

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554

In the Matter of )  
 )  
Schools and Libraries Universal Service ) CC Docket No. 02-6  
Support Mechanism )

**COMMENTS OF SPRINT CORPORATION**

Sprint Corporation, pursuant to the Public Notice released August 4, 2003 (Report No. 2618), hereby respectfully submits its comments in support of the “Petition for Clarification or, in the Alternative, Waiver,” filed by AT&T on July 21, 2003 in the above-captioned proceeding.

In this petition, AT&T has requested (Petition, p. 1) that the Commission clarify that “AT&T’s on-line reimbursement process that in effect allows applicants to pay the non-discounted price” satisfies the new rule that service providers allow E-rate applicants to choose the discounted bill method of payment. AT&T states (*id.*, p. 4) that its on-line reimbursement process “allows the customer to go to the AT&T E-Rate website that stores the customer’s E-Rate data and request a refund from AT&T in the amount of the discount *before* payment of its AT&T bill is due.”

Sprint supports AT&T’s petition for clarification. In adopting the new Section 54.514 rule, which allows applicants the choice of paying either the discounted price or the full price with subsequent reimbursement through the BEAR process, the Commission noted that some applicants may prefer the discounted bill option to ease

“cash flow problems.”<sup>1</sup> Thus, any billing mechanism which allows the E-rate applicant to pay only the discounted portion of its bill – including but not limited to AT&T’s on-line reimbursement process -- should be considered to be in compliance with Section 54.514.

As described in AT&T’s petition (p. 3), development of a system that produces a pure discounted bill is costly and time-consuming because of its multiple legacy billing systems, and discounts and funding caps that vary by customer and by customer account.<sup>2</sup> Sprint is in a similar situation as AT&T; because our billing systems are used for both E-rate and non-E-rate customers, it is likely that a systematic change to those billing systems to accommodate the small percentage of E-rate customers who choose discounted bills would be prohibitively expensive. Allowing adjuncts to the billing mechanism such as that described by AT&T (or other “fixes” which may be devised by other service providers) helps to control costs imposed upon service providers while reducing the perceived cash flow burden on applicants. So long as the applicant is required to pay only the discounted portion of its E-rate bill, the Commission should

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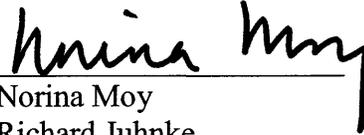
<sup>1</sup> *Schools and Libraries Universal Service Support Mechanism*, CC Docket No. 02-6, *Second Report and Order and Further Notice of Proposed Rulemaking* released April 30, 2003 (FCC 03-101), para. 47.

<sup>2</sup> See also Sprint’s Comments filed in this docket on April 5, 2002, pp. 10-11, explaining that E-rate discounts and caps vary by customer; that the E-rate discount may apply to only a portion of a customer’s account, or for only certain locations or even for certain lines within a certain location; and that the discount may differ for every member of a consortium.

clarify that such adjuncts to a service provider's billing systems are reasonable and acceptable.

Respectfully submitted,

SPRINT CORPORATION

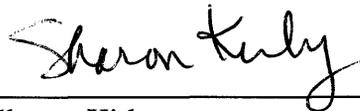
A handwritten signature in black ink, appearing to read "Norina Moy", is written over a horizontal line.

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August 25, 2003

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing **COMMENTS OF SPRINT CORPORATION** was sent via electronic mail or by United States first-class mail, postage prepaid, on this 25th day of August 2003 to the below-listed parties.



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