



NEWS

Federal Communications Commission
445 12th Street, S.W.
Washington, D. C. 20554

News media Information 202 / 418-0500
TTY 202 / 418-2555
Fax-On-Demand 202 / 418-2830
Internet: <http://www.fcc.gov>
<ftp.fcc.gov>

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FOR IMMEDIATE RELEASE:
April 23, 2003

NEWS MEDIA CONTACT:
Michael Balmoris 202-418-0253
Email: mbalmori@fcc.gov

FCC TAKES STEPS TO IMPROVE THE UNIVERSAL SERVICE SCHOOLS AND LIBRARIES PROGRAM

Streamlined Administration, Simplified Application Process and Strengthened Oversight Among Measures Adopted

Washington, D.C. – The Federal Communications Commission (FCC) today adopted new rules to simplify and streamline the operation of the schools and libraries program of the universal service fund (USF). The measures adopted today seek to improve program administration, create a more efficient application process for program participants, and improve program oversight to prevent waste, fraud and abuse.

In adopting the *Second Report and Order and Further Notice of Proposed Rulemaking*, the FCC is looking to make the application and disbursement process of the schools and libraries program as streamlined and straightforward as possible for participants, while also ensuring the continued integrity of the program by strengthening the procedural safeguards.

The schools and libraries program enables qualified applicants to receive discounts for eligible telecommunications services, Internet access, and internal connections. Since the inception of the schools and libraries support mechanism in 1997, the Nation's schools and libraries have received over \$9.8 billion in funding commitments. This support has provided millions of school children and library patrons access to modern telecommunications (see attached Fact Sheet).

The measures adopted today include:

1. Improved Program Oversight to Prevent Waste, Fraud and Abuse

- Persons convicted of criminal violations or held civilly liable for misconduct arising from participation in the program will be debarred from participation for three years and where circumstances warrant, for a longer period.
- Clarified that requests for duplicative services – services that deliver the same functionality to the same people during the same period of time – will not be funded.

2. Revised Eligibility Rules to Streamline Program Administration

- Voice mail will be included as a service eligible for support, thereby reducing administrative costs since the service will no longer have to be broken out from the bundled price for telecommunications service.
- Wireless services are eligible for support in the same manner as wireline services, which will make the application process more predictable for applicants.

3. Simplified Application and Billing Process to Ease Administrative Burdens

- The Universal Service Administrative Company (USAC) will develop a pilot program to create an online list of eligible equipment to wire schools, which will facilitate expedited processing of many funding requests.
- Applicants can elect to pay their service provider the full discounted cost of services received.

In the *Further Notice* adopted today, the FCC will be seeking comment on a variety of streamlining issues to further improve the operation of the program, including 1) the feasibility of an online computerized eligible services list for telecommunications services and Internet access, 2) procedures implementing the FCC's decision to carry forward unused funds from the program in subsequent funding years, and 3) whether to expand the circumstances under which persons may be debarred from involvement in the program, including debarment for willful or repeated violators of FCC rules.

-FCC-

Docket No.: CC 02-6

Action by the Commission April 23, 2003, by Second Report and Order and Further Notice of Proposed Rulemaking (FCC 03-101). Chairman Powell, Commissioners Abernathy, Copps, Martin, and Adelstein. Separate statements issued by Chairman Powell, Commissioners Abernathy, Copps, and Adelstein.

Wireline Competition Bureau Staff Contact: Mark Seifert at 202-418-7400.

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