

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

In the Matter of	)	
	)	
Schools and Libraries Universal Service Support Mechanism	)	CC Docket No. 02-6
	)	
A National Broadband Plan For Our Future	)	GN Docket No. 09-51
	)	

**COMMENTS OF THE  
COUNCIL OF THE GREAT CITY SCHOOLS**

The Council of the Great City Schools is pleased to submit comments to the Notice of Proposed Rulemaking seeking to implement the National Broadband Plan’s goals of improving and modernizing the universal service program, as approved by the Federal Communications Commission on May 20, 2010. (CC Docket No. 02-6, FCC 10-83).

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## **INTRODUCTION**

The Council of the Great City Schools appreciates the efforts and hard work undertaken by the Commission in developing a National Broadband Plan, and understands the Commission's hope to implement the education portion of the Plan swiftly through rulemaking proceedings concerning the E-Rate. The members of the Council - 64 of the nation's largest urban school districts - are the intended beneficiaries and the greatest supporters of the E-Rate program. Schools in Council districts enroll the highest number of disadvantaged children, employ the largest number of teachers, and operate in the greatest number of outdated and deteriorating buildings.

Specifically, the Council of the Great City Schools represents approximately 26 percent of the nation's Hispanic students, 32 percent of the nation's African American students, and 25 percent of the nation's children living in poverty. The value of the E-Rate is immeasurable to these students and the inner-city. Prior to the E-Rate, shallow resources and a historically deep digital divide often left school districts with no chance to provide the technology that has enhanced teaching and learning elsewhere. Results on the National Assessment of Education Progress (NAEP) during the past decade, however, has shown that while urban districts still lag behind academically, they have made significant and greater gains than any other entity in the United States. These are test results the entire nation should be encouraged about.

The hard work of local schools deserves most of the credit for such gains, but some of this progress should also be attributed to a concerted federal effort - for example, in policies found in No Child Left Behind, School Improvement Grants, the National School Lunch Program (NSLP), and the E-Rate - to focus national resources and reforms on a limited set of schools with the greatest challenges. Because of the benefits that modern technology has provided to instruction, it is essential that the Commission ensure that E-Rate support remains available for the nation's neediest schools in order to maintain their current pace of improvement.

This is not to say that the E-Rate program must avoid any changes, and that a shift focusing on broadband technology is not an important one. The program is into its second decade, and as expected with evolving technology services, many of the items eligible for reimbursement today are different from those in 1998. This continuing evolution is an important part of the E-Rate, but it is important to note that the program, at its core, provides a baseline of services that are carefully thought out and implemented, in most cases, over time. Swift action on the reforms in the Notice certainly reflects the Commission's commitment to important changes, but may neglect the operational reality that local officials face.

The most significant example of this, and a concern for urban school districts, is the intention in the Notice to implement proposed changes in funding year 2011. Many applicants from Great City School districts began their Request for Proposal (RFP) process for funding year 2011 before this NPRM was approved by the Commission in May. Many more will be into their 2011 bidding and procurement timeline by the time that comments and reply comments are into the Commission later this month. The Council of the Great City Schools shares and supports the goal in the Notice of upgrading the program, but the period of re-examination the Commission describes in the NPRM is as important as, if not greater than, immediate overhaul. Continued

improvement and evolution of the E-Rate is instrumental to the program's long-term success, but sufficient time for effective planning and transition is vital for continuity of operations locally. The comments provided here address the need for updating the program and improving efficiency, while also making sure the E-Rate maintains the fairness and flexibility that is necessary to manage the largest applications and the focus on schools with the greatest concentrations of poor children.

## **STREAMLINING THE APPLICATION PROCESS**

### Duplicative Requirements – Technology Plans and Form 470

The Council supports the proposal to eliminate the technology plan requirements for priority one applicants that are already subject to state, local, and even other federal requirements. This is a thoughtful and simple change that will eliminate a duplicative requirement that has long frustrated applicants. We do not, however, support the proposal to keep these same redundant planning requirements in place for large applicants. The proposal does not constitute a loophole for school districts, nor does it create a risk of erroneous payment that increases with larger applications. Furthermore, large applicants are always subject to greater scrutiny through the various examinations they undergo from the Administrator, such as PIA, Selective Reviews, and audits. Any concern about the complexities of large applications can continue to be addressed through these reviews, and the benefit of the streamlined application process and the elimination of repetitive and unnecessary requirements, should be granted to all applicants.

We wholeheartedly support the elimination of the Form 470 and the 28-day waiting period for all applicants with existing state, local, or public requirements that serve the same purpose. As we have stated in comments submitted to the Commission previously, we have been eager to explore changes by the Commission that would limit the requirements associated with the Form 470, including the decision to eliminate it entirely. While the goal and intent of the Form 470 is important, many districts simply have not found the Form 470 process useful in getting bids for E-Rate projects, and a large number of urban school districts have never received one bid as a result of the process.

As the Commission has noted, most school districts have stringent public purchasing rules which they must strictly adhere to, which they are not able to waive, and which currently take place in addition to the Form 470 process. Besides following state regulations, many districts also have a local compliance office where they must file all bids and verify contracts with outside providers. Since there is very little coordination between the state and federal requirements, applicants encounter greater complexities and difficulties when they have to meet local procurement regulations, state law, and the mandates of the E-rate's competitive bidding process, even though no additional safeguards result.

Retaining the Form 470 for those applicants that lack these additional rules, and eliminating the current requirements for those applicants with rigid state or local bidding rules, will allow the E-Rate to preserve the protections inherent in existing competitive bidding requirements. But the change proposed by the Commission will also lift the burden of duplicate bidding that districts undertake, without benefit or purpose, in order to comply with the E-rate.

We also support the Commission's proposal to retain, for the time being, the technology plan and competitive bidding requirements for priority two services. These services include more details and complicating factors than traditionally found in priority one applications, and it makes sense to preserve a level of oversight for such requests. We also agree that prolonging such a decision will give the Commission and the Administrator a chance to review the experience of the less burdensome priority one application, and make a determination for priority two plans based on the impact on the program and school districts.

#### Other Form Changes

The Council would also like to resubmit a proposal involving Forms 472 and 474 that, if approved by the Commission, can make a significant improvement in the oversight process. Currently, service providers submit a Form 474 to USAC for reimbursement without any verification from the applicant, while the form required for the school district to receive reimbursement, the Form 472, must include dual certification from both parties.

There are two potential solutions, both of which will streamline the process and improve program oversight. The first proposal is to eliminate the Form 474 and require the exclusive use of the Form 472 for all entities seeking reimbursement. As an alternative, changes could be made to the existing Form 474 to create a joint sign-off document that protects the integrity of the E-Rate program. The necessary changes to the Form 474 include: (1) modifying Block 2 to include an itemized breakdown of the specific goods or services actually delivered to the school district (merely listing the corresponding FCC Form 471 and Funding Request Number is insufficient to guarantee that the goods or services were provided); and (2) modify Form 474 to include the amount paid by the Billed Entity for its corresponding percentage of responsibility. This will prevent the Service Provider from billing the entire approved amount when only a portion of the approved amount is actually spent by the school district.

Service providers are likely to respond that such a change requiring district sign-off will slow down their ability to get timely reimbursements. However, the joint sign-off can require a 30-day turn-around time period for applicants to approve the vendor's verification forms. A non-response from the district within 30 days would allow the vendor to continue with the process of recovering SLD refunds.

An additional streamlining change that is long overdue involves multi-year contracts. Form changes should facilitate the request process and allow applicants to indicate simply that a specific request is merely another year in a previously-approved, longer-term contract, with the service and dollar amount unchanged from the previous year. The inclusion of such an option was universally supported by the education community in E-Rate comments submitted in 2005, meets the streamlining goals sought by the Commission, and makes it easier for applicants to receive support for essential services.

We also note that the Commission is currently seeking comments on other forms, including a requirement that all forms be submitted online, and that the Item 21 attachment be submitted at the same time as the Form 471. Urban districts have two particular concerns with these

proposals: the inadequacy of the current online system for submitting Item 21s for large applicants and also the need to format the Item 21 information in a particular way for reviewers. The online Item 21s are not sufficient for large applicants and large urban school districts. Application reviewers routinely request additional information than what is included, and urban districts have learned to format the Item 21 information in anticipation of the inevitable follow-up questions. The Administrator's existing online Item 21 application is cumbersome, at best, and does not allow for this type of customization. While the information that is included on the Item 21 is available at the time of the Form 471 filing, local officials with large applications have learned over the years that additional time to thoughtfully explain and format the content is important so the information can be digested, understood, and hopefully approved for reimbursement by a non-IT reviewer.

#### Creating a Single, Districtwide Discount Calculation

The Council appreciates the intent of the Commission to streamline the application process by simplifying the way in which applicants compute their discount percentage rate. As remarked in the Notice, the proposal to use a single, districtwide percentage to determine an applicant's sole discount rate may help to reduce paperwork for USAC, but it will also reduce access to E-Rate funds for many high poverty schools across the nation. This change would create a significant shift in the program that was not intended by the congressional authorizers of the E-Rate and should be avoided by the Commission. We believe a hybrid approach, however, can help the program achieve some of the same goals.

Urban school districts and the program's largest applicants are comprised of individual schools – typically more than 100 – that vary greatly by size, demographics, geographic location, and socioeconomic status. By allowing only the districtwide poverty percentage to determine the discount rate for every school in a district, high poverty students attending schools in the poorest neighborhoods and inner-city can be averaged out of the equation by a limited number of wealthier schools in the same district.

This approach can also be problematic since the schools with the greatest number of students in most districts are the high schools that underreport the number of students eligible for the school lunch program. While school systems with more uniform socioeconomic levels and school sites through the district may benefit or be unharmed by the Commission's proposal, vast school-by-school differences and large high schools are common in urban school districts, and this policy would lower the ability of those districts to receive reimbursements by masking the actual high poverty of the students in their district.

Examples can be found in a number of different school districts throughout the nation. In Clark County, Nevada, the variation among schools is stark. The Clark County School District includes high, middle, and low poverty schools in Las Vegas, similar schools in the cities of Henderson, North Las Vegas, Boulder City, and Mesquite, as well as school sites in almost a dozen other Census-designated areas. The geographic locale of the schools that are part of the Clark County School District can vary from inner-city to mountains to desert and valley locations. A single, districtwide average will simply leave many of these school sites at risk of losing funding.

A similar example can be found in schools in our nation's capital. The District of Columbia Public Schools (DCPS) includes buildings in the wealthy northwest neighborhoods near Maryland, and some of the poorest neighborhoods in the country in southeast Anacostia. In 2007-08, approximately 52.9 percent of the district's enrollment was NSLP-eligible. Requiring the school district to use this percentage to determine their discount level would leave DCPS unable to receive the maximum discount for the 55 schools (approximately one-third of their 163 total sites) that have school-lunch eligibility rates above 75 percent. In fact, two-thirds of the school buildings in DCPS (114 out of 163 sites) have school lunch eligibility rates above the 52.9 percent district average, but would only be eligible for a discount applied to the lower average rate.

A similar situation occurs in the Bay Area of California. The San Francisco Unified School District (SFUSD) includes some of the wealthiest neighborhoods in the nation, as well as inner-city locations with across-the-board poverty. The districtwide school lunch average is 53.3 percent, even though two-thirds of the district's schools (83 out of 126 sites) have higher poverty percentages. And 34 schools in SFUSD, over one-quarter of the district's total sites, have school lunch eligibility over 75 percent and are currently eligible for the maximum discount.

Some commenters in the past have argued, and likely will also claim in this proceeding, that the difference in the discount rate and costs that will result from these changes is minimal, and that requiring increased payment from districts for services in the highest poverty schools is an acceptable course of action. In our experience, however, requiring additional funds at the highest poverty schools will either cut money from elsewhere in the school district or result in reduced service and projects throughout the school system. It is not appropriate, especially in this current economic environment, to require more cutbacks in urban school districts, or to ask them to reduce their E-Rate reimbursements in order to fund services for other school systems.

We do understand the overall program situation the Commission is attempting to improve, and agree that the change proposed in the Notice is attractive to many applicants. We also know that some urban school districts – but far from all – would make internal determinations on the potential benefits and perhaps support this type of change. Our recommendation, therefore, is that the Commission allow applicants to choose the method in which they determine their discount, but not require the newly proposed approach as the only option. The Commission can permit those districts that prefer the new approach to use the single average discount rate for the entire district and all of their requests. However, other districts that do not want to sacrifice their highest poverty schools as a result of the average can continue to target these sites through the existing and lengthier application process, at their choosing. This approach will still reduce applications, but will not eliminate the benefit of E-Rate for the highest poverty schools and students in large districts.

## **FLEXIBILITY FOR BROADBAND SERVICES**

### Wireless Services Off School Grounds

In our comments on the November 2009 Public Notice regarding the National Broadband Plan, we extended our support for expanding network access to eligible users outside of the school

buildings *if additional funding were made available for the E-Rate*. Technical solutions are available to ensure CIPA compliance outside of traditional educational settings, and allowing this wider entry can extend broadband networks beyond the school campus to hospitalized or homebound students, as well as provide access to students, parents, and family guardians in the home. This wider access would also provide access for itinerant teachers, instructional coaches, and other professionals that are not tethered to specific schools, but nonetheless are required to provide instructional and other educational services to students regardless of their physical location.

The Commission has proposed in the Notice to prospectively increase the cap based on inflation, but is not suggesting an adjustment based on inflationary increases that have reduced buying power over the past twelve years. The result of this limitation will likely mean no significant E-Rate funding increase in the near future. And the type of wireless services that could help school districts and their broader community keep up with both evolving technology and the changing educational landscape is costly. We agree with the Commission that advances in technology have enabled students to learn after the school day is over and from any location. We also agree that the cost-allocation process that applicants undergo to stay in compliance with current wireless rules is time-consuming and burdensome. However, the amount of available funding means that the best and most favorable option – in this case, broadband access both at the school and outside of it – is not affordable. In this situation, we feel that the Commission should focus E-Rate funds on keeping the classrooms running, rather than opening up the program to additional wireless services that it cannot afford.

#### Expanding Access to Cost-Effective Fiber

We support and appreciate the Commission's proposal to include dark fiber on the eligible services list, a position the Council has supported since the service was deemed ineligible a few years ago. Allowing applicants to choose the most cost-effective pricing must logically include fiber options: an option for reimbursement that can provide long-term savings that will ultimately help to reduce the burden placed on limited E-Rate funding.

Allowing beneficiaries to lease dark fiber and light it themselves typically results in a far more cost-effective and strategic investment than leasing a comparable provisioned (or "lit") circuit from a carrier. The rapid growth and increased availability of fiber networks in recent years has the potential to help urban districts develop greater capabilities to offer high-quality and modern instructional services to inner-city students, and deploy the broadband access the Commission is seeking. The exclusion of leased dark fiber from E-Rate eligibility has been a hindrance in these efforts, however, and applicants have been unable to realize the cost savings and instructional benefits that are available. These benefits align well with the educational goals of the E-Rate, and the FCC's in expanding broadband access.

We also agree with the proposal that E-Rate support must be available for leasing only, and for dark fiber services that will be utilized immediately. We do not support the use of E-Rate funds for the construction of fiber networks, but the Commission may wish to consider the circumstance of applicants such as Jefferson County Public Schools (JCPS), in Louisville, Kentucky. The consideration stated in the NPRM is that entities such as municipalities might be

the owners of the fiber plant and could receive support for services that are provided to schools. In Jefferson County, the school district actually owns more fiber infrastructure than the local municipality or the university, and JCPS is the primary operator of the jointly-owned structure. The district receives no E-Rate support for the expenses they incur operating the network. The per month cost of JCPS providing this service – to themselves – is less than half of the actual "out of pocket" cost the district would pay for equivalent services from a telecommunications carrier (even with E-Rate support taken into account). In this type of circumstance, the Commission should consider whether Jefferson County schools, in deploying broadband services throughout their district, should be eligible for reimbursement of their operating, but not construction, costs.

#### Targeting Support for Broadband Over Other Services

As we have in the past, we remain wary of the proposal to fund certain technologies above others. Our initial concern is based on E-Rate history, and the perpetual suggestion that applicants funded for approved services no longer have a need for reimbursement, and should be ineligible in future years to “make room” for other applicants. These types of proposals will likely continue were the Commission to throw its support behind a narrower set of services than are currently eligible.

Setting that concern aside, we understand that based on the Commission’s charge to develop a National Broadband Plan, it is logical to suggest funding older technologies at a lower rate, or not at all, as a means of encouraging technology that better promotes broadband. The approach makes sense, but the hazard is that school districts – with or without E-Rate support – may not be able to afford migration to a newer technology. This would create a situation in which a district’s current equipment is no longer operational because the technology support has expired, and the district also cannot update its infrastructure in order to take advantage of the E-Rate’s newly prioritized eligible services.

As discussed in the introduction to our comments, significant changes such as this require an extended phase-in period to ensure continuity of services in schools throughout the country. One possible way to move carefully in the “new” direction would be to evaluate current use of differing communications technology, and if warranted, announce a "sunset" of older technology sufficiently in advance and before funding is ceased at a known and future date. This would allow districts to plan for the technology’s obsolescence, rather than be faced with an abrupt disallowance of certain services.

Urban schools also have a related concern regarding voice services. We want to make clear that even though there is an advancement of broadband and wireless technologies for business and educational uses, this does not mean that school districts in any setting will be able to eliminate entirely land line-based voice and data technologies in all of their operations. Land line-supported voice and data is still a significant portion of school district telecommunications services – in both schools and administrative buildings – and lowering or eliminating reimbursements for this service will create considerable harm throughout the nation’s school systems.

## **EXPANDING BROADBAND**

The NPRM outlined the history and background information regarding the scarcity of Priority Two funding in the E-Rate, and over the years, other Commission notices have voiced the complaints of local officials that have been unable to use the E-Rate to fund their Internal Connections. As discussed earlier in these comments, urban districts include schools at a wide variety of discount levels, and have experienced this same difficulty in receiving Priority Two reimbursements for schools that are not at the highest levels of poverty. As the Council has done since the program's inception, we are pleased to help the Commission discuss and develop strategies that will deliver universal service funding to additional sites, but we will also maintain our historic position that the greatest amount of support should always be targeted to the highest poverty applicants. While the Notice stated that most applicants have not received Internal Connections support, it omitted that most applicants do not have 75 percent or greater poverty rates. Since its beginning, the E-Rate has rightly been skewed towards the poorest buildings, and is not a program that treats all schools equitably, because it is trying to close the digital divide by balancing out the funding inequities that already exist in our nation's communities.

### Funding Caps

The Council opposes caps on funding for E-Rate applicants, and has always done so. The Commission acknowledges in the Notice that a cap will harm the highest-poverty applicants, and suggests that a reduction in funding for the nation's neediest schools is necessary to make sure funding is available for all applicants in the future. The Council disagrees with this logic, and points out that funding caps also disadvantage large applicants and those located in high cost areas. Essentially, policies espousing funding caps amount to an anti-urban proposal.

To create a truly fair cap that does not disadvantage poor, large, or urban applicants, an evolving and lengthy list of factors must be considered and updated regularly to determine an appropriate funding ceiling. For the E-Rate program, the creation of such a formula will place an enormous burden on the Administrator to include all possible factors, and the task of keeping the list of items up-to-date may prove impossible. The Commission's proposal included only the district's enrollment as a factor, but a balanced approach must also include complex factors such as age of the building facility, square footage, and geographic region, as well as a number of other market factors which affect project costs.

For example, beyond the general higher cost of services in the cities, urban classrooms are housed in the nation's oldest schools, and any work in those buildings often has to account for lead paint and asbestos. The Council has not asked the E-Rate program to pay to remove these items, but the current reimbursement process acknowledges that any workers that are hired must be certified to work in these conditions, and the resulting higher labor rates increase the costs of many urban technology projects.

Any cap imposed on E-Rate applicants will have a negative impact on urban districts, and city schools will receive less support as a result of factors beyond their control. Further, the Commission's specific proposal to choose a single, nationwide dollar amount that will be applied to every district's enrollment will result in an arbitrary total that disadvantages urban school

districts, spreads money thinly around the country, and never meets the needs of the nation's poorest communities.

### Revising the Discount Matrix

The Council opposes any change to the discount matrix, especially one that would lower support for the highest poverty sites from the current level of 90 percent. Such a move would represent a major and unnecessary shift in the operations, focus, and intent of the program. As discussed earlier, congressional support and the success of the program during the first decade of the E-Rate is attributable to its appropriate focus on helping the nation's poorest schools and libraries. The 90 percent discount and priority for the nation's poorest schools remains vital today, as state and local budget cuts, as well as freezes or reductions in federal education appropriations, have forced high poverty districts to reduce educational services throughout the country.

The Council also rejects the suggestions by SECA and other commenters, as referenced by the Commission in the Notice, that the E-Rate should shift its focus and become a program that more evenly distributes funds to applicants. As stated previously, the federal intent – in most programs – is to balance out the uneven fiscal situation that results from the financing of our nation's educational system. An even distribution of E-Rate funding will reflect and perpetuate, rather than adjust and correct, the funding inequities that districts encounter every day.

The Council would also like to point out the simple fact that, overall, there remains an inadequate amount of universal service funds considering the goals of the program, the new broadband priority, and existing demand. We agree that there are schools and libraries that are also economically disadvantaged, albeit not to the same extreme degree as those in the 90 percent band. With the current limit on funding, however, the program is correct in targeting funds the poorest applicants. In response to the Notice's query regarding the need for a rule change that will assist districts with 35 or 50 percent poverty, we call attention to data from the National Center for Education Statistics, which lists the nationwide NSLP average in 2007-08 as 40.3 percent (some 19.9 million NSLP-eligible children out of 49.3 million enrolled in school). This percentage has likely gone higher in recent years, as unemployment has increased and family income has plummeted. When limited funding is available nationwide, schools that are close to the country's average level of poverty cannot truly be classified as economically disadvantaged, and a proposal to provide them equal status with poorer schools should be rejected.

We must also reject the position included in the Notice that applicants receiving 90 percent discounts have no financial incentive to find and choose the most cost-effective services, and that a ten percent local contribution is not steep enough to ward off fraud, waste, and abuse. All school districts carefully consider their technology expenditures, and in the nation's poorest school districts, the ten percent local cost required for E-Rate projects has always represented a significant expense. We also note that urban applicants typically have multiple layers of state and local procurement regulations they must abide by, as well as an unprecedented amount of scrutiny through a variety of oversight actions from the Administrator.

Regardless of whether projects are pursued with E-Rate or other funds, urban school districts always work strenuously in pursuit of the best and most cost-effective technology solutions, and consistently push vendors for the best possible pricing models. Due to the loss of state and local funds as a result of the economic crisis, districts have experienced large operational funding gaps and annual reductions in technology and other sectors. A recent study of the Council's urban school districts found that at least \$4 billion in revenue and 44,000 jobs would be eliminated in the upcoming 2010-11 school year. In this environment, districts must continue to do more with less: cost-effective purchases based solely on need are the only option.

Finally, we repeat our observation in the past that while reducing the discount level for the poorest schools may result in the additional availability of E-Rate funds for entities below the 90 percent band, it would not only require the nation's poorest schools to give more of their own funds, it would in fact expand the market, if not the profit margin itself, for the private companies involved with the program. Under any reduction of the discount matrix, the amount of E-Rate reimbursements for internal connections would remain the same, but the additional funds that the poorest schools, districts, and libraries will have to find to leverage that amount will be increased, and will be delivered directly to private companies. No one has ever addressed the inherent inequity in requiring increased "buy-in" amounts for the poorest schools in the nation, and delivering these larger sums directly to the profit margins of private sector companies.

#### The 2-in-5 Rule and Basic Maintenance

The Council initially supported the 2-in-5 rule, as we supported the Commission's attempt to ensure that high poverty applicants below the 90 percent level also receive internal connections support. We disagree with the opinions referenced in the Notice that the 2-in-5 practice has encouraged applicants to undertake largely unneeded projects, but agree that the rule is a major burden on applicants and should be reconsidered. With the original 2-in-5 rule, the Commission sought to make funds for internal connections available to more eligible schools and libraries by limiting the number of application cycles in which an applicant could **receive** priority two discounts. Since the amount of funding that will be available for the E-Rate will not increase significantly, a similar but more workable "limitation" is still necessary, and we offer to work with the Commission on developing this change. Because the current rule requires careful applicant planning over a multiple year period, we believe that any change, and a possible new rule, must be announced well in advance and phased in over time.

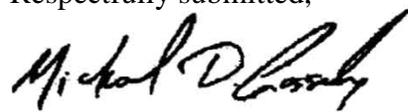
Urban schools strongly oppose the elimination of maintenance reimbursements. Basic Maintenance is vital to ensure that the E-Rate's investment in infrastructure was wise and sustainable. Earlier Orders from the Commission recognized this need, and cited basic maintenance as "necessary for the operation of the internal connections network." The nation's poorest applicants have devoted scarce local funding to build technology networks with the understanding that E-Rate maintenance reimbursements would be available to help them operate and serve classrooms. Revoking the eligibility of maintenance costs will sacrifice both the local and E-Rate money that has been spent, and retroactively change the factors which were considered in making certain funding and budgeting decisions. The importance of Basic Maintenance to urban district can be found in our previous comments to the Commission: we

have stress repeatedly that the timing of Priority One and Maintenance reimbursements is of the highest importance, and should be dispersed before Priority Two funds each year.

## CONCLUSION

Continued improvement and evolution of the E-Rate is instrumental to the program's long-term success. The Commission's current focus on expanding broadband services is an important one, and will help ensure that cash-strapped schools and libraries can deliver information-rich content and instructional materials to students and communities. There must also be recognition, however, that the E-Rate's funding cap means that many applicants will not receive support for all of the services they seek, and that targeted reimbursements are necessary to deliver the limited amount of money. As the complexity and importance of technology continues to increase, the Council offers its support and assistance to the Commission to find ways to meet the nation's most pressing needs without disrupting service to classrooms and without subverting the original intent of the highly successful E-Rate program.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Michael D. Casserly". The signature is fluid and cursive, with a large initial "M" and "C".

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