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October 4, 2018

SUBMITTED ELECTRONICALLY VIA ECFS

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: **MEETING SUMMARY PER SECTION 1.1208 OF THE FCC'S RULES**
Schools and Libraries Universal Service Support Mechanism,
Docket No. 02-6

Dear Ms. Dortch:

On behalf of the Park Hill (Missouri) School District (Park Hill), this *ex parte* memorializes the September 28, 2018 conference call between the undersigned counsel for Park Hill and Nirali Patel, Special Counsel, Office of Chairman Ajit Pai, regarding a Request for Review and/or Waiver by the Park Hill School District.¹ I briefly outlined the facts and arguments consistent with the appeal referenced herein and the attached briefing sheet.

Pursuant to Section 1.1206(b)(2) of the Commission's rules, an electronic copy of this letter is being filed for inclusion in the above-referenced docket and sent to Ms. Patel. Please direct any questions regarding this filing to the undersigned.

Respectfully submitted,

/s/ Gina Spade

Gina Spade
Counsel for Park Hill School District

cc: Nirali Patel (via email)

¹ Request for Review and/or Waiver, *In the Matter of Schools and Libraries Universal Service Support Mechanism*, CC Docket No. 02-6, Park Hill (MO) School District FCC Form 471 Application Numbers 161049598 and 171035440 (filed August 21, 2018).

**Park Hill School District
E-rate Appeal Briefing Sheet – October 2018**

- The Park Hill School District has been denied nearly a million dollars in E-rate program funding by the program administrator (USAC) even though it complied fully with program rules, and its network will save the District and the program hundreds of thousands of dollars.

Background/Timeline

- In 2014, the Commission announced that it would permit E-rate applicants “to construct their own or portions of their own networks when self-construction is the most cost-effective solution.”¹
- Prior to seeking bids for its fiber wide area network (WAN) and applying for funding, Park Hill worked with USAC to ensure its procurement documents and application met FCC program rules.
- Park Hill sought competitive bids and determined that its own fiber WAN was the most cost-effective solution, saving the district between \$423,000 and \$3 million.
- On January 13, 2016, Park Hill entered into a cooperative agreement with the City of Kansas City (the City). The City received the right to use a few fibers the school district did not need while Park Hill received some of the City’s conduit that was already in the ground and did not have to pay for permits.
- Park Hill estimated that partnering with the City would save Park Hill as much as \$430,000. That translates into a savings for the E-rate program of \$215,000 for the services.
- On March 2, 2017, Park Hill received a funding commitment for its FY 2016 WAN project. On January 9, 2018, USAC rescinded its \$900,000 funding commitment for the FY 2016 application.² USAC said it denied the funding because the network must be “completely owned and exclusively used” by E-rate eligible entities. Park Hill has appealed this decision to the FCC.

Analysis

- Park Hill followed the FCC’s rules and saved between \$200,000 and \$1.5 million for the E-rate program (and an equal amount for the District) by building its own WAN. Park Hill also saved more than \$200,000 for itself and the E-rate program by working with the City of Kansas City on the project.
- USAC, however, denied Park Hill’s E-rate funding because it said the District could not allow the City to use some additional available fiber.
 - FCC rules specifically allow school districts to join with other public entities to obtain E-rate eligible services, as long as any additional costs for non-eligible entities are removed.
 - Park Hill followed those rules and did not include the cost of the city’s fiber in its E-rate funding request.
 - Although USAC did not state this as a denial reason, USAC may have denied the funding request because USAC believes the application should have been labeled “consortium” because of the City’s participation. USAC’s system, however, would not allow the district to file as a “consortium” because the system requires two E-rate eligible entities to be selected for an application to be labeled a consortium.

¹ *Modernizing the E-rate Program for Schools and Libraries*, WC Docket No. 13-184, Second Report and Order and Order on Reconsideration, 29 FCC Rcd 15538, 15555 ¶ 43 (2014) (*Second Modernization Order*).

² On December 14, 2017, USAC also denied funding for an expansion of the WAN in FY 2017.