

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

In the Matter of)
Modernizing the E-rate) WC Docket No. 13-184
Program for Schools and Libraries)

**Reply of the Iowa Department of Education to
Petitions for Reconsideration and Clarification
Regarding
Report and Order Released on July 23, 2014; FCC Order 14-99**

The Iowa Department of Education (hereafter known as “The Department”), representing the best interests of the public school districts and non-public schools in the state, hereby submits this reply to the Petitions for Reconsideration and Clarification filed by the West Virginia Department of Education (filed September 18, 2014), the State E-rate Coordinators’ Alliance (filed September 18, 2014), and the Utah Education Network (filed September 15, 2014). The Department concurs with and supports these petitions with respect to the new urban/rural definition contained in FCC Order 14-99, released July 23, 2014. We urge the Commission to reconsider this issue and clarify the Order as quickly as possible in alignment with the requests from the three petitioners.

The Department contends that the definition of “urban” for E-rate discount purposes should only include Census Bureau “urbanized areas.” Those tracts identified as “urban clusters” represent schools in areas of our state that are rural and sparsely populated and should not have the “urban” E-rate discount.

When FCC Order 14-99 was released, the regulation language on page 131 specified that only “urbanized areas” would be “urban” for E-rate purposes. As noted in the regulations, “The Administrator shall designate a school or library as ‘urban’ if the school or library is located in an urbanized area as determined by the most recent rural-urban classification by the Bureau of the Census.” The Department agrees with this definition.

However, there is conflicting language in the Reform Order itself which The Department contends is not accurate and contradicts the regulations and includes “urbanized clusters” in the “urban” designation. According to the Census Bureau website,

“...an urban area will comprise a densely settled core of census tracts and/or census blocks that meet minimum population density requirements, along with adjacent territory containing non-residential urban land uses as well as territory with low population density included to link outlying densely settled territory with the densely settled core. To qualify as an urban area, the territory identified according to

criteria must encompass at least 2,500 people, at least 1,500 of which reside outside institutional group quarters.” See <http://www.census.gov/geo/reference/ua/uafaq.html>.

By its own definition, the Census Bureau acknowledges that their “urban cluster” definition includes “low population density” areas with at least 2,500 people. While this definition may prove useful for Census Bureau purposes, it is not an appropriate designation for schools located in “urban clusters” participating in the E-rate program.

The Department has conducted a preliminary analysis of the number of school districts that would be impacted by this new definition of urban. The latest figures indicate that at least 67 Iowa school districts (and the corresponding non-public schools in the urban cluster census tract) would change their status from “rural” to “urban,” a change which represents a loss of 10% discount for each district. (Most Iowa districts have fewer than 50% of their students eligible for the National School Lunch Program, thereby reflecting current E-rate discounts of 70% or less).

The new designation of urban for these 67+ districts might be somewhat justified if the cost of their broadband circuits were comparable to those of urban areas. We pulled a sample of these 67 districts in various parts of our state and found the cost of their circuits to be more in line with the costs of circuits to their rural neighbors. In other words, we can find no logical reason that small rural communities would lose a 10% discount when their costs are more expensive than the truly urban areas of our state.

Below is an analysis of a sampling of circuit costs in various regions of the state. The second column shows circuit costs to newly-designated “urban cluster” schools. In the row next to each urban cluster district, the third column shows costs to a neighboring “rural” school with the fourth column recording costs to a neighboring “urban area” school (all are 1GB circuits).

Section of the state	Urban Cluster School (newly “urban”) Cost for 1 GB circuit	Neighboring Rural School Cost for 1 GB circuit	Neighboring Urban Area School Cost for 1 GB circuit
East Central Iowa	Anamosa HS: \$701	Central City HS: \$678	Cedar Rapids Metro HS: \$432
Eastern Iowa	Bellevue HS: \$824	Midland HS (Wyoming, IA): \$701	Dubuque Senior HS: \$226
North Central Iowa	Clear Lake HS: \$951	North Central HS (Manly): \$951	No urban area school nearby; closest is Waterloo West HS: \$341
Northwestern/Western Iowa	Sioux Center HS: \$814	Unity Christian HS (Orange City, IA): \$718	Sioux City East HS: \$226
Southeastern Iowa	Wilton HS: \$1075	Lone Tree HS: \$1123	Pleasant Valley HS (Bettendorf, IA): \$249

Southwestern Iowa	Shenandoah HS: \$640	Essex HS: \$732	Council Bluffs Abraham Lincoln HS: \$318
Western Iowa	West Monona HS (Onawa, IA): \$637	Charter Oak-Ute HS: \$755	Sioux City East HS: \$226
Central Iowa	Nevada HS: \$548	Colo/Nesco HS: \$732	Des Moines Central Campus: \$226

The Department is confident that the Commission did not intend to unduly penalize the “urban cluster” schools by adopting the Census Bureau definitions as a method of program simplification. However, as can be seen in the above examples, the circuit costs to these “urban clusters” align more closely to their “rural” neighbors than to the urban locations.

Conclusion:

We respectfully ask the Commission to clarify that the regulation language on page 131 of the Order is accurate for funding years 2015 and beyond and that only “urbanized areas” will be deemed as “urban” for discount purposes.

Respectfully submitted,



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