



Streamlining the program by making the application process easier will ensure schools in need of service are able to apply for funding. In the state of Arkansas there are thirty-two school districts that have not received E-rate funding during the first four (4) years of the program. Program year 2003 is the first time one of the thirty-two school districts has applied for E-rate funding. In this particular school district, the person responsible for the application performs a multitude of other tasks. He is the seventh grade math teacher, advanced math teacher, science teacher, and LAN administrator. This situation is not unique to just this one school district, nor is it unique to Arkansas. Not only do schools have this problem, there are libraries that do not apply for funding because of the burden associated with the program.

## **II. COMMENTS**

### ***1. How would the SLD handle services and equipment that are eligible only if used in certain ways?***

A product should be listed as eligible or not eligible. The use of conditional eligibility adds to the confusion of the E-rate program. An applicant is adversely affected by this ambiguity. If the use of conditional eligibility of products or services remains, the administrator must better explain the conditions in which the product or service is eligible.

### ***2. Should the SLD post an online list of specific pre-approved product or services that applicants could choose from on their 471?***

The AEWG supports the Chief Council of State School Officers, State of Michigan Department of Information Technology, and Funds for Learning, LLC and others, position on providing a list for eligible services. The conditional nature of the eligibility of many services must be better explained. When the applicant community is better informed, the application process becomes easier for not only the applicant but also the program administrator. Time spent building and maintaining a list of eligible services and/or better explaining the conditional eligibility of services is offset by the time saved reviewing multiple applications for the same ineligible services.

### ***3. If so, how often would the list need to be updated?***

No additional comment.

### ***4. How would the FCC ensure that maintaining such a list would not inadvertently limit applicants' ability to take advantage of products and services newly introduced to the marketplace?***

No additional comment.

### ***5. How could applicants and vendors best provide input to the SLD on an ongoing basis regarding what specific products and services should be eligible?***

No additional comment.

**6. We seek comment on the effectiveness and fairness of our WAN policy, and on whether other policies could result in a more equitable distribution of discounts in the program.**

No additional comment.

**7. One possible approach would be to increase the three-year period of time over which WAN-related capital expenses must be recovered through telecommunications service charges, so that the annual burden on available program funds is reduced. We seek comment on this and other possible approaches.**

No additional comment.

**8. We seek comment on whether a change in our approach to WAN-related expenses is warranted by this increase in demand, and if so, what changes consistent with the statutory restrictions of section 254 of the Act should be adopted to meet the program's goals of improved operation, a fair and equitable distribution of funds, and effective oversight to prevent waste, fraud and abuse.**

Several comments have been filed expressing a desire to ban funding of internal connections for a period of time. The AEWG does not support this ban. Many school districts and libraries plan their technology purchases over a period of time. A school that purchases cabling and equipment for a LAN should not be banned from receiving E-rate funds the following year for video distance learning, or a new PBX. The ban would need to be for like equipment. For instance a school should not apply for funding for cabling every year. If a ban is implemented it has to be site specific. A school district or a consortium can not be penalized for a number of years because they were funded for internal connections at one site.

**9. We seek comment on whether we need to modify any rules or policies regarding the eligibility of wireless services for support under the schools and libraries mechanism so that distribution of funds is consistent with our principle of competitive neutrality and does not favor wireline technology over wireless technology.**

No additional comment.

**10. Accordingly, we seek comment on whether a change in voice mail eligibility would improve the operation of the program or otherwise further our goals of preventing fraud, waste and abuse and promoting the fair and equitable distribution of the program's benefits.**

The AEWG supports the inclusion of voice mail service. Exclusion of voice mail service causes an extra burden to applicants and telecommunication providers to break out this service.

**11. We also seek comment on whether, in keeping with our current rules, universal service discounts would continue to be available for a provider only for the cost of access without content, if a service provider offers Internet access to consumers both with and without content.**

The AEWG supports CCSSO, Funds for Learning, E-Rate Elite Services, Florida Public Service Commission and others comments stating the current policy is adequate and should not be changed.

**12. The Commission seeks comment on the operational benefits and burdens of the 30 percent processing benchmark to applicants and the Administrator. We specifically seek input on whether there are alternatives that would improve program operation or otherwise further the other two goals of preventing fraud, waste, and abuse and promoting the equitable distribution of the program's funds while still providing appropriate incentives to applicants to seek discounts only for eligible services.**

The AEWG supports CCSSO, Funds for Learning LLC, Tel/Logic Inc, d.b.a E-Rate Central, and others in maintaining the current 30 percent processing benchmark.

**13.. We further seek comment on whether, and how, the Administrator and the Commission would verify and enforce compliance, and the extent that such actions promote our three goals of improving program operation, ensuring a fair and equitable distribution of benefits, and preventing waste, fraud, and abuse.**

No additional comment.

**14. We also seek comment on the extent to which a modification such as lengthening the remittance period would have a deleterious impact on eligible schools and libraries that is inconsistent with our three goals of improving program operation, ensuring that the benefits of the program are equitably distributed, and preventing fraud, waste, and abuse.**

The AEWG supports CCSSO and Tel/Logic d.b.a. E-rate Central and others in assigning direct payment of BEAR funds to the applicant.

**15. Finally, we seek comment on any other changes to our rules or policies concerning the appeals procedure of the Administrator or the Commission that might further the goals of improving program operation, ensuring a fair and equitable distribution of benefits and preventing waste, fraud, and abuse consistent with the 1996 Act.**

The AEWG supports CCSSO, California Department of Education, Commonwealth of Pennsylvania Department of Education and others comments concerning funding successful appeals.

**16. We seek comment on all of our current proposals regarding the funding of successful appellants.**

The AEWG supports CCSSO, California Department of Education, Commonwealth of Pennsylvania Department of Education and others comments concerning funding

successful appeals.

***17. We seek comment on whether, so as to improve our oversight capacity to guard against waste, fraud, and abuse, our rules should explicitly authorize the Administrator to require independent audits of recipients and service providers, at recipients' and service providers' expense, where the Administrator has reason to believe that potentially serious problems exist, or is directed by the Commission. We specifically seek comment on the impact of such a rule on small entities. We further seek comment on alternatives that might provide other assurances of program integrity consistent with the goals of improving program operation, ensuring a fair and equitable distribution of benefits, and preventing waste, fraud, and abuse.***

No additional comment.

***18. We seek comment generally on whether to adopt additional measures to reduce potential waste, fraud, and abuse in the schools and libraries support mechanism. Consistent with our intent to continue strengthening program integrity, we seek input on further rules and procedures to address these matters.***

No additional comment.

***19. We seek to develop a record on the reasons why applicants and providers may fail to fully use committed funds under the program. We also seek comment on whether any other program changes would likely result in an increased percentage of committed funds being disbursed each funding year, which will help to reduce the overall amount of unused funds from the schools and libraries mechanism. In the event we adopt additional measures to reduce the existence of unused funds, we seek comment on whether it is necessary to adopt procedures to address a situation in which more funds are committed and used than are available for disbursement.***

The AEWG supports CCSSO and Commonwealth of Pennsylvania Department of Education comments on the use of unused funds. The funds should roll-over to the next fund year.

***20. We further seek comment on whether, and how, the Administrator and the Commission would verify and enforce compliance, and the extent that such actions promote our three goals of improving program operation, ensuring a fair and equitable distribution of benefits, and preventing waste, fraud, and abuse.***

***21. We further seek comment on whether, and how, the Administrator and the Commission would verify and enforce compliance, and the extent that such actions promote our three goals of improving program operation, ensuring a fair and equitable distribution of benefits, and preventing waste, fraud, and abuse.***

No additional comment.

***22. The commission seeks comment on whether a change to section 54.501(d) (1), recommended by consortia members and service providers working with consortia,***

*would improve program operations. We also invite comment on whether changes to other consortia rules might achieve a greater consistency or fairness in our approach to the participation of consortia in the program. The Commission seeks comment on whether to clarify the rule to establish clearly that only ineligible private sector members seeking service part of a consortium with eligible members are prohibited from obtaining below-tariffed rates from providers that offer tariffed services (tariffed providers).*

The AEWG supports Missouri office of Public Councils comments concerning Consortia. It is the AEWG's concern that all repercussions to any modification to the Consortia issue be reviewed from every possible angle.

***23. We therefore seek comment on such rules or policies in order to determine whether any are no longer necessary or in the public interest.***

The AEWG supports Funds for Learning LLC, CCSSO's and Commonwealth of Pennsylvania Department of Education comments in regards to changing the form 470. The form 470 does not increase competition in rural parts of the state where there is no competition. The form is therefore an additional burden and may be the reason applicants are denied funding. On the SLD's reference area there is a Power Point slide referencing the fact that ten percent (10%) of denials are based on the form 470.

Those wishing to comment on this reply may send a copy to me. Please send reply comments to: [becky.rains@mail.state.ar.us](mailto:becky.rains@mail.state.ar.us).

Respectfully Submitted:

In behalf of the Arkansas E-rate Work Group  
Becky Rains, PMP  
E-rate Program Manager  
State of Arkansas  
Department of Information Systems