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September 3, 2019

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

> **Re:**   Reply Comments, *Modernizing the E-rate Program for Schools and Libraries*,
> WC Docket No. 13-184

Dear Ms. Dortch,

The Illinois Department of Innovation and Technology ("DoIT"), an Illinois state agency and E-rate Consortium lead, respectfully submits these Reply Comments concerning the Commission's recent Notice of Proposed Rulemaking in the above-referenced docket.[1] DoIT appreciates the Commission's leadership on the issues raised in the Cat 2 NPRM, and for this opportunity to respond.

In the *Cat 2 NPRM*, the Commission proposes "to make the category two budget approach permanent and seeks comment on potential modifications that could simplify the budgets, decrease the administrative burden of applying for category two services, and thereby speed the deployment of Wi-Fi in schools and libraries across the country."[2] DoIT strongly supports the Commission's approach to make the Category Two budget permanent and other modifications, the most important of which is moving from a site-specific to district-wide budget approach.

Background

DoIT delivers statewide information technology and telecommunication services and innovation to state government agencies, including Illinois schools and libraries, through its operation of the Illinois Century Network ("ICN"). The ICN is a high-performance network built to meet the Internet and Intranet needs of the educational, research, and governmental organizations serving the citizens of Illinois. The ICN maintains fourteen Points of Presence and nine Regional Technology Center offices around the state, which allow Community Anchor Institutions to connect and receive service locally. In addition, the ICN network serves as an

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[1]   *Modernizing the E-rate Program for Schools and Libraries,* WC Docket No. 13-184, Notice of Proposed Rulemaking, FCC 19-58 (rel. July 9, 2019) (the "*Cat 2 NPRM*").

[2]   *Id.* at ¶ 3.

Illinois local area network enabling interconnectivity, resource sharing, and access to in-state content and cloud resources.

DoIT also serves as state-wide consortium lead for all E-rate eligible entities.[3] Illinois schools and libraries consistently receive approximately four percent of the total E-rate support committed annually.[4] Over the past five funding years, USAC has committed an average of $95 million annually in E-rate support to schools and libraries in the state. There are more than 4,500 public, private and charter schools in Illinois with almost 30% of them classified as rural, and over 400 public libraries with more than 40% classified as rural. In FY 2019, Illinois schools received approximately $44M in Category Two funding.

Discussion

In the 2014 *E-rate Modernization Orders*, the Commission set forth a framework for a more equitable approach to Category Two funding for all applicants and established an initial five-year budget to test this approach.[5] The *Second E-rate Modernization Order* required the Wireline Competition Bureau (the "Bureau") to report its finding on the first four years of Category Two,[6] which the Bureau did in early 2019.[7] Numerous Comments and Reply Comments were filed in support of the Category Two budget process replacing the prior two-in-five-year rule. The majority of commenters on the *Cat 2 Report* requested a move from single entity budgets to a district-wide budget, an increase in the per student budget to $250.00 or more, and an increase in the minimum floor per building budget. Likewise, the majority of commenters in the current proceeding continue the same support. DoIT agrees with these requested changes.

A. The DoIT Supports Making the Category Two Budget Permanent

Following its success over the course of the recent five-year trial period, DoIT supports the Commission's proposal to make the current budget-based Category Two approach

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[3] *See* Letter from Robin Woodsome, DoIT-ICN Field Operations Manager (July 22, 2019) ("On July 1, 2020, ICN will discontinue participating as a USAC E-rate Service Provider . . . . This year, DoIT will form a consortium acting as an E-rate applicant on behalf of our public K-12 schools. This Fall, DoIT will issue Form 470 RFPs for Internet access and supporting transport (Last Mile).") (*available at:* https://www2.illinois.gov/icn/news/Documents/20190722-DoIT-K12-Broadband-Initiative.pdf).

[4] *See* USAC Search Commitments Funding Tool (available at: https://data.usac.org/publicreports/SearchCommitments/Search/SearchByYear) (visited Aug. 23, 2019); *see also* https://tools.e-ratecentral.com/us/stateInformation.asp?state=IL (visited Aug. 23, 2019).

[5] Modernizing the E-rate Program for Schools and Libraries, WC Docket No. 13-184, Report and Order and Further Notice of Proposed Rulemaking, FCC 14-99, 29 FCC Rcd 8870 (2014) ("E-rate Modernization Order"); Modernizing the E-rate Program for Schools and Libraries, WC Docket No. 13-184, Second Report and Order and Order on Reconsideration, FCC 14-189, 29 FCC Rcd 15538 (2014) ("Second E-rate Modernization Order").

[6] Second E-rate Modernization Order at para. 93.

[7] *Modernizing the E-Rate Program for Schools and Libraries*, WC Docket No. 13-184, Report, DA 19-71, 34 FCC Rcd 319 (Wir. Comp. Bur. 2019) ("*Cat 2 Report*").

permanent.[8] DoIT agrees with the Bureau's Report that the Category Two budget approach appears to be more effective than the former two-in-five rule in the following ways (1) overall amount of funding disbursed, (2) broader participation and usage of Category Two support; (3) the distribution of Category Two funding is more like the distribution of E-rate support as a whole; and (4) greater flexibility to applicants to spend money effectively.[9] It is also simpler for E-rate applicants to administer than the former two-in-five rule.

B. DoIT Supports Certain Improvements in the Category Two Budget Framework

While welcoming the Commission's overall approach, DoIT also offers the following specific comments on the Commission's proposals to improve the Category Two budget rules in the course of making the approach permanent. The Commission clearly recognized the need in the *2014 E-rate Modernization Order* to simplify and streamline the E-rate Program for applicants. Additional experience and statistics now gathered over the past five years illustrate that there is further opportunity to simplify, streamline, and improve the original framework.

1. The Commission Should Increase the Category Two Budget Multipliers

In addition to the Commission's proposal to maintain the existing Category Two multipliers,[10] DoIT respectfully request the Commission to give strong consideration to increasing the current Category Two budget multipliers. While the Bureau reported that the Category Two budget approach "appears to be sufficient for most schools and libraries,"[11] it acknowledged that the current approach may not be sufficient for rural libraries and entities at the funding floor, which are the least likely to participate and overall use only a small portion of their budgets.[12] DoIT believes that the applicant feedback through surveys, as well as thoughtful and thorough analyses presented in the record of this proceeding,[13] demonstrate that the problem is more widespread. Accordingly, DoIT supports a minimum budget multiplier of $250 per student and an increase to the minimum floor per building budget to $30,000.

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[8]   *Cat 2 NPRM* at ¶ 14.

[9]   *Cat 2 Report* at ¶¶ 8-12; Joint Initial Comments to Notice of Proposed Rulemaking (FCC 19-58) Submitted by State E-rate Coordinators' Alliance and Schools, Health, & Libraries Broadband Coalition at 3-4 (Aug. 16, 2019) ("Joint SECA/SHLB Comments"); FFL Comments at 4; Comments of the California Department of Education Regarding Proposed Universal Service Fund Cat2 Changes at 2 (Aug. 7, 2019) ("CA DoE Comments"); Initial Comments of the Pennsylvania Department of Education in Response to FCC Public Notice DA 19-58 Seeking Comments on the E-rate Category 2 Initiative at 3-4 (Aug. 16, 2019) ("PA DoE Comments"); Comments of the State of South Carolina on the Proposed Rulemaking for the Category 2 Program at 1 (Aug. 16, 2009) ("State of South Carolina Comments").

[10] *Cat 2 NPRM* at ¶ 19.

[11] *Id.; see also Cat 2 Report* at ¶ 12.

[12] *Cat 2 Report* at ¶ 12.

[13] *See* FFL Comments at 8, 10 fn.13; Joint SHLB/SECA Comments at 3-6 (providing a clear explanation and basis to support an increase in the funding); PA DoE at 11-13; State of South Carolina at 6; Comments of EducationSuperhighway Comments at 7-8 (Aug. 16, 2019) ("EducationSuperhighway Comments").

2. The Commission Should Adopt a District-Wide Budget Approach

DoIT agrees with the Commission's proposal to shift from a per-school or per-library budget approach to one that is calculated on a District-wide or library system-wide basis.[14] Doing so will increase efficiency, prevent potential wasteful use of E-rate resources, simplify and streamline program rules, and reduce process costs. Indeed, this is one of the most important changes called for by Commenters since the *Cat 2 Report* was issued in 2017, and one of the most important supported by DoIT.

The Commission correctly recognizes that changing from the current single building budget approach to a district-wide budget approach could streamline and simplify the filing and processing of the Category Two funding requests. The single building budget calculation process has proven to be complicated and overly burdensome for applicants, consuming disproportionate time, cost, and other precious resources.[15] This is particularly true for rural and smaller schools and those schools operating without consultants, *i.e.*, those with the greatest resource constraints who can least afford to devote any more resources than absolutely necessary to the E-rate funding process.[16]

DoIT agrees with other commenters that, by relaxing the product substitution rules and allowing for the transfer of equipment between schools or libraries, a district-wide or system-wide approach would further streamline the administrative burden on applicants and USAC alike. Doing so will allow the districts to best meet their students need in the most cost effective and administratively efficient manner.[17]

3. The Commission Should Expand C2 Eligible Services to Include Network Security

While proposing to extend the eligibility of managed internal broadband services, caching, and basic maintenance of internal connections under the permanent Category Two approach, the Commission seeks comment on whether there are additional services that should be made eligible for Category Two funding.[18] DoIT believes that the Commission should not only extend the eligibility of these services, but also expand eligibility to make network security equipment and services eligible under Category Two.

Under the Children's Internet Protection Act ("CIPA"), all schools requesting Internet access and Category Two funding are required to have filtering measures in place.[19] CIPA does

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[14] *Cat 2 NPRM* at ¶ 22.

[15] Joint SHLB/SECA Comments at 10.

[16] Comments of Funds for Learning, LLC on Making the Category Two Budget Approach Permanent and Other Modifications to the Category Two Budget Approach at 2 ("FFL Comments"); NY DoE Comments at 2; EducationSuperhighway Comments at 3-4; PA DoE Comments at 5; Joint SECA/SHLB Comments at 7-13.

[17] FFL Comments at 6-7.

[18] *Cat 2 NPRM* at ¶ 18.

[19] Consolidated Appropriations Act, 2001. (PL 106-554). Title XVII – Children's Internet Protection; Subtitle B -- Universal Service Discounts; Section 1721(g).

not preclude the FCC from granting eligibility of such filtering for E-rate support,[20] yet the Commission has not taken this step. DoIT shares the views of many commenters that CIPA filtering should be E-rate eligible and that there is nothing in the statute or regulations that bar the FCC in making this determination.   Indeed, it would greatly serve the public interest and the needs of our nation's children to ensure that no school faces a financial barrier to putting such filtering in place.

Similarly, the Commission should take the opportunity in this proceeding finally to address one of the most needed changes in the E-rate eligibility rules, namely that of information technology security hardware and software and network monitoring. As Funds for Learning states, network monitoring hardware, software, and services ensure efficient and optimal functioning operation of the network, "by constantly reviewing and analyzing all of the traffic running on it for anything out of the ordinary that might affect either its performance or availability."[21] These services, thus, promote efficient use of Category One E-rate funds by helping to ensure that the school or library only purchases the amount of bandwidth that is necessary to support its needs. Network monitoring also improves the reliability of supported Category One services, reduces repair costs, and minimizes down time.[22] In addition, network monitoring promotes early recognition of new security threats, and facilitates a rapid response.[23]

C. The Commission Should Reset the Five-Year Budget Cycle Beginning in Funding Year 2020 to a Fixed Five-Year Cycle

In light of the changes proposed by the Commission and elsewhere in the record, the Commission seeks comment on a variety of issues related to its administration of the transition.[24] As one important element of that transition, DoIT recommends that the Commission reset the five-year Category Two budget cycle to a five-year fixed budget beginning in Funding Year 2020 and requests that the Commission provides notice of this change no later than early November 2019 to allow applicants to sufficiently prepare for Funding Year 2020. Doing so will bring much-needed clarity to the Category Two budgeting process, in light of ongoing confusion as to when the current budget cycle expires. In addition, it will simplify applicants' budget calculations in the face of the rule revisions proposed by the Commission and others, providing a

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(https://www.govinfo.gov/content/pkg/PLAW-106publ554/pdf/PLAW-106publ554.pdf.); *see also* Joint SECA/SHLB Comments at 28.

[20] *Id.*

[21] FFL Comments at 12.

[22] Cisco Comments at 4-5 ("Systems can be accessed, assessed, and fixed remotely. Software patches can be delivered automatically and remotely, reducing the amount of time to fix bugs, update and maintain systems, and ensure greater uptime. Threat attackers are constantly changing their techniques and tactics, often moving quickly to new technologies. School system administrators now require software support models to make sure not only that these systems are up and running, but that they can be safely operated in a dynamic threat environment.")

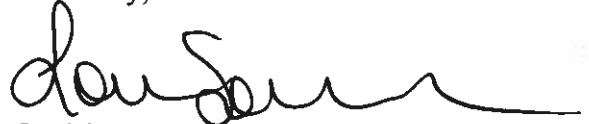[23] *Id; see also* Adtran Comments at 7; Joint SECA/SHLB Comments at 26.

[24] *Cat 2 NPRM* at ¶¶ 31-36.

fresh start under the newly permanent and revised Category Two rules that may be adopted by the Commission in this proceeding.

Conclusion

DoIT respectfully recommends that the Commission make permanent the current budget-based Category Two framework, modified as recommended herein.

Sincerely,

Lori Sorenson
Chief Technology Officer
Illinois Department of Innovation
and Technology