

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

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In the Matter of)
)
Changes to the Board of Directors of the)
National Exchange Carrier Association, Inc.)
)
Federal-State Joint Board on Universal Service)

CC Docket No. 97-21 FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

CC Docket No. 96-45

REPLY COMMENTS

Sprint Corporation hereby submits its reply to comments filed on its Petition for Reconsideration in the above-captioned proceeding.

In what is surely an oddity in Commission proceedings, there is unanimous support among commenting parties for grant of the petitions for reconsideration filed by Sprint, WorldCom, and USTA. Parties all urge the Commission to revise its decision in its *October 8 Order*,¹ and direct USAC, the universal service fund administrator, to recover any e-rate discount funds granted for ineligible services from the beneficiary of the grant – the school or library – rather than from the service provider.

There is no dispute that service providers “neither retain the [e-rate] payments themselves nor have discretion as to whether they reimburse the schools and libraries which USAC designates,” and that it is USAC, not service providers, that determines the eligibility of a school or library and the level of discount to be received.² Further, there is no legal basis for requiring recovery of overcommitments in violation of the statute from

¹ *Changes to the Board of Directors of the National Exchange Carrier Assn., Inc., and Federal-State Joint Board on Universal Service, Order* released October 8, 1999 (FCC 99-291).

² Verizon, pp. 1-2; see also, Sprint, p. 2; AT&T, p. 2; USTA, p. 9.

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service providers rather than from the school or library.³ Finally, parties agree that the “significant and indeterminate prospective financial burden on service providers” (USTA, p. 8) resulting from adherence to the policy set forth in the *October 8 Order* could lead to a pull-back by service providers from active participation in the e-rate program, as well as an increase in the cost of services provided.⁴ Given all of these factors, it is clear that the Commission should grant the instant petitions for reconsideration, and order the recovery of any e-rate discounts granted for ineligible services from the schools and libraries which received those grants in error.

Respectfully submitted,

SPRINT CORPORATION



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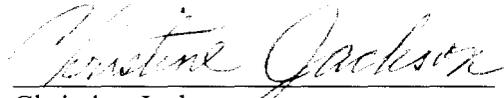
August 14, 2000

³ USTA, pp. 2-8; WorldCom, pp. 4-6.

⁴ Sprint, pp. 2-3; Verizon, p. 1.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing **REPLY COMMENTS OF SPRINT CORPORATION** was sent by hand or by United States first-class mail, postage prepaid, on this the 14th day of August, 2000 to the below-listed parties:


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