

Before the
Federal Communications Commission
Washington, DC

In the Matter of:

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| Reply Comments on the USAC |) | |
| Audit Resolution Plan |) | |
| |) | CC Docket Number 02-6 |
| Schools and Libraries Support |) | |
| Mechanism |) | |

Reply Comments of Greg Weisiger

It is a pleasure to offer reply comments to the USAC Audit Resolution Plan. In general, I agree with the comments of the State E-Rate Coordinator’s Alliance and E-Rate Central.

In particular, I agree with the E-Rate Central suggestion that “**Information on Non-Compliant Auditee Letters must be made more broadly available to applicants and vendors.**” Because the ramifications of non-compliance, such as Commitment Adjustment, Payment Demand, and possible “Red Light” can affect hundreds or thousands of applicants and jeopardize funding, the Commission absolutely must make this information publicly available.

In addition, the Commission must take regulatory steps to ensure non-compliant applicants are properly notified of rule infraction, Commitment Adjustment, and Fund Recovery actions.

Commitment Adjustment and Payment Demand Letters Must be Properly Served

I am concerned that applicants and vendors found non-compliant with E-Rate regulation and subject to Commitment Adjustment and fund repayment may not be properly notified of non-compliance. The Commission has before it an Application for Review by Connect2, contending it never received a Commitment Adjustment Letter and was therefore not afforded its right to appeal. I am aware of at least one appeal before the SLD in the same situation.

I have been a longstanding critic of quality control issues at USAC. Documented cases of systemic quality control problems have dogged USAC since the E-Rate program began. Some of the more glaring instances include the Year Two “Pink Postcard” issue, where some 800 applications were improperly rejected because the Kansas contractor failed to establish proper document logging procedures. Last year 13 applications re-filed under the Commissions Ysleta Order were improperly rejected by USAC. This represents over

half of the 25 applications received. Late last year and possibly still, it has been reported that USAC issued some one hundred or more E-Rate reimbursement checks to the wrong vendors! This alone should set off alarm bells at the Commission.

At a minimum, I ask the Commission to require USAC to serve Commitment Adjustment Letters and Payment Demand Letters via an authenticated delivery mode that requires the recipient to sign for the letter and USAC to retain a receipt of delivery. This will assure proper delivery of correspondence or provide proof of improper delivery. In addition, the Commission should require USAC to make Commitment Adjustment Letters, Payment Demand Letters, and Red Light rulings available to the public.

Respectfully submitted this 14th day of January 2005,

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