**Before the**

**Federal Communications Commission**

**Washington, DC 20554**

In the Matter of )

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Modernizing the E-Rate Program )

For Schools and Libraries ) WC Docket No. 13-184

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**Comments of Vector Resources dba VectorUSA**

Vector Resources, dba VectorUSA respectfully replies to the matter before the Federal Communication Commission – WC Docket No. 13-184

VectorUSA has participated in the E-Rate process since 2000 and since then has completed and invoiced more than $500,000,000 in E-Rate projects. VectorUSA is a systems integrator with both very large and small clients and offers solutions that are efficient and effective.

The NPRM states that the FCC;

(1) propose amending our rules to make permanent the category two budget approach for all Applicants (Page 5 Paragraph 13);

*Comment from VectorUSA:*

*This amendment* ***replaces*** *the Two out of Five-Year Rule (which was in place prior to 2015), and gives more flexibility to Schools and Libraries. We support this proposal.*

(2) propose and seek comment on ways to improve the category two budget approach; and

The FCC also seeks comment on additional eligible services… Consistent with the Commission’s determination in 2014 to make certain services eligible for category two support given the budgets’ ability to prevent excessive spending, we propose extending the eligibility of managed internal broadband services, caching, and basic maintenance of internal connections under the permanent category two budget approach we propose today.. Further, are there additional services that we should make eligible for category two funding or any other issues regarding category two eligible services we should consider? (Page 6 and 7, Paragraph 18)

*Comment from VectorUSA:*

*Managed Internal Broadband Service, Basic Maintenance and Caching Servers, these services are a great asset for all Districts and should remain eligible. We support this proposal.*

*We also believe that since the FCC demands compliance with CIPA, all CIPA related services or hardware components be deemed eligible. This would include Policy Enforcement Firewalls in addition to Web Filtering and Security related operating systems. Applicants were severely hurt by the cancellation of voice services which were phased out the last 5 years. The FCC should return these funds to applicants or at least make VoIP eligible so that Applicants can reduce their use of voice services.*

In the *Category Two Budget Report*, the Bureau found that the category two budget approach appears to be sufficient for most schools and libraries with approximately half of schools and most libraries having used less than half of their allocated five-year budget and a supermajority of schools and libraries having used less than 90% of their budgets. Based on this finding, we propose maintaining the existing budget multipliers for the category two budget approach. Specifically, over a five-year funding cycle, schools would be eligible to receive up to $150 (pre-discount) per student and libraries are eligible to receive up to $2.30 or $5.00 (pre-discount) per square foot (depending on their Institute for Museum and Library Services (IMLS) locale codes). (Page 6 Section 15)

*Comment from VectorUSA:*

*We strongly disagree that not utilizing an Applicant’s entire budget indicates that Applicants do not need more funding. It means that the applicants did not have flexibility. Because the funding for the last 5 years was designated for each specific site the Applicants could not move funding to older, needy schools therefore leaving surplus of unused funds. Many Districts are at the 20% to 40% discount level and require a match greater than the discount. A suggestion is that the FCC raise the floor for the Discount level to 50% for all entities. We also question why there is not more funding beyond $150.00 per student given the demand for the previous 5 years. Furthermore, why is the FCC funding at $150.00 per student when the last COLA was at $160.00? We support an increase in funding to at least $160.00 per student.*

(3) seek comment on how best to transition from the five-year test period to a permanent extension of this approach. (Page 3, Paragraph 13)

*Comment from VectorUSA: Allow all applicants to roll-over their unused funds as many could not utilize the funds due to the per site funding. Do this as a one-time roll-over. This will enable applicants to maximize their funding for the next 5 years.*

We also seek comment on other potential ways to improve the budget approach, including moving to district-wide budgets and simplifying the budget calculations. (Page 6, Paragraph 17).

*Comment from VectorUSA:*

*District-wide budgets are essential to allow Applicants flexibility and to optimize their funding. We support this proposal. Simplifying the budget calculations is essential as not all applicants utilize consultants and should at a minimum know their budget at a glance. We support any reduction in variables for budget calculations*.