

**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
)	

INITIAL COMMENTS TO THE NOTICE OF PROPOSED RULEMAKING

Introduction

The State Consortium Group (SCG) submits these comments in reply to the FCC's Notice of Proposed Rulemaking (NPRM) released May 20, 2010 (FCC 10-83A1), seeking comment on various proposals to implement several comprehensive Universal Service reforms that are called for as part of the National Broadband Plan. SCG's comments consider some of the changes described in the associated NPRM in a thoughtful effort to support effective reform, while maintaining the value that the E-rate program brings to the school and library communities throughout the country.

The members of the State Consortium Group (SCG), established in 2009, specifically work for and manage the E-rate application processes on behalf of a critical and evolving constituency in the applicant community; that of broad, statewide networks and statewide consortia providing advanced telecommunications and Internet access services to millions of students throughout the Nation. This group membership includes active E-rate Coordinators Alliance (SECA) members. The following comments are presented for consideration by the Commission.

Application Process Streamlining/Online Forms

The national State Consortium Group (SCG) would like to comment that the original list of applicant types established at the program's inception in 1998 is *still* developing. The current 'list' is rather incomplete. Particularly, the Consortium applicant type has become something of a "catch all" for applicant types that do not easily fit the definition of any of the categories.

The current "Consortium" applicant type definition reads as:

Consortium (intermediate service agencies, states, state networks, special consortia of schools and/or libraries)

The problem that SCG sees with this 'umbrella category' is that many of these agencies' complex administrative procedures do not easily conform during application review, which in turn causes unreasonable delays and administrative burden.

SCG comments that at a minimum, the Consortium applicant type be further striated to include the following options:

- **Intermediate Agencies** – Including (but not limited to) Board Of Cooperative Educational Services (BOCES), Educational Service Agencies (ESA), County Office of Education (COE)
- **Consortium**
 - Consortium of Public Schools or Public School Districts
 - Consortium of Non-Public Schools or Non-Public School Systems
 - Consortium of Libraries or Library Systems
 - Consortium of a combination of Public and Non-Public Schools or School Districts
 - Consortium of a combination of eligible entities not specifically noted above
- **Statewide application** – Including State Networks, Statewide Networks or Statewide applications

SCG comments that a delineation of applicant types to this level of specificity will promote the streamlining of the application filing process during PIA reviews. One of the most daunting tasks in the E-rate program process is PIA review for a ‘Consortia’ application. The PIA reviewers struggle with their ability to make a distinction as to what questions to ask for a consortium versus an intermediate service agency versus a state network versus a statewide network, etc. It is SCG’s hope that PIA processes could be tailored in many instances to only ask questions that are *applicable* or to require only *applicable* documentation.

For example, many states have enacted legislation requiring that all public schools, school districts and often public libraries or public library systems receive their services exclusively from the State Network. In instances such as these, upon presentation of the appropriate documentation, there is no formal Letter of Agency (LOA) required such as in the case of a “Consortium”. Unfortunately, it often takes a series of unnecessary questions before this determination is made, which causes unnecessary delays.

It is the opinion of SCG that Statewide Network applicants (those that are wholly operated by state government) should also be exempt from collecting LOAs. Where this type of network is an option, the majority of public schools and libraries take advantage of their ability to utilize this network and, purely by taking this action, are entirely aware of services procured by the state on their behalf; which should preclude them from a need for an LOA.

There are dozens of reasons as to why this sort of change would benefit the Commission’s goal of streamlining the application filing process and SCG would be most pleased to discuss these in greater detail prior to adoption rather than attempt to define them all as part of these comments.

The Commission has requested comments regarding whether all forms should be required to be submitted and certified online. SCG would encourage a move toward this mandate with a particular comment; that the current limitations imposed on

Consortium applicants with regard to their inability to file applications that involve Worksheet A and Worksheet C preparation online are addressed immediately. By definition, a Consortium represents multiple entities and as such, collection and management of the data required for application submission is a substantial job in and of itself. SCG comments that because of the limitations forced on a Consortium applicant in having no mechanism by which to begin building these complex worksheets online as the data is available (for example) causes interminable delays and further complicates an already complicated process. SCG contends that because there is no online application available, the manual input required of the often thousands of pages of data puts the consortium applicant at a distinct disadvantage when the 'human' factor is considered. The margin of error is exponentially higher for a consortium application and frankly, until you have had to track down a single error on a Block 4 Worksheet A that may have 800+ entities listed on it and your only database is a simple spreadsheet that does not translate to a Block 4 upload tool, the frustration cannot be imagined.

Furthermore, SCG submits that some of the State Network, Statewide Networks and/or Statewide applications' discount calculations are not necessarily representative of their organization because often the calculations required relate to a consortium structure which, as stated above, many of these large applications do not conform to. For example, a legislated State Network (as defined above) should only require, for all intents and purposes, a single entry on its Block 4 that is total enrollment and total NSLP eligibility; but since the State Network is under the umbrella of a consortium entity type, a much more complex (and in our opinion, unnecessary) calculation is required. An online application process tailored to demographic data collection specific to the applicant type is highly preferred and in all truthfulness, recommended.

Discount Matrix Streamlining

The Commission has proposed to revise their discount rules so that schools will calculate discounts on supported services by using the average discount rate for the entire school district rather than the weighted average for each school building.

We applaud the FCC's proposal to simplify discount calculations by using a single discount for all entities within a school district based upon the ratio of NSLP eligible students to the total number of students in the district. Permitting the application of this single discount to consortium members in this way would greatly streamline the application process for the generally larger consortium applicants, many of whom are also state networks or state consortia.

In order to streamline and simplify the application and review process, achieve more equitable distribution of priority two funding, and mitigate the impact of phased out funding for local and long distance services, we believe the further simplification will be achieved by using a more highly stratified discount matrix based upon the current rural matrix for priority one services and priority two services. Eliminating the urban distinction altogether would greatly simplify the discount matrix without harming the states/consortia that are more rural. Reducing the "jump" in discounts between the bands would target funds more appropriately.

Narrowing the discount band makes applying a different methodology for priority two funding more tenable. We fully support any revision of the priority two funding procedures that eliminates the 2-in-5 rule, which has been a major barrier for consortia priority two applications. We agree with the FCC that more widespread distribution and more predictability of priority two funding are needed. Any priority two funding mechanism that accomplishes these goals, short of a per student cap, is welcome.

If the FCC and the administrator need to collect building level data details, we recommend that the administrator work more closely with state consortia and state networks to obtain and validate this data separate from the form 471's Block 4 data submitted by consortium applicants. Engaging state consortia and/or state networks in this way would greatly enhance the application review process for the administrator, consortium applicants, and individual applicants. Block 4 data from individual applicants that are not members of a state consortium or state network should still require data validation during their review processes.

Providing Greater Flexibility to Select Broadband Services

The FCC seeks comments on permitting recipients to receive support for the lease of fiber, even if unlit, from third parties that are not telecommunications carriers, such as municipalities and other community or anchor institutions, to allow schools and libraries more flexibility to select the most cost-effective broadband solutions. The FCC is proposing to add leased dark fiber to the ESL, and that leased dark fiber may be owned by state, regional or local governmental entities.

The State Consortium Group (SCG) is wholly supportive of the eligibility of leased fiber (dark or lit services) from nontraditional telecommunication providers. It is the opinion of SCG that this clarification will not only potentially lessen demand upon the E-rate fund, but also serve as a catalyst; allowing delivery of broadband services in hard to serve areas throughout the country where there is a lack of competition and the only *currently eligible* service is available from a single telecomm provider.

SCG realizes that this area offers some potential political (and perhaps, regulatory) challenges for approval by the FCC. However, to serve the public interest, and to support the goals and objectives of the National Broadband Plan, we comment that this change is necessary. Leased fiber services (dark or lit) will provide more options, greater flexibility, and spur competition; which in turn will help provide higher bandwidth at lower cost in the long run.

The Commission's decision to once again fund alternative(s) to traditional telecommunication provider's Broadband service offerings will fill a 'void' in the marketplace, particularly in those communities throughout the country where 'traditional' telecomm providers have not found there to be, in the last 13 years, enough profitability to deploy Broadband services.

In summary, the SCG sincerely appreciates the opportunity to respond with our comments/suggestions to the NPRM and we look forward to working with the Commission as implementation of the proposed changes occurs.