

Regarding bundling devices with respect to the Gift Rule Clarification Order, the Alief Independent School District would like to submit the following comments as a matter of record.

1. When requesting quotes for cellular service, vendors submit pricing for both the service and the equipment. Although it is understood that devices are not eligible expenses through the E-rate Program, we have a hard time understanding how a "basic" cellular device would not be considered ancillary since a device is required to use the service. These basic devices are generally for no charge, and quoting is also submitted for upgraded devices. However, the upgraded devices have never been (what you consider) bundled in any quote that we have ever received. If we choose to purchase upgraded equipment, we pay that expense using local funds.
2. To try to obtain a price from the cellular provider for the cost of a "free" device (which is offered to the general public as well) would jeopardize their pricing structures. While the first device is generally free, any subsequent devices ordered for the same cellular number are billed at an inflated price; i.e. When a free device was lost by one of our cellular users, I was billed over \$200 for a replacement phone that probably cost \$20 or less. There is no way that we would ever be able to afford the invaluable educational/safety tool of cellular phones at a price of over \$200 per user. Again, the devices I am referring to are "basic" devices.
3. The contract that we went with was under a master contract that provides the option of cancellation at any time, with no penalties on the service or hardware side. Therefore, when I request phones for summer school principals, they are usually only in service for about three months. When I cancel the lines, I am not billed for not keeping a contract for a designated period or for cellular equipment that was used only three months. So to say that a phone is given free if a contract period is fulfilled is an erroneous statement for us. Also, one of the terms of the state contract is that there are no early termination fees for service or equipment.

Thank you for reviewing our concerns.