



---

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

In the Matter of:	)	
	)	CC Docket No. 02-6
Schools and Libraries Universal Service	)	
Support Mechanism	)	GN Docket No. 09-51
	)	

**COMMENTS ON THE FY 2013 DRAFT ELIGIBLE SERVICES LIST  
FOR THE SCHOOLS AND LIBRARIES UNIVERSAL SERVICE MECHANISM  
(DA 12-1052)**

The State E-Rate Coordinators' Alliance (SECA) submits these Comments in response to the FCC's Public Notice released July 5, 2012 (designated DA 12-1052) seeking comment on USAC's proposed Eligible Services List ("ESL") for Funding Year 2013.

SECA supports the Commission's goal of making the ESL more useful to applicants and of reducing regulatory burdens — particularly in the case of schools and libraries whose expertise is otherwise far removed from the details and subtleties of telecommunications rules and policies. The Commission's proposed reorganization of the Priority One portion of the FY 2013 ESL correctly recognizes that the service classifications used in the FY 2012 (and earlier) ESL create problems. For one, the distinction between two of the existing groupings, "Telecommunications Services" and "Telecommunications," is a fine regulatory point, understandably confusing to most E-rate applicants.

But this is not the only point of confusion. A far larger problem, only partially addressed by the draft ESL, reflects current Form 470 and Form 471 filing requirements under which a product or service must be listed in the proper service category and, in some cases, provided by the proper type of service provider. This leads to the following issues:

- Internet services can always be filed in the Internet Access category. Alternatively, as an “administrative convenience,” Internet services can be filed in the Telecommunications Services category, but only if provided by an eligible telecommunications provider.
- Optical fiber services must be filed in the Telecommunications Services category, and provided by an eligible telecommunications provider, if they are “lit.” “Dark” fiber services — and the difference between “lit” and “dark” may involve only the ownership of relatively inexpensive terminating electronics — must be filed in the Telecommunications Services category if provided by an eligible carrier, but must be filed in the Internet Access category if provided by an ineligible (or non-Form 499 filing) carrier.
- To provide flexibility, USAC “recommends” that applicants list their needs for such dual-category services under both Form 470 categories. If they don’t, funding denials may result. So far for FY 2011, USAC has denied over 100 FRNs worth over \$1.4 million because “The Form 470 that established the competitive bidding process for this FRN did not include service of this type; therefore it does not meet the 28-day competitive bidding requirement.”

The proposed reorganization of the ESL partially addresses applicant confusion on these issues by:

1. Replacing the existing three Priority One sections (“Telecommunications Services,” “Telecommunications,” and “Internet Access”) with three new sections (“Communications Connectivity,” “Voice Services,” and “Other Designated and Related Services”).
2. Adding a third column in the Priority One eligibility table with check boxes indicating if a specific eligible service is “Telecom. services” and/or “Internet access.” If both boxes

are checked, applicants are advised to request such a service under both Priority 1 categories in their Form 470s.

SECA believes that this approach is less than optimal. We have two concerns, namely:

1. The new section titles may also be confusing. “Voice Services,” in particular, seems outdated in today’s increasingly IP-oriented, voice-data-video world.<sup>1</sup>
2. The third-column checkboxes, while providing some additional guidance, will still be confusing to some applicants, particularly when both boxes are checked.

As an alternative, SECA strongly recommends a far simpler approach.

**There should be only two categories of services on the Form 470 and Form 471, and, as a result, the ESL need have only two major sections: Telecommunications and Internet Access (Priority One) and Internal Connections (Priority Two).**

SECA argues as follows:

First, from a Form 470 competitive bidding viewpoint, many of the telecommunications and Internet access services are converging. From a service provider perspective, the need to review one slightly longer list of required services, rather than just telecom or Internet services, should not be burdensome. For providers of both types of services, a single list would be even simpler. For applicants, this would be a welcome simplification of the E-rate program, eliminating one source of denials and needless applicant angst.

Second, there is no longer any need to restrict the eligibility of certain telecommunications services to eligible carriers. This class of service providers has already been expanded to include a broader list of Form 499 filers, and is likely to expand still further under the Commission’s USF modernization plan. A reasonable presumption might be that any vendor providing a service competing with a USF contributor should be a contributor itself. The key point, from an

---

<sup>1</sup> SECA also notes that one proposal being discussed to address the developing E-rate funding shortage is to make POTS services ineligible. Doing so would make “Voice Services” even more of an anachronism.

E-rate perspective, is that enforcement of USF contribution principles should be the responsibility of the Commission — not the responsibility of E-rate applicants. For applicants, this would be another welcome simplification of the E-rate program, eliminating another source of denials.

Third, adoption of this approach would lead to streamlined application reviews, to a more straight-forward ESL, and, ultimately, to simpler versions of the Form 470 and, to a lesser degree, the Form 471.

SECA urges the Commission to adopt this approach effective with the FY 2013 ESL and E-rate application cycle. SECA believes that this timing is achievable without revising the Form 470 and Form 471 simply by changing USAC PIA procedures and issuing appropriate guidance to both applicants and service providers (much like it addressed Form 486 usage following new technology plan and CIPA requirements).

Respectfully Submitted by:

/s/ Gary Rawson

Gary Rawson, Chair  
State E-Rate Coordinators' Alliance

Mississippi Department for Information Technology Services  
3771 Eastwood Drive  
Jackson, Mississippi 39211  
601-432-8113  
Gary.Rawson@its.ms.gov

July 12, 2012