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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 Universal Service)	CC Docket No. <u>96-45</u> /
)	
State of Alaska Petition for Declaratory Ruling and Waiver of Section 54.504(b)(2)(ii) of the Commission's Rules)	DA 01-584
)	

To: The Commission

REPLY COMMENTS OF ONSAT NETWORK COMMUNICATIONS, INC.

OnSat Network Communications, Inc. ("OnSat")¹ files these reply comments in the above-captioned proceeding. OnSat supports the petition filed by the State of Alaska ("Alaska"), but urges the Commission to extend the waiver to all remote areas of the country that currently lack Internet access rather than limiting the waiver to communities in Alaska.

Alaska's petition requests a waiver of section 54.504(b)(2)(ii) of the Commission's Rules, which requires that services funded under the universal service support for schools and libraries be used solely for educational purposes. Alaska has asked that the Commission waive its Rules to allow residents of remote rural Alaska communities to use the telecommunications services received "under the schools and libraries support program if the following conditions are met: (1) the services used by the school district or library are sold by the service provider on the basis of a price that is not usage sensitive; (2) the use by others in those communities is

¹ OnSat provides interactive broadband services to rural schools, libraries, small businesses, and other institutions using a network of C-Band earth stations and satellite links. Among the customers that OnSat serves are students and residents on Navajo land in Arizona, public schools in rural Wyoming, and remote, rural villages in Honduras.

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limited to hours in which the school or library through which the Internet would be accessed is closed (e.g., after-school hours and holidays); and (3) no dial-up Internet access is otherwise available in the community.”²

OnSat supports Alaska’s petition for waiver of the Commission’s Rules as a means for providing Internet access to remote rural communities that otherwise lack such access. As pointed out in Alaska’s petition and by many commenters, the benefits of the Internet remain unavailable to many in remote rural areas such as tribal lands. The requested waiver promises the possibility of Internet access to such communities, at least until telecommunications service providers find it economically viable to serve such communities.

However, OnSat requests that the Commission not limit the waiver to Alaska but instead extend it to all remote rural areas that meet the above-mentioned conditions. The Commission has recognized that some remote rural areas within the mainland United States lack access to telecommunications services and would benefit from such services just as rural Alaska communities would.³ In OnSat’s view, the third condition — that the waiver be limited to those communities where no toll-free or local dial-up Internet access is otherwise available — ensures that the waiver would apply to only the truly deserving remote rural communities.

* * *

² State of Alaska Petition for Declaratory Ruling and Waiver of Section 54.504(b)(2)(ii) of the Commission’s Rules, CC Docket No. 96-45, Public Notice, DA 01-584 (rel. Mar. 7, 2001).

³ See, e.g., *In re Inquiry Concerning the Deployment of Advanced Telecommunications Capability to All Americans in a Reasonable and Timely Fashion, and Possible Steps to Accelerate Such Deployment Pursuant to Section 706 of the Telecommunications Act of 1996, Second Report*, FCC 00-290, CC Docket No. 98-146, ¶¶ 220–24 (rel. Aug. 21, 2000) (stating that rural areas and tribal territories continue to lag behind the country at large in access to advanced telecommunications services).

Accordingly, OnSat supports the State of Alaska's Petition for Waiver of Section 54.504(b)(2)(ii) of the Commission's Rules but urges the Commission to extend the waiver to all remote rural communities across the country that lack toll-free or local dial-up Internet access.

Respectfully submitted,

ONSAT NETWORK COMMUNICATIONS, INC.



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May 7, 2001