



219 First Street East, PO Box 1449
Polson, Montana 59860

(406) 883-8500 telephone
(406) 883-8529 fax

TAMSCO

Commercial Telecommunications Division

Comments Provided to:

FCC CC Docket No. 02-6
Notice of Proposed Rulemaking

TAMSCO Telecommunications Division, as a past and current service provider to funded schools and libraries under the Universal Services Administrative Company (USAC), submit these comments the FCC Notice of Proposed Rulemaking, FCC CC Docket No. 02-6. Comments are provided in reference to the paragraphs noted from Section III, Notice of Proposed Rule Making.

III.A.14

In reference to the invitation for comments regarding the changes to improve the operation of the eligibility determination process...for eligible services and products. TAMSCO does not agree with the concept of a predetermined list of eligible services to select from in submitting the FCC Form 471. While this may relieve an administrative burden, it would severely limit incorporation of new and emerging eligible products and services unless the list is constantly updated. TAMSCO would suggest providing clearer definition of the eligible services and products in the eligible services and products list now utilized and maintained by USAC to reduce possibility of erroneous interpretation, especially in the areas of video conferencing equipment and services, WAN eligible products and services and bundled services.

III.A.16

TAMSCO believes that USAC should determine that WANs built to support internet connectivity between eligible entities continue to be eligible under internet services.

III.A.19

TAMSCO disagrees with the concept of increasing the recovery of WAN-related expenses from a three year period to more than three years. There is considerable risk in amortizing those capital costs over a three year period and increasing that period would result in excessive risk. This would eliminate the probability of WAN-related investment in areas that this service is sorely needed.



III.A.20

WAN-related costs should continue as a Priority One service.

III.A.21

TAMSCO believes that the intent of Congress in establishing the Erate Program is currently being fulfilled by limiting the benefits of the program as they are now limited. We disagree with broadening the scope of the program to include school support staff, as that may result in further stressing the funding limitations.

TAMSCO does agree that wireless technology eligibility needs to be broadened for several reasons. First, the program does favor wireline technology and therefore favors less remote and rural areas where wireline technology is available. Second, use of wireless technology increases the effectivity and productivity of other eligible services and products and reduces the use of redundant systems that can be provided by wireless equipment. This approach saves costs in terms of a school district or region.

III.A.22

Voice mail is a vital communication need in many eligible schools and libraries and should therefore be considered an eligible product. TAMSCO believes that USAC should consider industry trends and technology benefits before listing a service as ineligible. In most industries today, including the less poor schools and libraries, voice mail is necessary for many communications functions and the poorer schools could be upgraded to a more equal status by approving voice mail as an eligible service.

III.A.25

Bundled services are the norm today for most ISP's. TAMSCO provides a range of services from help desk to packet shaping and filtering that are not an optional service with our subscription. Providing "just" bandwidth due to the bundling requirements does one of two things: (1) a less than adequate service level is provided to "save" part of the monthly service fee and (2) services vital to high quality bandwidth and effective bandwidth use are eliminated as ineligible services. TAMSCO suggest that a level of bundled service that includes help desk, filtering, packet shaping and maintenance be considered an eligible service whether or not it can be unbundled.

III.A.27

Funding requests should clearly delineate the eligible and ineligible components of a service or product to reduce the administrative burden on USAC. Utilizing a 30% threshold for ineligible services without a basis for that threshold eliminates from funding certain services and products that would otherwise be eligible. TAMSCO suggest reviewing requests that contain (1) more than 50% ineligible components and (2) is in excess of \$100,000 (or some other dollar threshold). Clearly the 30% threshold should be replaced.

III.A.29

Due to the recent changes in the interpretation of the ADA by the courts, any certification discussion should be deferred. In addition, TAMSCO believes that there are already mechanisms in place that require compliance to current ADA law and additional certifications would be an administrative burden.

III.A.32

TAMSCO believes that there should be some general changes in the rules relating to consortia. The basic change should be that consortia have some political connection, i.e. a group of co-located schools, school districts, libraries or tribal entities. Consortia members should be subject to the same treatment as the consortia as a whole and not separated due to individual program violations. Consortia created in for all other reasons other than to combine small entities into a logical collection of local entities should not be allowed. For example, consortia have been created that combine large numbers of entities and the political clout eliminates non-associated service providers from participation. Many states have created consortia that eliminate the possibility of competitive bidding since they have statewide service agreements with large companies. These agreements do not necessarily provide for the best arrangement on school by school basis.

III.B.34

Payments for services should be continued as is with the change to a 20 day payment from date of receipt for BEAR participants. Penalties should be imposed for payments from service providers to recipients, either a percentage penalty or suspension from the program for repeat violators. There is no administrative burden for service providers to make payment within 20 days for funds already paid to them by USAC.

III.B.39

TAMSCO recommends adopting the rule that transfers of equipment be limited to three years and ten years for cabling as listed in the proposed rule. However, we do not agree with the replacement limitation (limited to 10% per year) but suggest that replacement in excess of 25% of the cabling on a year over year basis require a written justification.

III.B.40

TAMSCO strongly disagrees with denying year over year internal connection awards if an entity received an award in previous years. Internal wiring/cabling awards could be limited to once every three years if USAC is attempting to distribute some of the funds more evenly. Many schools technology plans require incremental funding due to local budget constraints and are spread over a 3 year or 5 year period with expected internal connection funding on an annual basis (especially for the poorest of schools). In addition, internal connections funds much needed maintenance of LANs and would limit the awards to a one year period. Continuity is one of the most important elements to the success of the erate program and of a schools technology plan.

III.B.45

TAMSCO agrees with allowing use of excess capacity several conditions exist (1) non-interference with school/library use, (2) the excess usage is at no cost to the community and no profit to the service provider or local ISP's (3) usage does not impact a local established ISP's profitability and (3) the waivers are provided on a case by case basis. As an alternative to (3) USAC could provide defined remote/rural areas where the waiver would apply.

III.B.46

The case in Alaska is a very possible case of a large ISP, General Communications (GCI) attempting to glean additional profit from infrastructure already paid for under the Erate program. For USAC to interfere with distribution in rural Alaska will probably mean putting out of business local ISP's that are attempting to compete on equal footing with GCI (less the erate funded infrastructure). In approving re-sale of excess capacity, USAC is in essence fostering abuse by allowing additional profit at not cost to the service provider and also driving competition out of business by fostering non-competitive practices (subsidy of equipment). For an example, suppose the caterer who provides the school lunch program charged for all the meals prepared for the kids at school then took the leftover meals and re-sold them in the community for dinner, essentially getting paid twice for those meals and probably impacting the local diner's business.

TAMSCO agrees with free distribution of excessive capacity without attempting to prorate the service charge or capital (leased) equipment costs. This would be an administrative headache for USAC and further reduce available program funds.

III.C.51

TAMSCO recommends extending the period for filing appeals from 30 days to 60 days.

III.D.59

TAMSCO disagrees with the proposal to require service provider independent audits without some due process beforehand due to the administrative burden to small businesses. TAMSCO believes that USAC's current procedures to ensure proper program operation are adequate.

Respectfully submitted by:

TAMSCO Telecommunications
219 First Street East
Polson, Montana 59860

By: Thomas E. Lipko
Business Manager

