

# ALA American Library Association

March 7, 2007

Ms. Marlene Dortch  
Secretary  
Federal Communications Commission  
445 12th Street SW  
Washington, DC 20554

Dear Ms. Dortch,

We are writing in response to the Ex Parte communication filed February 7, 2007 by Mary L. Henze on behalf of AT&T Services, Inc., Sprint Nextel, Embarq, Verizon, and Qwest. We take serious exception with the way the letter characterizes our proposal to improve the E-rate program, and we are glad to have this opportunity to respond.

The American Library Association (ALA) represents 67,000 librarians and institutions across the country. We are the leading voice for libraries that benefit from the E-rate program, and our proposal for simplification represents the beliefs of these members. The ALA does not purport to speak for the interests of the telecommunications industry. We are, however, attuned to the needs of our members and represent their interests far more than the claims of any other organizations or corporations.

First, we feel the need to comment on the timing of this filing. The NPRM comments were filed in October of 2005. Since that time, ALA has reached out to many of our colleagues involved in the E-rate program, including representatives of some of the same service providers named in this Ex Parte filing. We have never had any indication that any of these organizations felt any concern about direct payment to applicants. In fact, two of these companies told us that they "had no problem" with or supported this aspect of our simplification proposal. Therefore, we were very surprised to learn of the sudden "concern" of these service providers as stated in the official filing with the FCC.

Second, the reasoning behind the Ex Parte is profoundly flawed. The letter argues that most applicants cannot submit invoices in a timely fashion. This belief ignores the fact that libraries and schools are staffed by public employees -- who regularly manage invoicing processes for services and products -- and are subject to state and municipal invoicing regulations. Purchasing services and products is part of business-as-usual for libraries and schools, and folding the E-rate into this process in the form of direct payment to applicants would represent a significant streamlining of the current process.

In fact, today's E-rate Billed Entity Applicant Reimbursement (BEAR) process used by many applicants already requires libraries and schools to submit invoices to USAC. Those invoices must be submitted by certain deadlines in order to receive payment. The problems encountered with payment delays and the related program complexity are due to the fact that those payments must first go to the service provider before being forwarded by the service provider to the applicant. We are simply suggesting a less circuitous route for payment and for removing all of the additional steps in the

process that become necessary because payment is made to the service provider. Our attempt to offer ways in which to streamline the program suggested that E-rate discount payments go directly to the applicant and that the oversight and responsibility for managing these invoicing processes be put back in the hands of those officials responsible for every other aspect of their entity's procurement process. In addition, we believe this additional oversight in the invoicing process further deters opportunities for fraud, and other abuses. We believe our position not only benefits applicants but greatly streamlines the process for providers as well.

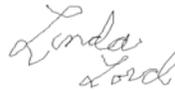
Third, the E-rate, because of its current complexity, is clearly not working for many libraries. In our surveys, public libraries that choose not to apply for E-rate cite program complexity as the number one deterrent to participation. At the same time, libraries are assuming a central role in the provision of broadband services and access to Internet resources for all Americans. As e-government services and other resources continue to flourish, libraries' ability to meet the needs of patrons will be under increasing strain. Unfortunately, the E-rate program as it is currently designed does not meet the needs of libraries and the millions of patrons that depend upon those libraries. The ALA NPRM comments are a serious attempt to address this need for fundamental program reform.

To reiterate, the American Library Association takes serious issue with the Ex Parte comments filed by AT&T on behalf of itself and several other service providers. We feel that this ill-informed communiqué reflects outdated attitudes about libraries and schools and is not in any fashion a positive contribution to meaningful E-rate program reform.

Sincerely,



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Chair-ALA E-Rate Task Force