



October 20, 2017

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

RE: Wireline Competition Bureau Seeks Comment on Category Two Budgets
(WC Docket No. 13-184)

Dear Ms. Dortch:

Infinity Communications & Consulting, Inc (Infinity) is an E-Rate consultant representing approximately 300+ E-Rate Applicants in five states or territories ranging from large statewide consortiums, large, medium and small public-school districts, libraries and library systems, and small private schools. Our smallest Applicant is a public elementary school with two students. For this Applicant, the discounts we receive from E-Rate is used to fund their annual curriculum budget and to help pay for staff. As E-Rate consultants, we have been involved with the program since 2003. Prior to that, we designed and built low-voltage communications systems, primarily within the education marketplace.

This last July, similar to what Funds for Learning does each year, we sent out a survey to all our clients in order to get their comments and suggestions on how the E-Rate program can be improved. There were a significant amount of comments reflecting frustrations with the EPC portal and lateness of getting FCDL's each year. Infinity also received comments regarding forms and timely approval of Service Substitutions. By far the comments we heard about the most was as follows: (1) Schools could not apply for Category Two projects because the actual cost of installing an eligible Category Two system was so much higher than the \$150 per student budget allowed by USAC. (2) Schools could not afford to install the system at all or were forced to only install a partial system and (3) Schools had to pay for 100% of the cost of their Category One voice services and, in turn, a school could not afford to pay for desperately needed data circuits or to fund the cost of the remaining balance of their Category Two projects. This is especially true for our small, rural clients where costs are so much higher than urban areas.

Infinity also is a technology design firm and designs eligible E-Rate wireless systems day in and day out. In our professional opinion, it is virtually impossible to design a Category Two wireless system from the ground up for \$150 per student. It simply can't be done no matter how big or small the school or library. To design a new school site where no school currently exists requires trenching, conduit, inside raceway systems, fiber optic and copper cabling, racks, patch panels, POE switches, UPS's, router, wireless controller, workstation outlets, and wireless access points. Our experience shows that the true cost of a project is in the \$400 range per student and that is assuming we get multiple bids on a project. If we only get one or two bids on a project, we have a particularly difficult site, we have special needs situations, or we are in a very remote area the actual cost can be much higher as you can see by the attached spreadsheet.

When schools are required to work within the \$150 per student E-Rate budget and have been told they can't afford anything higher than \$150 E-Rate will pay, we normally will suggest that the Applicant put in either the cabling or the network electronics as both systems tend to be in the \$200 per student range each. Either system can be dependent upon various conditions and how many Service Providers bid the project. In most cases, the more competition that arises, the lower the cost to the school. For one of our projects last year, after doing some budgeting on the project, we ended up only providing wireless connectivity to eight (8) classrooms on an elementary school campus that houses 855 students. In an ideal situation, every student in every classroom would be able to connect to the Internet. In this case, 800+ students are sharing eight(8) computer labs. Not an ideal situation at all.

When we have other pots of money to work with such as state school construction bond funds, we then will combine those monies with Category Two monies to install a complete system. Unfortunately, USAC's guidance to the Applicant community has been to **NOT** show the total price of a system if it's over \$150 on the Form 471. USAC has advised, if our application is for \$150 per student or under, our Applications will get funded faster. For this reason the FCC does not see the true cost of these systems on the Form 471's Infinity files and/or in their database. We then are concerned that the FCC is making funding choices on inaccurate data within the E-Rate database. We understand many other E-Rate consultants and Applicants follow this same process to get their projects funded sooner.

Infinity highly recommends a funding level per student closer to or over \$400. Along with increasing the Per Student budget, we would propose these other changes as well:

1. Going back to Pre-7th Report & Order guidance allowing Applicant's to move monies around their school sites instead of using a school's budget at that site only. Students are highly transient and monies should be able to follow the student. If School A has a partial system already installed and only needs part of their E-Rate budget to complete

their system and School B has little or no technology, why can't School B get the unused monies from School A just as long as it stays within the same school or library system? As it stands now, School A has everything they need to fully utilize their Category One services and School B is sending students over to a computer lab or limping along with very slow wireless connections. In the case of School B, students are not being provided equitable access to resources for learning and are therefore underserved and/or able to fully utilize the Category One data circuits serving that school. This same rationale applies to library systems as well.

2. The FCC allows Applicants to pay out their portion of a Category Two Special Construction project over four years, why not allow Applicants to pay out their portion of a Category Two project over four years.
3. It has been Infinity's experience, the best way to significantly drive down the cost of a Category Two project is to prepare a RFP and get multiple bids on an E-Rate project. By requiring a RFP, our experience is that the cost of the project can be reduced by 25% or more. The FCC may want to consider requiring ALL Category Two projects must have a RFP posted. Infinity recognizes that not all states require a RFP, but just like FCC gifting rules are more stringent than some state gifting rules and we are required to follow the more stringent FCC rules, possibly the FCC should place this same requirement on Category Two procurement to drive the cost of Category Two systems down.
4. If the FCC truly wants more Applicants to use their allotted Category Two budgets, we highly suggest that the FCC restores E-Rate discounts for voice services. This will free up monies to pay for the Applicants portion of these Category Two projects. According to research Funds for Learning has done recently, between 2014 and 2017, 19% of all E-Rate Applicants have left the E-Rate program. Our experience has been that most of these Applicants who have left the program are small rural Applicants that no longer get enough funding to make it worthwhile to stay in the program. So, the Applicants that need the E-Rate services the most are the ones being forced out of the program. We believe, once the voice phase down is fully complete in 2018, we suspect a great many more Applicants will leave the E-Rate program. Given that there was only about \$800 million dollars in voice services funded in 2014 and there seems to be a Billion dollars in excess funds over the last few years, we believe restoring voice funding would not significantly impact the E-Rate fund and/or deny funding for Category Two services.
5. Speed up the process of Funding Category Two projects and subsequent Service Substitutions.

The NPRM specifically requests to see actual project costs so we have supplied the attached spreadsheet. They provide validation of our assertion that the actual cost of Category Two services is MUCH higher than \$150 per student. We can supply many more examples if FCC or USAC staff care to contact our office. You may notice this same information is in a NPRM response from EMPA as well as EMPA requested we supply this information to them.

Thank you for allowing Infinity to pass on these comments on behalf of our Applicants.

Sincerely,



Fred Brakeman RCDD, CSI, CEMP
Chief Executive Officer