



Before the Federal Communications Commission
Washington, DC 20554

In the Matters of	:	
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International Comparison And Survey Requirements In The Broadband Data Improvement Act	:	GN Docket No. 09-47
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A National Broadband Plan For Our Future	:	GN Docket No. 09-51
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Inquiry Concerning The Deployment Of Advanced Telecommunications Capability To All Americans In A Reasonable And Timely Fashion	:	GN Docket No. 09-137
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Schools And Libraries Universal Service Support Mechanism	:	CC Docket No. 02-6
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Comprehensive Review Of The Universal Service Fund Management, Administration, And Oversight	:	WC Docket No. 05-195
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Comment Sought On Broadband Needs In Education, Including Changes To E-Rate Program To Improve Broadband Deployment	:	NPB Public Notice # 15
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**THE STATE E-RATE COORDINATORS ALLIANCE
INITIAL COMMENTS - NPB PUBLIC NOTICE #15**

I. INTRODUCTION

The State E-rate Coordinators' Alliance (SECA) submits these Initial Comments in accordance with the FCC's Public Notice released November 3, 2009 (DA 09-2376) seeking comment on various issues related to broadband access in education, as part of the Federal Communications Commission's ("FCC" or "Commission") development of a national broadband plan. These comments address the three overarching questions and the myriad of sub-questions explicitly relating suggested changes in the Schools and Libraries Universal Service Support Program ("E-rate").

SECA members are immersed in E-rate day in and day out and many have been steeped in E-rate since the beginning of the program. SECA accomplishes its work through the resources of its 87 individual members who provide statewide E-rate coordination activities in 48 states and 2 U.S. territories. Representatives of SECA typically have daily interactions with E-rate applicants to provide assistance concerning all aspects of the program. SECA provides face-to face E-Rate training for both applicants and service providers. As state E-rate coordinators, members serve as intermediaries between the applicant and service provider communities, the Administrator, and the Commission. Collectively, SECA members typically provide more than 1300 hours of E-rate training workshops annually to E-rate applicants and service providers. In addition to the formal training hours, SECA members spend thousands of hours offering daily E-rate assistance to individual applicants through calls and e-mails. Finally, several members of SECA work for and apply for E-rate on behalf of large, statewide networks and consortia that further Congress' and the FCC's goals of providing universal access to modern telecommunications services to schools and libraries across the nation.

In addition to their roles as State E-rate trainers and coordinators, most SECA members also provide the following services to the program: technology plan approval; applicant verification assistance to the Administrator's Program Integrity Assurance (PIA) Division; verification to the Administrator of

applicable state laws confirming eligibility of certain applicant groups; contact of last resort to applicants by the Administrator; and verification point for free/reduced lunch numbers for applicants. Hence, SECA members are thoroughly familiar with E-Rate regulations, policies and outreach at virtually all levels of the program.

II. THE NATIONAL BROADBAND PLAN SHOULD INCLUDE BROADBAND GOALS FOR K-12 EDUCATION AND LIBRARIES

SECA strongly supports and applauds the FCC's inquiry regarding broadband deployment to the nation's K-12 and library community. In releasing this Public Notice, the FCC recognized the importance of adequate technology in education.

The relationship between technological literacy and a robust society in which citizens thrive in an economically and culturally rich society has been well documented. For example, in 1990, the then Secretary of Labor created a commission that examined what skills students entering the workforce would need in order to thrive. The findings of the commission, released in a 1992 report, noted that technology was one of the five core competencies that were vital to success in the workplace, and that education was the key foundation for equipping all students with these competencies.¹ Fast forward to today, when as the Commission notes in its Public Notice, California State Superintendent of Public Instruction Jack O'Donnell confirmed the increasing importance of technology in education to a healthy workforce.

SECA strongly supports and encourages the FCC to find, as part of the National Broadband Plan, that broadband technology availability and education are vital components which will determine the ultimate success of our economy.

¹ "What Work Requires of Schools: A SCANS Report for America 2000," The Secretary's Commission on Achieving Necessary Schools, United States Department of Labor (June 1991); <http://wdr.doleta.gov/SCANS/whatwork/whatwork.pdf>

III. ANY RECOMMENDED MODIFICATIONS OF THE E-RATE PROGRAM TO EXPAND BROADBAND AVAILABILITY MUST ALSO INCLUDE INCREASES TO THE SIZE OF THE FUND.

SECA urges extreme caution in making changes to the E-rate program that would have the effect of increasing demand, without also increasing the amount of available funding. Much of the success of E-rate can be attributed to the fact that the program was conceived and has remained true to its original purpose of making affordable broadband and other related telephony services available to schools and libraries. The program was designed with this goal in mind, and other universal service support mechanisms were established to provide financial support to other customer groups such as Lifeline, Link-Up and the High Cost Support Mechanisms. Most importantly, when the program was established, E-rate was sized to meet the financial needs of the nation's schools and libraries circa 1996 (based on a 1995 McKinsey Study).

The funding history of the program makes clear that each year, the financial needs of schools and libraries, as measured by the aggregate amount of funding requested, has exceeded the available annual funding. Consequently, unless the program's purposes and the funding cap are drastically increased, any expansion of the program focus and responsibilities would dilute the current continuing impact on keeping schools and libraries connected. The first principle governing the creation of the National Broadband Plan should be to "to do no harm" to existing broadband adoption and services. We encourage the Commission to be particularly mindful of this principle when considering modifications to the E-rate program.

If modifications are made that increase the need for funding, and no additional funding is added, the goals sought to be achieved with the modifications will not materialize because schools and libraries will be unable to obtain funding. Moreover, hard-won achievements may be undermined and reversed if program funds are diverted to new initiatives at the expense of current initiatives.

IV. QUESTION 11: MODIFICATIONS TO THE E-RATE PROGRAM TO MORE EFFECTIVELY MEET APPLICANTS' NEEDS AND TO STIMULATE COMMUNITY ADOPTION OF BROADBAND.

As part of the national broadband plan, we seek comment on how the Commission can modify the E-rate program to more effectively meet the needs of applicants as well as whether the program can be a vehicle to stimulate the adoption of broadband throughout communities. For example, in Portugal researchers have found that the usage of broadband in schools creates a "spillover" effect that leads to greater broadband adoption in the community as students increase their Internet usage at home and transfer their technology skills to other family members. Public Notice 09-2376 at 5.

There is indisputably a spill-over effect when students take their familiarity with technology home with them, just as there is spill-over when parents take home knowledge of technology from the workplace. Families tend to share items of interest so, for example, when a student in a one-to-one laptop program brings that computer home, it may well be the first device in the household capable of connecting to the Internet.

a. Currently, schools and libraries may obtain discounts on various services that provide high-speed access to the Internet as telecommunications and Internet access (priority 1) services. We are aware that applicants may characterize their funding requests according to terminology used on the eligible services list, such as DSL, "internet access via cable modem," ATM, frame relay, T-1, T-3, Ethernet, OC-3, OC-12, ATM, "internet access via fiber optics," etc. We seek information that would enable us to better understand at a more granular level what broadband services eligible applicants are buying today. Public Notice 09-2376 at 5-6.

There are two approaches to responding to this inquiry that we wish to emphasize. First, the inquiry contains an inherent procedural issue of identifying available resources from which necessary information may be obtained. Second, the data from these resources needs to be examined substantively to determine the appropriate conclusions to draw from the information.

The most obvious resource for this information is from vendors and customers. Contracts typically specify a range of available broadband services from which an applicant can choose, but the first opportunity to document the selection is in the Form 471 process, and even then the bandwidth data may not be aggregated or made available in the formats and at the levels of granularity that the FCC wishes to

analyze. Compounding the difficulty of accessing this information in a usable format, vendors may view the data as proprietary or confidential and consequently it may not be readily available to the FCC. The customers -- E-Rate applicants -- may have this information in their individual technology plans but the information may or may not be aggregated, and the data may not be reported uniformly from state to state.

Unfortunately there appears to be no readily accessible, commonly reported data base in which this information is amassed. The data reported and collected on E-rate forms does not include all of the requested information.

On the FCC Form 470, applicants do not necessarily specify the type of technology that they request, such as (e.g., T-1, Ethernet, OC-12), and instead often specify a transmission speed (or range of speeds) to insure that their requests are technology-neutral. Nevertheless, since it is obvious in higher bandwidth ranges that fiber is the only technology that can supply certain bandwidths, it is clear that high-speed bandwidth can be divided into standard measurements in terms of digital signals in units of bits per second. When the FCC requests bandwidth data, it should do so in terms of kbps or mbps or gbps in fielded data entry boxes so that the data can be automatically aggregated. The shortcoming of this data collection method, however, is that it represents bandwidth requested during the application process, not what will be actually deployed. For this reason, the FCC Form 470 information may not be a reliable source of information to measure *actual* deployment, but can be used to measure desired broadband deployment.

Block 2 of the FCC Form 471, Description of Services Ordered and Certification Form requests applicants to report the number of buildings that have broadband services within certain ranges -- such as less than 10 mbps, between 10 and 200 mbps, and over 200 mbps. This information, however, is not always reported and does not contain the precise level of broadband service for each entity.

The information also may be gleaned from reviewing the eligible services for which E-rate funding has been approved. These services, however, are not reported on a granular level on the FCC Form 471, Description of Services Ordered and Certification Form. In Block 5 of the form, where applicants must report the amount of funding requested, in the form of a funding request, applicants do not identify, as part of the form itself, the specific services associated with the funding request.

Instead, applicants are required to submit this information as an addendum, known as the Item 21 attachment. In recent years, the SLD has made available an optional online reporting system for submitting item 21 attachments, and perhaps some of the requested information can be compiled from this resource. Because some applicants choose to submit their Item 21 attachments on paper and not use the online system, the data may not be complete but it should be fairly comprehensive, SLD is making a concerted effort to encourage applicants to use the online Item 21 system and reports that each year, more and more applicants use this feature.

To better understand at a more granular level what broadband services eligible applicants are utilizing, the FCC could revise USAC applications to create more fielded data entries capable of automatically producing the kind of data the agency requires for data analysis and decision-making. USAC has much of this information, but apparently because the data is currently not captured in a data base, it can only be manually aggregated.

Another potential source of this information may be E-rate funded state telecommunications networks that serve as a consortium lead serving schools and libraries. The information may be aggregated at the state level or may be available at more disaggregated levels down to the individual school district, school or library that would allow for the reporting of actual usage of bandwidth by individual locations. This would be especially true when the consortium includes ineligible entities and

must determine eligible utilization based upon connectivity to individual schools, libraries, and ineligible sites.

Yet another approach which may yield the most reliable source of actual broadband deployment information, but which may be the most difficult to obtain, is in contract documentation between applicants and service provider. A second useful source may be customer data collected and analyzed by the vendors themselves, but this data is usually considered confidential if not proprietary. Thus, through revised SLD forms, it should be possible to automatically compute by funding year the progress of schools in deploying bandwidth at higher and higher bandwidth speeds and to compute average projected bandwidth speeds nationally, at the state level, and at the school district level. However, to get at the average cost per megabit of bandwidth at the national, state, and school district levels, it will be necessary to require applicants to file a report on actual services deployed, or to require service providers to divulge such information.

a. (continued) Overall, what percentage of priority 1 funding is subsidizing broadband services at what speed levels, and what percentage is subsidizing basic voice service (wireline or wireless)? Public Notice 09-2376 at 6.

SECA and its members do not have this information readily at hand for the reasons stated above; however, as a general observation, demand for Priority 1 broadband support eclipsed basic voice service subsidies many years ago, and continues to expand rapidly even as demand for basic voice services rises very slowly if at all. Based on our experience working with E-rate applicants, there is an ever growing number of requests (and associated growing funding demand) in the broadband category in new applications. The demand is continually expanding because applicants seek more and more broadband in order to meet their growing communications needs. Basic telephone is remaining static, or even

dropping, because voice telecommunications is migrating to become part of bundled broadband services through VOIP.

a.(continued) Can we segment the applicant community that receives discounts on higher capacity broadband services based on specific characteristics (such as number of students, rural vs. urban, discount level, etc.)? Public Notice 09-2376 at 6.

The FCC both can and should segment the applicant community not only to identify those who are unserved and underserved but also to measure the speed at which broadband deployment is taking place in the various applicant segments.

Certainly, one key determinant for evaluating broadband deployment to schools and libraries may be the presence of a statewide communications network that serves these organizations. Nevertheless, the presence of high capacity broadband deployment is not solely driven by these large networks. For example, when there is no statewide network, small community/rural factors seem to play a more predominant role and where there is only broadband available by satellite, this appears to be an indicator of a lack higher speed broadband services. Thus there are several additional characteristics which might be considered indicators of broadband connectivity:

- The presence or absence of a statewide network
- The absence of any fiber build-out
- The type of broadband connectivity available (e.g., satellite only)

Discovering what the deterrents and barriers are to sustainable broadband adoption through such segmentation techniques might prove quite useful but until USAC and SLD can identify which applicants are actually receiving "higher capacity broadband services" (which, incidentally must be defined as a constantly moving threshold), such segmentation cannot be completed. It is unrealistic to expect the

applicant community itself will provide such information on a voluntary and continuing basis (i.e., in response to this Public Notice or any other similar request for comments).

b. When applicants develop their technology plans, what factors do they consider in determining their bandwidth needs? Public Notice 09-2376 at 6.

The primary factors considered are the bandwidth requirements and cost. The need for bandwidth is based on existing and planned applications that use broadband and the number of users. Cost considerations include: (1) local budget resources that are available to support the organization's technology initiatives; (2) adequacy of E-Rate funding for both recurring and one-time costs (based on the organization's E-rate discount); (2) other non-recurring costs not supported by E-rate such as electrical upgrades and additional equipment; and (3) additional bandwidth management tools (e.g., traffic shapers) and IT support. Applicants need improved access to increasingly sophisticated bandwidth calculators and other network management tools to effectively utilize increased bandwidth.²

Because of the constantly expanding uses of broadband technology in education, schools are constantly at risk of underestimating their bandwidth needs. Ideally, in writing their technology plans, schools should be free to imagine their futures without bandwidth constraints and to increase their bandwidth demands according to the actual applications they expect to run in the coming years. In the end, broadband Internet access should not be a bottleneck to getting things done in schools. At the same time, local area networks should run at local WAN speeds or higher so as not to be bottlenecks to Internet access and the use of bandwidth intensive applications. As we move towards cloud computing with

² While some ISPs provide bandwidth monitoring websites or software to their subscribers, organizations like Google, the eCorridor project at Virginia Tech, the M-Lab project of Internet2, and others, are providing an ever-increasing and improved set of end user tools for measuring actual bandwidth throughput and usage, not just at a moment in time, but over time. M-Lab is working towards a weather map of Internet activity similar to GoogleEarth in scope, a close-to-realtime map that will enable end users to pinpoint upstream connectivity problems in much the same way drivers can now access local traffic congestion information ,

outsourced applications and data storage, this will be all the more important since applications which once ran locally on the school LAN will now be running over the Internet cloud.

In many states, applicants not only look at their current bandwidth utilization, but also at future growth and resources required for state and local initiatives. States with centralized state networks are able to provide each district and school with bandwidth utilization information which shows each school's capacity, as well as periodic usage such as daily, monthly and yearly reports of utilization. Visualizing this data allows schools and districts to foresee both when there will be issues where more bandwidth is required and times of the year when utilization is pushing the maximum capacity.

c. We seek comment on program modifications to maximize the use of broadband connections that are subsidized by the E-rate program. Recognizing that the statute requires that discounts be provided on services used for "educational purposes," we seek information on whether, and if so, how, past interpretations of the "educational purposes" requirement have restricted demand aggregation at the community level to support higher capacity broadband. For example, the program could be modified to allow for use of broadband facilities at schools by the general community, rather than just by school faculty and students. We seek specific examples of whether and if so, how, expanding the permissible use of E-rate supported services could confer benefits to a larger community or encourage partnerships with private or public organizations to pool resources to maximize broadband utilization. What practical or operational impact would such a change have? Public Notice 09-2376 at 6.

First, SECA recommends that schools be given the option of expanding the use of their E-rate subsidized computer facilities after hours and allow these already paid-for resources to be used as public computing centers. These services currently are under-utilized when the school day ends. Allowing communities without sufficient public access points to dramatically increase the number of such centers for the purpose of community classes in basic ICT and broadband skills training would be one way to leverage E-rate resources and increase broadband access nationwide. These school/community centers could be available on a not-for-profit basis under existing school district rules for school facility usage by the community, in a manner respectful to and in deference of current statutory restrictions.

The FCC already has recognized it has the authority to waive the “educational purposes” certification on FCC Form 471 when it granted a waiver to the State of Alaska to allow members of rural remote communities in Alaska, where there is no local or toll-free dial-up Internet access, to access Internet service obtained through the universal service mechanism by schools and libraries when not in use by those institutions. *Petition of the State of Alaska for Waiver for the Utilization of Schools and Libraries Internet Point-of-Presence in Rural Remote Alaska Villages Where No Local Access Exists and Request for Declaratory Ruling*, CC Docket No. 96-45 (FCC 01-350), Order Released December 3, 2001. In that Order, the FCC explicitly notes that there was no statutory prohibition against waiving the certification on FCC Form 471:

Section 254(h)(1)(B) provides that eligible schools and libraries shall receive discounts on certain services for educational purposes. Pursuant to the Commission’s discretion to implement the statute, the Commission narrowly constructed its rule to require schools and libraries to certify that they use such discounted services solely for educational purposes.³ This rule supports the Commission’s efforts to guard against fraud, waste, and abuse.⁴ Nothing in section 254(h)(1)(B) prohibits the Commission from granting a waiver of section 54.504(b)(2)(ii) of its rules to expand the use of such services, *so long as in the first instance they are used for educational purposes*.

Id. at ¶19 (emphasis added; footnotes deleted).⁵

Also, it should be noted, so as to proactively assuage any competitive concerns, that SECA’s recommendation is made mindful of the statutory prohibition against resale and would not run afoul of this restriction. .

³ See 47 C.F.R. § 54.504(b)(2)(ii).

⁴ *Universal Service Order*, 12 FCC Rcd at 9076, para. 570 (“We concur with the Joint Board’s finding that Congress intended to require accountability on the part of schools and libraries and, therefore, we concur with the Joint Board’s recommendation and the position of most commenters that eligible schools and libraries be required to: (1) conduct internal assessments of the components necessary to use effectively the discounted services they order; (2) submit a complete description of services they seek so that it may be posted for competing providers to evaluate; and (3) certify to certain criteria under penalty of perjury.”). By taking steps to require accountability from applicants, the Commission was reducing the likelihood of fraud, waste, and abuse.

⁵ SECA’s recommendation goes beyond the parameters of the Alaska Waiver Order as there should be no requirement to prove that other outlets for Internet access service are available in a community as a prerequisite to allowing a school to open its doors after hours as a public computing computer site.

Second, SECA recommends expanding the definition of educational purpose to incorporate educational training which would benefit the community in order to encompass adult learners when they are receiving educational instruction in schools and libraries. In its Second Report and Order (FCC 03-101, released April 30, 2003), the Federal Communications Commission amended its rules to clarify the meaning of educational purposes as follows:

"[A]ctivities that are integral, immediate, and proximate to the education of students, or in the case of libraries, integral, immediate, and proximate to the provision of library services to library patrons, qualify as "educational purposes."

We suggest that this clarification be updated to include not just students but all community members. SECA suggests that the FCC use its discretionary authority to broaden the meaning of "educational purpose" to encompass all public education purposes, i.e., all educational purposes in the public interest. Without making statutory changes to existing eligible locations and entities (schools and libraries), SECA recommends that the definition of public educational purpose should include opening schools bandwidth to the delivery of content and services from other educational organizations, including community colleges, colleges, and universities, as well as vocational training and continuing education, for the benefit of others besides K-12 students and administrators, such as, for example, parents, municipal and public agency professionals (e.g., EMT responders, policemen, firemen, etc.)

In the broader sense, current E-rate rules and regulations prevent any adult, other than teachers, from using the school's broadband services to become better educated themselves, not just for themselves, but also for their children, i.e., to help and support their children with their education, to use these services as yet another opportunity to serve as role models for their children, and to assist students in appreciating the value of education. The old adage, "Actions speak louder than words" is certainly applicable here.

Indeed, less educated parents without further educational opportunities are easily demoralized and certainly cannot serve as positive role models at home when their children may need assistance on

the computer for school work and studies. Current E-Rate rules and policies serve as a barrier to parental involvement in their children's education by preventing parents from using school broadband services for training and college level classes which treat, for example, childhood education, Internet safety, and digital literacy. In order to encourage parental and family support of K-12 students, parents should be permitted to learn alongside their children. When we teach children a new language, such as computer-speak, public policies should allow for parents to have the same opportunity to learn. By prohibiting the use of E-rate subsidized bandwidth to support the delivery of educational content and training to schools for use by adults when school is not in session, E-rate has perpetuated a generational education divide in communities where there are no other facilities for adult education. It takes a village to educate a child and it takes an educated village to teach a child to value education.

Without ubiquitous, life-long adult educational opportunities, the United States is presently losing the global competition for a highly educated workforce. We know there is a positive correlation between parental formal educational attainments and that of their offspring. A child who observes a parent's efforts and struggles to earn an associate or four-year degree is a child who will gain a respect for education every bit as great as the parent's. As the primary anchor institutions for education, school facilities need to be opened to life-long learning opportunities for all community residents. The smallest change the FCC could make to the E-Rate program which would have the biggest impact on the U.S. educational environment would be to redefine and broaden the meaning of eligible education purposes and eligible users.

But even that that may not be enough. E-rate applicants need to be freed from onerous cost allocation of the bandwidth used by these new educational opportunities for community members who are not K-12 students. Schools and school districts should be free to host other educational offerings according to local policies, much as they do now with events not involving the use of subsidized

bandwidth. At the same time, the organizations and companies offering public educational opportunities, whether for profit or not, should be permitted to charge the program participants for their services to recover their curriculum development and presentation costs. Finally, the schools themselves should be able to charge back costs for the electricity, heating and staffing necessary for the provision of these new educational opportunities to the community at large. No charge and no cost allocation should have to be made for the use of broadband. When examined in the light of burgeoning distance education industry, both non-profit and for-profit, this one change could have a revolutionary impact on American education.

To be very clear, SECA is not suggesting the expansion of eligible entities to encompass other organizations which teach adults but rather simply to include adults as eligible users who can make use of existing eligible entity facilities when receiving educational instruction from other organizations. Students would always get first priority in the usage of after hours networked resources. Other federal programs, e.g., NCLB adult literacy requirements,⁶ already require parents to be able to come to local schools when literacy is taught there, but E-Rate rules currently prohibit the use of Internet access in those classes and, more importantly, prohibit literacy training of adults by means of distance education. By expanding the definition of eligible users to all community residents, this would better coordinate a multitude of federal programs which cannot at this time reach into communities for training and educational purposes.

⁶ NCLB Title II, Part D “In order to eligible to receive a subgrant from a State educational agency, an eligible local entity or agency shall submit to the State educational agency an application containing a new or updated local long-range strategic educational technology plan that is consistent with the objectives of the statewide educational technology plan and any other information as the State educational agency may reasonably require, at such time and in such manner as the State educational agency may require. “ No Child Left Behind, Title II, D identifies 12 criteria that must be addressed by schools. It requires a description of how programs will be developed, where applicable, in collaboration with adult literacy service providers to maximize the use of technology .

d. We seek comment on any legislative changes that would expand the classes of eligible users. For example, the statute currently limits E-rate support to elementary schools and secondary schools, which are defined by each individual state. What would the impact be of modifying the statute to permit colleges, community colleges, pre-kindergarten, Headstart, or other entities to participate in the E-rate program? Public Notice 09-2376 at 6.

SECA does not recommend expanding the classes of eligible users so long as the funding cap remains the same. As explained above, SECA recommends accomplishing a similar objective by expanding the definition of eligible education purpose so that eligible users could allow educational outreach uses of their E-rate eligible connectivity by other for-profit and non-profit institutions, including government agencies, without having to predict their associated usage during the application process or cost allocate during the broadband services contract. If their facilities are in the schools (e.g., pre-K, Head Start), these organizations would, subject to the schools' authorization, be able access the school's bandwidth. SECA does not believe that current eligible locations, limited to schools and libraries, should be expanded. Instead, we believe community residents could be made eligible users for educational purposes, if they meet the requirements articulated above in the previous response. The current E-Rate requirement that bandwidth applied for must be based solely on the needs and usage of K-12 should be maintained, with any community access limited to after-school hours' usage which would allow for better and more efficient utilization of existing resources.

e. To what extent does the fact that the E-rate program does not currently fund computers and other end user equipment inhibit the use of broadband by schools and libraries? Likewise, to what extent does the fact that the E-rate program does not currently fund training for teachers or librarians in the use of technology inhibit the use of broadband by schools and libraries? Public Notice 09-2376 at 6.

In order for the E-rate program to survive, it cannot carry the full burden of supporting all the needs for technology in education. The Enhancing Education Through Technology (EETT or E2T2) program allocates funding to state departments of education. The program peaked in 2004 at around

\$700 million per annum and funding has declined every year since, though demand for support has not declined. E-Rate should not be used to "make up" this loss in educational funding. Both programs (E-rate and E2T2) serve very important functions and there should be support for each program area but moving teacher training into the E-rate program is not a good solution because it would have a disruptive impact on the E-Rate program. Revamping the structure of E2T2 and increasing funding to former levels is perhaps a better model, rather than moving it into a program which has never included teacher training. The idea of expanding the scope of E-rate funding to include teacher training is counterproductive to the health and longevity of E-Rate and will ultimately cause harm if \$3-4 billion in additional funding is not provided to cover current unmet E-Rate demand and additional and adequate funding to meet traditional E2T2 demand.

e. (continued) We seek specific information regarding what types of services are not available to teachers, students and library patrons due to lack of funding for end user equipment and training. If the E-rate program were to fund computers and training, what would the projected demand be? Public Notice 09-2376 at 6.

As described above, moving teacher training into the E-rate program might more than double the demand for E-rate funding overall. While the available funding for E2T2 is \$273 million for the current fiscal year, the demand is many times that amount and adding computers and training for students and library patrons would further increase the funding necessary before expanding the E-rate program into these areas.

e. (continued) From a policy perspective, what are the potential negative consequences if such a change were adopted? Public Notice 09-2376 at 6.

The major potential negative consequences are: (1) without adequate funding, these changes would increase the unmet demand for E-rate funding to an even higher level than now exists; and, (2) the

changes would make the application and administrative processes under E-rate that much more complex. The potential is there to destroy a largely successful program by asking it to completely fund technology in education, removing these responsibilities from the Department of Education.

f. Currently, WANs are not eligible for support "to the extent that states, schools, or libraries build or purchase a wide area network to provide telecommunications services." Would modifications to this rule regarding WANs, which link schools and libraries within a district or link several school districts together, result in greater broadband deployment? Public Notice 09-2376 at 7.

SECA believes that without a raise in the funding cap that it cannot consider supporting the funding of WANs. If the FCC is able to raise the funding cap by at least \$1 billion, than we would consider the support of WANs under the very limited circumstances where those WANs would also be required to carry other traffic and essentially be designated as public infrastructure rather than closed, private networks. In situations where a WAN is required because a single public right-of-way runs through a school campus, the purchase of a WAN connection should be allowed. Allowing this one time installation will save the program money over the long term.

SECA does not currently believe that program rules inhibit the development or expansion of leased networks. Above the last mile, the general public has access to this same infrastructure, via the service provider, and leased networks and network elements support the build-out of broadband. Unless the funding cap is raised, SECA believes that it is not in the best interest of the program to support purchased WANs, except in very limited scenarios described above where a purchased WAN connection is an efficient and cost-saving measure that unites two parts of a school campus by crossing a single right-of-way in any given instance.

g. Are there any programmatic rules and policies that have the effect of deterring requests for broadband funding? We understand that some libraries have suggested that compliance with filtering requirements under the Children's Internet Protection Act represents a deterrent to program participation. Are there other statutory provisions or Commission rules or policies that may reduce program participation by entities that otherwise would utilize discounts on broadband services? Commenters should be specific in identifying which current rules may create barriers to broadband deployment. Public Notice 09-2376 at 7.

The complexity of the E-rate program could be alleviated to increase participation by allowing "evergreen forms" so that applicants do not have to begin again every year when the services they seek have not changed. Having evergreen forms that are pre-populated with the previous year's data will reduce ministerial and clerical errors and assist those entities suffering from high staff turnover.

h. We seek comment on these ideas and on other suggestions for changing E-rate eligibility to improve broadband deployment. Public Notice 09-2376 at 7.

To build stronger spillover effects and accelerate community build-out of broadband deployments to anchor institutions, SECA recommends greater cross-program goal-alignment among USF programs to facilitate greater coordination and integration of program requirements, as illustrated in the bulleted points below. At great expense, the FCC is currently encouraging the build-out of limited-use bandwidth networks, primarily satellite and microwave based, but fiber networks as well, without making higher broadband speeds affordable to these communities. Some rural communities, the smallest ones - primarily those with few or without any anchor institutions - are underserved or not being connected at all. The FCC should consider specific policy and rule changes that would accelerate broadband deployments in communities whose size or population disbursement precludes a viable business case that could attract private investment in broadband. Incentives should be developed for leveraging one existing USF program with others to avoid duplication of effort and "stove-piped" network deployment. For example, the current complexity of program rules discourages the aggregation of bandwidth demand between

educational and rural health care programs, particularly in rural communities. The accounting and reporting burden should be less, not more, when bandwidth is aggregated.

Program rules should:

- Encourage and facilitate E-Rate and RHC traffic on the same physical network infrastructure.
- Encourage aggregated buying and close cooperation between the two programs, as well as other federal and state broadband opportunities. For example, in combined projects, only one set of program accounting and reporting requirements should apply.
- Encourage the acquisition of long-term fiber IRUs to stabilize pricing at affordable long-term rates.
- Encourage long-term planning and viable sustainability models.
- Encourage policies and rules which promote transparency in terms of reasonable network management practices, including the collection and maintenance and revealing network metrics (e.g., by participation in MLab and/or use of MLab tools See <http://www.measurementlab.net/>).
- Require the use of appropriate metric tools and public dissemination of real-time results in exchange for additional cross-program integration permissions and/or waivers.

V. QUESTION 12: CHANGES TO THE E-RATE DISBURSEMENT AND DISCOUNT METHODOLOGY TO MAXIMIZE BROADBAND DEPLOYMENT

a. One possible modification would be to create a new priority level for schools and libraries that do not have broadband or that have extremely slow Internet speeds to permit those entities to receive funding in advance of other eligible requests, which could enable such entities to “catch up.” An alternative would be to provide increased E-rate discounts for entities that wish to implement certain levels of connectivity. We seek comment on other methods by which the Commission could implement such changes, if they were proposed. Public Notice 09-2376 at 7.

We favor creating a separate “Broadband Fund,” an E-rate fund for those schools and libraries that do not currently have access to broadband (at a minimum of 3 mbps). This fund could rely on unused E-rate funds from prior years (“roll-over funds”) and would allow applicants a 90% discount level, regardless of their discount level for other E-rate eligible services. A certification by state officials would verify that an applicant to the “Broadband Fund” lacks access to broadband and is eligible for the fund. We recognize that current program rules require that when a service provider’s upfront network construction costs exceed \$500,000, the applicant must amortize the non-recurring costs over a period of

at least three years. In these cases, the applicant would be eligible for the 90% discount from the “Broadband Fund” for at least three years (or longer, if terms of the contract amortized over a longer time period). We further note that the “Broadband Fund” would not impact demand on the \$2.25 billion fund.

In order to implement any priority approach for granting a preference to applicants with insufficient broadband capability, the parameters for this classification must be established. In an effort to rely on an already established and familiar framework, SECA recommends using the FCC’s current definitions of broadband that was established in June of 2008⁷, adapting those definitions to E-rate applicants⁸ and then establishing the priority system around those definitions as follows:

Funding Priority for Broadband to the Classroom and to Libraries:

Basic Broadband Tier 1: 768 to 1.5 mbps *Generalized Broadband Goal for Grade Levels Pre-K through 2, for determining effect of establishing a national broadband goal and the estimating E-rate demand.*

Broadband Tier 2: 1.5 mbps to 3 mbps *Generalized Broadband Goal for Grade Levels 3 and 4, for determining effect of establishing a national broadband goal and the estimating E-rate demand.*

...

No Funding Priority Required:

Broadband Tier 3: 3mbps to 6mbs *Generalized Broadband Goal for Grade Level 5 and 6, for determining effect of establishing a national broadband goal and the estimating E-rate demand*

Broadband Tier 4: 6 mbps to 10 mbps *Generalized Broadband Goal for Grade Levels 7 and 8, for determining effect of establishing a national broadband goal and the estimating E-rate demand.*

Tier 5: 10 mbps to 25 mbps *Generalized Broadband Goal for Grade Levels 9 and 10 for determining effect of establishing a national broadband goal and the estimating E-rate demand*

Tier 6: 25 mbps to 100 mbps *Generalized Broadband Goal for Grade Levels 11 and 12 for determining effect of establishing a national broadband goal*

Tier 7: Greater than 100 mbps *.Generalized Broadband Goal for Post Secondary Education for determining effect of establishing a national broadband goal.*

Applicants that do not yet have Tier 2 level service, that is broadband service between 1.5 mbps and 3 mpbs should receive funding priority in order to achieve this level.

⁷ Development of Nationwide Broadband Data to Evaluate Reasonable and Timely Deployment of Advanced Services to All Americans, Improvement of Wireless Broadband Subscriberhip Data, and Development of Data on Interconnected Voice over Internet Protocol (VoIP) Subscriberhip, WC Docket No. 07-38, Report and Order and Further Notice of Proposed Rulemaking, FCC 08-89 (released June 12, 2008).

⁸ Such a scale would need to be modified, as may be appropriate, for library applicants.

Moreover, we suggest that these tiers be applied to the spectrum of K-12 education as minimum broadband expectations. Our concern is that too often a goal becomes the standard, rather than the threshold for which it was intended. For that reason, we hesitate to recommend that the Commission establish a national broadband goal for schools or libraries. Should the Commission feel that a goal is necessary in order to support the National Broadband Plan, we recommend the existing FCC Tiers as amended above, so that the goal can constantly be moved higher..

Additionally, we recommend that organizations with broadband funding priority be allowed to leverage other federal funds, to the extent that they qualify, so that their 10% non-discounted contribution may be derived from as many funding mechanisms available to them as possible. In particular, we recommend that funds made available through programs like the Broadband Technology Opportunities Program (BTOP) be permitted to be applied toward payment of the applicant's non-discounted share. We recognize that while the E-rate discounts may provide a significant contribution to a broadband connectivity project, the remaining non-discounted portion may well be the limiting factor in keeping schools and libraries from participating.

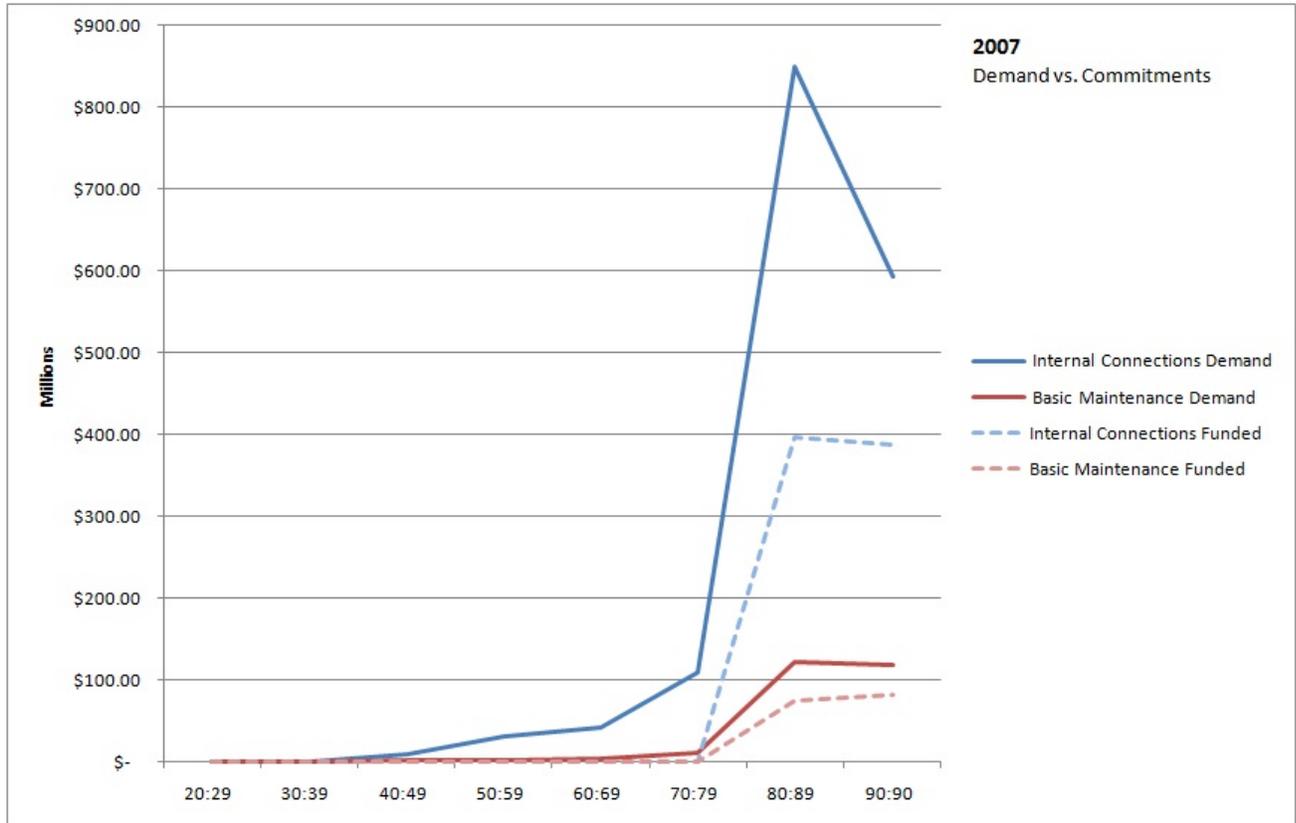
b. Currently, the program's funding varies for applicants based on the number of their students who qualify for free or reduced lunch and based on their geographic location. Using this measure, discounts range from 90 percent to 20 percent of the pre-discount price for eligible services, with the poorest schools receiving funding to pay for 90 percent of eligible services. Some rural schools receive additional discounts. The Commission could recalculate these E-rate discount levels to factor in not just poverty and whether the school is located in a rural area, but also whether the entity lacks broadband services. In addition, the Commission could change its priority structure to give preference for those schools that have not received funding for internal connections in several years. We seek comment on the extent to which schools that have not received funding for internal connections (Priority 2 funding) need to improve their internal connections in order to most efficiently use their broadband connections now and in the future. Public Notice at 7.

In addition to supporting a prioritization of funding up to Tier 2 broadband, as noted above, we recommend a change in the distribution of Priority 2 funding that would allow more applicants to benefit

from an opportunity currently afforded to a small group. SECA proposes to lower the maximum discount from 90% to 75% for Priority 2 funding requests. The discounts would follow the same methodology as the current matrix: declining for each discount band with the lowest discount remaining at 20%. All applicants under this suggested schedule would have to supply a greater percentage of funding in order to utilize Priority 2 funding. SECA believes that greater ownership, along with greater access, creates an overall gain to most applicants. We believe that increased commitment on the part of the applicant would help to reduce the incentive to abuse the program through premium ordering and transferring of equipment to non-eligible locations beyond the 3-year requirement.

Data suggests that districts with only pockets of 90% schools will have an overall increase in their funding availability. The proposed changes will more evenly distribute funds to a greater number of underfunded entities, while at the same time encouraging thoughtful, meaningful and purposeful purchases. Applicants would need to make a greater financial investment, which would translate, we believe, to a greater incentive to properly manage and maximize applicant investment, thus reducing abuse of the program.

Currently there is a disparity between demand for Priority 2 services and the funding available to support that demand. By restructuring the discount matrix, more applicants will be able to receive some funding for Priority 2. A look at FY2007 Priority 2 demand shows just how far apart demand is from the currently available funding.



The proposed changes will more evenly distribute funds to a greater number of entities, while at the same time encouraging thoughtful, meaningful and purposeful purchases. Applicants would need to make a greater financial investment, which would translate, we believe, to a greater incentive to properly manage and maximize applicant investment, thus reducing abuse of the program.

We suggest the following with respect to the Priority 2 discount matrix, so that more of the unfunded P2 applicants can be served.

INCOME	URBAN LOCATION	RURAL LOCATION	P2 Discount	
Measured by % of students eligible for the National School Lunch Program	P1 Discount	P1 Discount		
If the % of students in your school that qualifies for the National School Lunch Program is...	...and you are in an URBAN area applying for Priority 1 services, your discount is	...and you are in a RURAL area applying for Priority 1 services, your discount is	If your P1 Discount is.....	Your P2 Discount will be....
Less than 1%	20%	25%	20-29%	20%
1% to 19%	40%	50%	30-39%	30%
20% to 34%	50%	60%	40-49%	40%
35% to 49%	60%	70%	50-59%	50%
50% to 74%	80%	80%	60-69%	60%
75% to 100%	90%	90%	70-79%	65%
			80-89%	70%
			90%	75%

c. To what extent have current rules inhibited the development of or expansion of existing state, regional or local broadband networks? Are there changes to the Commission’s rules that would facilitate these types of networks? Public Notice 09-2376 at 7.

High capacity broadband networks are eligible for funding as a Priority 1 leased telecommunications service from telecommunications common carriers. These services are also eligible as a Priority 1 Internet access service from an Internet Service Provider (i.e., a company that does not have the legal status of telecommunications common carrier) when the service offers the most cost-effective Internet access service option. When procured from an Internet Service Provider, however, any data communications traffic that does not traverse the Internet is required to be cost allocated. While the cost allocation process is tedious and may serve as a hindrance to applicants’ requests for funding of these services from an Internet Service Provider, the current approach has been in place almost from the program’s beginning, and is familiar to applicants and service providers alike. Further, the process is supportive of the statutory interpretations which argue that common carriers obligations attach to the provision of telecommunications services. .

Other hindrances to deployment of broadband networks relate to the scarcity of E-rate funding for Priority 2 services and equipment, such as the network components needed to make effective use of the

network. All but the poorest applicants typically must rely on service providers to propose end to end solutions for leased wide area networks including leasing of the network component typically located on the applicants' premises to insure that the service is fully functional. This equipment, known as on-premise Priority 1 leased equipment, is a great benefit to applicants and has been used by them to help upgrade their networks.

In recent years, consortium applications have been subjected to intense review and scrutiny which have resulted in denials of funding for ministerial reasons that have nothing to do with protection against waste, fraud and abuse. For example, a state network application for funding of broadband services was denied on a technicality dealing with the collection of letters of agency to confirm that the state was authorized to file the E-rate application on behalf of the schools and libraries using the network service – even though the State provided the network services at the direction of the Legislature and as mandated by statute. Fortunately the FCC promptly reversed this denial and restored funding for the application but these bureaucratic missteps impose even more work on already overburdened state staff and create even more obstacles to obtaining funding for consortia broadband projects.

Similarly, late funded applications which often occur with these large network requests for funding cause all kinds of budgetary problems for the applicants that have to pay the full bill amount to the service providers as of July 1, even though it may be months later that the application is eventually funded. By then, the lead consortium member – usually the state agency for statewide networks – has had to figure out alternative funding sources to pay for the full amount of the services until the E-rate discounts are approved and then applied to the monthly bills. One of the key reasons why these applications are funded so late in the cycle has to do with the many onerous and burdensome information requests that are unique to these applications. One way to foster the growth of these kinds of large-scale projects is to modify the review procedures to streamline the process so that these projects can receive E-rate funding approval closer to the July 1 start date of the service delivery period. A more streamlined process creates an incentive for applicants to undertake major deployments.

SECA members understand and respect the need for review of these applications prior to funding approval to insure that the applications comply with program rules. But the procedures themselves can be streamlined without sacrificing the integrity of the review process. SECA frequently makes these kinds of suggestions to USAC and would be more than happy to share these suggestions with the FCC, in anticipation of the FCC 's annual review of Program Integrity Analysis procedures that SLD has already submitted or will soon submit to the FCC.

And finally, any discussion about modifying program rules to encourage expansion of broadband services would be incomplete without again mentioning the concomitant funding issue. We believe that if the funding cap is not raised, then we cannot consider supporting the expanded funding of WANs. If we

were able to raise the funding cap, than we would consider the support of WANs under very limited circumstances and only in instances where those WANs would be required to carry other traffic and become public infrastructure. In situations where a WAN is required because a single public right-of-way runs through a school campus, the purchase of a WAN connection should be allowed in the limited scenario where the purchase of the facilities is the most cost effective approach. Allowing this one time installation would save the program money over the long term—rather than requiring applicants to lease this connection from a service provider.

We do not currently believe that program rules inhibit the development or expansion of *leased* networks from telecommunications common carriers. The general public has access to this infrastructure, via the service provider and this supports the build out of community broadband. Especially because the program allows for funding of the non-recurring build out cost, once the infrastructure has been installed to serve E-rate applicants, the service provider has entered the market and similar services can be made available to other customers.

d. If the Commission established a national broadband goal for schools or libraries, what effect would that have on demand for E-rate funding? Public Notice 09-2376 at 7.

Undoubtedly, the establishment of national broadband goals for schools and libraries may apply upward pressure on demand for funding beyond the already excessive demand. In order to offset this increase in demand, we recommend the modest reduction of the discount structure for Priority 2 funding requests in order to allow the available resources to be spread among more applicants.

e. We seek comment on these issues as well as other ideas to modify E-rate disbursements and discounts to maximize the deployment of broadband. Public Notice 09-2376 at 8.

We applaud the global orders released in the last few years (most particularly the Bishop Perry Order) which have made the E-rate program more applicant friendly. We stress that the change over in staff handling E-rate applications factors heavily into clerical and ministerial errors. These errors are not a part of waste, fraud, or program abuse, and we very much appreciate the opportunity to correct those errors without being in jeopardy of a funding loss. Having said that, we would encourage the FCC to give direction to USAC to extend this outreach to the invoicing portion of the E-rate process. Currently, it is very rare for USAC to reach out to an applicant when an error is discovered on a Form 472 (BEAR form). Correcting invoicing issues at the time it is discovered would be a modification that would not require a

rule change and yet would considerably help in making the program more user friendly with respect to disbursements⁹

VI. QUESTION 13: IMPLICATIONS OF MODIFYING E-RATE FUNDING TO SUPPORT ADDITIONAL BROADBAND DEPLOYMENT AND HOW CHANGES TO THE E-RATE PROGRAM WOULD IMPROVE THE ABILITY OF THE PROGRAM TO MEET APPLICANT NEEDS FOR BROADBAND.

The E-rate program should be fully funded to meet existing funding demands before serious consideration is given to program changes, such as supporting additional broadband deployment, that would have unintended negative consequences for those remaining in need today.

While it is tempting to regard the E-rate program as a convenient mechanism for expedient funding of worthy projects, we urge caution to avoid undermining the success that this program has achieved. We hope that any policy changes will minimize the risk of causing undue or unintended hardships for those already relying on this program for substantial funding of basic telecommunications services in addition to broadband services. After all, discounts for telecommunications services leave more applicant funds available to fund the non-discounted share of their purchases of broadband services, and basic telecommunications services are quickly becoming just another application using or converging upon all forms of broadband data transport, along with “plain old” Internet access.

While there is always room for improvement in the administration of the E-rate program, it is undisputed that the program has been successful in promoting broadband availability to schools and libraries. The program empowers schools and libraries to plan for their procurements and then seek funding for the services that best meet their own needs. This particular feature of the program has worked well and could prove instructive in modeling other broadband funding mechanisms.

⁹ SECA has offered a series of streamlining suggestions in the Comprehensive Review of Universal Service Fund Management proceeding. Initial Comments Of The State E-Rate Coordinators Alliance In Response To The Notice Of Proposed Rulemaking And Further Notice Of Proposed Rulemaking, WC Docket No. 05-195 (Comments filed September 17, 2005); Reply Comments filed December 19, 2005. Our recommendations include, for example:

- A more user-friendly and more efficient online portal that allows for forms to be completed more easily and to be processed more easily by SLD;
- Streamlined bidding procedures for Priority 1 services and more reliance on state and local competitive procurement regulations;
- Forms revisions to reduce the number of forms that applicants are required to complete;
- Modifications to rules governing Priority 2 funding including the reduction of the maximum E-rate discount for P2 and/or a cyclical application approach to periodically approve funding requests for P2 for applicants in lower discount ranges and that have not been able to obtain funding approval in prior years to due unavailability of E-rate funds.

a. *To what extent does the annual E-rate funding cap of \$2.25 billion limit the extent of broadband deployment by eligible schools and libraries?* Public Notice 09-2376 at 8.

Annual funding requests have exceeded the cap by nearly 2 to 1 consistently for the last several years. Further, it bears noting that while a great number of schools and libraries apply for E-rate, not all do, particularly for Priority 2 funding since applicants know from experience that money runs out each year before all Priority 2 requests can be funded. Consequently, there is a pent up demand for funding that is not captured when examining the historical annual demand levels.

The funding cap has

has left unfunded worthy P2 requests from applicants caught below the annual P2 threshold. This likelihood of denial for all but the lowest income schools in P2 and the onerous review actions necessary to allocate every nickel and dime of ineligible costs from basic services has caused many eligible applicants to consider giving up participation in the program, and others to actually drop out of the program despite the fact that current economic realities make participation in E-rate a fiscal necessity for almost all schools and libraries.

With limited P2 funding, schools and libraries are unable to afford the costs of building out efficient local networks, which then restrains broadband deployment by limiting the ability of program participants to take full advantage of expanded P1 broadband services and all the applications and online resources made available via broadband.

a. *(continued) What are the financial or programmatic implications of increasing the cap to fund additional services not currently covered by E-rate?* Public Notice 09-2376 at 8.

Before we can recommend raising the cap to fund additional services not currently covered by E-rate, the cap should be adjusted to accommodate existing demand for eligible services as currently defined.

If additional services are considered for funding beyond what is currently covered by E-rate, we recommend continued adherence to the FCC's own definition of eligible use as immediate and proximate to educational purpose, as modified by our recommendations explained above, when evaluating new services for eligibility related to public education students or in providing public library services when considering new services or expanding the scope of eligible uses for funding under this program.

a. (continued) What are the implications of indexing the cap to inflation? Public Notice 09-2376 at 8.

Inflation indexing would immediately increase the cap to roughly \$3B, providing some much needed funding for existing needs. Indexing the cap to inflation could be useful as an on-going tool to help the program funding keep pace with participant costs.

Still, the most effective approach to aligning ongoing funding with increased costs and demand will be to expand the contributor base of the fund.

a. (continued) Would there be specific implementation issues that would arise related to such changes? Public Notice 09-2376 at x.

Contributions would need to increase before any changes result in increased funding demand or else the contribution mechanism would simply rise higher than it already has. We recommend expansion of the contributor base to include all those participating in the program and benefitting from the economic opportunities made available by their participation. The current exception for small businesses providing products or services below a de minimis threshold of \$10K might be modified to raise the threshold to \$50,000.

b. To the extent the Commission modifies its E-rate rules to encourage additional requests for funding for broadband services under priority 1, how would that change likely impact the availability of funding for priority 2 services? Public Notice 09-2376 at 8.

It seems clear that additional P1 funding in a capped program will necessarily limit if not eliminate the availability of funding for P2 services, absent commensurate adjustments in the cap or rule changes that effectively reduce or limit the demand for P1 and P2 funding.

Expanding the products and services subject to USF collections could help address additional broadband needs and provide more opportunities for funding of P2 requests.

c. To the extent that commenters believe that providing additional funding above the current cap would advance broadband deployment, we seek comment on what additional amounts would be needed to achieve specific levels of broadband connectivity. Commenters should identify all assumptions regarding their dollar estimates. Public Notice 09-2376 at 8.

Raising the cap will immediately satisfy existing P2 demand; however, we do not believe that providing funding beyond the cap will advance broadband deployment by itself. Incentives outside the scope of the E-rate program should be considered for promoting broadband investment and deployment.

d. The Commission could decrease the discount levels for basic telecommunications, or otherwise modify the existing discount levels, to increase the amount of E-rate funds available for broadband deployment. What would be the effect of such a change? Public Notice 09-2376 at 8.

We recognize that convergence is now taking place naturally and provides additional efficiencies. We recommend a phased approach be taken if reductions in funding of basic telecommunications are considered. The inherent efficiencies in providing these basic services as converged applications on broadband networks should not be unintentionally undermined by removing funding or reducing discounts. The costs for basic telecommunications services are one of the driving factors in broadband adoption and deployment.

Great care must be taken to prevent harm to those who now rely upon E-rate for their basic telecomm services. Many of the smaller and needier eligible entities apply for E-rate discounts only for basic telecomm services including cellular services. The Commission should keep in mind that savings realized by applicants for basic services makes more funding available to purchase broadband services or other eligible and ineligible products and services that will likely make use of information technology and broadband services.

e. Would eliminating some of the services currently eligible and expanding eligibility to other services result in greater levels of broadband connectivity? Commenters should specifically articulate how proposed changes in the eligible services list would enable greater broadband deployment. Public Notice 09-2376 at 8.

Moving the eligibility for web hosting from Priority 1 to Priority 2 has been suggested above, but we hesitate to advocate for its elimination altogether because web sites are an integral communications tool that E-rate applicants use to communicate with their stakeholders.

In lieu of a more drastic all or nothing approach, we propose establishing a fixed cost allocation percentage of 60% (or other reasoned percentage) for services classified as "Web Hosting". Since the original intent of funding for this eligible service has been overtaken by an ever broadening definition of web hosting by the industry and so much of current and an unforeseen future amount of activity is "web based", it seems like funding demands for this service can easily lead to waste.

The additional demand placed on P1 funding will continue to decrease available E-rate funding for those needing Internal Connections or broadband services. As online "web hosted" application development strays farther and farther from classroom instruction, the costs for these services will continue to escalate with no end in sight.

Another alternative to elimination or fixed cost allocations is to clearly define Web Hosting in the ESL where clear limits are established on just what web hosting means related to educational purpose, e.g. one domain hosted by your ISP and associated DNS charges only. All content remains ineligible.

We suggest removing applicant ownership restrictions for fiber P2 funding requests for WAN connections when merely crossing a single ROW to extend school or library LANs to their buildings across the street. Requiring two leased lines to adjacent locations under the same authority unnecessarily drives up costs and takes E-rate funding away from more deserving and appropriate construction projects.

SECA recommends that P2 - Basic Maintenance be structured to fund only that which can be considered basic manufacturer's warranty coverage for eligible equipment. Basic Maintenance should keep equipment functioning at current levels and promote reliable services.

f. What other costs not currently covered under the E-rate program would be incurred if schools and libraries could purchase additional broadband capacity? Would schools and libraries have to upgrade personal computer equipment, internal wiring, servers, and other hardware? Public Notice 09-2376 at 8.

1. Electrical upgrades
2. Wiring upgrades
3. Regular upgrades of computing resources
4. Household/Residential broadband demand (for anywhere/anytime access to public/educational resources online)
5. Servers for locally hosted resources not otherwise eligible for E-rate or costs for leased hosting services.
6. HVAC capacity upgrades
7. Teacher training

g. Additionally, we seek comment on suggestions for coordinating with federal or state agencies on grant programs that could supplement the Commission's E-rate program. For example, the United States Department of Education's Enhancing Education Through Technology State Program (Ed Tech) provides grants to state educational agencies to improve student achievement through the use of technology in elementary and secondary schools. Money from grants such as this, in combination with E-rate funds, could greatly increase a school's broadband connectivity. Public Notice 09-2376 at 8.

Responsibility for instructional technology should remain with the departments charged with it. E-rate and USF should remain focused on deployment of broadband infrastructure and its accessibility to all. Developments in educational technology, innovation by creative and talented teachers and

researchers, and continued adoption of an ever-expanding array of online services will all serve to create more demand for broadband and more insistence upon ubiquitous access to it.

We recommend that broadband stimulus initiatives, both current and future, be coordinated with E-rate funded projects to increase broadband deployment to schools and libraries that have not yet achieved broadband connectivity.

Use of other program funding to offset or pay the un-discounted costs should be permitted when building out new broadband infrastructure.

h. Alternatively, E-rate funds could be used in conjunction with funds from other entities to support broadband projects. For example, upon a state's recommendation, a particular project might be funded by having the state pay for the computers and training, and providing E-rate discounts for the broadband connection. Are there other specific ways the Commission could better leverage the benefits of E-rate funding through coordination with other federal, state, local or non-profit programs that seek to advance broadband deployment? Public Notice 09-2376 at 8.

We enthusiastically support the concept of funding projects coordinated among community anchor institutions such as agencies and departments within state and local governments, state networks (where they exist), health care providers, and those having responsibilities for public health, safety, and welfare (collectively – states). Coordination among these entities could provide greater efficiencies in utilization and enhance affordability for larger broadband infrastructure projects.

States might be permitted to identify or help prioritize broadband deployment projects for funding in unserved or underserved areas. Designated state agencies or governing bodies could provide more public input regarding the need for broadband initiatives, lending additional guidance to other programs' administration and funding priorities. In many rural areas, business cases for large broadband construction projects are slow to materialize and often far behind those in more developed areas. Allowing states to play a role in prioritizing broadband construction and facilitating funding requests, apart from E-rate, would likely lead to additional applications for broadband construction funding where business cases have not yet materialized. We feel that the public interest is best served if broadband that is deployed continues to support equitable access to public resources and greater access to online resources, no matter the location,. This is the heart of Universal Service.

State facilitated applications for new USF broadband projects should receive more aggressive funding priority for infrastructure construction. Recurring cost support for services making use of new broadband infrastructure may be addressed within the appropriate USF programs.

i. We seek comment on these suggestions and other ideas to increase the amount of E-rate funds available for broadband technologies, or to more effectively use E-rate funding to improve broadband deployment. Public Notice 09-2376 at x.

Many other programs are structured to fund projects that do not align well with E-rate program rules, encouraging waste of available funds and inefficient deployment of broadband.

VII. CONCLUSION

SECA requests the FCC to accept the recommendations contained herein as the FCC proceeds to develop the National Broadband Plan.

Respectfully Submitted by:

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