



November 12, 2018

Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12th St. SW, Room TW-B204  
Washington, DC 20554

Re: Schools Health & Libraries Broadband Coalition in Response to Notification of Ex Parte  
Illinois Office of the Governor in Response to Notification of Ex Parte  
*Modernizing the E-rate Program for Schools and Libraries*, WC Docket No. 13-184  
*Schools and Libraries Universal Support Mechanism*, CC Docket No. 02-6

Dear Secretary Dortch:

Through this letter, EducationSuperHighway (“ESH”) adds its support to the requests by the Illinois Office of the Governor (“State of Illinois”) and the Schools Health & Libraries Broadband Coalition (“SHLB”) to permanently extend the suspension of USAC’s E-rate special construction amortization policy in the Second E-rate Modernization Order (“the Order”) and to provide clarification of this issue to applicants as soon as possible.

The State of Illinois and SHLB make compelling arguments for the permanent extension of the suspension of USAC’s amortization policy. As SHLB notes, the primary reason for the amortization policy - to ensure that special construction requests do not drain the E-rate fund - remains a non-issue. Since the Order, requests for E-rate funds have been lower than the program cap in every year. In addition, as the State of Illinois argues, a return to USAC’s previous amortization policies will result in numerous difficulties for the 22 states with fiber matching funds – likely dramatically reducing the ability of applicants to use these funds to connect their schools to high-speed broadband infrastructure.<sup>1</sup>

For the last four years, EducationSuperHighway has provided state and federal policy makers with detailed data on the cost to bring high-speed broadband infrastructure to schools that currently are stuck on outdated copper networks. Our analysis utilizes the same algorithms as the FCC’s own construction cost model created by CostQuest. A review of this data shows that at least 40% of the K-12 public schools that require fiber special construction will need builds in excess of \$500,000.<sup>2</sup> Approximately 94,000 students are in these schools, primarily in rural and

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<sup>1</sup> “Additional Discount to Match State/Tribal Funding for Special Construction,” Aug 2018, Universal Service Administrative Company, <https://www.usac.org/sl/applicants/beforeyoubegin/state-matching-provision.aspx>, (November 5, 2018).

<sup>2</sup> As of 2 Nov 2018, an estimated 409 of the remaining 1,005 schools that require fiber special construction will need builds in excess of \$500,000. There are approximately 94,000 students in those 409 schools.

hard to reach areas. If the amortization suspension is not extended, these students will continue to fall behind their peers in the rest of the country that have the broadband connections required for digital learning.

If the Commission is truly committed to its objective of closing the digital divide, it must ensure that every school has access to high-speed broadband infrastructure. We have seen great progress in school fiber connectivity since the Order, but failure to extend the suspension of USAC's special construction amortization policy will prevent the achievement of this goal.<sup>3</sup> Thus, in agreement with the State of Illinois and SHLB, ESH recommends that the Commission should reinstate the suspension of the amortization rule indefinitely and inform E-rate applicants about this decision as soon as possible so that applicants can plan accordingly.

Respectfully submitted,

*/s/ Evan Marwell*

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<sup>3</sup> "The State of Connectivity in America's Schools." 2018 State of the States Report. EducationSuperHighway, <https://stateofthestates.educationsuperhighway.org/>, (October 5, 2018).