

**Before the
Federal Communications Commission
Washington DC 20554**

In the Matter of)	
)	
Comprehensive Review of Universal Service Fund)	WC Docket No. 05-195
Management, Administration, and Oversight)	
)	CC Docket No. 96-45
Federal-State Joint Board on Universal Service)	
)	CC Docket No. 02-6
Schools and Libraries Universal Service Support Mechanism)	

**Reply Comments from the
Wisconsin Department of Public Instruction**
(Filed December 19, 2005)

The Wisconsin Department of Public Instruction (department) appreciates the opportunity to make these reply comments on this important Order. Our comments focus on the Schools and Libraries Universal Service Support Mechanism, more commonly known as the E-rate program.

The Wisconsin Department of Public Instruction strongly supports the initial comments filed by the American Library Association (ALA). We think the ALA's proposal offers a clear roadmap to make the E-rate the program that many schools and libraries envisioned upon its inception in 1997. That is, a simple, straightforward program to assist schools and libraries with their costs to procure and sustain internetworking technologies. Unfortunately, the E-rate has become mired in a morass of paper work and opaque rules. We encourage the Commission to take the bold steps necessary to get this program back on course—and the ALA's well defined proposal offers just this opportunity. For example, the ALA's proposal to eliminate most E-rate

forms and remit discounts directly to applicants will simplify the program, greatly benefit schools and libraries, and increase their participation.

In addition to the support for the proposed reforms from the American Library Association, the Wisconsin Department of Public Instruction makes the following observations in relation to initial comments filed by the October deadline.

Paragraphs 32-33: Program Management, Formulaic Approach

As noted in our initial comments, we have concerns about moving the E-rate to a formulaic approach to allocate funds. We simply believe the resulting arguments and infighting over what type of formula is “fair” will be counterproductive. Many commenters also have concerns about a formulaic approach from various perspectives (*see* American Association of School Administrators and Association of Educational Service Agencies, Council of Chief State School Officers, National Rural Education Advocacy Coalition, State E-rate Coordinators’ Alliance). For example, there are concerns that developing a formulaic approach may fail to adequately address the needs of schools in rural areas (Arkansas E-Rate Work Group).

Issue with School Lunch Data: Comments from the Federal Communications Commission (FCC), Office of Inspector General (FCC-OIG) correctly states that schools must use NSLP eligibility data comporting with USDA rules (i.e., data are collected on the last operating day in October) to determine their E-rate discount. The Wisconsin Department of Public Instruction requests that the FCC revise its regulations to also allow E-rate discounts to be determined using student poverty levels as measured under the federal No Child Left Behind Act (NCLB). The NCLB measures the *same levels of poverty* as does the NSLP. But for a variety of reasons in Wisconsin and many other states, the date on which poverty data are collected under NCLB is often different than the fixed October date mandated by USDA rules. The result is that many states now collect the same poverty data twice, once for the USDA lunch program and once for NCLB. Allowing states to verify USDA *or* NCLB measures of poverty for determining E-rate discounts will help state education agencies streamline their data collection processes in this area.

Paragraphs 37-39: Application process

Many commenters, to numerous to cite, agree that the Priority One application process can be greatly streamlined. However, the department has concerns with comments from the Universal Service Administrative Company (USAC, p. 139) that there need be no major changes to most forms (470, 471, 486, and 498). By extension then, USAC basically supports the current application process. As the department and many commenters have noted, the current application process is broke. Changes within the context of the current process will not address this core issue.

Paragraphs 40: Competitive Bidding

In the department's initial comments, we proposed that the FCC stop micromanaging the local procurement processes. As we emphasized, schools and libraries already have processes in place (e.g., state or local procurement regulations) that they use for the *purchase of goods and services far exceeding their E rate discounts*. Many commenters agreed with our position (see, Chicago Public Schools, Council of Chief State School Officers, National Rural Education Advocacy Coalition, and State E-rate Coordinators' Alliance).

However, several commenters do have issues with using state/local procurement regulations. The E-rate Service Provider Forum claims that following state/local procurement regulations would somehow add more complexity to the program. We do not understand how this could be. Schools and libraries have been working with their procurement rules for many decades. It is the imposition of ever more complex and opaque FCC procurement rules that add complexity to the program. Comments from the Commission's Office of Inspector General (FCC-OIG, p. 4) state a desire that "competitive bids should *be required of all E-rate procurement* [emphasis added]." As we noted in our initial comments, this is simply impossible in many areas of Wisconsin and in other states where there are no CLECs for telecommunication services and often only one local Internet Service Provider. The OIG also recognizes the need for applicants to follow state and local procurement regulations. But the critical issue is that currently state/local procurement regulations often conflict with FCC regulations. This places our school and library staff in an impossible position. To reemphasize, allowing use of state/local procurement resolves this issue.

Paragraph 40: Technology Plans

The department affirms the comments made in its initial filing that it does not see the need for a technology plan for Priority 1 services. The department believes that the FCC's use of the technology plan as a methodology to address waste, fraud and abuse is ineffective and a misuse of the purpose to have a plan. The ever increasing regulations on what the technology plan must contain, when it must be drafted, approved, etc., have—like so many other regulations in this program—turned into a tool to deny discounts to worthy applicants. The FCC should let state education and library agencies define what must be in a technology plan for Priority 2 services.

In Summary:

The Wisconsin Department of Public Instruction appreciates this opportunity to offer its reply comments. As stated in our initial comments, we believe that fundamental changes are needed in the program. Furthermore, we believe that the proposals of the American Library Association address the major issues in the E-rate program and we encourage the Commission to implement these proposals for the 2007 or 2008 application cycle.

Respectfully Submitted by:

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