools and libraries discount matrix in section 54.505(c) of this part. Schools and libraries eligible for a 90 percent discount shall receive first priority for the remaining funds, and those funds will be applied to their requests for internal connections.

(iii) To the extent that funds remain after the allocation described in sections 54.507(g)(1)(i) and (ii), Schools and Libraries Corporation shall next allocate funds toward the requests for internal connections submitted by schools and libraries eligible for an 80 percent discount, then for a 70 percent discount, and shall continue committing funds for

internal connections in the same manner to the applicants at each descending discount level until there are no funds remaining.

(iv) If the remaining funds are not sufficient to support all of the funding requests within a particular discount level, Schools and Libraries Corporation shall divide the total amount of remaining support available by the amount of support requested within the particular discount level to produce a pro-rata factor. Schools and Libraries Corporation shall reduce the support level for each applicant within the particular discount level, by multiplying each applicant's requested amount of support by the pro-rata factor.

(v) Schools and Libraries Corporation shall commit funds to all applicants consistent with the calculations described herein.

(2) When a filing period described in paragraph (c) of this section is not in effect, and when expenditures in any funding year reach the level where only \$250 million remains before the cap will be reached, funds shall be distributed in accordance with the following rules of priority:

* * * * *

§ 54.511 Ordering Services.

5. Revise section 54.511(d) to read as follows:

* * * * *

(d) The exemption from the competitive bid requirements set forth in paragraph (c) shall not apply to voluntary extensions of existing contracts, with the exception that an eligible school or library as defined under § 54.501 or consortium that includes an eligible school or library, that filed an application within the 75-day initial filing window (January 30, 1998 - April 15, 1998) may voluntarily extend, to a date no later than June 30, 1999, an existing contract that otherwise would terminate between December 31, 1998 and June 30, 1999.

§ 54.623 Cap.

6. Amend section 54.623 by revising paragraph 54.623(a) and adding paragraph 54.623(f) to read as follows:

(a) Amount of the annual cap. The annual cap on federal universal service support for health care providers shall be \$400 million per funding year, with the following

exceptions. No more than \$50 million shall be collected for the funding period from January 1, 1998 through June 30, 1998. No more than \$25 million shall be collected for the funding period from July 1, 1998 through September 31, 1998. No more than \$25 million shall be collected for the funding period from October 1, 1998 through December 31, 1998. No more than \$100 million shall be committed or disbursed for the 1998 funding year.

* * * * *

(f) Pro-rata reductions. Rural Health Care Corporation shall act in accordance with this paragraph when a filing period described in paragraph (c) of this section is in effect. When a filing period described in paragraph (c) of this section closes, Rural Health Care Corporation shall calculate the total demand for support submitted by all applicants during the filing window. If the total demand exceeds the total support available for the funding year, Rural Health Care Corporation shall take the following steps:

(1) Rural Health Care Corporation shall divide the total funds available for the funding year by the total amount of support requested to produce a pro-rata factor.

(2) Rural Health Care Corporation shall calculate the amount of support requested by each applicant that has filed during the filing window.

(3) Rural Health Care Corporation shall multiply the pro-rata factor by the total dollar amount requested by each applicant. Rural Health Care Corporation shall then commit funds to each applicant consistent with this calculation.

§ 54.709(A)(3) Computations of required contributions to universal service support mechanisms.

7. Revise section 54.709(a)(3) to read as follows:

(a) * * *

(1) * * *

(2) * * *

(3) Total projected expenses for universal service support programs for each quarter must be approved by the Commission before they are used to calculate the quarterly contribution factors and individual contribution. For each quarter, the High Cost and Low Income Committee or the permanent Administrator once the permanent Administrator is chosen and the Schools and Libraries and Rural Health Care Corporations must submit their projections of demand for the high cost and low-income programs, the school and libraries program, and rural health care program, respectively, and the basis for those projections, to the Commission and the Common Carrier Bureau at least 60 calendar days prior to the start of

that quarter. For each quarter, the Administrator and the Schools and Libraries and Rural Health Care Corporations must submit their projections of administrative expenses for the high cost and low-income programs, the schools and libraries program and the rural health care program, respectively, and the basis for those projections to the Commission and the Common Carrier Bureau at least 60 calendar days prior to the start of that quarter. Based on data submitted to the Administrator on the Universal Service Worksheets, the Administrator must submit the total contribution bases to the Common Carrier Bureau at least 60 days before the start of each quarter. The projections of demand and administrative expenses and the contribution factors shall be announced by the Commission in a Public Notice and shall be made available on the Commission's website. The Commission reserves the right to set projections of demand and administrative expenses at amounts that the Commission determines will serve the public interest at any time within the 14-day period following release of the Commission's Public Notice. If the Commission takes no action within 14 days of the date of release of the Public Notice announcing the projections of demand and administrative expenses, the projections of demand and administrative expenses, and contribution factors shall be deemed approved by the Commission. Once the projections and contribution factors are approved, the Administrator shall apply the quarterly contribution factors to determine individual contributions.

* * * * *

Part 69 of Title 47 of the Code of Federal Regulations is amended as follows:

Part 69 -- ACCESS CHARGES

§ 69.620 Administrative expenses of independent subsidiary, Schools and Libraries Corporation, and Rural Health Care Corporation.

1. Amend section 69.620 by revising the text of section 69.620(a) as indicated and by adding subparagraphs 69.620(a)(1) and (2), to read as follows:

(a) The annual administrative expenses of the independent subsidiary, Schools and Libraries Corporation and Rural Health Care Corporation, should be commensurate with the administrative expenses of programs of similar size, with the exception of the salary levels for officers and employees of the corporations. The annual administrative expenses may include, but are not limited to, salaries of officers and operations personnel, the costs of borrowing funds, equipment costs, operating expenses, directors' expenses, and costs associated with auditing contributors of support recipients.

(1) All officers and employees of the independent subsidiary, Schools and Libraries Corporation and Rural Health Care Corporation, may be compensated at an annual rate of pay, including any non-regular payments, bonuses, or other compensation, in an

amount not to exceed the rate of basic pay in effect for Level I of the Executive Schedule under section 5312 of title 5 of the United States Code.

(2) The level of compensation described in section 69.620(a)(1) shall be effective July 1, 1998.

* * * * *

**Appendix B -- PARTIES FILING COMMENTS
ON UNIVERSAL SERVICE SUPPORT DISTRIBUTION OPTIONS FOR SCHOOLS,
LIBRARIES, AND RURAL HEALTH CARE PROVIDERS
(SEPTEMBER 10 PUBLIC NOTICE)**

CC Docket 96-45

DA 97-1957

Commenter

AG Communications Systems Corp.
State of Alaska
Anchorage School District
Archdiocese of New York
Clark, Robert (informal comment)
Colorado Department of Education
DataCast Learning Network
Delta-Schoolcraft Intermediate School District
Education and Library Networks Coalition
Florida Department of Management Services
The Council of the Great City Schools
Illinois State Board of Directors
Kansas Hospital Association
KM Broadcasting
State of Maine Department of Education
Missouri Public Service Commission
The Missouri Research and Education Network
Missouri State Library
The Mississippi Council for Education Technology
The Montana Public Service Commission
Montana School Boards Association
New Hampshire State Library
New Jersey Division of the Ratepayer Advocate
New Jersey State Library
New York Public Library
The City of New York Department of Information
Technology and Telecommunications
New York State Department of Public Service
and The New York State Education Department
North Dakota Public Service Commission
The Commonwealth of the Northern Mariana Islands

Abbreviation

AG Comm. Sys. Corp.
Alaska
Anchorage School Dist.

Robert Clark
Colorado Dept. of Ed.
DataCast
Delta-Schoolcraft School Dist.
Edline
Florida DMS
Great City Schools Council
Illinois St. Bd. of Dirs.
Kansas Hospital Ass'n

Maine Dept. of Ed.
Missouri PSC
Missouri Res. Ed. Net.

Mississippi Council for Ed. Tech.
Montana PSC
Montana School Boards Ass'n
NH State Library
NJ Ratepayer Advocate
NJ State Library
NY Pub. Library

New York City Dept. of IT&T
NYDPS/NYSED

North Dakota PSC
CNMI

Rural Policy Research Institute Rural Telecommunications

Task Force	RUPRI
South Carolina Area Health Education Consortium	South Carolina AHEC
South Carolina Budget and Control Board, Office of Information Resources	South Carolina OIR
The United States Telephone Association	USTA
Utah Education Network	Utah Ed. Net.
Weisiger, Gregory	Gregory Weisiger

**Appendix C -- PARTIES FILING COMMENTS ON PROPOSED REVISION OF 1998
COLLECTION AMOUNTS FOR SCHOOLS AND LIBRARIES AND RURAL
HEALTH CARE PROVIDERS
(COLLECTION PUBLIC NOTICE)
CC Docket 96-45
DA 98-872
05/22/98**

Commenter**Abbreviation**

Airtouch Communications	Airtouch
Alaska Public Utilities Commission	Alaska Commission
American Electronics Association	AEA
American Petroleum Institute	API
American Public Communications Council	APCC
AT&T	AT&T
Bell Atlantic	
California School Boards Association	CSBA
Cellular Telecommunications Industry Association	CTIA
Cisco Systems, Inc.	Cisco Systems
Council of the Great City Schools	Great City Schools
Dakota Telecommunications Group, Inc.	DTG
Education and Library Networks Coalition	EDLINC
Educational Technology Services	ETS
Funds for Learning, LLC	Funds for Learning
GTE Service Corporation	GTE
IBM	
Illinois State Library Advisory Committee	
Information Technology Industry Council	ITI
International Communications Association	ICA
Mactel, Inc.	Mactel
Maryland Public Service Commission	Maryland Commission
MCI Telecommunications Corporation	MCI
Menino, Thomas (Mayor of Boston)	Mayor of Boston
National Telecommunications and Information Administration	NTIA
New Jersey Division of the Ratepayer Advocate	NJ Ratepayer Advocate
New Jersey Library Association	NJ Library Association