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Christopher Nierman
(202) 457-8815
cnierman@gci.com

VIA ELECTRONIC FILING

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554
2550 M Street, NW
Washington, DC 20037

Re: Notice of Ex Parte In the Matter of Modernizing the E-rate Program for Schools and Libraries, WC Docket No. 13-184

Dear Ms. Dortch:

Tim Stelzig and I of General Communication, Inc. (GCI) met with Lisa Hone, Trent Harkrader, Cara Voth, Charles Eberle, James Bachtell, Kate Dumouchel, and Ryan Palmer of the Wireline Competition Bureau on October 14. On October 16, Tim Stelzig and I spoke by phone with Ms. Hone, Ms. Voth, Mr. Eberle, Ms. Dumouchel, Mr. Palmer, Dana Shaffer of the Office of the Managing Director, and Eric Flock of the Universal Service Administrative Company (USAC). On October 17, we spoke by phone with Julie Veach, Chief of the Wireline Competition Bureau. During these conversations, GCI discussed the importance of continued E-rate support for video conferencing services, which are particularly critical to isolated rural Alaska students, who may not otherwise have access to the qualified teachers or instruction necessary not only to graduate, but also to obtain the education that is taken for granted elsewhere in the country.

As a general matter, GCI supports the Commission's goals of eliminating funding for legacy services that are not central to the educational purposes of the E-Rate fund and focusing support on connectivity, both to and within schools. Unlike other services—such as voice, paging, text messaging, and directory assistance—for which the Commission is phasing out or eliminating support because they are "not essential to education,"[1] video conferencing services are indispensable to the mission of schools in rural Alaska. Such services are not complementary

[1] *Modernizing the E-rate Program for Schools and Libraries*, WC Docket No. 13-184, Report and Order and Further Notice of Proposed Rulemaking, ¶ 144 FCC 14-99 (rel. July 23, 2014) (*E-Rate Modernization Order*).

bells or whistles to rural Alaska students, but rather an integral part of the everyday education of thousands of children. For many students in rural Alaska, distance learning is their only access to math, science, vocational, or other necessary instruction. Rural Alaska schools do not have teaching capacity to provide highly qualified teaching staff and diverse courses in all necessary subjects. Video conferencing is essential to providing courses not available at the individual school level. To provide this essential service, many schools in rural Alaska rely on E-rate support.

Despite the vital importance of video conferencing in rural Alaska, it constitutes just a tiny fraction of the overall E-Rate budget. In funding year 2012, for example, the benefits of E-rate support for video services to all providers nationwide comprised just 0.12% of overall E-rate disbursements.[2] In funding year 2013, the amount USAC disbursed for Distance Learning/Video Conference telecommunications services amounted to just 0.13% of the 2013 cap for overall E-rate disbursements.[3] Indeed, these services are such a small part of the overall fund that the Wireline Competition Bureau's recent Staff Report listed "Distance Learning/Video-Conf" services only as a part of the "Other" category in its "categorization of priority one services."[4] This may be because such services are not essential in most of the country that has better access to teachers. Or, it could be because most schools across the country have access to a high-capacity fiber-optic Internet backbone over which free or inexpensive video conferencing services are adequate. That is not the case in rural Alaska, where fiber is not available.

Each of the five sitting FCC Commissioners have experienced first-hand the transformative potential of distance learning to some of the most remote communities in Alaska. As Commissioner O'Rielly noted in a blog post after his recent visit to Alaska, through E-Rate-supported "video conferencing" and "video mentoring programs," "teachers in one classroom are teaching students in multiple schools dotted throughout an entire region" and "students are being taught subjects by teachers they may never meet in person."[5]

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[2] *See* Letter from Melvin R. Blackwell, VP, Schools and Libraries Division, USAC to Lisa Hone, Deputy Division Chief, TAPD, WC Docket No. 13-184, Attach. at 2 (filed June 12, 2014) (USAC June 12 *Ex Parte* Letter) (showing disbursements of $6,617,157 for Distance Learning/Video Conference telecommunications services for FY 2012); *Wireline Competition Bureau Announces E-rate Inflation-based Cap for Funding Year 2012*, Public Notice CC Docket No. 02-6, DA 12-791 (WCB May 18, 2012).

[3] *See* Letter from Melvin R. Blackwell, VP, Schools and Libraries Division, USAC to Lisa Hone, Deputy Division Chief, TAPD, WC Docket No. 13-184, Attach. at 6 (showing disbursements of $3,088,522 for Distance Learning/Video Conference telecommunications services for FY 2013); *Wireline Competition Bureau Announces E-rate Inflation-based Cap for Funding Year 2013*, Public Notice, DA 13-382 (WCB Mar. 11 2013) (announcing that the E-rate program funding cap for funding year 2013 is $2,380,314,485).

[4] Wireline Competition Bureau & Office of Strategic Planning and Policy, Staff Report, WC Docket No. 13-184, at 17 n.55 (rel. Aug. 12, 2014).

[5] Michael O'Rielly, FCC Commissioner, *Alaska: Lessons Learned* (posted Sept. 5, 2014) (*at http://www.fcc.gov/blog/author/Michael%20O'Rielly)*.

GCI has consistently highlighted the importance of video conferencing services to rural Alaska throughout this proceeding. In comments regarding the initial *E-Rate Modernization NPRM* from August 2013, GCI stated, "as it pares support for applications that run over broadband networks, the Commission should take care not to eliminate support for services critical to distance learning such as advanced video conferencing."[6] In response to the Wireline Competition Bureau's request for focused comment on E-Rate modernization in April of this year,[7] GCI noted that it was "pleased that video conferencing services [were] not included in the category of voice services that may receive reduced support under the Commission's proposal."[8] In fact, the Commission did not signal in this proceeding that it meant to change the treatment of distance learning/video conferencing services. While the Commission was very explicit about phasing down or eliminating many services, it did not include distance learning/video conferencing services in that list.[9]

As schools in rural Alaska have come to rely on E-Rate support for these services, it is important that the Bureau not make a sudden change now. The 2014 Eligible Services List (ESL), for example, states that the E-Rate program supports "the telecommunications component of voice or video conferencing services that provide a means for multiple users to participate in group discussions . . . if the services are limited only to eligible educational or library purposes."[10] GCI's facilities-based distance learning/video conferencing services have been funded under that definition. These services are sold only with GCI network capacity, so that GCI can overcome bandwidth constraints using specifically designed end-to-end QoS built into GCI's network core to allow multi-user, interactive video conferencing. Without that network design, such intensive use of distance learning video would simply not work well enough to provide instruction on a reliable and consistent basis, thus there would be no "means for multiple users to participate in group discussions."[11]

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[6] Comments of General Communication, Inc., WC Docket 13-184, at 14 (Sep. 16, 2013).

[7] *Wireline Competition Bureau Seeks Focused Comment on E-rate Modernization*, Public Notice, DA 14-308, WC Docket No. 13-184 (2014).

[8] Comments of General Communication, Inc., WC Docket 13-184, at 13 (Apr. 7, 2014).

[9] *See, e.g.*, *Modernizing the E-rate Program for Schools and Libraries*, WC Docket No. 13-184, Notice of Proposed Rulemaking, 28 FCC Rcd 11304, ¶¶92-102 (2013) (identifying "Specific Services for Which Support May No Longer Be Appropriate," including voice, paging, directory assistance, text messaging, and email, but not distance learning or video conferencing services).

[10] Schools and Libraries Universal Service Support Mechanism, Eligible Services List, CC Docket No. 02-6; GN Docket No. 09-51, at 3 (rel. Oct. 22, 2013).

[11] GCI recognizes that some video conferencing services are offered as "over-the-top" applications. However, just because some businesses elect to offer their video conferencing services as web-based applications does not mean that GCI's network-based video conferencing services necessarily are also offered as an application. To the contrary, GCI offers its Distance Learning Service Video Bridge Resources to Alaskan schools as a

Delivering real-time, interactive video conferencing services to multiple schools simultaneously requires either significantly more bandwidth than rural Alaskan schools currently purchase, or a highly managed end-to-end video conferencing solution of the type GCI currently provides. Some rural school districts purchase from GCI Internet access or data connections with bandwidths as low as 1 Mbps/512 Kbps, while other rural school districts purchase symmetrical connections up to 14 Mbps for a subset of that district's schools. The majority of GCI's connections to rural Alaskan schools fall between these extremes.

Even at the high end, the amount of bandwidth rural Alaskan school districts currently purchase from GCI is insufficient to assure the quality of service required for distance learning for more than one simultaneous class. The State Educational Technology Directors Association recommends a minimum of 8 Mbps for Skype Group-Video Session for 7 or more people, with goals for significantly higher speeds.[12] The rural school district that purchases the most capacity for its schools also streams from 3 to 5 real-time distance learning classes every day in math and science to as many as 23 separate schools simultaneously. Absent GCI's video conferencing service, it is not clear that this school district could provide even two simultaneous "best-efforts" distance learning classes over their existing data connections without significantly more bandwidth. The Alaskan school districts that purchase significantly less bandwidth could not reliably provide even a single best-efforts distance learning class over their existing connection.

In addition, on top of the bandwidth required for these basic needs, Alaskan schools require a sufficient remainder of bandwidth for all of the educational benefits that is driving the need for more capacity in the lower-48, such as on-line testing, one-to-one learning programs, cloud-based educational applications, and to ensure reliable Internet access in the school libraries, among other purposes. The network efficiency that results from GCI's highly managed and network-based video conferencing service helps ensure that these other educational priorities can be met as well where bandwidth is constrained.[13] Without these services, schools that rely on video conferencing for daily instruction would have to increase their bandwidth capacity purchases many times over, at an expense well beyond what they pay for distance learning/video conferencing services, further taxing scarce E-Rate funds.

For all of these reasons, GCI asks the Wireline Competition Bureau to clarify, when it adopts the ESL, that facilities-based distance learning/video conferencing services remain a supported

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telecommunications service and, for example, pays USF contributions on the revenue it receives for such services.

[12] Fox, C., Waters, J., Fletcher, G., & Levin, D., State Education Technology Directors Association (SETDA), The Broadband Imperative: Recommendations to Address K-12 Education Infrastructure Needs, at 21 (2012).

[13] The FCC certainly recognizes the importance of bandwidth efficiency. The Commission decided that E-Rate should support caching, because it can "optimize network performance, and potentially result in more efficient use of E-rate funding. *E-Rate Modernization Order* ¶ 130.

Category One service and to direct USAC to take measures necessary to effectuate that clarification.

Respectfully submitted,

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Chris Nierman
Senior Counsel, Federal Affairs