



# PUBLIC NOTICE

Federal Communications Commission  
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DA 11-331

Release Date: February 18, 2011

**WIRELINE COMPETITION BUREAU SEEKS COMMENT ON A PETITION BY FUNDS FOR LEARNING, INC. TO REJECT THE UNIVERSAL SERVICE ADMINISTRATIVE COMPANY'S PRIORITY TWO DISCOUNT THRESHOLD RECOMMENDATION FOR THE SCHOOLS AND LIBRARIES PROGRAM FOR FUNDING YEAR 2010**

CC Docket No. 02-6

**Comment Date: March 7, 2011**

**Reply Comment Date: March 14, 2011**

Funds for Learning, Inc. (FFL) has petitioned the Commission to reject the Universal Service Administrative Company's (USAC) recommendation to deny funding requests at the 80 percent discount level and below for priority 2 services (internal connections and basic maintenance of internal connections) under the E-rate program (more formally known as the schools and libraries universal service support program) for funding year 2010.<sup>1</sup> Under the E-rate program, E-rate funds are allocated according to rules of priority, with first priority given to requests for telecommunications services and Internet access services (priority 1 services).<sup>2</sup> The remaining available funds are allocated to requests for support for internal connections and basic maintenance of internal connections (priority 2 services).<sup>3</sup> E-rate funds for priority 2 services are allocated first to applicants whose applications are eligible for 90 percent discount levels, then to those eligible for 89 percent discount levels, and so on, until the available funds are exhausted.<sup>4</sup>

Specifically, FFL asserts that USAC's recommendation that the Commission should not fund priority 2 requests at the 80 percent discount level is premature given that: (1) demand at the 80 percent discount level for funding year 2010 stands at approximately \$279.43 million, yet \$400 million in unused funds is currently available to fund additional requests;<sup>5</sup> and (2) there is a strong possibility that unused E-rate funding earmarked specifically for funding year 2010 will become available to fund all requests at the

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<sup>1</sup> Petition of Funds for Learning, Inc. to Reject the Administrator's Discount Threshold Recommendation for Funding Year 2010, WC Docket No. 02-6 (filed Feb. 11, 2011) (Petition). Funding year 2010 began on July 1, 2010 and ends on June 30, 2011. *See* 47 C.F.R. § 54.507(b).

<sup>2</sup> 47 C.F.R. § 54.507(g)(1)(i).

<sup>3</sup> 47 C.F.R. § 54.507(g)(1)(ii).

<sup>4</sup> 47 C.F.R. § 54.507(g)(1)(iii).

<sup>5</sup> Petition at 1.

80 percent discount level.<sup>6</sup> FFL argues that, if the Commission adopts USAC's recommendation, many schools and libraries again will not receive needed E-rate support for priority 2 services.<sup>7</sup> Thus, FFL requests that the Commission reject USAC's recommendation to set the funding threshold at the 81 percent discount level for priority 2 services and direct USAC to use carryover funds<sup>8</sup> to support all funding year 2010 requests at the 80 percent discount level or fund these requests in any other manner that the Commission considers appropriate.<sup>9</sup>

Interested parties may file **comments on or before March 7, 2011**, and **reply comments on or before March 14, 2011**. All pleadings are to reference **CC Docket No. 02-6**. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS), or by filing paper copies.<sup>10</sup>

- Electronic Filers: Comments may be filed electronically using the Internet by accessing the ECFS: <http://www.fcc.gov/cgb/ecfs/>.
- Paper Filers: Parties who choose to file by paper must file an original and four copies of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, filers must submit two additional copies for each additional docket or rulemaking number.

Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

All hand-delivered or messenger-delivered paper filings for the Commission's Secretary must be delivered to FCC Headquarters at 445 12<sup>th</sup> St., SW, Room TW-A325, Washington, D.C. 20554. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building. The filing hours at both locations are 8:00 a.m. to 7:00 p.m. Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743. U.S. Postal Service first-class, Express, and Priority mail should be addressed to 445 12th Street, S.W., Washington D.C. 20554.

People with Disabilities: To request materials in accessible formats for people with disabilities (Braille, large print, electronic files, audio format), send an e-mail to [fcc504@fcc.gov](mailto:fcc504@fcc.gov) or call the Consumer & Governmental Affairs Bureau at (202) 418-0530 (voice), (202) 418-0432 (tty).

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<sup>6</sup> *Id.*

<sup>7</sup> *See id.* at 3-7.

<sup>8</sup> The Commission's rules state, in part, that "all funds that are collected and that are unused from prior years shall be available for use in the next full funding year of the schools and libraries mechanism in accordance with the public interest and notwithstanding the annual cap." 47 C.F.R. § 54.507(a)(2). In July 2010, the Bureau announced that \$900 million in unused funds will be carried forward from funding years 2002, 2005, 2006, 2007 and 2008 to increase disbursements to schools and libraries in funding year 2010 in excess of the annual cap. *Wireline Competition Bureau Announces Carryover of Unused Schools and Libraries Universal Service Funds for Funding Year 2010*, CC Docket No. 02-6, Public Notice, 25 FCC Rcd 8483 (Wireline Comp. Bur. 2010).

<sup>9</sup> *Id.* at 5-8.

<sup>10</sup> *See Electronic Filing of Documents in Rulemaking Proceedings*, GC Docket No. 97-113, Report and Order, 13 FCC Rcd 11322 (1998).

**In addition, one copy of each pleading must be sent to each of the following:**

- (1) The Commission's duplicating contractor, Best Copy and Printing, Inc., 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554, [www.bcpweb.com](http://www.bcpweb.com); phone: (202) 488-5300 fax: (202) 488-5563;
- (2) Regina Brown, Telecommunications Access Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-A361, Washington, D.C. 20554; e-mail: [Regina.Brown@fcc.gov](mailto:Regina.Brown@fcc.gov); and
- (3) Charles Tyler, Telecommunications Access Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-A452, Washington, D.C. 20554; e-mail: [Charles.Tyler@fcc.gov](mailto:Charles.Tyler@fcc.gov).

Filings and comments are also available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, S.W., Room CY-A257, Washington, D.C. 20554. They may also be purchased from the Commission's duplicating contractor, Best Copy and Printing, Inc., Portals II, 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554, telephone: (202) 488-5300, fax: (202) 488-5563, or via e-mail [www.bcpweb.com](http://www.bcpweb.com).

This matter shall be treated as a "permit-but-disclose" proceeding in accordance with the Commission's *ex parte* rules.<sup>11</sup> Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentations must contain summaries of the substance of the presentation and not merely a listing of the subjects discussed. More than a one or two sentence description of the views and arguments presented generally is required.<sup>12</sup> Other rules pertaining to oral and written *ex parte* presentations in permit-but-disclose proceedings are set forth in section 1.1206(b) of the Commission's rules.<sup>13</sup>

For further information, please contact Regina Brown, Telecommunications Access Policy Division, Wireline Competition Bureau at (202) 418-7400 or TTY (202) 418-7385.

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<sup>11</sup> 47 C.F.R. §§ 1.1200 *et seq.*

<sup>12</sup> *See* 47 C.F.R. § 1.1206(b)(2).

<sup>13</sup> 47 C.F.R. § 1.1206(b).