

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)
)
Modernizing the E-Rate Program for Schools) WC Docket No. 13-184
and Libraries)
)
)

REPLY COMMENTS OF EDUCATIONSUPERHIGHWAY

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EducationSuperHighway respectfully submits these reply comments in response to the Notice of Proposed Rulemaking in the above referenced proceeding.¹

INTRODUCTION AND SUMMARY

EducationSuperHighway has reviewed the initial comments on the Notice of Proposed Rulemaking on Category 2 E-Rate rules. 102 parties submitted many thoughtful, informative comments on the topics raised in the NPRM. We were pleased to note that there is a broad consensus among all commenters, including vendors, applicants, E-rate consultants, state entities and various local and national interest and advocacy groups, on the need to make the Category 2 rules permanent. Furthermore, on most of the suggestions for improving or changing the rules, there was general agreement on the directions the FCC and USAC should take to insure the future utility and efficiency of the program.

¹ FCC 19-58, Notice of Proposed Rulemaking, Adopted 6/28/2019, Released 7/9/2019

I. The Category 2 Program Rules Should Be Made Permanent

EducationSuperHighway notes that not a single commenter opposed making the Category 2 rules a permanent part of the E-rate program, and encourages the FCC to move forward with their intent to do so.

II. Recommended Changes to the Category 2 Program Rules

A. Move budgeting to billed entity number level

Of the 65 commenters that mentioned the FCC's request to comment on moving the Category 2 budgeting structure from a per-site to a per-applicant level, 64² recommended moving to a single budget for each Billed Entity Number. Every school and library that commented indicated support for moving the budgets to the applicant or Billed Entity Number level. EducationSuperHighway strongly supports this rule change for the reasons enumerated in our initial comments:

- Increased local control over technology allocation and decision making.
- A reduction in the number of separate Category 2 budgets that need to be tracked by USAC and applicants by a factor of 5.
- Broad support for the change by applicants and service providers.

B. Increasing the per-student budget and minimum budget

Thirty-three commenters mentioned the per-student budget level in their comments. Of those, eighteen recommended a new per-student budget of at least \$250.00. This number is very similar to the cost models we developed for our 2014 comments in partnership with the

² The California Department of Education was the sole commenter to recommend retaining the current budget system. "Comments of the California Department of Education Regarding Proposed Universal Service Fund Cat2 Changes," page 3, August 7, 2019

Consortium for School Networking (CoSN)³. The current funding level of the program would support this budget, and we encourage the Commission to enact this change.

In regards to the minimum budget available to smaller applicants, twenty-five commenters advocated for increasing the budget floor, with the majority suggesting a new ‘floor’ of \$25,000 to \$30,000. \$25,000 is a logical choice for a new minimum budget: if the Commission moves to a per-student budget of \$250, this would mean that any school with a student population below 100 would still receive a budget that is substantial enough to be worth the administrative costs of applying for the funds. Raising the minimum budget should increase the participation rate of smaller applicants, many of whom are in need of upgraded internal networks⁴.

C. Make network security eligible for Category 2 funding

Our initial comments provided detailed information on specific network security features, devices and services that should be made eligible for E-rate support.⁵ Twenty-one other commenters advocated for adding network security products to the Eligible Services List. As cyberattacks continue to threaten school districts nationwide, network security features, “such as caching, advanced firewall features, anti-intrusion, and DDOS prevention and mitigation are critical to the efficient operation of any network.”⁶ There is strong interest in making these essential services E-rate eligible, rather than forcing current applicants to cover them out of pocket: “Removing this cost allocation requirement will result in more secure and resilient Wi-Fi networks and simplify the Category 2 Program.”⁷

³ Consortium for School Networking and EducationSuperHighway, “Analysis of Costs to Upgrade and Maintain Robust Local Area Networks for all K-12 Public Schools.” pages 6-9. May 2014

⁴ Funds For Learning, “E-rate Category 2 Budget Utilization,” page 6. August 16, 2019

⁵ EducationSuperHighway, Comments on FCC 19-58: Notice of Proposed Rulemaking, August 16, 2019

⁶ Comments of Kentucky Department of Education, page 3, August 16, 2019

⁷ Comments of the State of South Carolina, page 3, August 19, 2019

Although it is outside of the scope of this NPRM, we also recommend that the Commission explore making network security services that are bundled as part of basic Category 1 Internet Access service fully eligible for support; this would greatly benefit smaller applicants and allow them to obtain vital protection without exhausting their Category 2 budget.

D. Five-year budgets: fixed vs rolling

In Section 33 of the NPRM, the FCC requests comments “on moving to a fixed five-year cycle from funding year 2020 through funding year 2024, with a new fixed five-year budget starting for all applicants every five years.” Of the thirty-eight commenters that mentioned this subject in their comments, thirty-three were in favor of moving to a fixed five-year cycle for all applicants. EducationSuperHighway supports this majority opinion, as it would eliminate a variable that has made tracking and calculating budgets more difficult for applicants.

Erate & Educational Services commented that "EPC [the Erate Productivity Center applicant portal] is not designed to effectively handle the rolling budget... leading to difficulties for applicants."⁸ Cisco Systems' comments summarizes the issue well: "many applicants have operated under the reasonable assumption that they should plan their spending as if their five-year budgets would expire with the 2019 funding year. In light of this, the Commission should plan the transition to permanent five-year budget cycles so that all applicants have the opportunity for a budget “reset” starting with the 2020 funding year."⁹

E. Merge or eliminate subcategories

In our initial comments we recommended eliminating the subcategories of Internal Connections; Managed Internal Broadband Services (MIBS); and Basic Maintenance for Internal Connections (BMIC) as they are vestiges of the previous two-in-five rules that were in effect prior to E-rate Modernization. We note that the Alaska Department of Education and Early Development also recommends that “the Commission consider the elimination of these subsets (Internal Connections, BMIC & MIBS) within category two for E-rate application

⁸ Comments of E-rate & Educational Services, LLC, August 1, 2019

⁹ Comments of Cisco Systems, Inc., August 16, 2019

purposes."¹⁰ The subcategories result in needless denials and additional work for USAC reviewers, who must move funding requests between subcategories prior to issuing funding decisions. We encourage the Commission to consider simplifying Category 2 in this manner to reflect the current rules.

F. Eliminate denials for over-budget applications

Agreeing with several other commenters¹¹, we again implore the Commission to instruct USAC to cease denying Category 2 funding requests solely because an applicant's total project costs exceed their remaining budget. On this point, it may behoove the Commission and USAC to *encourage* applicants to file for the full cost of their C2 projects, even if they are over-budget, as a way to understand the true costs of internal network connectivity for schools and libraries. Allowing the applicant to include the total project cost in their application would also allow USAC to gather valuable data on the real costs of internal connections upgrades across the country, which could then be shared via the OpenData portal to provide greater price transparency for applicants. At a minimum, USAC should be instructed to work with the applicant to remove line items from over-budget applications and then process them, instead of issuing a denial and requiring the applicant to navigate the appeals process.

CONCLUSION

¹⁰ Initial comments of Alaska Department of Education and Early Development (DEED) and its Division of Library, Archives & Museums, August 16, 2019

¹¹ Comments of E-Rate Management Professionals Association, Funds For Learning, and Infinity Communications & Consulting Inc., August 2019

EducationSuperHighway greatly appreciates the opportunity to comment on this NPRM, and we applaud the Commission's intent to extend and improve the Category 2 rules.

Respectfully submitted,

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