

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20054**

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

COMMENTS OF AT&T INC.

AT&T Inc. (“AT&T”) on behalf of its affiliates, including BellSouth Corporation (“BellSouth”),¹ hereby responds to comments submitted by the State E-Rate Coordinators’ Alliance (“SECA”) concerning E-Rate Central’s petition for clarification or waiver of E-rate rules.² In its Petition, E-Rate Central requests that the Commission direct the Universal Service Administrative Company (“USAC”) to establish procedures for the disposal of obsolete equipment that was purchased with E-Rate funds and proposes several suggestions.³ As BellSouth aptly explained in its comments, the lack of Commission guidance on the subject of how to dispose of obsolete equipment has resulted in increasing confusion within the applicant community and has created uncertainty in the audit process.⁴ BellSouth correctly noted that E-Rate Central’s principles offered an excellent starting point for discussion and these principles

¹ On December 29, 2006, the Commission approved the merger of AT&T and BellSouth. *See* http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-269275A1.pdf.

² *See* E-Rate Central Petition for the Clarification or Waiver of E-Rate Rules Concerning the Disposal of Equipment Purchased under the Schools and Libraries Universal Service Support Mechanism, CC Docket No. 02-6 (filed September 13, 2006) (“Petition”); SECA Comments, CC Docket No. 02-6 (filed December 18, 2006).

³ Petition at 2-3.

⁴ BellSouth Comments, CC Docket No. 02-6, at 1-2 (filed December 18, 2006).

should take into account a “reasonable range of ‘useful life’ for various kinds of equipment, and minimize any new regulatory burdens or requirements.”⁵

While “strongly supporting” E-Rate Central’s Petition, SECA expressed concerns with two of E-Rate Central’s suggested five principles: (4) returning “non *de minimis*” funds resulting from the sale of obsolete equipment to USAC and (5) retaining records concerning the disposal of obsolete equipment in accordance with existing Commission rules.⁶ AT&T respectfully disagrees with SECA and would suggest that the Commission pursue both of these principles, in addition to the others proposed by E-Rate Central. First, as a significant contributor to the federal universal service mechanisms, AT&T would encourage efforts to return non-*de minimis* funds to USAC resulting from the sale by applicants of obsolete equipment that applicants purchased, in part, with E-Rate funds. AT&T is confident that any rules that the Commission establishes concerning the disposition of obsolete equipment could address SECA’s concerns (*e.g.*, apply these rules only to equipment for which applicants have a current obligation to maintain records; permit applicants to account for their costs of selling the obsolete equipment in determining how much to remit to USAC). Second, AT&T does not share SECA’s concerns about E-Rate Central’s proposed record retention principle being unwieldy or burdensome.⁷ Again, the Commission could address SECA’s concerns by applying any new record retention requirement for the disposition of obsolete equipment only to that equipment for which an applicant has a current obligation under section 54.516 to retain records.⁸ Finally, if the Commission deems it appropriate, it could make clear that any new rules that it establishes

⁵ *Id.* at 2.

⁶ SECA Comments at 1-2.

⁷ *Id.* at 2.

⁸ 47 C.F.R. § 54.5169(a).

related to the disposition of obsolete equipment are not intended to preempt applicable state or local laws.

Respectfully Submitted,

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