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# COUNCIL OF CHIEF STATE SCHOOL OFFICERS

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December 23, 1998

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

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

Dear Chairman Kennard:

Since the Federal Communications Commission adopted rules and procedures for Section 254(h) of the Telecommunications Act of 1996, the Council of Chief State School Officers (CCSSO) has devoted considerable resources and time to ensure the successful implementation of the E-rate program. Based on our ongoing contacts and discussions with state technology coordinators, we have shared considerable information that has proven valuable to decisions affecting the implementation of the E-rate program. For the past two years, we have directed our comments and suggestions to the Commission, the Federal-State Joint Board on Universal Service ["Board"], the Schools and Libraries Corporation ["SLC"] and to the Congress. Our primary objective in this regard has been, and continues to be, to make certain that the policies and administrative procedures for the program serve to maximize the benefits of modern telecommunications facilities and services for all of the nation's teachers, librarians, library users and school children.

At this time, CCSSO would like your office to be mindful of a mounting and serious administrative problem resulting from an inadvertent decision included in the Fifth Order on Reconsideration and Fourth Report and Order ["Order"], (CC Docket No. 96-45); an action that previously we brought to your attention. (See attached letter from my office addressed to the Chairman, dated October 14, 1998). Since we alerted you of this situation, CCSSO has received several requests from the states to emphasize the seriousness of the problem. As we commented earlier, there are a substantial number of school districts with contracts for Internet and/or telecommunications services that expire prior to December 31, 1998. Many districts that are now receiving commitment letters from the SLC are for the first time discovering that they are ineligible for discounted services for the first six months of 1999, or a period beginning from the termination of their service contract in the preceding months.

While CCSSO has not surveyed its members, we suspect that most states and thousands of schools and libraries will recognize the consequences of the Commission's Order—which charged the Universal Service Administrator to continue to make funding commitments to applicants with "existing contracts that have a termination date between December 31, 1998 and June 30, 1999." At that time, this decision may have seemed reasonable and constructive, but by then all eligible applicants already had submitted their applications for 1998, and most assumed their discounts would continue through the remainder

of that year and until the next (1999-2000) funding cycle. The Commission and the SLC can expect to hear the displeasure and indignation this decision has engendered as more and more school and library applicants realize they will lose out on discounted services they planned to receive.

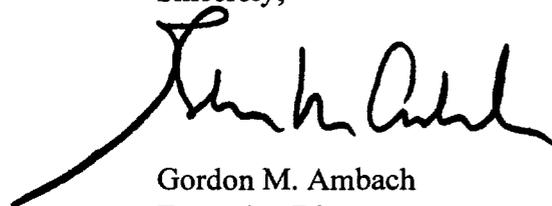
Again, we have not attempted to survey all state education agencies to determine the full extent of the problem we are bringing to your attention, and to which we addressed in our letter to your office dated October 16, 1998. We are told the city of Philadelphia Public Schools is among the major districts that have had a major service contract expire prior to December. The Commonwealth of Virginia, as indicated in the letter to your office from Mr. Greg Weisiger dated October 10, 1998, suggests possibly ten percent of the E-rate applicants will not receive funding for discounted distant learning services as a result of contract expirations. The most serious problems may exist in states that encouraged applicants to use state contracts, which unfortunately have expired this fall. A letter [Attachment letter for the New York State Department of Education] from Charles DeVoe, Acting Coordinator for the New York State's Office of Technology Policy, documents the impact of the Commission's decision on one state that used its purchasing capacity and technological knowledge to consolidate multiple service requests.

States, such as New York, Kentucky, West Virginia, Utah, and Tennessee are among those that will be chastened for their efforts to aggregate demands for services—a strategy that the Commission and Universal Service Board had recommended. Also, we have been informed that in the State of California, where schools make use of a master statewide contract, as many as one-third of the schools may be excluded from receiving discounts for the six-month period beginning December 31, 1998. Shortly, the Chairman should expect to receive a letter documenting this unfortunate situation from the State Superintendent of Public Instruction for California.

Mr. Chairman, we recognize your commitment to the successful implementation of the E-rate program and appreciate the leadership you have demonstrated in carrying out the vast array of complex provisions included in the Telecommunications Act of 1996. Ensuring the provision of discounted telecommunications services to schools and libraries may stack up with many of the regulatory issues your office and the Commission has had to deal with over the past year. However, let me assure you that within the education community achieving universal access to affordable telecommunications services is an accepted national goal that is equal to all other national educational goals. Therefore, on behalf of the state and local officials who have worked so long and hard to make the E-rate program a success, I must urge you again to facilitate a prompt resolution to the problem that could reduce a substantial portion of the support anticipated by many E-Rate applicants.

Thank you for your consideration of our request.

Sincerely,

A handwritten signature in black ink, appearing to read "Gordon M. Ambach". The signature is written in a cursive style with a long, sweeping underline that extends to the left.

Gordon M. Ambach  
Executive Director

Copies of the foregoing letter have been sent via messenger and/or first-class mail to the parties below:

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