

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

In the Matter of:

Comprehensive Review of Universal Service)	WC Docket No. 05-195
Fund Management, Administration and)	
Oversight)	
)	
Federal-State Joint Board on Universal)	CC Docket No. 96-45
Service)	
)	
Schools and Libraries Universal Service)	CC Docket No. 02-6
Support Mechanism)	
)	
Rural Health Care Support Mechanism)	WC Docket No. 02-60
)	
Lifeline and Link-Up)	WC Docket No. 03-109
)	
Changes to the Board of Directors for the)	CC Docket No. 97-21
National Exchange Carrier Association, Inc.)	

**REPLY COMMENTS OF THE AMERICAN LIBRARY ASSOCIATION
IN RESPONSE TO NOTICE OF PROPOSED RULEMAKING
AND
FURTHER NOTICE OF PROPOSED RULEMAKING**

The American Library Association (ALA) is pleased to provide reply comments on the Comprehensive Review of Universal Service Fund Management, Administration and Oversight, specifically as it applies to the E-rate program. We wish to thank the FCC for recognizing the need to simplify the application process and to speed the disbursement process. We offer our continuing support and assistance to help simplify and streamline the program so that all libraries and schools can benefit from the opportunities that access to broadband solutions and advanced telecommunications can bring to local communities. We also share the Commission’s desire to further deter waste, fraud, or abuse in the program since doing so means the additional availability of funds that can be used for the intended purpose—especially when today’s fund is not large enough to cover existing needs. Our proposal identifies ways in which greater accountability can be achieved through a program design that allows applicants to review and approve invoices before submission to USAC for payment. This approach provides an opportunity to identify services that are being invoiced

that may not be eligible thereby minimizing opportunities for bad actors to take advantage of the Fund.

This program is critical to libraries and schools across the country. Without support from the E-rate program, many libraries and schools would be unable to effectively serve their communities. Despite the success of the E-rate program, we underscore the fact that the job is not done. Without this program, people in many parts of the country will be left even further behind technologically and libraries will not be able to provide the best educational resources, or to provide access to much needed information.

We applaud the efforts of both the Administration and the FCC in their efforts to achieve the goal of universal broadband. Without these capacities, many local communities will not be able to provide much-needed resources. We have seen many examples of the growing importance of broadband connectivity, the most recent being when those impacted by Hurricane Katrina were asked to fill out applications for assistance online. In communities like Lafayette, Louisiana, public libraries were able to provide the essential link to these and other disaster relief resources through public access terminals. In another example, senior citizens are being asked to go to federal government web sites to compare Medicare prescription drug programs, making the need for broadband even more critical.

Today more than ever, the local library has become the community access point for the world of online information. For the library to acquire and supply such services, it must have sufficient capacity to meet these needs. In Michigan, for example, the Michigan Electronic Library (MEL), available to all citizens of the state, offers a resource called LearnATest. This online program contains materials to help users prepare for a number of high-stakes tests, including Advanced Placement and GED exams, certification exams for a range of professions, the TOEFL and U.S. Citizenship exams, and much more. Access to this in-demand resource relies on local libraries' broadband connections. Just as the original designers of E-rate envisioned, access to online library resources like LearnATest are changing lives for people across the country.

But, the promise of E-rate—to provide access to resources regardless of geographic location—is being threatened by a program that has become cumbersome, time consuming,

and difficult to apply for. Many applicants – facing limited staff, bad experiences with unnecessary denials, lengthy appeal processes, and delays in funding commitments – are giving up and no longer applying. It is often the neediest communities, who simply don't have the resources to wade through complex application and disbursement processes, which are foregoing the opportunity to apply for funds. In a recent survey, over 70% of libraries said that program complexity and limited staff resources are the reasons they no longer apply for E-rate funds.¹ **THE E-RATE PROGRAM MUST BE STREAMLINED AND SIMPLIFIED SO THAT ALL LIBRARIES, SCHOOLS, AND SERVICE PROVIDERS CAN MANAGE THE REQUIREMENTS OF THE APPLICATION AND DISBURSEMENT PROCESS. ARTIFICIAL BARRIERS TO SUCCESS IN THIS PROGRAM MUST BE REMOVED IN ORDER FOR THE PROMISE OF UNIVERSAL BROADBAND ACCESS TO BE ACHIEVED.**

Through the initial comment period nearly every commenter has, in some fashion, spoken to the need for streamlining or simplifying the program. Many have offered suggestions for changes to specific forms, certifications, or for separating the way in which Priority 1 versus Priority 2 services are managed. Many of the suggestions, specifically as they relate to streamlining the Form 471 process used to request funds are very valuable and deserve consideration. We believe that some of these suggestions are compatible with our overall proposal to streamline and simplify the program. Our initial proposal suggests leaving the Form 471 process as is (with the addition of a multi-year application process for contracted services) until the fundamental simplification proposal is implemented. This way, applicants are using a familiar filing mechanism to request funds, and funds can continue to flow as the program is simplified. However, we support further simplification of the 471 process to the extent that it can be achieved without further delay in making funding commitments. We urge the Commission to carefully consider the limited impact of simply “tweaking” program rules. Doing so will not necessarily lead to the overall goal of streamlining or simplifying the program which is key to participation by those that this program was created to benefit. Making further piece-meal changes, though well-intended, may actually further add complexity to the program. The libraries and schools completing these forms do not have the necessary resources to comply with ever-changing rules and procedures.

¹ Bertot, J.C., McClure, C.R., and Jaeger, J.D. (2005). *Public libraries and the Internet 2004: Survey results and findings*. Available: <http://www.ala.org/oitp/>

In an effort to better understand the impact of these important decisions that are to be made about this critical program, we support the proposal by SECA to create a formal advisory committee to the FCC and USAC. Such an advisory committee of stakeholders could assist the Commission by making operational and policy recommendations that could more easily be implemented at the state and local levels and therefore lessen some of the current complexities of the program.

The American Library Association reaffirms the position stated in our initial comments, and opposes the proposal to change this program to a formula distribution. We urge the Commission to take a careful look at the proposal offered by ALA in its initial comments. That proposal is the first step in simplifying the program while not abandoning the fundamental principles of the program—a program based on technology neutrality and, perhaps most importantly, the need of the applicant.

We offer this proposal today believing that it is in the interest of all eligible libraries and schools as well as participating service providers. As was noted in the February 2005 GAO report, OMB concluded in a letter dated April 28, 2000 that the Universal Service Fund does not constitute public money subject to the Miscellaneous Receipts Statute and therefore can be maintained outside the Treasury. We wish to make clear that it is NOT our intent to change the eligibility of current applicants. We offer our proposal believing that there has been no conclusion that these monies are to be treated as federal funds and therefore there would be no impact to those currently eligible to receive E-rate funds.

Creating a one-size fits all approach, such as a formula, ignores the most fundamental starting point for all technology planning and implementation: NEED. Taking this approach to simplify the administration of the program would be the biggest waste of all. As we stated in our initial comments, the requirements for capacity can vary greatly from state to state and from region to region. Depending on the technology needs ranging from low bandwidth services such as some voice requirements to the very highest bandwidth requirements for video needed for training and/or distance learning, the technology need, and the resulting need for financial support, shift dramatically. Technology neutrality and the need of applicants should remain the critical focus of this program.

In addition, there have been suggestions that the program fund might be used for professional development, software, and other items not currently eligible. We believe that this was not the intent of this fund and ask the Commission to remain focused on using these funds to support access to advanced telecommunications services. The fund does not begin to meet the current need. We believe that broadening the services for which this fund could be used would further lead to waste, since items like training are difficult to bid competitively and related expenses like travel are a moving target to audit.

We urge the Commission to take a careful look at our proposal to simplify and streamline the program while maintaining these fundamental elements of the program. Allowing limited resources to be better used to focus on those applicants or service providers that may be problematic and to focus on timely processing and distribution of funds would go a long way toward making this program operate more efficiently and to meet its intended purpose.

Respectfully submitted,

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Also supporting these comments:

Chief Officers of State Library Agencies (COSLA)

Gary Nichols, President
COSLA an independent organization of the chief officers of state and territorial library agencies.

Alliance for Public Technology (APT)

Dan Phythyon, Public Policy Director-General Counsel
APT is a nonprofit organization of public interest groups and individuals, working together to foster universal access to advanced telecommunications capability.

Office of Communication of the United Church of Christ, Inc. (OC, Inc.)

Gloria Tristani, Managing Director
OC, Inc. was incorporated in 1959 to advocate on behalf of those who had been historically excluded from the media, especially people of color and women.