

MAY - 3 2001

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

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)	
)	
Federal-State Joint Board on)	CC Docket No. 96-45
Universal Service)	
)	
Petition for Carryover of Unused Funds)	DA 01-975
In the Federal Universal Service Support)	
Mechanism for Schools and Libraries)	

**REPLY COMMENTS
OF THE
UNITED STATES TELECOM ASSOCIATION**

The United States Telecom Association (USTA) hereby submits its reply comments in response to the comments filed regarding three requests for the Commission to reconsider the application of unused funds in the schools and libraries universal service support mechanism.¹ USTA members include providers who have been actively involved in the schools and libraries program and related proceedings in the above-captioned docket.

The operative issue raised by the petitions appears to be focused on unspent schools and libraries funds for year two and beyond and how to treat them. Petitioner clarifies that the Commission should classify such funds as "recommitted" funds for future years and be considered separate from the annual \$2.25 billion funding cap.²

¹ Public Notice, DA 01-975, released April 19, 2001.

² Greg Weisiger Comment, filed April 22, 2001, at 1.

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The Commission has existing rules that deal with carryover funds, as Funds For Learning has explained in its comments.³ USTA maintains that these rules are adequate to address the situation petitioner raises and that no changes are necessary to these rules. USTA does not oppose the carryover of funds. However, USTA does oppose Tel/Logic's advocacy of using carryover funds for internal connections.⁴ USTA believes that the rollover should be available for all types of eligible funding, and not be earmarked solely for internal connections. Other legitimate priority one service uses for schools and libraries funds exist that should be eligible for funding through carryover funds.

As set forth above, USTA urges the Commission to continue to permit the carryover of unused funds to be used for all types of legitimate program uses.

Respectfully submitted,

UNITED STATES TELECOM ASSOCIATION

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³ Funds For Learning, LLC Comments, filed April 26, 2001, at 2-3.

⁴ Tel/Logic Inc. Comments, filed April 25, 2001, at 3.

CERTIFICATE OF SERVICE

I, Meena Joshi, do certify that on May 2, 2001, Reply Comments Of The United States Telecom Association was either hand-delivered, or deposited in the U.S. Mail, first-class, postage prepaid to the following person(s):

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