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July 28, 2010

Via Electronic Filing

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: **Notice of *Ex Parte* Communication**
CC Docket No. 02-6
GN Docket No. 09-51
E-rate Broadband NPRM and ESL Order and FNPRM

Dear Ms. Dortch:

On July 27, 2010, at the request of FCC staff working on the above-referenced matters, John Harrington (Chief Executive Officer) and Cathy Cruzan (President) of Funds For Learning, LLC ("FFL") and their undersigned counsel spoke via telephone with Gina Spade, James Bachtell, Rebekah Bina and Dana Walton-Bradford of the Wireline Competition Bureau.

Mr. Harrington and Ms. Cruzan responded to questions regarding certain aspects of the Comments submitted by FFL in the above-referenced proceedings. Among other items, FFL explained the following positions:

- The E-rate program should support cost-effective solutions offered by non-common carriers on a technology-neutral basis. The Commission should permit applicants to obtain dark leased fiber, as well as other solutions that support internal connections, from any cost-effective provider.

- The E-rate program should support cost-effective maintenance of internal connections, such as manufacturer warranties. Otherwise, a perverse incentive will be created for applicants to dispose of equipment and purchase new equipment with E-rate funds, rather than maintain existing equipment.

- Standardizing technology plans will create transparency, allow service providers to tailor proposals to the benefit of applicants, and reduce USAC and third party reviews.

- The discount matrix should be revised. Mr. Harrington explained FFL's methodology (set forth as Exhibit C in its Comments) in creating a proposed new matrix. Mr. Harrington explained that FFL balanced applicants'

expectations for discounts under the current program with allocating monies to the neediest schools – while, at the same time, ensuring schools contribute to project costs and request only those projects they need.

- Mr. Harrington expressed concern with categorizing services that would receive a higher discount, beyond the existing priority one and priority two distinctions. Such distinctions cause confusion and administrative burden as the parties attempt to fit services into the definition that will receive the highest discount.

- Mr. Harrington explained FFL's concern with adopting an average discount rate for an entire school district because (1) the neediest schools in a more affluent school district would lose funding and (2) USAC would still need to verify the enrollment and NSLP eligibility of individual school sites that comprise the aggregate data.

- Mr. Harrington explained that a significant amount of authorized funds go completely unused or only partially used each funding year (as shown in Exhibit E of FFL's Comments). Mr. Harrington encouraged the Commission to adopt procedures that would ensure funding commitments are issued quicker and schools are incentivized to use the funds.

Pursuant to Section 1.1206(b)(2) of the Commission's rules, this notice of an *ex parte* presentation is being filed electronically in connection with the dockets of the proceedings. Please contact the undersigned at (202) 626-7719 should there be any questions.

Sincerely,

/s/ Donna A. Balaguer

Donna A. Balaguer

cc (via e-mail): Meeting Participants