

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of)
)
Modernizing the E-rate Program for Schools) WC Docket No. 13-184
and Libraries)
)
Connect America Fund) WC Docket No. 10-90
)
)

**REPLY COMMENTS OF COMPETITIVE CARRIERS ASSOCIATION
IN SUPPORT OF T-MOBILE PETITION**

Competitive Carriers Association (“CCA”) hereby submits these reply comments in support of T-Mobile’s Petition for Reconsideration and Clarification of the *Second E-rate Reform Order* and in response to the opening comments submitted in the above-captioned proceedings.¹

INTRODUCTION AND SUMMARY

CCA has long championed a technology-neutral approach to the E-rate program that encourages innovation, presents flexibility and choice to schools and libraries, and focuses on ensuring quality and value regardless of how services are delivered.² Rather than restraining the types of broadband services available to schools and libraries, the Commission should set objective performance requirements and benchmarks so that carriers—both fixed and mobile—

¹ *Modernizing the E-rate Program for Schools and Libraries; Connect America Fund*, WC Docket Nos. 13-184 and 10-90, Second Report and Order and Order on Reconsideration, 29 FCC Rcd 15538 (2014) (the “*Reform Order*”); see Petition for Reconsideration and Clarification of T-Mobile USA, Inc., WC Docket Nos. 13-184 and 10-90, (filed Mar. 6, 2015) (the “*Petition*”).

² See, e.g., Comments of Competitive Carriers Association, WC Docket No. 13-184 (filed Sept. 16, 2013).

can compete to provide E-rate services on a level playing field. While CCA recognizes that technological limitations may prevent mobile solutions from meeting applicable requirements in some instances (just as fixed technologies cannot invariably meet customers' needs), there is no sound reason to preclude mobile providers from participating in the E-rate program where their services can and do provide high-quality and cost-effective solutions that fulfill programmatic needs. Moreover, the Commission's rules should be flexible enough to ensure that schools and libraries can take advantage of future technologies while obtaining right-sized solutions for today that do not overprovision service and hamstring constrained budgets. Consistent with these broad principles, T-Mobile's Petition offers common-sense clarifications that will improve the E-rate program and promote increased competition. No party opposes T-Mobile's proposals to establish a more level playing field. The Commission should promptly grant the Petition to ensure that mobile providers can provide efficient solutions that meet schools' and libraries' needs.

DISCUSSION

CCA agrees with T-Mobile that the *Reform Order* could provide applicants for E-rate funding with better guidance in determining the cost-effectiveness of mobile broadband services.³ The *Reform Order*'s guidance regarding how applicants should account for the costs of developing internal Wi-Fi capabilities, for example, does not provide applicants with a consistent methodology to make accurate financial comparisons between and among broadband service offerings.⁴ The *Reform Order* leaves applicants without the ability to fully consider the

³ Petition at 3.

⁴ See *Reform Order*, 29 FCC Rcd at 15601 ¶ 158; see also Comments of Southern Communications Services, Inc. in Support of the T-Mobile and AdTec Petitions for Reconsideration, WC Docket No. 13-184 (filed Apr. 29, 2015) at 4 ("SouthernLINC Wireless Comments").

technological lifespan of their new networks or the economic costs of utilization, maintenance, and security. In many cases, when these long-term costs are considered, mobile broadband solutions prove to be more cost-effective than fixed Wi-Fi services while delivering service levels suitable to meet an applicant's needs. Therefore, as T-Mobile has proposed, the Commission should reconsider its guidance on the cost-effectiveness of mobile broadband and should clarify how and when to account for the costs of fixed Wi-Fi. In particular, the Commission should develop a record regarding the immediate and ongoing costs of fixed Wi-Fi services and should use that record to establish new guidelines for how to account for these costs.

Similarly, the Commission should reconsider its determination that applicants may not consider the likelihood of receiving Category Two E-rate support when determining the cost-effectiveness of mobile broadband services.⁵ Schools and libraries that are weighing the Category One costs of obtaining external connectivity to broadband service should not be forced to ignore the substantial and ongoing costs of building and maintaining the internal connections necessary to deliver the service. E-rate applicants should be aware from the start that they alone might have to bear the costs of deploying the complex infrastructure necessary to translate their fixed broadband service into a sophisticated Wi-Fi network that students, faculty, and library patrons can enjoy. Just as any other non-price term may be considered as part of the cost or effectiveness of a service, the availability (or lack of availability) of price support for internal connections and maintenance should be a factor for E-rate applicants.⁶ While the Commission

⁵ Petition at 12.

⁶ See Comments of Sprint Corporation, WC Docket No. 13-184 (filed Apr. 29, 2015) at 3 (“Sprint Comments”) (noting that, for “an E-rate applicant that has not received, and/or is unlikely to receive, support for internal connections or managed internal broadband

generally has treated Category One services as the primary cost factor,⁷ willfully blinding E-rate applicants to the true costs of maintaining the service would fail to promote cost-effectiveness for the E-rate program.

CCA also agrees with T-Mobile and supporting commenters that the Commission should reconsider when mobile broadband services are duplicative of other broadband services. The mere existence of a fixed broadband connection and local Wi-Fi network should not categorically foreclose applicants from seeking support for mobile broadband services in other beneficial instances. Each school and library faces unique challenges in provisioning broadband to end users. Many schools and libraries are decades old, use construction materials that are not conducive to Wi-Fi signals, and are spread out across sweeping campuses. For example, while using a Wi-Fi solution in traditional classrooms may be most effective, the modular classrooms that many capacity-constrained schools rely on often could be better served by alternative solutions such as mobile broadband. The inevitable result of the *Reform Order's* duplicative service standard is to sacrifice the goals of efficiency and cost-effectiveness—intended to be hallmarks of the reform effort—in favor of a one-size-fits-all approach.⁸ The Commission therefore should reconsider its guidance on when mobile broadband services are duplicative and clarify that the specific facts and circumstances unique to each E-rate applicant should determine what services are necessary and appropriate.

services, and that lacks the financial and technical resources to deploy and operate such facilities on its own ... a mobile broadband solution may be the only feasible option”).

⁷ See, e.g., USAC, “Construct an Evaluation,” available at <http://www.usac.org/sl/applicants/step03/evaluation.aspx>.

⁸ See Comments of the Schools, Health & Libraries Broadband (SHLB) Coalition, WC Docket No. 13-184 (filed Apr. 29, 2015) at 10 (“SHLB Comments”) (arguing that “providing schools and libraries with reasonable discretion to determine their own needs without having to rebut unwarranted presumptions of waste will speed the application process without sacrificing program integrity”).

The Commission should also clarify that the Universal Service Administrative Company (“USAC”) should, at a minimum, not apply the *Reform Order’s* new cost-effectiveness rules to applications from fiscal year 2014 or earlier.⁹ Where the competitive bidding and service provider selection occurred prior to the new rules’ taking effect, it would be both “unfair and unlawful” to apply the Commission’s new rules.¹⁰ The Commission should make clear that its rules requiring applicants to demonstrate that mobile broadband is a more cost-effective option than all other services—including those that were not even offered by bidders—should be applied only prospectively, if at all.¹¹

In the alternative, if the Commission declines to reconsider the cost-effectiveness rules discussed above, it should at least rescind the *Reform Order’s* increase in the E-rate funding cap.¹² Far from promoting cost-effectiveness, without the clarifications and reconsideration requested by the Petition, the increased E-rate funding cap will encourage applicants to splurge on overpriced and unnecessary broadband solutions. Moreover, the increased cap serves to reduce broadband competition by effectively excluding mobile services that may otherwise provide the most cost-effective solution. By denying wireless providers meaningful opportunities to compete, even where they offer lower-cost alternatives that have comparable performance capabilities, increased wireline funding will undermine efficiency and ultimately harm program beneficiaries.

⁹ Petition at 13.

¹⁰ Sprint Comments at 3; *see also*, SHLB Comments at 10.

¹¹ *See* SouthernLINC Wireless Comments at 8.

¹² Petition at 15.

CONCLUSION

Mobile broadband services are often the most cost-effective broadband solution for schools and libraries, yet the Commission's *Reform Order* makes it more difficult for E-rate applicants to take advantage of these services. The Commission should grant T-Mobile's Petition and reconsider its E-rate rules to eliminate unnecessary technology preferences in favor of an approach that encourages schools and libraries to purchase the most cost-effective solutions.

Respectfully submitted,

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