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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

November 4, 1998

EX PARTE OR LATE FILED

BY HAND

Magalie R. Salas
Secretary
Federal Communications Commission
445 12th Street, S.W.
TW-A325
Washington, D.C. 20554

Re: CC Docket 96-45: Notice of Ex Parte Meeting

Dear Ms. Salas:

On Tuesday, November 3, 1998, on behalf of the Commonwealth of the Northern Mariana Islands (Commonwealth), Thomas K. Crowe and Elizabeth Holowinski met with Sumita Mukhoty and Melissa Waksman of the Accounting Policy Division of the Common Carrier Bureau to discuss the pending Petition for Reconsideration, or alternatively, Waiver of the Commonwealth of the Northern Mariana Islands (Petition) of the Commission's Fifth Order on Reconsideration and Fourth Report and Order in CC Dkt. 96-45, released June 22, 1998 (Fifth Order).

Among other things, the Commonwealth argued that, as applied to the schools and libraries of the Commonwealth, the Fifth Order has the opposite effect intended by the Commission and Congress. The new rules adopted in the Fifth Order effectively (and without advance notice) preclude the Commonwealth's schools and libraries, arguably the most disadvantaged in the nation, from receiving any funding whatsoever under the Schools and Libraries (E-rate) program for an expanded 18 month period. As such, the Commonwealth requested reconsideration of the Fifth Order.

Alternatively, the Commonwealth requested a waiver of the 75-day filing window deadlines. The Commonwealth argued that special circumstances warranted a waiver, and that such a waiver would serve the public interest.

During the meeting the Commonwealth highlighted the importance of Universal Service funding under the E-rate program to the Commonwealth. The Commonwealth stressed that it is one of the most disadvantaged areas in the nation. Its unemployment and poverty rates among

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local U.S. citizens are 14.2% and 35%, respectively. Further, the Commonwealth stated that its average per capita income level is among the lowest in the nation at \$6,984 in 1995. The Commonwealth's schools and libraries also qualify for the highest discount levels (90%) under the E-rate program. As such, the Commonwealth argued that due to its disadvantaged status, there is a strong public interest in granting the Petition.

If the Petition is not granted, the most economically disadvantaged schools and libraries in the nation--the very schools and libraries the E-rate program was designed to benefit--will be denied funding under the E-rate program for a prolonged period (until June 1999). Such a result would clearly be contrary to the intention of Section 254(h)(1)(B) of the Telecommunications Act of 1996, 47 U.S.C. § 254(h)(1)(B) (1997), as well as the Commission's Rules regarding the E-rate program, 47 C.F.R. §§ 54.500-54.517 (1997).

Documents which were distributed during the meeting are attached.

This ex parte notice is being filed in the Office of the Secretary on November 4, 1998 and should be included in the public record.

Kindly direct any questions to the undersigned.

Sincerely,



Thomas K. Crowe
Elizabeth Holowinski,
Counsel for the Commonwealth of the
Northern Mariana Islands

Attachments

cc: Sumita Mukhoty
Melissa Waksman

The 1998 Distance Learning and Telemedicine Application Guide - USDA-RGS

**U.S. DEPARTMENT OF AGRICULTURE
Rural Utilities Service**

National School Lunch Program Determination

Use the following guidelines to determine the applicable National School Lunch Program (NSLP) eligibility percent for a particular end user site:

1. Public school or non profit private schools of high school grade or under should use the actual eligibility percentage for that particular school.
2. Schools and institutions of higher learning ineligible to participate in the NSLP and non-school end user sites (medical facilities, libraries, etc.) should use the eligibility percentage of all students in the school district where the end user will be located.

Based on the above guidelines, provide the applicable percentage of students eligible for free or reduced-price lunch under the National School Lunch Program (NSLP) in the areas where the end user sites comprising the project are located.

End User Site #	Specific Location (city, village, town, etc.)	County & State	Total Number of Students, Percent of those Students Eligible to Participate in NSLP, and Source of Information*	
			#	%
1	Rota	CNMI	767	118.81%
2	Tinian	CNMI	1808	100%
3	Saipan		4566	87%
4				
5				
6				

(includes all private schools)

*Include name of state or local organization administering the program, and name and title of person providing the information

(This is not an official Government form. It has been prepared to assist and expedite the application process and is only intended for use in the Distance Learning and Telemedicine Loan and Grant Program.)

Attachment 14

Congress of the United States

Washington, DC 20515

COMMITTEE on COMMERCE and COMMITTEE on EDUCATION and the WORKFORCE

DATE: Wednesday, September 16, 1998

TIME & PLACE: 10:30 a.m. in Room 2123 Rayburn House Office Building

SUBJECT: Education and Technology Initiatives

WITNESS LIST

Dr. Linda Roberts
Director, Office of Education Technology and
Special Advisor to the Secretary on Technology
U.S. Department of Education
600 Independence Avenue, SW, Room 5162
Washington, DC 20202

Ms. Jane Prancan
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US West, Inc.
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Mr. Joe Waz
Vice President, External Affairs
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1500 Market St.
Philadelphia, Pennsylvania

Mr. Forrest Fisher
Director
Education Technology Support Center
Education Service District 105
33 South 2nd Avenue
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Dr. Carlotta C. Joyner
Director
Education and Employment Issues
U.S. General Accounting Office
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Ms. Marilyn Reznick
Vice President, Education Programs
AT&T Foundation
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Room 2432-C
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Mr. Brent Frey
Supervisor of Computer Services
West Shore School District
507 Fishing Creek Road
P.O. Box 803
New Cumberland, Pennsylvania 17070

Mr. Tom W. Sloan
Delaware State Librarian
Director of State Library
43 South Dupont Highway
Dover, Delaware 19901

Committee on Commerce
Committee on Education and the Workforce
September 16, 1998

Presenter

Forrest J Fisher, Director
Educational Technology Support Center
Educational Service District 105
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Yakima, Washington 98902
Office: (509) 454-3134
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ESD 105: <http://www.esd105.wednet.edu>
SHARE105 Project: <http://share105.esd105.wednet.edu>

Provides Educational Technology assistance and leadership for twenty-five School Districts and 8 Private Schools in Central Washington State.

Background

We are currently involved in the Technology Literacy Challenge Fund grant program with our most significant and successful Educational Technology project: the Student Hub/Academic Resource Exchange at ESD 105 (SHARE105).

Now entering it's third year, SHARE105 will have provided over 900 Central Washington teachers with the equipment, software and training to effectively lead students through the research and publication on the World Wide Web of over 1200 multimedia-based, student research projects. Each teacher receives five days of training in the areas of Internet Usage and Research, Project-Based Learning, HyperStudio or PowerPoint and two days in WWW Publishing. Teachers are paired with a mentor teacher who successfully completed the program previously for support and the continued learning of the mentor teacher. Participants also receive three computers, Internet access and the related equipment/software to effectively create academic projects in multimedia form. Additionally, teachers publish the Project-Based Lesson Designs and Assessment Rubrics they have developed.

Student learning and achievement in SHARE105 is not limited to skill development, research, presentation design and WWW publishing. Students also develop analytical skills as they provide directed, on-line feedback on projects by students of similar grade levels in other participating districts. Students analyze and use the feedback they receive from others in the development of their future projects and to enhance their learning.

We have also been involved in the implementation of the Universal Service Fund (E-Rate) since it's inception. We have provided training sessions, assisted in the development of School District Technology Plans and have attempted to keep our constituents informed

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of the changes and progress in the E-Rate program's implementation. Eight other Educational Service Districts in Washington have provided similar support to the other 271 School Districts.

We have recently created an on-line World Wide Web page to collect feedback from educators in Washington regarding the implementation of the Universal Service Fund. Educators from other states and vendors have participated as well. To view the current results, access:

<http://etsc.esd105.wednet.edu/Template/ErateFeedbackOutput.cfm>

The Needs

Students that utilize Educational Technology to access and share information electronically acquire advanced skills, have increased motivation in learning and are better prepared to be effective in our future workforce. Teachers that have electronic access to on-line resources are better able to provide for the individual educational needs of each student in our ever diversifying classrooms. Programs like the Technology Literacy Challenge Fund and the Technology Challenge Grants have proven to be effective mechanisms to deliver Educational Technology resources and training to classrooms. The SHARE105 Project and many others in Washington depend upon this funding.

A systemic effort like the Universal Service Fund is necessary to effectively and equitably address the telecommunication needs of private schools and school districts. We need to provide an appropriate and consistent level of electronic educational resources and on-line learning opportunities for students in all of our nation's schools. The goal of all classrooms having access to on-line learning resources is appropriate as society and education moves forward.

Due to the nature of telecommunications, geographic diversity, the funding-level inequalities in our nation's schools and the funding system restraints inherent to public agencies; the Universal Service Fund program is the first and best opportunity for the majority of schools to have affordable access to on-line educational opportunities.

- Educational Technology in classrooms is essential to enable teachers to provide effective instruction in increasingly diverse classrooms and to complete the significant administrative requirements involved in the modern classroom..
- This need for electronically connected Educational Technology in classrooms has been placed upon schools by changes in our society, advances in technology and as an expressed need from businesses, communities and parents.
- School District funding mechanisms were not originally designed to accommodate the resources required to provide Educational Technology in classrooms, to electronically connect those resources and to provide effective training for educators.

- Electronically connecting classrooms to the Internet will significantly increase the effectiveness and learning capabilities of the existing computers

The majority of schools have attempted to provide Educational Technology-based learning opportunities for students, but only a small minority have been able to electronically connect these resources together (through the Internet) to increase their effectiveness and greatly enhance student learning.

The Beginning

The E-Rate program was initially heralded by the educational community and expectations have always been high. This program addresses the significant, recurring telecommunications costs occurred by school districts and libraries that is not normally funded through grants or other sources. The program appears fair and appropriate, as it draws funding from telecommunications services and returns the majority of funding and even additional funds to the same telecommunications services. It provides funding to most needy and technologically challenged schools. As examples of this interest:

- Attendance at our introductory meetings and training sessions was at the 100% level in our region. Similar levels of participation was reported to be common in Washington State and throughout the country.
- All of our districts developed (or adjusted) Technology Plans to meet the E-Rate requirement.
- All of our districts submitted E-Rate applications (Form 470) within the 75-day window and at least one Form 471 to request funding.

E-Rate Implementation

The implementation of the Universal Service Fund program over the past twelve months has been frustrating, confusing and disappointing to schools and school districts. The most immediate concern is that private schools and school districts have yet to receive any actual funding after more than a year of significant effort. There are literally thousands of Internet-based projects, contracts with vendors, etc. currently "on-hold" with little progress being made.

Please note that in many school districts, particularly in the most remote and needy areas, the technology staff consists of a full-time teacher who attempts to implement and support an Educational Technology program in his/her "spare time".

Specific concerns include:

- The funding has yet to be released. There are literally billions of dollars in contracts and programs waiting for authorization.
- The amount of redundant paperwork is excessive. A typical private school/school district has spent more than 120 hours just completing

the application and process expectations to date, and there are additional steps and paperwork upcoming.

- The funding to provide the required infrastructure inside school buildings (i.e. network cabling, network hubs, switches, routers and other items) apparently is being reduced in favor of services provided directly by telecommunications companies. However, the required infrastructure is actually the most pressing need that many school districts actually have.
- The delay between the date of application and the receipt of funding is too long to be efficient within the context of the changes in technologies and the fluctuating costs of technology goods and services.
- Changes in the rules and procedures during the process have added to the frustration of school districts.
- Private Schools and School Districts are informed of problems with their forms through a FAX message that doesn't identify the problem or even which form is in error. Then, school personnel are required to call the SLC, often waiting for more than two hours on the telephone, often only to find that the problem was just a minor item.

Recommendations

- The E-Rate funding for 1998 – 99 should be authorized as soon as possible.
- The Technology Literacy Challenge Fund and the Technology Challenge Grant programs should be expanded, providing additional schools and districts the resources to implement effective Educational Technology programs .
- School Districts need to have confirmation of the amount of E-Rate funding that will be available as they develop budgets for each school year.
- The funding source for the Universal Service Fund program should remain the same.
- The distribution system in the E-Rate program needs to be simplified with attention given to reducing the workload upon the thousands of educators attempting to implement it. Other distribution styles exist, for example, direct grants to school districts based on poverty level, rural status and size to a small degree, that could be infused into this program to the benefit of all involved.

Overall, there is great support for these programs and they should continue to be funded and implemented as they provide for essential, important needs of students, teachers and schools. While the start of the E-Rate effort has suffered during it's initial implementation and from conflicting political forces, we urge you to allow the distribution process concerns to be addressed for the future while the funding moves forward

to schools now.