

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554**

<b>In the Matter of:</b>	)	
	)	
<b>Proposed Eligible Services List</b>	)	
<b>For The E-Rate Program</b>	)	<b>WC Docket No. 13-184</b>
	)	

**To: Wireline Competition Bureau**

**REPLY COMMENTS OF  
THE NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION**

The National Rural Electric Cooperative Association (“NRECA”) hereby submits these Reply Comments in response to the Public Notice requesting comment on the current Eligible Service List (ESL) under the E-rate program,<sup>1</sup> recommending retention of the current eligible services for Category 2 and related proposals to improve the Form 470 and prudently expand the eligible list of supported services consistent with Comments in this proceeding.

**INTRODUCTION**

NRECA is the national service organization for more than 900 not-for-profit rural electric cooperatives that provide electric energy to approximately 42 million people in 48 states or approximately 12 percent of electric customers, including 327 of the nation's 353 "persistent poverty counties" (93%). Of the 42 million Americans served by cooperatives, an estimated 4 million live in persistent poverty counties. Rural electric cooperatives serve 88% of the counties of the United States. Rural electric cooperatives were formed to provide safe, reliable electric service to their member-owners at the lowest reasonable cost. Rural electric cooperatives are

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<sup>1</sup> *Wireline Competition Bureau Seeks Comment on Proposed Eligible Services List for the E-Rate Program*, WC Docket No. 13-184, DA 19-738 (WCB, Aug. 2, 2019).

dedicated to improving the communities in which they serve; management and staff of rural electric cooperatives are active in rural economic development efforts. Electric cooperatives are private, not-for-profit entities that are owned and governed by the members to whom they deliver electricity. Electric cooperatives are democratically governed and operate according to the seven Cooperative Principles.<sup>2</sup>

NRECA and its members are intensely interested in the deployment of advanced telecommunications capabilities within the communities and areas in which electric cooperatives provide electric service because in many instances local service providers are not meeting the broadband service needs of their communities. This interest is shared by almost every generation and transmission (“G&T”) and distribution cooperative in the country. Many cooperatives are considering, planning or have already made investments and committed the resources to deploy fixed broadband networks and to provide broadband service within their existing territories.<sup>3</sup> The E-Rate and other USF programs provide an important opportunity for many cooperatives to provide or expand their delivery of broadband services to residential and small business customers and anchor institutions in and adjacent to their electric service territories.

## **DISCUSSION**

NRECA supports maintenance of the existing Category 2 eligible services list, as well as the Category 1 eligible services. As NRECA members rollout broadband services whether wholly self-funded or receiving support under the CAF II reverse auction, the USDA ReConnect

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<sup>2</sup> The seven Cooperative Principles are: Voluntary and Open Membership, Democratic Member Control, Members’ Economic Participation, Autonomy and Independence, Education, Training and Information, Cooperation Among Cooperatives, and Concern for Community.

<sup>3</sup> “FCC Approves \$225 million for 35 Electric Cooperatives to Provide Rural Broadband,” August 28, 2018, <https://www.electric.coop/fcc-approves-220-million-33-electric-cooperatives-provide-rural-broadband/> (thirty-five electric cooperatives submitted winning bids in the FCC’s CAF II reverse auction).

Broadband Loan and Grant program, or the proposed Rural Development Opportunities Fund, these electric cooperatives are or plan to be providing high capacity broadband service to schools and libraries and healthcare facilities in rural areas. Many of these electric cooperatives are also interested in providing Category 2 services. Schools and libraries in rural areas are more likely to lack the in-house expertise to self-provision these services requiring them to rely on their ISP. NRECA supports retention of the existing ESL for each category and modest expansions of Category 2 services as noted by several parties. The Comments filed in response to the Public Notice focus on clarifying in the manner in which the Form 470 elicits responses for Category 2 Managed Internal Broadband Services (MIBS) and Basic Maintenance of Internal Connections (BMIC), respectively, among other issues.<sup>4</sup>

An overarching concern associated with the E-rate program is the challenges posed to applicants (indirectly impacting service providers) in completing the FCC Forms 470 and 471. This challenge is highlighted on a quarterly basis in summaries of Wireline Bureau resolutions of appeals related to adverse USAC determinations related to the E-rate program funding requests. Well over 95% of these dispositions relate to E-rate funding requests.

As suggested by the State Coordinators, the Form 470 should be simplified so that applicants can explicitly and simply state that they are requesting support for MIBS or BMIC or both.<sup>5</sup> Similarly, the inclusion of a simple Yes/No question as to whether software, license and/maintenance for internal connections is being requested would be helpful. NRECA also supports the State Coordinators' other recommendations as they look to ensure the inclusion of relevant and security-related support services for Category 2 services: (1) network monitoring

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<sup>4</sup> Initial Comments of State E-rate Coordinators' Alliance in Response to DA 19-738, filed September 3, 2019. ("State Coordinator's Comments").

<sup>5</sup> Id. at pp. 3-4.

should be made an eligible Category 2 service; (2) firewall products and services should include advanced security services as currently authorized for Category 1 services; (3) multi-year prepaid maintenance requests should be authorized; and (4) filtering software should be a covered Category 2 service.<sup>6</sup> Consistent with the objective of simplification of the E-rate application and bidding procedures, NRECA agrees connections between different schools on the same campus should be eligible as either a Category 1 or a Category 2 service.<sup>7</sup> Schools and school campuses have almost endless configurations and layouts and popular designs evolve over time. Schools should be allowed to develop the best solutions based on available funding under Category 1 or Category 2.

## CONCLUSIONS

NRECA supports Commission action to streamline E-rate funding requests and the continued availability of Category 2 services. All efforts to simplify E-rate application forms and processes and include important adjunct services to minimize cyber threats and limit access to unsafe content in the Nation's schools in today's challenging online environment are in the public interest.

Respectfully submitted,  
**National Rural Electric Cooperative Association**

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/s/

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<sup>6</sup> Id. at pp. 5-8.

<sup>7</sup> Id. at pp. 9-10.