

## **Comments regarding Notice of Proposed Rule Making and Order in the Matter of Schools and Libraries Universal Service Support Mechanism Cc Docket No. 02-6**

### **Three Goals**

“First, we seek to streamline and improve the program.” Para 12. Page 7

“Second, we seek to ensure fair and equitable distribution of funds.”

“Third, we seek to protect the schools and libraries mechanism against waste, fraud, and abuse consistent with our goals.”

Para. 14. I would recommend we not complicate the Form 471 process with a computerized list accessible on line unless it is fully tested before the application process begins. Last year the system finally started working without getting timed out the last two weeks of the window. We should not take any action which complicates the process.

Para. 20 Wide Area Networks I believe the issue is some states have built a WAN connecting all of the schools and are recovering one time construction charges. A number of our schools have purchased the necessary equipment to build out their WAN. Examples: Absarokee, Reed Point, Box Elder and Havre. Other of our schools lease cable pairs to connect their schools with an ethernet bridge. Chinook and Harlem. In Harlem the school signed a contract with Central Montana Communications for lease of a fiber WAN but CMC has not built the fiber as yet. There was a understanding that the school would provide a trench and that didn't happen last year hopefully it will happen this year as the school has purchased the electronic for the fiber to work. I think changing the rules would only benefit the schools with the higher discount percentage if they make them internal connections.

Para. 21 I thought the original rules were technology neutral and remain so. Butte School district has cellular phones in all of their classrooms. Last year they received E-rate funding for them. A number of our schools have cellular phones that the administrators use and have received funding. I would favor allowing the use of telephone service on school buses. If we took some of these Commissioners on some of the bus routes in remote area I think they would like to have communication in case something happened. How do we remove childrens safety from education?

Para. 22 We don't have a lot of schools in MITS area that use Voice Mail. It would increase our marketing ability if it was eligible.

Para. 25 Internet Content. They use a poor example in their cost examples of \$20 vs \$50. There is a service provider who charges \$2990 for bundled service and the school could get the same Internet speed for \$660.00. Those costs are per month. I don't think it helps our schools as we do not provide content. This school is in MITS service area and they are getting bundled Internet access for two schools. Last year the second school had dial up Internet access. This is not consistent with goal number 3.

Para. 26 I think the rule is necessary to further goal 3.

Para. 29 HELL NO. Please change wording to something more appropriate. Schools are beat up enough with rules and regulations. I don't see where the FCC should try to police all of the laws of the land.

Para. 34 I believe the rules should require that applicants have the option of either making payments up-front or having the discount applied to the bill. On early conference calls with Service Providers and SLD we were told we would have to bill the discounts. Some service providers spent a lot of money to change their billing systems to accommodate this requirement. Others just thumbed their nose at SLD and force the applicants to do a BEAR (Billed Entity Applicant Reimbursement). With turn over in schools the new people coming in are not aware that they have to do a BEAR to get their reimbursement and I think that is where a lot of the unclaimed funds are lost by schools. I know this happened with Drumond School for Year 1. St Labre School in Ashland did do a BEAR form in a timely manner and a check was issued to the Service Provider and the school has never received the funds. The service provider has gone bankrupt and the school has to try to collect through the bankruptcy court. It is a good competitive advantage for our companies by billing the discount. We have gotten a number of schools to switch long distance because they didn't like doing the BEAR or AT&T allows you to do an ARF.

Para. 35 Service providers should be required to remit the check to schools within 20 days or face fines in my opinion.. The only one I'm aware of that has been a problem in our area is Earthlink. Those schools and libraries that used to have MCN ( Monica Lendeens company) which was acquired by One Main and then Earthlink have switched to our companies.

Para. 36 Does not impose a significant economic burden on small entities. You write the school a check and deposit the check from SLD. What could be a problem?

Para. 38 & 39 I would favor a rule limiting transfers for three years. It is only the schools in the 87% to 90% discount range getting funding for Internal connections. This favors the schools on the reservations and intercities. In Billings for example a school on the south side that may be at 90% discount may order a new server every year and give the one from last year to a school on the west end. Nothing prohibits this today.

Para. 40 This would penalize the non-abusers. IF the threshold was high enough it might be ok Something like \$10,000. It would help to get funding to our schools under 87% discount. We have a number that are at 80 but I'm sure the rest of the country does too.

Para 41-45 This opens the door for abuse. Alaska may be an exception but lets leave at that.

Para. 51 The appeal period should be 60 days. We have had instances where it took 30 days to get a copy of the Funding Commitment Decision letter.

Para. 52 The appeal should be considered from the date it was mailed.

Para. 55 Appeals should be funded in the initial application process. Some of the appeals that we have done it has taken forever for the schools to get their funding after the appeal has been approved.

Para. 59 I don't think schools should have to pay for audits. We have schools that are receiving less funding than what an audit would probably cost.

Para 61 If applicants, service providers, and others engage in willful or repeated failure to comply with program rules I think they should be prohibited from participating for 3 years. That should make people play by the rules.

Para 66 Unused funds should be rolled into future years so that the SLD does not have to deny funding to so many applicants. See dissent by Michael Copps.