

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

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| Schools and Libraries Universal Service |) | CC Docket No. 02-6 |
| Support Mechanism |) | |

**COMMENTS OF AT&T ON THE FY 2013 DRAFT ELIGIBLE SERVICES LIST FOR
SCHOOLS AND LIBRARIES UNIVERSAL SERVICE PROGRAM**

AT&T Services, Inc. (“AT&T”) submits these comments in response to the Commission’s Public Notice seeking comment on USAC’s proposed Eligible Services List (ESL) for Funding Year 2013.¹ Specifically, AT&T provides its feedback on the Commission’s proposed reorganization of the ESL and the removal of legal citations from the ESL. In addition, AT&T proposes two additional modifications to the ESL.

1. Reorganization of the ESL

AT&T supports the Commission’s stated goal of making it easier for schools and libraries to determine what services and products are eligible for discounts under the program. To accomplish this, the Commission’s draft ESL divides Priority One services into three subcategories: (1) communications connectivity, (2) voice services and (3) other designated and related services, and adds a new “Category of Service” column. While AT&T takes no position on whether the proposed subcategories are the right ones, we support the proposed addition of the Category of Service column. This modification should help reduce funding denials and subsequent appeals that, historically, resulted from applicants’ selecting an incorrect service category on Form 470 or 471.

¹ Public Notice, Wireline Competition Bureau Seeks Comment on Draft Eligible Services List for Schools and Libraries Universal Service Program, DA 11-1096 (July 5, 2012) (“Public Notice”).

The Commission asks what other ways it can reorganize the ESL to make it more useful. AT&T suggests that, when the Commission releases a draft ESL for comment, it include a mechanism to allow applicants and service providers more easily to identify the changes made to the previous year's ESL. AT&T is not wed to a specific tracking mechanism but suggests that it might include an action code or some other means of designating specific language as new, deleted or relocated from elsewhere in the document. AT&T believes that such a tracking system will promote transparency in the regulatory process by ensuring that program participants are aware of all proposed revisions and have an equal opportunity to review and comment on the proposed changes.

2. Elimination of Citations

Overall, AT&T agrees that elimination of the majority of the citations to Commission orders and other legal or regulatory language will help improve the readability of the ESL. However, AT&T disagrees with the Commission's proposal to move the eligibility requirement for Telecommunications Services from the beginning of the ESL matrix to the Special Eligibility Conditions section, which is at the end of the document. The specific requirement is stated as follows:

To be eligible for support, telecommunications services must be provided by a telecommunications carrier, that is, a company that offers telecommunication services on a common carriage basis.²

This language instructs applicants on a very important eligibility requirement associated with E-rate funding for telecommunications services. AT&T suggests the Commission retain this language at the beginning of the ESL (for the same reason that the Commission added the Category of Service column to the ESL) because it serves as a reminder to applicants, which

² See Schools and Libraries Eligible Service List for Funding Year 2012 at p. 29 ("Draft 2013 ESL").

should help avoid funding denials. Specifically, we recommend that the Commission move this language to the “Background and Overall Requirements” section of the ESL, instead of burying it at the end of the document.

3. Proposed Modifications to the ESL

AT&T suggests two additional modifications to the 2013 ESL. First, we suggest that the Commission eliminate redundant references to “fiber” in the Communications Connectivity subcategory of Priority One services. In that subcategory, the ESL includes “fiber” as an eligible digital transmission technology, along with other such technologies (including ATM, BPL, DSL, etc.) in the description of Digital Transmission Services, and also includes “fiber” in a separate section entitled “Fiber or Dark Fiber.” It is unnecessary and confusing to include “fiber” in both places. Therefore, AT&T suggests the Commission remove “fiber” from the list of digital transmission services since it already has a more detailed section in the ESL.

AT&T also suggests that the Commission standardize the language used to describe eligible installation costs for digital transmission services and leased lit fiber. Digital transmission services and leased lit fiber services are substitutable service options that generally compete with each other as options to exchange telecommunications and/or Internet access traffic. When the Commission reinstated fiber as an eligible Priority One service, it stated that its intention was to increase the competitive options that were available for applicants to select the most cost-effective broadband solutions.³ Further, it recognized that leased lit fiber services were equivalent to telecommunications services or Internet access services.⁴ Since these service options are increasingly in direct competition to serve applicants as the Commission intended,

³ Schools and Libraries Universal Service Support Mechanism, CC Docket No. 02-6, A National Broadband Plan For Our Future, GN Docket No 09-51, 25 FCC Rcd 18762 at ¶ 11 (FCC 2010) (“*Sixth Report and Order*”).

⁴ *Id.*

the Commission should ensure that the eligibility considerations are the same for both service options.

Yet, when the Commission drafted the language that describes the eligible installation costs for leased lit fiber, it used different language than it used to describe installation costs associated with digital transmission services. Specifically, for digital transmission services, the ESL states “[c]omponents required as an integral part of a digital transmission service are eligible for discounts, such as: . . . reasonable installation costs;”⁵ and in the Fiber or Dark fiber section, the ESL states “[for] leased lit fiber, all special construction charges are eligible.”⁶

The Commission’s *Sixth Report and Order*, where it reinstated fiber as an eligible service, and the subsequent USAC training materials do not indicate that the Commission intended to treat the installation costs for leased lit fiber services any different than installation costs for telecommunications and Internet access services.⁷ AT&T has, nonetheless, encountered confusion in the marketplace associated with this discrepancy. AT&T, therefore, requests the Commission take this opportunity to standardize the language to ensure that both service options are treated fairly in regards to the eligibility of installation costs, or clarify its intentions, if it expected the installation costs for these services to be treated differently.

Respectfully submitted,

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⁵ Draft 2013 ESL at pp. 3-4.

⁶ *Id.* at p. 4.

⁷ The installation costs from the point of demarcation at the applicant’s building to the property line and installation costs from curb to service provider have been eligible Priority one installation costs for telecommunications and Internet access services; USAC training materials indicate that the same is true for leased lit fiber. See 2012 Schools and Libraries Spring Service Provider Trainings, Eligible Services, pg. 28. Contrast this with the Commission’s stated intention to treat certain installation/special construction charges associated with dark fiber services differently. See *Sixth Report and Order* at ¶ 19.

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