

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

<i>In the Matter of</i>)	
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Schools and Libraries Universal Service Support Mechanism)	CC Docket No. 02-6
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Proposed Eligible Services List)	FCC 04-200
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**On-Tech Reply Comments on the Proposed
Eligible Services List for Funding Year 2005**

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Introduction

On-Tech Consulting, Inc. (On-Tech), a technology consulting firm based in Red Bank, New Jersey, assists schools and libraries in navigating the E-Rate process. In addition to the firm's significant experience working with the E-Rate program, Dan Riordan, President of On-Tech, is both an experienced network engineer and a former purchasing officer for the U.S. Government.

Comments

Scope of Eligible Services List

On-Tech agrees with the comment by Greg Wiesiger that "a complete document spelling out ALL eligible services and funding conditions is necessary." The document should include the hundreds of pages of documents that need to be read in order to determine the eligibility of a service. The document should not be revised within 9 months of the program year to which it applies, so that an applicant could be sure that their application is correct, and will remain so throughout the program year.

Eligible Users and Locations

On-Tech agrees with the comments by Greg Wiesiger and Funds for Learning that the section on Eligible Users and Locations should be clarified and that *all* the criteria for eligible users and locations be made clear before the start of the application process, not during PIA review. For the 2004-2005 school year, PIA required two certifications for non-instructional facilities:

- i) The non instructional facility is owned by the school district and used solely for school district business.
- ii) The non instructional facility is used only by school district employees.

If those certifications will be required for 2005-2006, they should be included in the criteria for Eligible Users and Locations. However, On-Tech agrees with Greg Wiesiger that those criteria are an overly strict interpretation of the FCC ruling.

On-Tech would like to expand on Funds for Learning's experience with adult high schools. We asked the following question: "Are pre-K facilities in the state of New Jersey eligible for E-Rate discounts?" In the interest of a fast reply, we simultaneously submitted the question to: 1) SLD customer service by phone, 2) the SLD structured email system, and 3) the state E-Rate coordinator. We received the following answers: 1) no, 2) yes, and 3) yes for the 30 "Abbott" districts, no for other districts. Some clarification is obviously needed.

In clarifying the eligibility of locations, please clarify the following example. A district owns a building which it uses only for administrative purposes. The building is an eligible location. The district decides to add a pre-school class, and due to space constraints is forced to hold that class in a room in the administrative building. It appears that the building is now ineligible. Please clarify whether the addition of students to a building renders it ineligible.

Basic Maintenance

IBM's suggestion to clarify "Basic Maintenance" by creating categories is a good one. However, two of their categories should not be included. "Reporting" and "Project Management/Lead Technical Staff" are the two tasks that differentiate a help desk from basic maintenance. Service providers will only be able to track and report on trouble tickets if they are managing the applicant's system for handling service requests. If service providers are allowed to bill for staff which are not directly necessary for maintenance tasks, they will be able to set up a call center of "project

management” staff, and create a separate division of staff dedicated to one client. Such a division might not be called a “help desk,” but it will fulfill all the functions of a help desk.

IBM’s suggestion to include annual renewal of licenses for eligible software should be adopted in order to help those applicants for which annual licensing is cost-effective. Starting in 2005-2006, those applicants would otherwise be forced by the “2 in 5” rule to choose a less cost-effective software licensing method.

On-Tech also agrees with the comments of BellSouth Corporation that the list of services not eligible as basic maintenance might be incorrectly applied to services in the Telecommunications and Internet Access sections. It should be made clear that those services are ineligible only for Internal Connections.

Finance Charges

On-Tech disagrees with All-Tex Networking Solutions that finance charges should be eligible services. Applicants should not plan to pay bills late.

All-Tex certainly has a valid concern in the long payment cycles, but that concern should not be addressed in the Eligible Services List.

Virus Protection

On-Tech agrees with IBM that anti-virus software and devices should be eligible as Internal Connections. Further, services to protect applicants against virus attacks should be eligible under the Internet Access category. We would add to IBM’s arguments of Precedent, Need, and Cost Savings that anti-virus protection is now a required part of any network infrastructure. It seems inconsistent that the E-Rate program funds optional network components, but does not fund this requirement.

Dark Fiber

Since the ineligibility of dark fiber WANs is an FCC ruling, and comments on FCC rulings were excluded from the request for comments, On-Tech did not comment on dark fiber initially. However, On-Tech supports the comments of: Robert Cooper, Fibertech Networks, Erie 1 BOCES, Monroe #1 BOCES, and Robert Beck.

In addition, we ask that the FCC rule on the dark fiber question in time for the ruling to appear in the Eligible Services List for 2005-2006. Applicants should be able to depend on a stable set of program rules during the application process.

Conclusion

On-Tech thanks the Commission for the opportunity to comment on the proposed Eligible Services List. We hope that the FCC's involvement in determining eligibility before the application process will result in less confusion for applicants and fewer program violations by confused applicants.

Respectfully submitted,

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