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EX PARTE OR LATE FILED

September 30, 1999

Via Hand Delivery

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
Room TWA 325
445 12th Street, S.W.
Washington, D.C. 20554

RECEIVED
SEP 30 1999
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: EX PARTE
In the Matter of Hacienda La Puente Unified School District
FCC Docket Nos. 97-21/and 96-45

Dear Ms. Salas:

Representatives of Hacienda La Puente Unified School District met on September 29, 1999 with Irene Flannery, Chief of the Accounting Policy Division, and Sharon Diskin, Staff Attorney at the Office of General Counsel, to discuss the issues presented in the School District's request for review of the Universal Service Administrator's decision. The School District's representatives at the meeting were James Horwood, Scott Strauss and Tony Lin.

The discussion concerned the arguments and facts surrounding the request for review. Attached is the handout provided at the meeting, which highlights the School District's position and states "talking points" addressed during the meeting.

Two copies of this letter and the attachment have been submitted to the Secretary of the Commission for inclusion in the public record.

Very truly yours,


James N. Horwood

Attachment

cc: Sharon Diskin
Irene Flannery

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TALKING POINTS CONCERNING APPEAL OF HACIENDA LA PUENTE UNIFIED SCHOOL DISTRICT FCC DOCKET NOS. 97-21 AND 96-45

Federal Communications Commission
Office of Secretary

Status:

- The Universal Service Administrator denied the support request of Hacienda La Puente Unified School District (“HLPUSD”) for roughly \$3 million in funding for Asynchronous Transfer Mode (“ATM”) network telecommunications services. The ATM services are provided to HLPUSD by GTE California Incorporated (“GTEC”). HLPUSD seeks reversal of the Administrator’s decision.

Specific Basis for Granting the Appeal:

- The sole stated basis for the denial of HLPUSD’s request is the assertion that the services purchased from GTEC are not “commercially available.” This finding is incorrect. The ATM network telecommunications services for which HLPUSD seeks support are available to other GTEC customers, and the expenses incurred to provide these services to HLPUSD are the same types of expenses that any other GTEC customer would incur to obtain these services. GTEC has so stated in a letter filed in this proceeding. Indeed, GTE’s website advertises the availability of the same ATM network telecommunications services that the Administrator has deemed not “commercially available.”

Other Bases for Granting the Appeal

- HLPUSD seeks support to purchase precisely the type of services and to implement the types of programs that the universal service fund was created to promote. HLPUSD serves a predominantly low-income urban area. Many of the School District’s students and library patrons are unlikely to have Internet access in their households. The ATM network telecommunications services purchased from GTEC will enable HLPUSD to provide that access.

- The ATM network services here are being used to implement the “Waterford Early Reading Project” throughout HLPUSD. This Project, a computer-based, multimedia, early childhood reading program, could not be implemented efficiently and affordably absent the purchase of the ATM network telecommunications services at issue here.
- The Administrator’s actions have been inconsistent. Acting through the School & Libraries Division (“SLD”), the Administrator previously granted a separate request by HLPUSD for a discount in connection with the provision of internal connections needed to use the GTEC ATM network telecommunications services, but now is denying a discount for the external connection.

Background on HLPUSD:

- HLPUSD is comprised of 34 nonprofit institutional day or residential schools that provide elementary or secondary education, serving nearly 23,000 elementary and secondary school students and approximately 64,000 library patrons in Los Angeles County.
- HLPUSD serves a predominately low-income urban area, which is reflected in its percentage of students who are eligible for the national school lunch program. According to the universal service discount matrix, schools within the HLPUSD would be eligible for a 71% discount.
- The ATM service contract is currently being funded out of HLPUSD general funds.

Matters Not In Dispute:

- The eligibility of HLPUSD to receive universal service support is not in dispute.
- The eligibility of ATM services for the receipt universal service support is not in dispute.
- GTEC is a licensed telecommunications carrier in the State of California and has been authorized by the California PUC to provide universal service and to receive universal service support in the southern California area.