



May 29, 2019

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

Re: *Ex Parte* Submission
Modernizing the E-rate Program for Schools and Libraries -- WC Docket No. 13-184

Dear Ms. Dortch:

The State E-rate Coordinators' Alliance ("SECA") submits the enclosed list of recommendations regarding E-rate eligible services for the upcoming Funding Year 2020. Pursuant to 47 C.F.R. §54.502, by March 30 of each year, the Schools and Libraries Division ("SLD") of the Universal Service Administrative Company (as the E-rate administrator) is required to submit a draft list of services eligible for support, based on the Commission's rules for the following funding year. The Wireline Competition Bureau then issues a Public Notice seeking comment on the draft Eligible Services List, and later releases the final Eligible Services List ("ESL").

Earlier this spring, SECA shared the enclosed ESL suggestions with SLD in response to their invitation. The recommendations range from wording clarifications to the inclusion of new eligible services. Each proposal on the enclosed list is based on our experiences assisting E-rate applicants and the feedback they provide to us.

We are submitting these suggestions in the FCC public record so that they are available to the Commission and other interested parties. As the FCC proceeds with the development of the public notice for the forthcoming year's draft Eligible Services List, we respectfully request that you consider incorporating our recommendations.

Respectfully Submitted by:

A handwritten signature in black ink that reads "Debra M. Kriete".

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Enclosure



Eligible Service List Recommendations for FY 2020

Submitted to SLD on March 1, 2019

1. **Filtering**

- A. Resolve the longstanding inequity of establishing filtering as a requirement to receive E-rate funding and not providing a means to help pay for it.
- B. We believe the FCC has discretion to make it eligible and is not precluded by law from doing so.
- C. In addition to Category 1, include it as a Category 2 option as well so that applicants have more flexibility to use their Category 2 funds.
- D. This request is the # 1 eligible services question/request that state coordinators receive from applicants.

2. **Advanced Firewall Features (i.e. Anti-Virus, Anti-Intrusion)**

- A. These features ensure the functionality of the core network infrastructure.
- B. Should be eligible as Category 2 which will allow applicants another option to use their Category 2 budgets.

3. **Eligibility to Select Multiple Vendors to Provide Needed Internet Bandwidth**

- A. Internet service is an absolute necessity for schools and libraries as nearly every educational and administrative function is Internet-based (classroom learning, homework, grades, distance learning, board docs, parent communications, procurement, payroll, scheduling, etc.).
- B. The current guidance, which relies on the 2007 Macomb Decision, precludes applicants from contracting with two different vendors from the same procurement to deliver needed Internet to the same buildings. We believe this is a misinterpretation of the Macomb Decision.
- C. Macomb Decision does **not** stand for the proposition that the cost of purchasing the same type of service from two different vendors during the same procurement is, by definition, a prohibited duplicative service.
- D. The decision states, "We do not find fault with Macomb ISD's request for multiple T3 lines, **provided that the services are needed**. Commission rules, however, do not permit applicants to seek T3 lines from multiple service providers when the additional service providers' bids were not the most cost-effective." (Emphasis added); Paragraph 8, Macomb Decision, FCC 07-64.
- E. Macomb allows for E-rate funding for two different connections at a rate associated with the least expensive service and should apply to Internet Access services as well. Paragraph 9, Macomb Decision, FCC 07-64.
- F. Consistent with Macomb, the FCC should clarify that if an applicant wishes to purchase **needed services** from two different vendors as part of the same procurement, the applicant is limited to E-rate funding based on the least expensive service.

4. **Elimination of Cost Allocation for Cabling and Data Distribution**

- A. FCC should clarify that all data communications cabling and data distribution devices inside eligible facilities serving eligible students/patrons is eligible regardless of what end-user equipment is attached to the cabling or data distribution device.

- B. Cost allocation should not be required based on what equipment is 'plugged into' the cabling. A drop is a drop regardless of what equipment is attached to the drop, and a port is a port regardless of what equipment is attached to a switch (data distribution equipment).
- C. Similar to transport circuits, it is the facility itself, and not the content or application that traverses the circuit, that makes it eligible. The presumption should be that all services being provided within a school or library are for educational purposes.
- D. In reality, different devices may be attached to a Cat 5 or Cat 6 data jack at any given time and in fact may change over time. For example, a teacher may have their computer attached to a jack and then change the classroom layout and decide to attach their computer to a different jack that previously was used for a telephone. It should not matter whether a computer or telephone is attached to the jack to determine the eligibility of the cabling.
- E. Unnecessary cost allocations needlessly increase the complexity of the program.

5. Narrow BMIC Eligibility in FY 2020

- A. Stand-alone Break/Fix and Time/Materials -type BMIC services should be eliminated as an eligible service.
- B. Software updates and technical support should continue to be eligible as "Manufacturer Support Service" ("MSS") subject to the following clarifications to establish regulatory parity with the treatment of licenses.

6. Eliminate Requirement to Pro-Rate Pre-Paid, Multi-Year MSS Agreements

- A. Multi-year, prepaid, right-to-use licenses are fully eligible in the year of purchase without proration and are appropriately classified as a one-time non-recurring cost.
- B. MSS likewise is commonly pre-paid for multiple years at the time of equipment purchase, but when classified as maintenance, applicants are limited to receiving funding for a pro-rated amount that covers the current funding year and must apply each year for the annual associated charges. This is inefficient, burdensome and needlessly complex.
- C. Also problematic is that when classified as maintenance, the MSS charges are treated as recurring charges. Consequently, instead of E-rate recognizing that the MSS purchase is made at the same time as the equipment purchase, E-rate artificially assumes that the charge is incurred from July 1 through June 30. When the equipment is purchased later in the funding year, which frequently occurs, the applicant forfeits their ability to recoup all funding for the months prior to the purchase date of the equipment and MSS.
- D. Just like right-to-use licenses, pre-paid, multi-year MSS agreements should be fully eligible in the year of purchase as part of Category 2 and considered to be one-time charges that are concurrent with the equipment purchase.
- E. Parity in the E-rate regulatory treatment of licenses and MSS will simplify the program and improve efficiency in the administration of E-rate.

7. Simplify Category 2 by Eliminating Separate Sub-Categories

- A. All Category 2 services and equipment should be collapsed on the Form 470 and the subcategories should be removed.
- B. MSS should simply be an option as one of the Form 470 drop down items, along with switches, firewalls, wireless equipment, etc., or a separate question following the "Do you want installation/configuration for this equipment" question, such as "Do you want manufacturer support services for this equipment?"

8. Continuation of MIBS in FY 2020 and Beyond

- A. A relatively small group of applicants have found this option to be helpful and therefore it should continue to be offered as an option under Category 2, but with modifications.
- B. Services provided under MIBS should be more clearly defined and should be subject to the new limitations on Basic Maintenance as proposed in # 5 above.
- C. As noted in Item 7, the Category 2 services and equipment should be collapsed on the Form 470 and the subcategories should be removed. MIBS should simply be an option as one of the Form 470 drop down items, along with switches, firewalls, wireless equipment, etc. Applicants would then describe the equipment they seek to be managed.
- D. Likewise, the Category 2 subcategories would be collapsed on the Form 471 and the MIBS option would be a drop-down option, either at the 'Equipment Type' or 'Product Type Levels.'

9. Two Requested Clarifications/Enhancements

- A. Bring back the Glossary of Terms as an integral part of the ESL.
- B. Include a CIPA compliance reminder on the ESL for the purchase of Internet access service as well as clarification that CIPA compliance is **not** required if the applicant is only purchasing circuits (no Internet or Category 2).

10. Wi-Fi on Buses

SECA recommends that the FCC open a NOI or NPRM to address this issue as well as other related homework-gap issues concerning off-campus Internet usage for educational purposes. There are numerous financial, technical and operational issues to be considered, and a NOI or NPRM would provide a forum to create a record to formulate policy in this area.