

June 17, 2018

VIA ELECTRONIC FILING

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

Re: **Ex Parte Communication**
Modernizing the E-rate Program for Schools and Libraries -- WC Docket No. 13-184
Schools and Libraries Universal Service Support Mechanism -- CC Docket No. 02-6

Dear Ms. Dortch:

On June 14, 2018, Peter Kaplan and I met with FCC staff to discuss the initial findings of a nationwide survey of E-rate applicants. The following are the FCC Wireline Competition Bureau staff with whom we met: D'wana Terry, Associate Bureau Chief, Ryan Palmer, Division Chief (TAPD), Bryan Boyle, Kate Dumouchel, April Jones, Stephanie Minnock, Mark Nadel, Joseph Schlingbaum, and Peter Shroyer.

We explained to the FCC staff that a representative sample of nearly 5% of E-rate applicants responded to the survey conducted in May of 2018. Respondents provided their thoughts and opinions about the E-rate program. 88% of respondents stated that E-rate funding is vital to achieving their Internet connectivity goals, providing more affordable Internet (82%) at faster speeds (80%) to more students and library patrons (78%).

We shared that 44% of respondents found the USAC online portal to be difficult to use; however, 47% of them agreed that working with the EPC system had improved since last year.

In our discussion, we provided them with an analysis of the count of sites associated with E-rate funding requests in 2018. There were:

- 127,958 sites requesting broadband Internet support
- 44,722 sites requesting Category 2 (Wi-Fi and related infrastructure) support
- 33,650 sites requesting telephone support

We pointed out that the total number of sites listed on E-rate applications has declined over the past four years. We explained that this was primarily the result of the phase-down in support for voice telephone and cellular services. In contrast, the number of sites receiving support for broadband Internet has remained relatively steady over the past four years.

In our meeting, we provided data and survey results about the utilization of Category2 (“C2”) discounts. 93% of active E-rate participants have submitted C2 funding requests at some point in the past four funding years. These funding requests represent 76% of all participating school and library sites. The discrepancy between the percentage of applicants and the percentage of sites demonstrates the limitations of the site-based enforcement of C2 budget caps. We shared that 88% of applicants support an applicant-level administration of C2 budgets. This change would reduce the administrative burden for applicants (and USAC) and would reduce the disparity between different school and library sites within a system.

We explained that Funds For Learning estimates that there is an estimated \$2.8 billion in potential C2 funding requests¹ remaining for FY2019, and that a change to an applicant-level C2 budget system would increase the utilization of C2 discounts. On a related note, we also described that 45% of school applicants believe that the C2 budget factor should be increased to \$250 per student.

Other relevant findings that were shared with the FCC staff included:

- 74% of respondents would seek support for high-availability and/or load balanced Internet.
- 51% expect to upgrade their on-campus Wi-Fi network in the next three years.
- 82% describe the lack of home Internet access as a significant issue in their community.
- 78% support off-campus connections to E-rate funded networks if there is no extra cost.

The entire presentation is included as an attachment to this letter.

Respectfully submitted,

/s/ John D. Harrington

John D. Harrington
Chief Executive Officer

Attachment: 2018 E-rate Applicant Survey

cc: D’wana Terry
Ryan Palmer
Kate Dumouchel

¹ Calculated based on this analysis: <https://www.fundsforlearning.com/blog/2018/05/one-third-of-sites-capitalize-on-c2-funds>

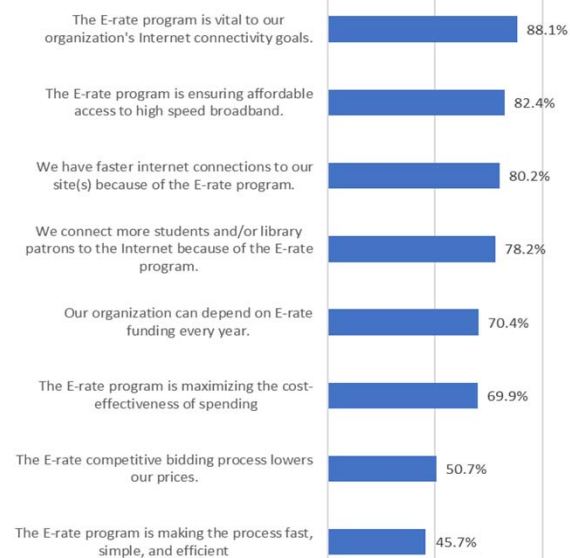
2018 E-rate Applicant Survey

Conducted by Funds For Learning®

About the Survey

- Funds For Learning's 8th Annual Survey
- 1,026 respondents (approx. 5% response rate)
- Conducted in May of 2018

88% of applicants: E-rate Program is "Vital"

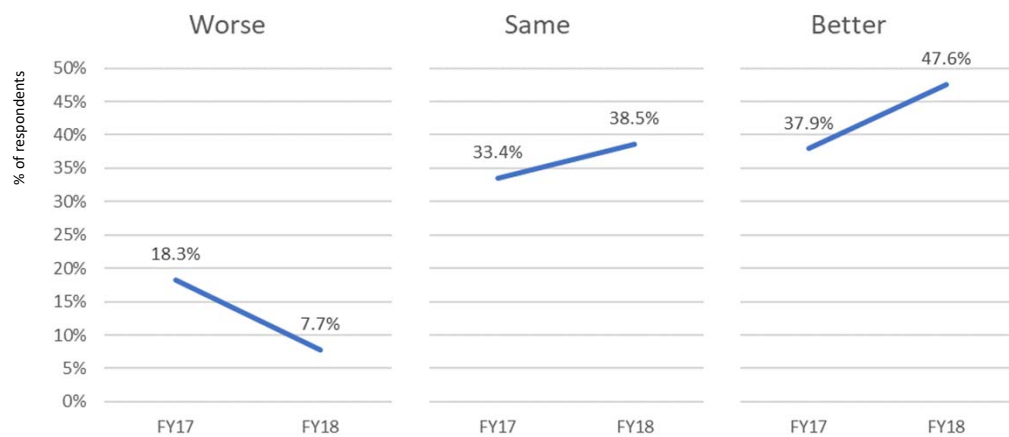


June 13, 2018

Results of 2018 Applicant Survey
© 2018 Funds For Learning, LLC

About the Process

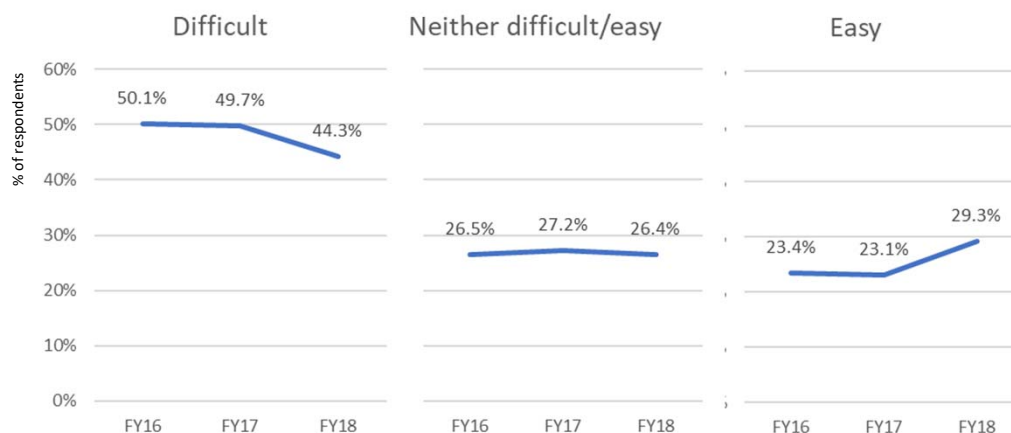
How would you describe using EPC this year compared to the last filing window?



June 13, 2018

Results of 2018 Applicant Survey
© 2018 Funds For Learning, LLC

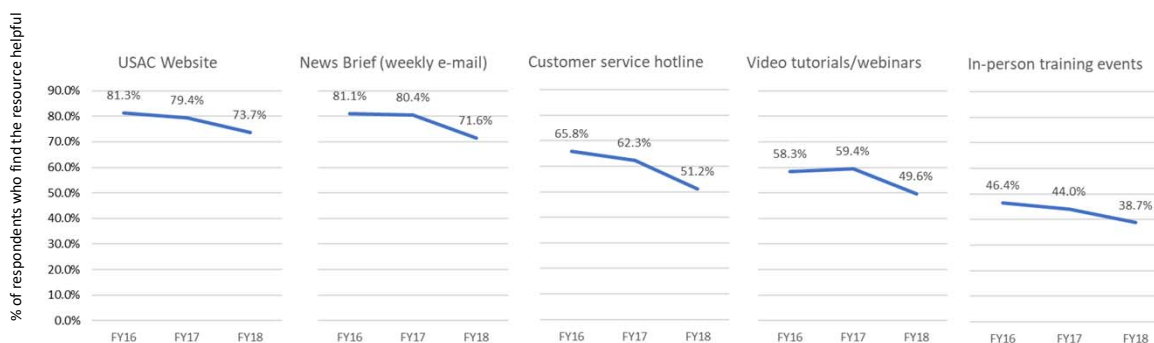
How would you rate the EPC portal in terms of overall ease of use?



June 13, 2018

Results of 2018 Applicant Survey
© 2018 Funds For Learning, LLC

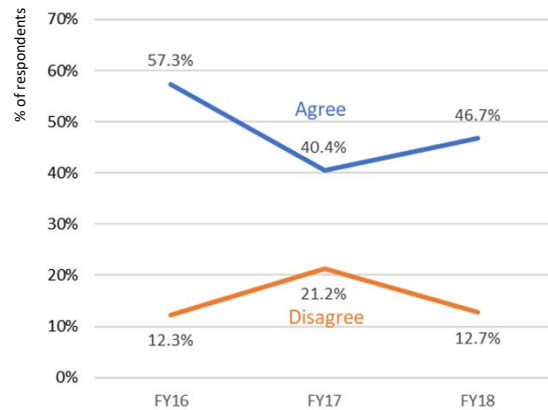
Which USAC resources do you find helpful?



June 13, 2018

Results of 2018 Applicant Survey
© 2018 Funds For Learning, LLC

My Form 471 application(s) took longer to prepare and file than in previous years.

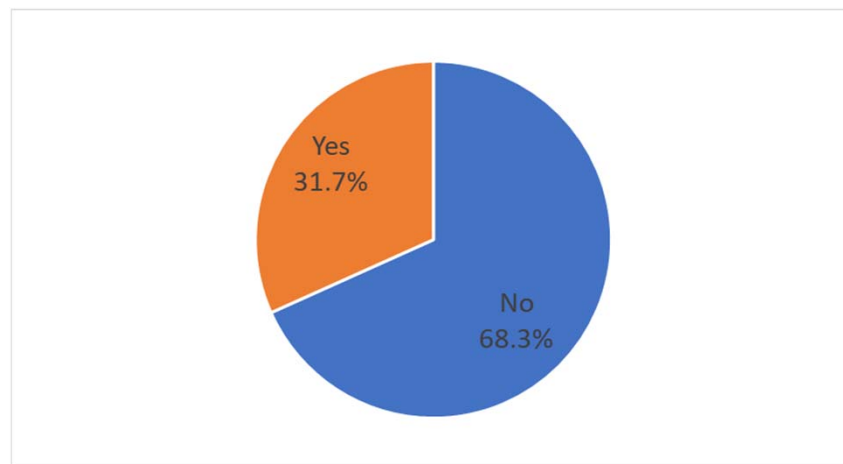


June 13, 2018

Results of 2018 Applicant Survey
© 2018 Funds For Learning, LLC

Have you ever experienced reimbursement delays of more than 4 weeks?

ONE-THIRD OF APPLICANTS HAVE HAD SIGNIFICANT DELAYS IN PAYMENTS

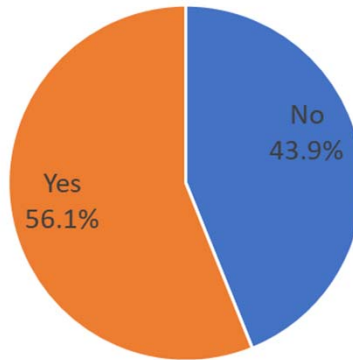


June 13, 2018

Results of 2018 Applicant Survey
© 2018 Funds For Learning, LLC

Did you prefer the earlier close of the 2018 filing window?

MAJORITY OF APPLICANTS PREFER EARLIER FORM 471 DEADLINE

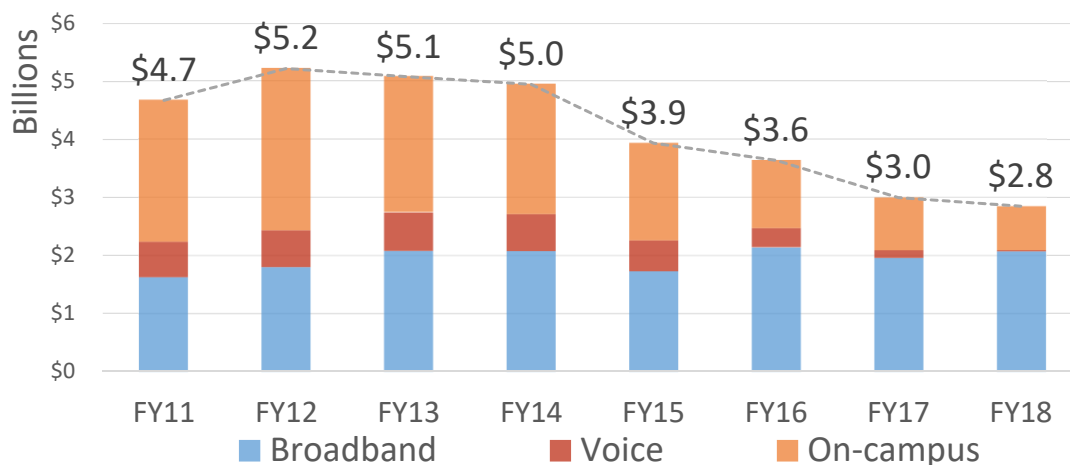


June 13, 2018

Results of 2018 Applicant Survey
© 2018 Funds For Learning, LLC

About Participation

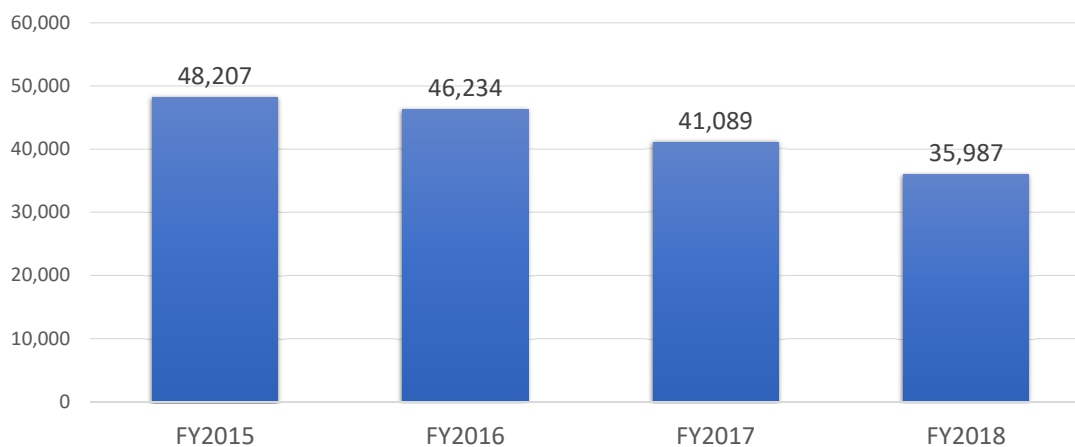
E-rate Discounts Requested (FY2011-FY2018)



June 13, 2018

Results of 2018 Applicant Survey
© 2018 Funds For Learning, LLC

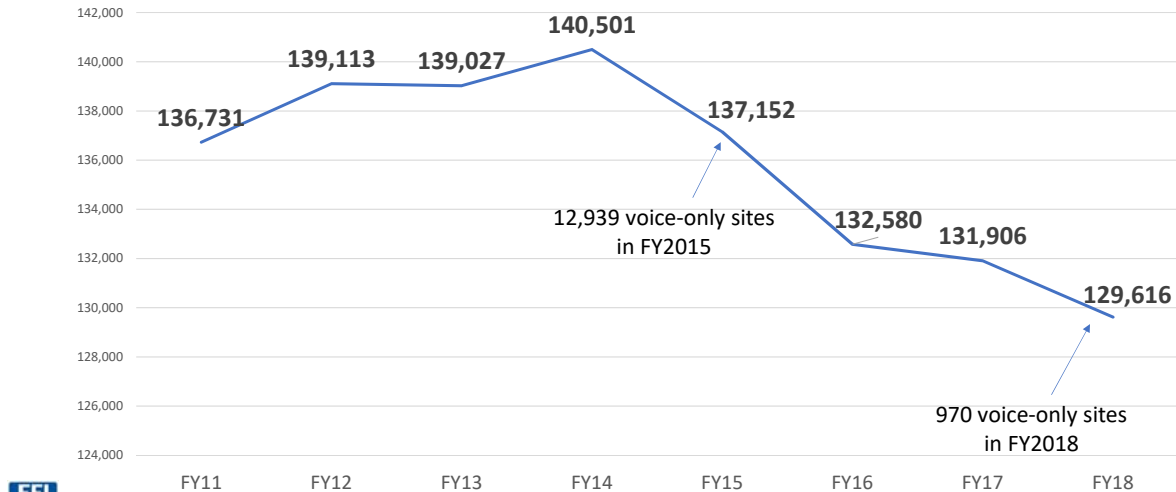
Count of Form 471s Filed by Funding Year



June 13, 2018

Results of 2018 Applicant Survey
© 2018 Funds For Learning, LLC

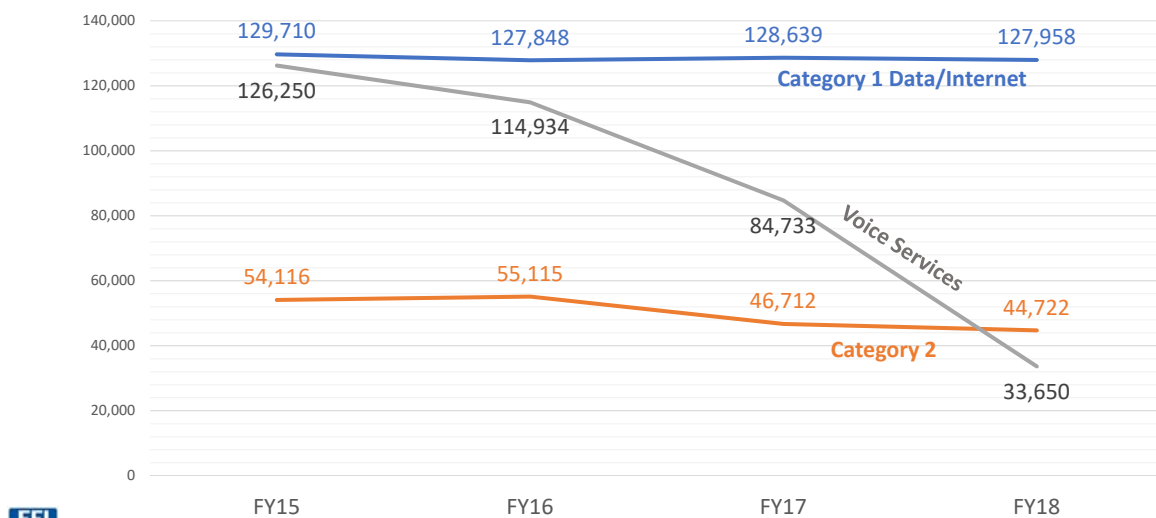
Count of Sites Receiving E-rate Discounts



June 13, 2018

Results of 2018 Applicant Survey
© 2018 Funds For Learning, LLC

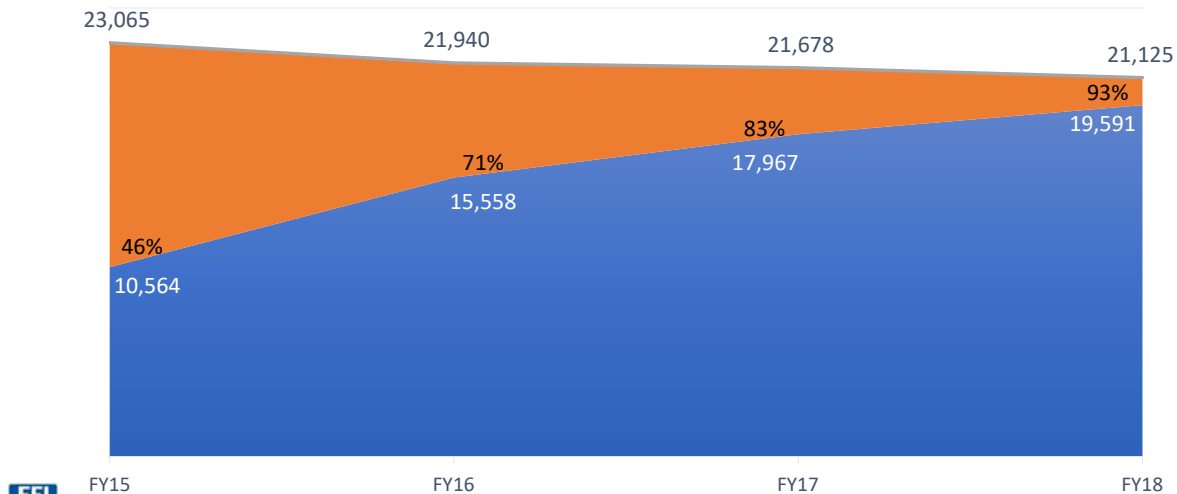
Count of Sites Receiving Service (by Category)



June 13, 2018

Results of 2018 Applicant Survey
© 2018 Funds For Learning, LLC

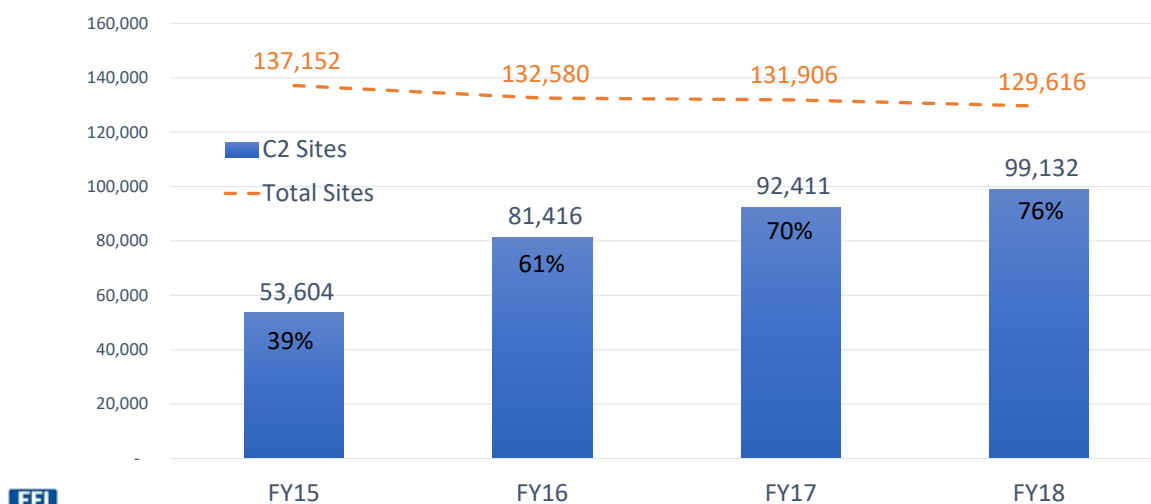
93% of applicants have used Category 2 funds



June 13, 2018

Results of 2018 Applicant Survey
© 2018 Funds For Learning, LLC

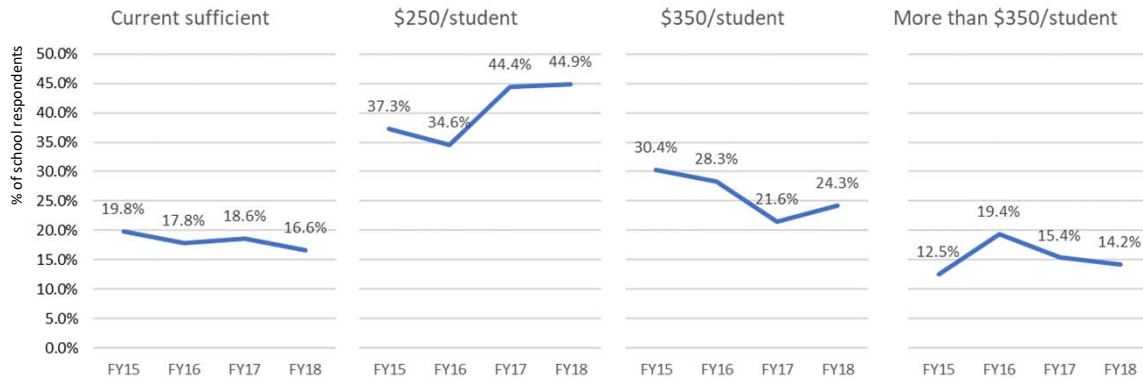
76% of sites have had C2 funds requested



June 13, 2018

Results of 2018 Applicant Survey
© 2018 Funds For Learning, LLC

School: How much would you need to fully fund your Category 2 needs?



June 13, 2018

Results of 2018 Applicant Survey
© 2018 Funds For Learning, LLC

Library: How much would you need to fully fund your Category 2 needs?

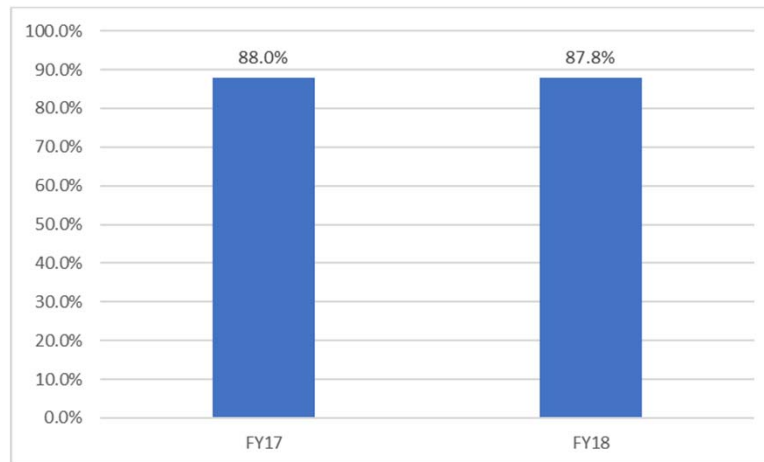


June 13, 2018

Results of 2018 Applicant Survey
© 2018 Funds For Learning, LLC

Would you support a change to an applicant-level Category 2 budget rather than building-by-building (as is currently the case)?

88% OF APPLICANTS SUPPORT APPLICANT-LEVEL C2 BUDGETS



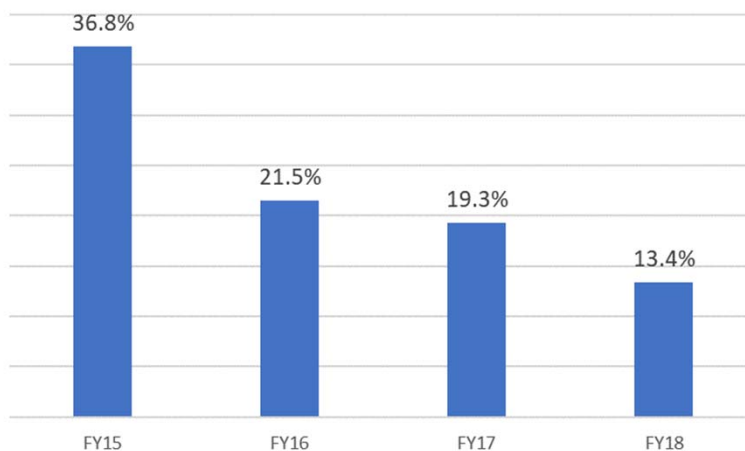
June 13, 2018

Results of 2018 Applicant Survey
© 2018 Funds For Learning, LLC

About the applicants

Do you have dual Internet connections (i.e. for load balancing, high availability Internet, etc)?

ENFORCEMENT OF "DUPLICATIVE SERVICES" STANDARDS PUSHES HIGH-AVAILABILITY INTERNET USAGE DOWN

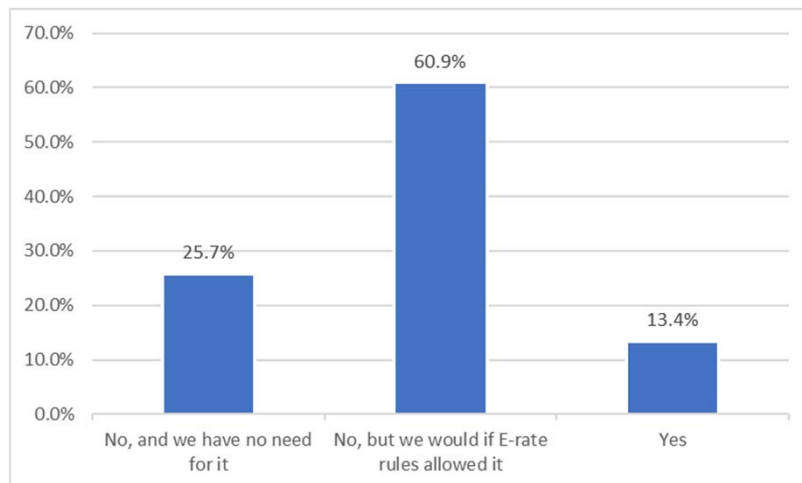


June 13, 2018

Results of 2018 Applicant Survey
© 2018 Funds For Learning, LLC

Do you have dual Internet connections (i.e. for load balancing, high availability Internet, etc)?

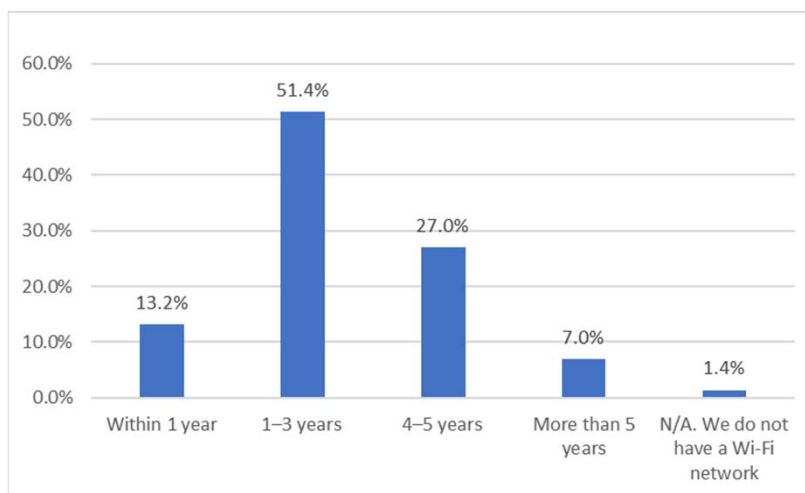
61% OF RESPONDENTS IN 2018 SAID THEY WOULD SEEK DUAL INTERNET CONNECTIONS IF FCC ALLOWED IT



June 13, 2018

Results of 2018 Applicant Survey
© 2018 Funds For Learning, LLC

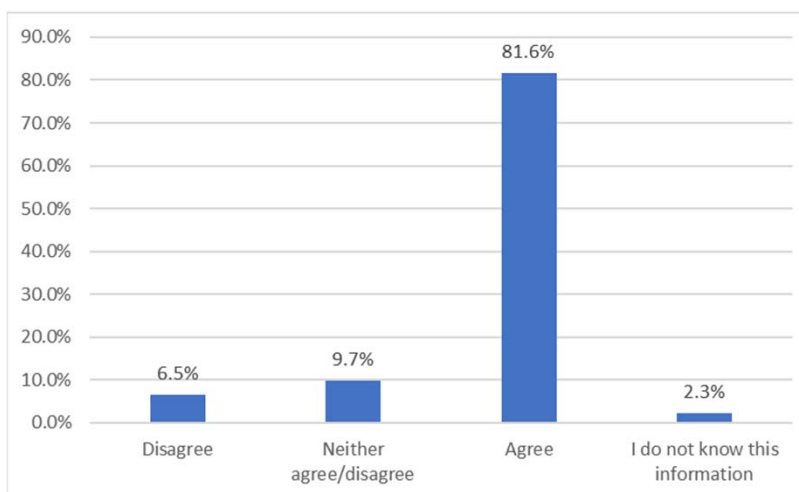
When will you need to upgrade your current Wi-Fi network?



June 13, 2018

Results of 2018 Applicant Survey
© 2018 Funds For Learning, LLC

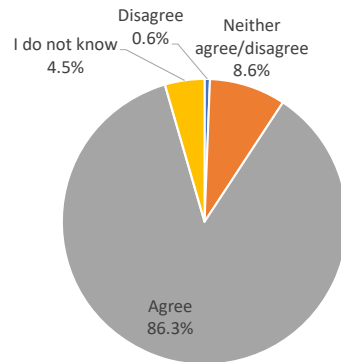
Insufficient Internet access to the home of students or library patrons is a significant issue in our community.



June 13, 2018

Results of 2018 Applicant Survey
© 2018 Funds For Learning, LLC

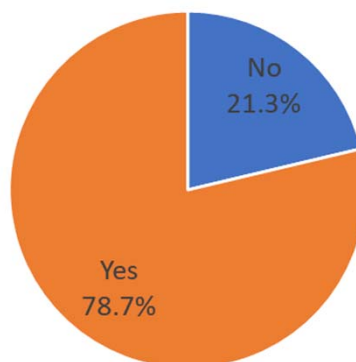
I am confident that my organization would pass an E-rate audit with no findings.



June 13, 2018

Results of 2018 Applicant Survey
© 2018 Funds For Learning, LLC

The FCC should permit schools to share Internet access off-campus, in their community, after school hours (if at no cost to the E-rate)



June 13, 2018

Results of 2018 Applicant Survey
© 2018 Funds For Learning, LLC