

**Before the
Federal Communications Commission
Washington, D.C. 20554**

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

**PETITION FOR CLARIFICATION ON THE ELIGIBLE SERVICES LIST
FOR UNIVERSAL SERVICE MECHANISM FOR SCHOOLS AND LIBRARIES
FOR FY 2008 (FCC 07-182)**

E-Rate Central submits this Petition for Clarification in response to the FCC’s release of the Eligible Services List (“ESL”) for Funding Year 2008 (FCC 07-182). E-Rate Central’s request is an extension of the comments it had filed on the draft ESL seeking clarification on the new language defining “basic telephone service.” The final version of the ESL contains exactly same language as in the draft — without further clarification. As a result, we believe that USAC is being led to adopt an overly strict and limiting definition that will be unfair to applicants — particularly smaller libraries and private schools not applying for Internet discounts — receiving only local and long distance PSTN services through PBXs and key systems.

Discussion of “Basic Telephone Service”

The FCC Public Notices announcing both the draft the final ESLs indicated that one of the major changes proposed was “...to treat Centrex service as a basic telephone service...with the intention of eliminating the requirement that applicants file a technology plan for Centrex service.” E-Rate Central strongly endorsed this change.

Besides referencing Centrex service, the FY 2008 ESL defines “Telephone Service” as any communications using the public switched telephone network. It then provides a list of such PSTN services, indicating they “...are ‘basic’ for purposes of the [E-rate] program and do not require a technology plan.” The list — replicating the entire list used to define “Telephone Service” in the FY 2007 ESL — includes:

- 800 service
- Centrex
- Local phone service

- Long distance telephone service
- POTS
- Radio loop
- Wireless telephone service
- Shared telephone service
- Telecommunications services and voice mail services for homework hotlines

Our interpretation of this list is that the FCC meant to include any PSTN “Telephone Service” as a “basic telephone service.” Although the FCC’s announcement focused on Centrex, we believe that extending the definition of “basic” to include telephone services provided through a PBX or key system makes sense under the FCC’s longstanding policy of technical and competitive neutrality.

As the ESL is currently written, however, it is not clear if this view is correct. Nor, apparently, is it the interpretation that is being made by USAC. The key point of confusion is that “PRI” circuits and “trunk lines,” used to connect user PBXs and key systems to telephone central offices, are listed in the Digital Transmission Services entry of the ESL, not in the Telephone Service entry. Although such lines are clearly used to provide PSTN services, their listing outside the PSTN-related entry suggests that the use of such services is more closely aligned with a variety of data transmission services which require technology plans, rather than with more common local and long distance services which do not require technology plans.

Conclusion

From an end-user’s perspective, it makes little difference whether local and long distance PSTN services are accessed via Centrex or through a PBX or key system. More importantly, from an applicant’s perspective, we believe that an E-rate rule that places fundamentally different technology plan requirements on applicants using essentially equivalent PSTN services is unfair and confusing — and is likely to lead to funding denials and appeals.

If it was not the FCC’s intent to create this distinction, we encourage the FCC to clarify — if only informally to USAC — that all multi-line local and long distance services, whether provided via Centrex or through a PBX or key system, are “basic telephone services.” If it was the FCC’s intent, we urge the FCC to reconsider.

Respectfully submitted by:



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