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FEDERAL COMMUNICATIONS COMMISSION
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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)
)
Federal-State Joint Board on) CC Docket No. 96-45
Universal Service)

COMMENTS OF THE NATIONAL CABLE TELEVISION ASSOCIATION

The National Cable Television Association (“NCTA”), by its attorneys, submits the following comments in response to the Commission’s Notice of Proposed Rulemaking (“NPRM”) in the above-captioned proceeding. NCTA’s comments are limited to the issue, raised at paragraph 44 of the NPRM, concerning the extent to which cable companies are supplying supported services to entities eligible for universal service support.

In determining which services were eligible for support, the Commission designated the provision of Internet access and internal connections to schools and libraries as “additional services” that would receive support under section 254(c)(3). The Commission reasoned that support for these services would further the Congressional objective of making the Internet available to classrooms and libraries throughout the nation.¹

The Commission also concluded that any entity, including non-telecommunications carriers, that could provide Internet access or internal connections to schools and libraries would be eligible for support. The Commission determined that if

¹ In the Matter of Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Report and Order, 12 FCC Rcd 8776, 9008-9023 (1997) (“Order”).

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all companies did not receive the same support payments for providing the same services, then non-telecommunications carriers “would be at a disadvantage in competing to provide [Internet access and internal connections] to schools and libraries even if their services would be more cost-efficient.” 12 FCC Rcd at 9086-87. The Commission also sought to ensure “competitive neutrality” in accordance with Section 254(h)(2)(A), 47 U.S.C. § 254 (h)(2)(A), of the Act. Id. at 9084-85.

The Commission’s decisions ensured that schools and libraries would be free to obtain services from the lowest cost providers and that downward pressure would tend to be placed on the prices of all competing carriers.

Cable companies have been active participants in the E-rate program. NCTA, state cable associations and other industry representatives have sponsored numerous seminars and conferences to expand awareness of the E-rate program within the cable industry and to inform the educational community about the types of services the industry is prepared to offer. NCTA began publishing a periodic newsletter for its members relating specifically to the E-rate program shortly after the Commission released its May 1997 Order to facilitate the provision of information among cable industry participants.

Cable companies have competed to win contracts, have offered technical assistance to schools and libraries, have assisted in outreach efforts, and have been successful bidders to supply supported services. In some instances, cable companies became certified as telecommunications carriers so that they might offer a greater array of supported services to the educational community.

The following is a list of cable companies that have won competitive bids and signed contracts with schools and libraries to provide services eligible for universal service funding:

- American Cablevision
- Armstrong Cable
- Bresnan Communications
- Cablevision Systems
- Charter Communications
- Comcast Cable
- Cox Communications
- Eagle Communications
- Galaxy Cable
- Horizon Cablevision
- Intermedia
- Jones Communications
- Marcus Fiberlink
- MediaOne
- Multimedia
- Mid-Continent Cable
- NewsPress & Gazette
- PenTeleData
- Service Electric Cable
- Surburban Cable

- Susquehanna Cable
- TCA Cable
- Time Warner Cable

Services to be provided by cable companies include Internet access, high-speed distance learning, local and wide area networks, and telecommunications networks. The companies, and the schools and libraries they will (or are) serving, are awaiting notification from the Universal Service Administrative Corporation that funding commitments will be available for the contracted services.

This list is not exhaustive. NCTA is in the process of conducting a new survey of cable companies. The purposes of this survey are to gather more precise information on the extent to which cable companies are supplying supported services to schools and libraries and to determine those successful companies serving schools and libraries which have received funding commitment letters. The results of the survey will be available in mid-February. NCTA intends to submit the results of the survey shortly after the information is received and the results are compiled. In addition, there are also instances of cable companies supplying services which are eligible for support to schools, but who have chosen not to seek E-rate funding.

The industry's commitment to the E-rate program is but one aspect of cable's ongoing commitment to education, which includes the provision of free cable content for use in our Nation's schools (through Cable in the Classroom); free modems that facilitate high speed Internet access connections to educational institutions (through the Cable High Speed Education Connection); and free training of teachers to enable them to take

better advantage of cable's advanced services offerings (through WebTeacher and Cable in the Classroom's travelling laptop laboratory).

In sum, the Commission was right to make cable-provided Internet access and internal connections eligible for support. And, the Commission was also right to enable non-telecommunications carriers to supply non-telecommunications services to entities eligible for support, as both of these decisions will further Congress' objective of bringing the Internet to schools and libraries in the most cost-efficient manner possible.

Respectfully submitted,



Daniel L. Brenner
Neal M. Goldberg
David L. Nicoll
1724 Massachusetts Avenue, N.W.
Washington, DC 20036
202-775-3664

Counsel for the National Cable
Television Association

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CERTIFICATE OF SERVICE

I, Anne Steward, certify that on this 11th day of January, 1999, a copy of the foregoing Comments of the the National Cable Television Association was hand-delivered to the following:

Sheryl Todd
Accounting Policy Division
Federal Communications Commission
2100 M Street, N.W., Eighth Floor
Washington, DC 20554

International Transcription Service, Inc.
1231 20th Street, N.W.
Washington, DC 20037

A handwritten signature in cursive script, reading "Anne Steward", is written over a horizontal line.

Anne Steward