



November 7, 2017

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

RE: Reply Comments - Wireline Competition Bureau Seeks Comment on Category Two Budgets - (WC Docket No. 13-184)

Dear Ms. Dortch:

Thank you for allowing Infinity Communications & Consulting, Inc (Infinity) to provide comments to the Wireline Competition Bureau's RPRM on E-Rate Category Two Budgets. After reading the other comments submitted, we would like to provide some additional comments.

Regarding the comments of COSN, Education Super Highway & Funds for Learning, while we would not disagree that "78% of schools received E-rate funding for Internal Connections", we think this figure may be a bit misleading leading reviewers to assume this means 78% of the funds have been applied for through funding year 2017. Our research indicates only 40.01% of all Category Two funding has been applied for through funding year 2017. If we dig down a bit further into this number, of the (approx.) 28,993 Applicants, 11,569 Applicants have filed for 50% or less of their eligible budgets. 4,998 Applicants have not applied for 10% or less of their budgets. This leads us to the conclusion that much of the Category Two monies are not being applied for.

While we are confident the above numbers above are correct, it's easier to monitor Infinity Applicant's budgets as it's a smaller number. Our clients have a combined Category Two budget of \$358,379,146.65. Through 2017, our Applicants have applied for \$149,589,631.81 leaving a balance of \$208,789,514.84. 29% of our Infinity Applicants have not used any of their Category Two budgets at all. Only 32% of our Infinity applicants have used 50% or more of their Category Two budgets. Only 10% of our Applicants have used 90% or more of their Category Two budgets.

In the COSN, Education Super Highway & Funds for Learning comments, they mention, “Moreover, because approximately 44% of districts now have Wi-Fi networks that are 4 or more years old, we anticipate the vast majority of the \$2.3 billion in Category Two funding that remains will be utilized over the next two years. Indeed, a survey of districts that have spent 0 – 15% of their Category Two budgets revealed that only 3% do not have plans to use their funding over the next two years”. Having surveyed all of our clients and had subsequent conversations with a great majority of our clients, we cannot come to the same conclusion. Most of our Applicants have indicated to our staff they have used almost all of the Category Two monies they intend to use over the next two funding years. When asked why they are not using the balance of their budgets or for those that have used none or very little of their budgets, they indicate they are not using Category Two funds because:

1. The \$150 per student budget doesn’t pay anywhere close to the actual cost of a complete Wireless system and Applicants can’t come up with the additional necessary dollars to fund these Wireless project(s),
2. Since USAC has eliminated E-Rate discounts for voice services, all available dollars that would have gone to install a Wireless system, or for that matter higher speed data circuits, are now being used to pay for voice services, and
3. They need more flexibility to use Category Two dollars at the sites that need the services the most, so setting budgets by site and not allowing districts to use the monies at the sites that need the money the most is making it very difficult to use the available E-Rate funds. This is a parity and equal access issue for Applicants.

There seems to be a consensus from most Applicants or groups who provided comments that changing the model to a price per student has been tremendously successful for those Applicants who are at the 85% or less discount percentage and we would agree. This has allowed those Applicants who could come up with the additional money to install Wireless systems that would have never been able to get E-Rate funding before. We are concerned though, it appears a high percentage of those Applicants who are not applying for Category Two funding, and those Applicants that are leaving the E-Rate program all together, are those small rural sites that can least afford these Wireless systems. But, we don’t have a suggestion on how to address these sites because these small sites often can cost \$100,000 or more to install a complete Wireless system and their current budget is less than \$10,000 and the cost per student can be in the thousands, not hundreds.

We concur with SECA and the other commenters that Applicants need flexibility in deciding where to allocate their Category Two budgets. As explained in our October 23rd comments, “If School A has a partial system already installed and only needs part of their E-Rate budget to complete their system and School B has little or no technology, why can’t School B get the

unused monies from School A just as long as it stays within the same school or library system? School B is sending students over to a computer lab or limping along with very slow wireless connections. In the case of School B, students are not being provided equitable access to resources for learning and are therefore underserved and/or able to fully utilize the Category One data circuits serving that school. This same rationale applies to library systems as well."

Thank you for allowing Infinity to pass on these comments on behalf of our Applicants.

Sincerely,



Fred Brakeman RCDD, CSI, CEMP
Chief Executive Officer