

- That the level of discount a particular institution receives be a percentage of its communications costs based on its location and level of wealth. Discounts would be 20% for the wealthiest schools and libraries and as great as 90% for the poorest.
- In order to receive support, a school or library would have to meet three requirements:
 - (1) self-certification that it has a plan for securing access to all resources;
 - (2) submission of a request for support that can be posted to attract competitive bids; and
 - (3) statement that it is eligible and will observe the rules associated with the universal service funding mechanism.

Funding is on a first-come, first serve basis and reportedly is available beginning January, 1998. This fund will not cover costs that have already been incurred.

Note: applications forms for Universal Service discounts for schools and libraries are not yet available.

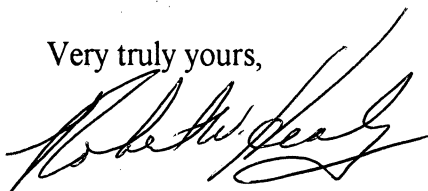
APPLICABILITY TO CAMBRIDGE

In 1995, Cambridge embarked on a capital improvement program to develop its network infrastructure to and in all City buildings including all public schools and libraries. The City's Internet connection - which is the Internet connection for the schools and libraries as well - has been in place for a few years.

The internal connections for all but three schools is complete; all of the libraries are complete as well. The three schools that remain are the Morse, Fitzgerald and Peabody elementary schools. The Morse and Fitzgerald will be completed as a part of the school construction projects, which are both reimbursable at 90% by the state. The Peabody School will soon be complete.

The School Department and my office is following the developments under the Universal Service Discount program, and will apply for all discounts for which the City is eligible.

Very truly yours,

A handwritten signature in black ink, appearing to read "Robert W. Healy", written in a cursive style.

Robert W. Healy
City Manager



CITY OF CAMBRIDGE
CAMBRIDGE, MASSACHUSETTS 02139

TEL 349-4300
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[Handwritten signature]

EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

RICHARD C. ROSSI
Deputy City Manager

September 22, 1997

To the Honorable, the City Council:

In response to Awaiting Report #16 regarding the applicability of the E-Rate Program to the telecommunications plans for the City of Cambridge and potential for funding or reimbursement, please be advised of the following:

BACKGROUND

The Telecommunications Act of 1996 represents the first comprehensive revision of the federal communications laws in more than 60 years. The Universal Service section of the law, section 254 (also known as e-rate), will help schools and libraries obtain access to services and technologies at discounted rates. The goal is to ensure that schools and libraries are connected to the information highway.

The new law requires that the Federal Communications Commission (FCC) and the states base the revision of the Universal Service system on seven principals, including the principal that elementary and secondary schools and libraries should have access to advanced telecommunications services. In addition, an amendment to the Act specifies that, upon request, individual telecommunications carriers must provide service to schools and libraries at "affordable" rates. The amount of the associated discount is to be reimbursed by the newly established Universal Service system that is required by the 1996 Act.

TIMELINE & REQUIREMENTS:

The FCC has adopted final rules and a Joint Board of federal and state communications commissioners and a utility consumer advocate issued its recommendations:

- That schools and libraries be able to purchase at a discount any telecommunications services that are commercially available, internal connections and maintenance, and access to the Internet.
- That non-profit public or private K-12 schools would be eligible to receive universal service support.

Consent Agenda #2

5-570

Relative to Awaiting Report Item
Number Sixteen, regarding the
applicability of the E-Rate Program
to the telecommunications plans for the
City of Cambridge and potential for
funding or reimbursement.

In City Council September 22, 1997

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