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May 28, 2003

MAY 28 2003

Federal Communications Commission
Office of Secretary

Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
236 Massachusetts Ave., NW, Suite 110
Washington, DC 20002

Re: In the Matter of Wireline Competition Bureau Seeks Comment on a
Petition by Puerto Rico Department of Education to Release Funds
Associated with Schools and Libraries Universal Service Support
Mechanism For Funding Years 2001 and 2002
CC Docket No. 02-6

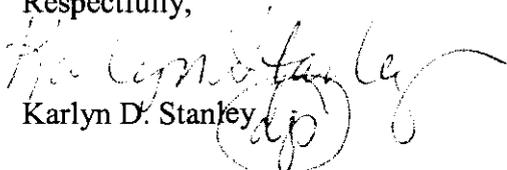
Dear Ms. Dortch:

Enclosed for filing in the above proceeding please find the original and four (4) copies, of
Comments of Centennial Communications Corp.

Also enclosed is a "**Stamp and Return**" copy of this filing which we ask be stamped
with the FCC's date of filing and then returned to our messenger.

Thank you for your assistance.

Respectfully,


Karlyn D. Stanley

Enclosures

cc: **By Hand-Delivery to FCC:**
Sheryl Todd
Telecommunications Access Policy Division
Wireline Competition Bureau - Room 5-B540

Qualex - Room CY-B402 (w/ Diskette)

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Before the
Federal Communications Commission
Washington, D.C. 20554

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Department of Education to Release Funds) CC Docket No. 02-6
Associated with Schools and Libraries)
Universal Service Support Mechanism)
For Funding Years 2001 and 2002)

**COMMENTS OF
CENTENNIAL COMMUNICATIONS CORP.**

Centennial Communications Corp. ("Centennial") respectfully submits these comments in response to the Public Notice seeking comments on the Request for Relief of the Puerto Rico Department of Education ("PRDOE") requesting disbursement of universal service support under the Schools and Libraries program for funding years 2001 and 2002.¹ Centennial believes it is in the public interest for the FCC to authorize the Universal Service Administrative Company ("USAC") to disburse the 2001 and 2002 funding for Puerto Rico and supports the PRDOE Request for Relief ("Request").

Centennial (through subsidiary entities) provides Commercial Mobile Radio Service ("CMRS") in several states and Puerto Rico. In addition, Centennial is a facilities-based Competitive Local Exchange Carrier ("CLEC") in Puerto Rico.

¹ Wireline Competition Bureau Seeks Comment on a Petition by Puerto Rico Department of Education to Release Funds Associated with Schools and Libraries Universal Service Support Mechanism for Funding Years 2001 and 2002, CC Dkt. No. 02-6 (rel. May 16, 2003) ("*Public Notice*").

Centennial has been operating in Puerto Rico for over 5 years and is the only major CLEC on the island. Centennial's "HomePhone" service, which provides a wireless alternative to traditional landline telephone service, has been successful in bringing telephone service to more than 21,000 residents of Puerto Rico who otherwise would have been either unable to receive telephone service or would have had to wait lengthy periods of time for service. Centennial is a certified eligible telecommunications carrier ("ETC") both as a facilities-based CLEC and as a CMRS provider.

In January, Centennial's operating subsidiary in Puerto Rico was awarded the E-Rate bid for funding year 2003.² Funding year 2003 will be the first time that Centennial will participate as a service provider in the Schools and Libraries Universal Service Program in Puerto Rico. Centennial was not a service provider under the Schools and Libraries program in Puerto Rico during funding years 1998-2002. Centennial is not a recipient of the 2001-2002 funds that are the subject of this proceeding and thus has no vested interest in such funds. Nonetheless, Centennial is a believer in and supporter of

² Puerto Rico Telephone Company ("PRTC"), the incumbent carrier in Puerto Rico and a former supplier of services to PRDOE under the Schools and Libraries program, has filed a Petition for Reconsideration of the PRDOE's award of the 2003 contract to Centennial. See *Public Notice* at 2. Centennial expects to prevail in this dispute. The Petition for Reconsideration constitutes a last effort, by a disappointed incumbent supplier, to undo the results of a fairly conducted competitive bid process. Centennial's award letter indicates that Centennial's bid was over \$12 million lower than PRTC's bid. For purposes of the instant proceeding, however, Centennial submits that PRTC's protest constitutes part of the normal process of administering government-issued competitive contracts. The local administrative process provides a forum by which to address such challenges and safeguard the integrity of the bidding process, and PRTC has availed itself of this process. Certainly, the pendency of PRTC's protest should not constitute a reason to affect or delay the availability of 2003-2004 funds for PRDOE under the Schools and Libraries program.

the Schools and Libraries Fund and sees the potential such a program has to enhance the quality of education in Puerto Rico.³

Centennial believes it is in the public interest for the FCC to authorize USAC to disburse the 2001 and 2002 E-Rate funds for Puerto Rico and supports PRDOE's Request for Relief. Specifically, USAC funds will support opportunities for the children of Puerto Rico that will not be available otherwise. Improved educational opportunities for children also benefit their parents, teachers and families. Centennial is confident in the PRDOE's commitment to its goals to continue to improve school connectivity and provide technology upgrades in the 2003 funding year. Centennial shares the PRDOE's concern that without release of the 2001 and 2002 funds to the PRDOE, the progress it has made in bringing much needed services to the schools of Puerto Rico will be jeopardized.

As it states in its Request, the new administration at PRDOE is committed to cooperating with USAC and other investigating entities to resolve the pending issues regarding funding years 1998-2000. In the meantime, it has invested significant resources in getting the Puerto Rico E-Rate Program up and running again. Centennial supports PRDOE's efforts to repair infrastructure, upgrade facilities, and bring new technology, services and training programs to the schools in Puerto Rico and believes

³ Centennial is confident that it could provide high quality services to Puerto Rico's schools. PRDOE's commitment to improving the administration of E-Rate funds and improving the quality of services provided to the Puerto Rico schools was a determining factor in Centennial's decision to take on the financial risks associated with participating in the program. The release by the FCC of 2001-2002 funds would ease the mind of providers like Centennial and help put to rest some of the uncertainty currently surrounding the availability of funds and whether it makes sense for any provider to participate in the program.

PRDOE is prepared for the challenge of administering universal service support to Puerto Rico schools. PRDOE states it has conducted evaluations of project administration, implemented recovery programs to correct failures of the former PRDOE administration and its vendors, established monitoring procedures to measure the progress of its current efforts and instituted control measures to ensure compliance with the universal service program rules. Centennial believes such efforts should be recognized.

Without release of the funds, PRDOE contends that it will be unable to maintain its efforts to provide the schools and students in Puerto Rico with the services and facility upgrades the children of Puerto Rico need to compete in today's world of advanced technology and information highways. These new services would open a door to the children of Puerto Rico that has largely remained closed in the past – the door to a world where information is only a click away and resources available across the world can be brought to the classroom with only a stroke of a mouse. If USAC does not release the funding, the “PRDOE will have no choice but to reexamine the viability and continuity of the entire project.”⁴

Centennial supports USAC and the FCC's role in safeguarding the administration of E-Rate funds to ensure that they are used for the purposes they were intended. Centennial applauds USAC's efforts to improve its own processes and understands the importance of USAC's and the FCC's task of overseeing the administration of E-Rate funds by the various applicants. Centennial notes, however, that whatever problems might have existed in the past, the 2001 and 2002 funding commitments are not under

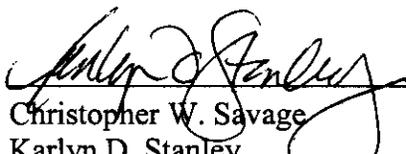
⁴ *Request for Relief* at 5.

investigation. The new administration at PRDOE has implemented safeguards to ensure compliance with program rules and has provided a verifiable commitment to enforcing these safeguards with respect to any future universal service support received under the Schools and Libraries program. As its Petition makes clear, PRDOE has offered to work with USAC to implement any additional checks and balances that the FCC and USAC deem appropriate to ensure compliance and maintain the integrity of the Schools and Libraries Universal Service Program.

Centennial is confident in the PRDOE's commitment to bring high quality, innovative services to the schools of Puerto Rico. The release of the 2001-2002 funds will not only ensure that the progress already made by PRDOE continues but it will also go a long way in encouraging other providers to participate in this very important program, thus providing the PRDOE with competitive choices and the children of Puerto Rico with the opportunities they deserve. Centennial looks forward to working with PRDOE in this important project for the children of Puerto Rico, and supports PRDOE's request for release of the support for funding years 2001 and 2002.

Respectfully submitted,

Centennial Communications Corp.


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Its Attorneys

Dated: May 28, 2003