

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

In the Matter of

REVISIONS TO FCC FORMS 470 AND 471 )  
UNDER THE PAPERWORK REDUCTION ACT ) CC Docket No. 02-6  
DA 10-1248 Released: July 1, 2010 )

**Comments of Kellogg & Sovereign® Consulting, LLC**

Kellogg & Sovereign Consulting, LLC has been managing the E-Rate process for schools and libraries since the inception of the program in 1998. Our staff works with the E-Rate program on a daily basis managing over 220 clients with annual filing of approximately 364 applications. Accordingly, we have an in-depth knowledge of the program and are well versed in all areas of the E-Rate program. Additionally, this daily contact enables us to assist our client schools to maximize their E-Rate funding while assuring that they stay within the guidelines established by the Schools & Libraries Division of USAC (SLD), the Administrator of the E-Rate Program.

Our firm is a founding member of the E-Rate Management Professionals Association (E-mpa™), and we uphold the quality standards set forth in the E-mpa™ code of ethics.

**Timing of Form Revisions – Need to WAIT until major changes can be incorporated**

Kellogg & Sovereign Consulting, LLC (KSLLC) agrees with comments submitted by E-Rate Central dated July 29, 2010 commending the FCC for its efforts to revise and simplify FCC Forms 470 and 471, and we support many of the proposed changes. The “look and feel” of the form is cleaner and easier to read. Like E-Rate Central, however, we agree that it does not make sense to make interim changes to the forms since major changes are just around the corner. The administrative and programming costs for form changes can be significant for the FCC, USAC and program stakeholders. If the FCC is planning on making significant changes to the forms as a result of the E-Rate Broadband NPRM, it makes more sense both financially and logistically to wait to make the proposed revisions until the majority of the changes can be incorporated at the same time.

Since applicants are already filing Forms 470 for the 2011-12 filing, and many states have already provided applicant training and/or prepared and distributed training materials for 2011-12, if at all possible, we urge the Commission to WAIT on the first set of changes until all or the majority of changes can be incorporated AFTER the 2011-12 filing.

### Support Elimination of Data no Longer Used

We support the following proposed revisions as noted in the comments submitted by E-Rate Central that include eliminating the following from the Form 470:

1. *The check boxes for month-to-month and contract services, including multi-year and extendable contracts.*
2. *The check boxes for SPI/BEAR preferences.*
3. *The basic telephone check-off.*
4. *The technology resources check boxes.*
5. *The requirement to list telephone area codes and prefixes.*
6. *The requirement to list ineligible entities.*

### Identification of Consultants is Premature

KSLLC is in agreement with E-Rate Central that the proposed changes on the Form 470 and 471 to identify consultants is premature. As a founding member of the E-Rate Management Professionals Association (E-mpa™) we support the comments submitted by E-mpa™ to the E-Rate Broadband NPRM. In the comments KSLLC submitted to the E-Rate Broadband NPRM, we provided additional details on the broad nature of E-Rate consulting and the difficulty in managing registration of consultants as follows:

We (Kellogg & Sovereign Consulting, LLC) support a consultant registration process and recognition of qualified consultants by the FCC. However, we are not sure if, in reality, the registration idea will be successful since there are such a wide range of consultants involved in the E-rate filing process.

Throughout the application process, applicants may work with a variety of “consultants” from technical consultants, procurement consultants, state e-rate coordinators, education service center e-rate consultants, and e-rate consultants who may provide consulting services for just one area of the process such as development of the technology plan and RFP, or only the Form 471 filing. Some consultants work only with service providers and others assist applicants only with the reimbursement process. Some consultants do assist applicants with the entire process which is the only type of consultant that would “fit” the registration idea suggested by the revisions on the Form 470 and Form 471.

If the applicant is able to clearly define a “consultant” to list on their application, what happens when the applicant changes consultants in the next year? Does the previous year consultant continue as the “consultant contact” on the form? What if the

consultant is also working for a service provider but only assists with the Form 471? If the consultant is listed on the Form 471 and not the Form 470 since they did not assist with the Form 470, will the applicant's application still require further review due to the risk of a competitive bidding violation? What would be the penalty to the applicant if they chose not to list the consultant on the form? If the consultant is the authorized contact for the district, do they fill in their information as both the authorized contact and the consultant?

As a founding member of the E-Rate Management Professionals Association (E-mpa), we spent several weeks discussing this issue. We discussed the "pros and cons" of the Commission including a registration process for certified E-rate professionals and recognition of those consultants who have agreed to abide by a code of ethics, pass a proficiency exam, and meet experience requirements for certification.

E-mpa™ is finalizing their certification requirements with initial certifications being issued in 2010. We would like the Commission to consider recognition of the Certified E-Rate Management Professional and consider ways in which this certification may benefit the program.

#### Requiring the Item 21 Attachment to be Filed Within the Filing Window Difficult to Implement

We do not support a requirement to submit the Item 21 Attachments within the filing window. This requirement would be counter to the FCC's intent of simplifying the application process and reducing funding denials. Many complex applications require data collection up to the day of filing due to delays in obtaining documents and contracts from service providers that are required to be included in the item 21 attachments. Large service provider's contract processes can be laborious and time consuming which delays the receipt of important documents.

Additionally, in our experience, the initial set of Item 21 documentation must frequently be re-submitted to the PIA reviewer once the application has been assigned for review. To require the applicant to submit the Item 21 attachments within the filing window with the risk of denial of funding and subject the applicant to resubmitting the Item 21 attachments seems unreasonably burdensome. As E-Rate Central pointed out in their comments, SLD abandoned this requirement for FY 2002 and later years due to the difficulty of enforcing the requirement. Since the review process is currently working well under the existing procedures, we do not see a reason to add this requirement which would result in undue hardship on the applicants.

#### Changes to the Form 471 Block 4

- **Recommend using Spreadsheet Format**

We agree with the comments made by E-rate Central that the proposed changes would be better implemented by utilizing a spreadsheet format. The proposed changes would greatly increase the length of the Block 4 section for applicants with multiple entities.

The spreadsheet format is currently used to upload data using the Block 4 upload tool and is used by applicants in preparing their Block 4 prior to hand-keying the information into the online Form 471.

Our frustration with the Block 4 online version is the inability to sort by school name when the application is displayed. It is also difficult to find an entity when you are working with large consortium filings. The spreadsheet format with columnar sorting capabilities would be a significant improvement to managing Block 4 entity data.

- **Recommend adding check box to indicate site needs to be excluded from shared calculations**

We also recommend adding a check box to indicate if the numbers shown for the particular entity are already included in another site listed and should be removed from calculation of the shared discount. The check box could be titled “remove from shared discount” or “non-matrix discount”. This would provide USAC with the information to be able to remove the numbers for the particular entity from the calculation of the share discount. The problem of “double counting” students arises for special entities such as alternative schools where the students are counted both at the high school or middle school as well as the alternative school. For example, School District XYZ has three entities that require a point in time count since students attend the three special entities for classes but are counted at their main site for free/reduced lunch and attendance purposes. When the three entities are added into the shared discount, it skews the results as these students are counted twice. If the students who attend the sites are predominantly low income, the shared discount increases; if the students who attend the sites are predominantly not eligible for free/reduced lunch, the shared discount decreases.

The following example is the Block 4 with the 3 sites included. Students are counted at both the 3 special sites as well as at their home sites: HS and MS. Shared discount is 76%.

SCHOOL	Urban or Rural	Enroll	NSLP Students	% Eligible	Disc % From Matrix	Weighted Product
ES A	R	415	324	78.07%	90%	373.5
ES B	R	385	145	37.66%	70%	269.5
ES C	R	237	154	64.98%	80%	189.6
ES D	R	228	172	75.44%	90%	205.2
ES E	R	373	344	92.23%	90%	335.7
ES F	R	282	60	21.28%	60%	169.2
MS	R	789	423	53.61%	80%	631.2
HS	R	1,056	398	37.69%	70%	739.2
Special Site 1	R	302	97	32.12%	60%	181.2
Special Site 2	R	142	59	41.55%	70%	99.4
Special Site 3	R	82	21	25.61%	60%	49.2
TOTALS		4291	2197			3242.9
<b>WEIGHTED DISCOUNT</b>						<b>76%</b>

If we remove the 3 sites that are “double counted”, the shared discount increases to 77%:

SCHOOL	Urban or Rural	Enroll	NSLP Students	% Eligible	Disc % From Matrix	Weighted Product
ES A	R	415	324	78.07%	90%	373.5
ES B	R	385	145	37.66%	70%	269.5
ES C	R	237	154	64.98%	80%	189.6
ES D	R	228	172	75.44%	90%	205.2
ES E	R	373	344	92.23%	90%	335.7
ES F	R	282	60	21.28%	60%	169.2
MS	R	789	423	53.61%	80%	631.2
HS	R	1,056	398	37.69%	70%	739.2
TOTALS		3765	2020			2913.1
WEIGHTED DISCOUNT						77%

If we change the numbers of the Special School sites to presume that there are more low income students at the alternative sites, then the shared discount could actually increase to 78%.

SCHOOL	Urban or Rural	Enroll	NSLP Students	% Eligible	Disc % From Matrix	Weighted Product
ES A	R	415	324	78.07%	90%	373.5
ES B	R	385	145	37.66%	70%	269.5
ES C	R	237	154	64.98%	80%	189.6
ES D	R	228	172	75.44%	90%	205.2
ES E	R	373	344	92.23%	90%	335.7
ES F	R	282	60	21.28%	60%	169.2
MS	R	789	423	53.61%	80%	631.2
HS	R	1,056	398	37.69%	70%	739.2
Special Site 1	R	302	250	82.78%	90%	271.8
Special Site 2	R	142	100	70.42%	80%	113.6
Special Site 3	R	82	50	60.98%	80%	65.6
TOTALS		4291	2420			3364.1
WEIGHTED DISCOUNT						78%

### Alternative Recommendations

- **Simplify the Form 470 by allowing applicants to list services under Priority One Services OR Priority Two services and remove requirement to select only one category of service.**

With the convergence of technologies, we are seeing products and services that have both Internet and Telecommunications in a single item and products that come with warranties for the first year have both

Internal Connections and Maintenance categories in one item. This convergence of services into a single item creates a situation where funding can be denied even though the applicant listed the service on their Form 470.

Even though the program rules recognize the different categories, it makes more sense to combine the categories for Priority One services and Priority Two services on the Form 470, then allow the applicant to break them out on the Form 471.

- **Add Field for “Service” to Form 470**

Another idea for increasing the effectiveness of the Form 470 would be to add a field for “service” utilizing the organization of services listed on the eligible services list and always providing an “other” option. The online version could have a drop-down for eligible services. This would solve the problem that service providers have of needing to sort through Forms 470 for services they want to bid on and would provide the applicants with a way to indicate the services requested which would automatically be recognized by the Administrator as belonging to an allowed category of service.

We appreciate the opportunity to submit comments for consideration by the Commission. Thank you again for the time and dedication you and your staff are devoting to these invaluable programs.

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