Before the
Federal Communications Commission
Washington, DC 20554

In the matter of:	
Comments of the Draft Eligible Services List	WC Docket No. 13-184
Schools and Libraries Universal Service Support Mechanism	CC Docket No. 02-6 GN Docket No. 09-51
June 20, 2015	

COMMENTS OF E-RATE PROVIDER SERVICES, LLC.

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Introduction

E-Rate Provider Services respectfully submits these comments in response to the Federal Communications Commission's ("Commission" or "FCC") Public Notice regarding the Wireline Competition Bureau's Request for Comment on the FY 2016 Eligible Services List (ESL) for the Schools and Libraries Universal Service Mechanism, commonly known as the E-Rate Program. E-Rate Provider Services is a consulting firm serving Service Providers in the E-rate program. E-Rate Provider Services' purpose is to assist E-rate Service Providers in navigating the complexities of the program, providing sales and compliance assistance, cost allocation services, bid and proposal review, and staff training.

E-Rate Provider Services provides the following focused comments regarding the specific eligibility of self-provisioned Wide Area Networks (WANs). We have framed our comments as a combination of questions seeking clarification and suggestions; in all cases E-Rate Provider Services seeks a better understanding of the Commission's intention in the matters at hand, with the hope that several points we consider unclear can be clarified in advance of the opening of the FY 2016 filing window, allowing both Applicants and Service Providers ample opportunity to review the changes and plan accordingly.

E-Rate Provider Services comments that the Commission's intention concerning self-provisioned Self-Provisioned Broadband seems to be to allow applicants to create for themselves duplicates or equivalents of services commercially available, judge for themselves which solution best suits their particular circumstances, and then contract for those services. The Commission seems less concerned with the exact method of transport, focusing instead on the bandwidth delivered.

E-Rate Provider Services fully supports the changes to the rules present in the FY 2016 ESL. E-Rate Provider Services has consistently supported the concept that Applicant choice is one of the most powerful factors in driving costs down and delivering higher quality services, and that Applicants are best positioned to make those choices for their districts. However, in order to create an atmosphere of true competition, the playing field must be level, meaning Applicants should be able to craft solutions of equal facility to those commercially available, and Service Providers should be able to propose solutions to Applicants without being at a financial disadvantage to do so, and that both Applicants and Service Providers should be able to rely on a consistent and enduring set of rules regarding what services can and cannot be provided, and the cost metrics associated with each.

E-Rate Provider Services is concerned that there are areas where the principles articulated above may yield to future clarifications, threatening the confidence of the greater E-Rate Program community in the services under discussion.

Specific Issues

Self-Provisioned Networks

E-Rate Provider Services is concerned that there are some basic questions concerning categorization of service that must be addressed, and poses the following:

- Is a self-provisioned network considered a telecommunications service?
- Does this answer change depending on the type of network traffic carried by the network, i.e. voice, video, or data, and academic versus administrative?
- Will an entity that builds a self-provisioned network be required to file a Form 499, build USF charges into the cost model, and pay into the fund?

Some of the historical differences between leasing a Wide Area Network (WAN) as a Priority/Category 1 Telecommunications Service versus building a WAN as an Internet Access offering concern private addressing, traffic types, and basic network topology. In short, there are some aspects of a Telecommunications WAN that cannot be duplicated with an Internet Access WAN. Does the Commission view a self-provisioned WAN as a Telecommunications Service, regardless of the contribution issues, meaning, will a self-provisioned WAN follow the characteristics of a Telecommunications WAN, or the more restrictive Internet Access WAN?

E-Rate Provider Services is concerned that if the Commission does not require Applicants who choose to provision their own WAN to charge and collect USF fees, Service Providers who ARE required to charge and collect USF fees will be at a significant disadvantage when attempting to compete for the contract.

Alternately, if an Applicant who has decided to provision their own WAN is informed, at some point in the future, that they will be required to file a Form 499 and collect USF fees, this may cause concern at the complicated forms required. Applicants may be forced to pay these fees "out of pocket" in that they might not have been requested on the founding Form 470.

In addition, if the delta between the traditional "lit fiber" offering from a Telecommunications Provider and the self-provisioned solution is less than the USF fee percentage, the "lit fiber" provider may believe they lost the bid erroneously, meaning, they may believe they would have won if not for the omission of the USF fee from the winning solution.

Summary – Self-Provisioned Networks

- E-Rate Provider Services encourages the Commission to strongly clarify the present and future regulatory status of a self-provisioned WAN;
- E-Rate Provider Services comments that a "lit" service from a Telecommunications Provider and a self-provisioned service from an Applicant should be on equal financial footing, meaning, if USF fees are charged on one, they should be charged on both;
- E-Rate Provider Services comments that charging the fee on a service which is going to be underwritten by USF funds seems recursive. E-Rate Provider Services comments that waiving the USF for Category 1 WANs provided by traditional Telecommunications Providers is the simplest way to ensure that all parties are competing fairly.

Modulating Electronics

What constitutes "Modulating Electronics" for a self-provisioned broadband network?

E-Rate Provider Services proposes that the Eligible Services List be clarified to include the following acceptable products:

- Fiber Optic or other mixed-media transceivers, i.e. fiber to copper, microwave to copper, etc;
- Appliance-based form-factor CPE routers;
- Chassis-based form-factor CPE routers, which can include power supplies, supervisory modules, DWDM or other optical switching gear; all LAN/WLAN specific gear must be cost-allocated out and paid for separately or applied against the applicant's Category 2 budget.

Summary – Modulating Electronics

E-Rate Provider Services comments that the above definition, clarified for all constituents, would bring "modulating electronics" in line with the on-premises Category 1 equipment allowable under the Tennessee Decision.

Maintenance and Operation / Construction of Network Facilities

Will applicants be allowed to purchase, for the maintenance and operation of the network, a network management console?

E-Rate Provider Services proposes that an applicant should be able to purchase a moderately-priced workstation and appropriate software in order to perform basic monitoring and management of their WAN, in addition to the option of contracting for the same services. If the Commission's intent is to allow Applicants to craft equivalent solutions as those commercially available, then self-provisioning a WAN should include self-provisioning the management and monitoring of that WAN.

Summary

E-Rate Provider Services, as always, appreciates the opportunity to provide comments. Ironically, despite almost universal calls for greater simplicity in the program, product eligibility is one area where details are important, and E-Rate Provider Services comments that more detail regarding ineligible product features is necessary. Service Providers need to know the eligibility of their products so that Applicants will know the financial impact of their applications. E-Rate Provider Services is concerned that "loose rules" in this area will lead to a series of clarifications and corrections, which may result in COMADs as funds, committed and disbursed in good faith, will suddenly be at risk.

The E-Rate Program continues to be a vital component in the quest to educate our children and provide them the tools to succeed in an increasingly technological world, and E-Rate Provider Services is pleased to be a part of this.

Respectfully submitted,

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