



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 State E-rate Coordinators' Alliance
Regarding
Petition for Reconsideration or Clarification to
Report and Order Released on July 23, 2014; FCC Order 14-99**

SECA is gratified to see overwhelming and unopposed support by stakeholders in favor of modifying the FCC's new urban and rural definitions to resolve concerns raised by the inclusion of urban clusters in the new definition of urban. In addition to the Petitions for Reconsideration submitted by the NCTA-The Rural Broadband Association, Utah Education Network and the West Virginia Department of Education concerning this issue, on October 27, 2014, twenty-two (22) education groups, including SECA, submitted a letter to support a compromise definition that would classify E-rate applicants located in urban clusters that have populations of 25, 000 or less as rural, and to classify the remaining urban clusters as urban. SECA fully supports this compromise and agrees it is in the public interest for the FCC to make this definitional change.¹

This compromise will enable applicants located in 92% of the urban clusters to be appropriately reclassified as rural, and to benefit from the additional 10% rural discount available

¹ Prior to joining with the Education Coalition Letter in support of the compromise, SECA conferred with the other Petitioners on this issue and confirmed that the other Petitioners on the rural issue -- NCTA-The Rural Broadband Association, Utah Education Network and West Virginia Department of Education -- all support the compromise definition of rural and intend to submit formal pleadings in the docket to confirm their support.

to applicants with a NSLP percentage of 49% or less.² To be clear, SECA is *not* saying that 92% of the applicants located in urban clusters. In fact, we do not have the data that correlate the location of applicants in urban clusters. We only have the name of the 3087 urban clusters available from the U.S. Census website so we worked with this information. What we *are* saying is that 92% or 2841 of the 3087 urban clusters nationwide have populations of less than 25,000 and these 2841 clusters would be reclassified as rural under the compromise proposal.

Numerous other parties have raised concerns with the FCC's inclusion of all urban clusters in the definition of urban:

- Iowa Department of Education (supporting SECA, Utah Education Network and West Virginia)
- Juan Lee (supporting the Utah Education Network)
- Pennsylvania Department of Education (supporting all of the various Petitions for Reconsideration on the rural issue)
- Richmond Public Library (supporting Utah Education Network)
- San Juan School District (supporting Utah Education Network)
- Tintic School District (supporting Utah Education Network)
- Utah Governor's Office of Economic Development (supporting Utah Education Network)
- Washington Community School District
- WTA – Advocates for Rural Broadband (supporting NCTA/Utah Rural Telecom Association, Utah Education Network, SECA and West Virginia Department of Education)

This definitional change would not be at all inconsistent with the use of the Census Bureau's data. There is no uniform definition of "rural" and "urban" across various programs administered by different federal agencies. Indeed, even the definition of rural for purposes of the Rural Health Care program differs from that of the E-rate program and the high cost universal service support programs. The Census Bureau itself noted that the rural and urban definitions it uses may not be appropriate for the implementation of policy by individual agencies in specific circumstances.³

The widespread unanimous expression of concern from diverse interest groups representing both applicants and service providers hopefully will encourage the Commission to grant prompt reconsideration on this issue so that the SLD can implement changes to the definition in a timely manner that will allow for opening the FY 2015 Form 471 E-Rate filing window on January 7, 2015.⁴

² The specific manner of SECA's methodology and summary of calculations is set forth in Attachment 1.

³ Department of Commerce, Census Bureau, Urban Area Criteria for the 2010 Census, 76. Fed. Reg. 53030 (rel. Aug. 24, 2011).

⁴ The Schools and Libraries Committee adopted a resolution to recommend opening the Form 471 for FY

Secondly, there is no opposition in the record to the requests submitted by SECA and the West Virginia Department of Education to reclassify DID numbers as being eligible for E-rate discounts and subject to the voice service phase down of eligibility over the next five years, rather than making this item fully ineligible beginning in FY 2015. As explained in our Petition for Reconsideration, DID numbers are an essential component of voice telecommunications service. In addition, SECA supports the West Virginia Petition for Reconsideration that would reclassify all other “Telephone Service Components” as eligible and subject to the voice service phase down rather than being fully ineligible in FY 2015.

The charges for Telephone Service Components are relatively modest and their exclusion from eligibility will add to the complexity of the program. Applicants will be required to parse their phone service bills to extract such charges which may not be easily found since they may be called different names by different vendors. Although it may not sound like a difficult task, it is arduous in many cases where the voice telephone service bill may be hundreds of pages and the charges may be interspersed throughout the bill. This ineligibility classification also threatens to create a juggernaut with PIA reviews if each voice FRN must be reviewed to ensure these minute charges have been excluded from the prediscout calculations.

While SECA understands the need for E-rate to evolve to a broadband based program, we also know that applicants are reeling from the numerous changes that they are required to be familiar with for the FY 2015 year. By modifying this one particular aspect of the eligibility provisions for FY 2015, the FCC will make great strides toward simplifying the program and alleviating one of the burdens applicants are facing for FY 2015.

SECA’s third and final issue on reconsideration, concerning predictability of funding did not generate any comments and therefore, we will rely on our advocacy set forth in our Petition. We hope that to the extent the FCC staff has identified additional funds that are available to augment Category 2 funding, those funds are maximized in FY 2015 where we believe that the demand will be great. We also hope that the FCC considers the possibility of allowing applicants who need to make wireless network equipment purchases in a year in which Category 2 funding is not available for their discount band will be permitted to apply for funding in a later year subject to available funds for their discount band.

2015 on or after January 7, 2015.

The State E-rate Coordinators' Alliance respectfully requests the Federal Communications Commission to adopt an Order consistent with the recommendations set forth above.

Respectfully Submitted:

/s/ Gary Rawson
Gary Rawson, Chair
State E-Rate Coordinators' Alliance
Mississippi Department for Information Technology Services
3771 Eastwood Drive
Jackson, Mississippi 39211
601-432-8113
Gary.Rawson@its.ms.gov

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