Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of	)	
	)	
Schools and Libraries Universal Service Support Mechanism	)	CC Docket No. 02-6
	)	
Connect America Fund	)	WC Docket No. 10-90
	)	
Modernizing the E-Rate Program For Schools and Libraries	)	WC Docket No. 13-184
	)	

REPLY COMMENTS OF THE
UNITED STATES TELECOM ASSOCIATION

The United States Telecom Association (USTelecom) submits these reply comments in response to the Public Notice (Notice)[1] issued by the Wireline Competition Bureau (Bureau) of the Federal Communications Commission (Commission). The Notice seeks comment on the sufficiency of budgets for category two services under the E-rate program.

USTelecom strongly supports policies that achieve the important public policy goal of ensuring schools and libraries have adequate in-premise wireless connectivity to meet the education and library needs of the 21st century. USTelecom's member companies are actively working to achieve this goal by improving broadband access to many underserved groups, including student populations that are in low-income families, or residing in unserved or underserved areas. These initiatives are working toward closing the "homework gap" by expanding broadband access to underserved populations, including through the Commission's Connect America Fund (CAF) program.

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[1] Public Notice, *Wireline Competition Bureau Seeks Comment on Category Two Budgets*, DA 17-921 (September 22, 2017) (*Notice*).

However, the Commission has consistently acknowledged the importance of ensuring prudent and targeted application of its limited universal service fund (USF) dollars and smart coordination across USF programs.[2] While USTelecom shares the well-intentioned goals of supporting Wi-Fi connectivity in schools and libraries, unwarranted changes to current funding protocols within the E-rate program raise significant procedural and policy questions that must be carefully considered before any action is taken. Failure to do so would not only jeopardize the integrity of the E-rate program, but other programs falling under the purview of USF, such as Lifeline, High Cost Support, and Rural Health Care.

For example, recommendations to increase the Category 2 budget per school or library should be rejected by the Commission.[3] First, as various players have noted, there is no evidence that more funding per school or library is necessary at this time.[4] Given the already significant demands on the Commission's USF contribution factor – which have increased from 16.7% in the 4th Quarter 2015, to nearly 19% today – any increases to Category 2 funding would place

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[2] *See e.g.*, *Vermont Pub. Serv. Bd. v. Fed. Commc'n Comm'n,* 661 F.3d 54, 65 (D.C. Cir. 2011) (finding that, in the context of section 254, "as the Commission rightly observed, it has a responsibility to be a prudent guardian of the public's resources."). *See also*, FCC Report, *Connecting America: The National Broadband Plan*, p. 143 (released March 2010) (stating that "USF resources are finite, and policymakers need to weigh tradeoffs in allocating those resources so that the nation 'gets the most bang for its buck;'" and noting that "while there is no doubt that federal universal service programs have been successful in preserving and advancing universal service, it is vital to ensure that these public funds are administered appropriately.").

[3] *See e.g.*, Comments of Education Service Center Region 12, WC Docket No. 10-90, WC Docket No. 13-184, CC Docket No. 02-6 (submitted October 19, 2017); *see also*, Comments of E-Rate Advantage, WC Docket No. 10-90, WC Docket No. 13-184, CC Docket No. 02-6 (submitted October 19, 2017).

[4] *See*, Comments of CoSN, EducationSuperHighway, Funds for Learning, WC Docket No. 10-90, WC Docket No. 13-184, CC Docket No. 02-6 (submitted October 23, 2017).

significant demands on the steadily decreasing base of USF rate payers. At a time when the USF is already strained, placing increased demands on the fund is not wise public policy.

In addition, the Commission should similarly reject recommendations to radically alter E-Rate funding by permitting the shifting of E-Rate funding from the building or eligible entity level to within a school district or library system.[5] USTelecom is concerned that permitting such transferring of funds may undercut a principal goal of the E-Rate program to provide telecommunications services that support students and library patrons for educational purposes.

Current rules tie E-rate funds to the students and library patrons they are designed to support and, in so doing, ensures that all students and library patrons benefit from these scarce resources. By decoupling E-Rate funds from those students and library patrons and shifting funding allocation to the school district or library system, the Commission runs the risk that scarce funding will be shifted from facilities where they are most needed, to facilities where they may not. Moreover, such shifting of funds throughout a district-wide system has the potential to create serious challenges for administrative oversight of the E-Rate program.

Respectfully submitted,

United States Telecom Association

By: ______________________

Kevin G. Rupy

607 14th Street, NW, Suite 400
Washington, D.C. 20005
(202) 326-7300

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[5] *Id.*, p. 8.