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May 8, 2013

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**VIA ELECTRONIC FILING**

Marlene H. Dortch, Secretary  
Federal Communications Commission  
Office of the Secretary  
445 12th Street, SW  
Room TW-A325  
Washington, DC 20554

Re: ***Ex Parte Notice, Schools and Libraries Universal Service Support  
Mechanism, CC Docket No. 02-6***

Dear Ms. Dortch:

This letter notifies the Commission that on Tuesday, May 7, 2013, Ricardo Dreyfous, Ph.D., president of Nevesem, Inc., Henry M. Rivera and the undersigned of Wiley Rein LLP, met with Commissioner Ajit Pai and Nicholas Degani, Wireline Legal Advisor to Commissioner Pai.

Nevesem discussed the attached presentation regarding the importance of the E-Rate program to private schools and public libraries in Puerto Rico. Nevesem also discussed the need to modernize the E-Rate program in light of the increasing demand for E-Rate funding and the growth of broadband-intensive applications. Specifically, Nevesem expressed its support for Commissioner Rosenworcel's proposal to: (1) increase the funding cap for the program; (2) establish clear capacity goals that will enable schools and libraries to support interactive digital content, (3) collect information from E-Rate applicants about their existing broadband capacity and projected needs; and (4) allow for multi-year applications to simplify the application process.

Finally, Nevesem noted that the Commission should challenge the private sector to develop cost-effective technologies and educational applications that will allow schools and libraries to make the most out of limited E-rate dollars. As an example of such educational applications, Nevesem provided a handout explaining its EduSystem product, which provides interactive digital lessons for grades K-12, in both Spanish and English, for all core subjects.



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Please direct any questions regarding this filing to the undersigned.

Respectfully submitted,

/s/ Edgar Class

Edgar Class  
Counsel for Nevesem, Inc.

c: Commissioner Ajit Pai (via email)  
Nicholas Degani (via email)



# Nevesem's Recommendations to Modernize the E-Rate Program

Presentation to Commissioner Ajit Pai  
May 7, 2013  
Washington, D.C.



## Who we are

- Ricardo Dreyfous, Ph.D.
  - Founder and President of A NEW VISION IN EDUCATIONAL SERVICES AND MATERIALS, INC. (“Nevesem”)
- Nevesem develops and brings innovative educational and technological services and materials to students and educators
- Since 2001, Nevesem has been an E-Rate service provider to private schools and public libraries in Puerto Rico that benefit from E-Rate funding



## Why we are here

- While there is no item before you, a conversation has begun in Washington about expanding the E-Rate program
- Because Nevesem has a unique point of view about E-Rate and provides E-Rate supported services in a unique setting, we thought it would be appropriate for Nevesem to enter the conversation
- Specifically, we want to tell you about the importance of the program to Puerto Rico and offer recommendations regarding:
  - E-rate funding cap
  - Access to adequate broadband capacity
  - Multi-year applications
  - Role of the private sector in creating cost-effective technologies



# Importance of E-Rate to Puerto Rico

- E-Rate program in Puerto Rico is a huge success for private schools and public libraries\*
  - Prior to the E-Rate program, few private schools and public libraries had Internet access
  - Today, approximately 166 private schools representing over 65,000 students, and approximately 163 public libraries serving a population of over 495,000 are connected to the Internet
  - This would not have been possible without the E-Rate program
  - Very important to Puerto Rico where the median household income is \$18,660 with **45.6%** of the population under the poverty line (2011 American Community Surveys)

\*Public Schools also make use of E-Rate funds, but Nevesem's customer base consists of private schools and, therefore, it does not have data on public schools



## E-Rate funding cap should be increased

- In FY 2012, applicants requested \$5.2 billion in E-Rate funds, more than double the size of the fund
  - For the first time in the history of the program, the demand for Priority One funding exceeded the funding cap.
- With the growth of broadband-intensive applications such as digital textbooks, BYOD (Bring Your Own Device), online testing, and video conferencing, the demand for E-Rate funds will continue to increase exponentially.
- Funding uncertainty makes it difficult for schools and libraries to plan ahead.



## E-Rate funding cap should be increased (cont'd)

- Where will additional funds originate, particularly in a climate of Sequester and significant budget deficits?
- Nevesem supports:
  - Reallocation of savings from the Lifeline program to the E-Rate program, as Commissioner Rosenworcel recently proposed
  - Imposing funding cap for applicants, but not based on a “per student” basis, which would disadvantage smaller schools
  - Seeking input from stakeholders on other options



## Access to adequate broadband capacity is needed

- Basic Internet connectivity is not sufficient to handle the transition to interactive digital content
  - During the past three years, the amount of bandwidth requested by Nevesem's clients has increased by almost 800%
- According to the FCC, nearly 80% of schools reported that their broadband connections were inadequate to meet their needs
- According to the LEAD Commission, experts project that schools will need 100 Megabits to support rich interactive cloud-based content, but most schools have less than 5 Megabits of bandwidth available



## Access to adequate broadband capacity is needed (cont'd)

- Nevesem supports Commissioner Rosenworcel's proposal for an **E-Rate 2.0** program that includes:
  - 100 Megabits per 1,000 students by 2015
  - 1 Gigabit per 1,000 students by 2020
  - Access on par with these capacity goals for libraries



# Information Collection and Multi-Year Applications

- Nevesem also supports Commissioner Rosenworcel's proposals regarding:
  - Collection of information from applicants about their existing broadband capacity and projected needs
    - Will allow the Commission to track progress
  - Multi-year applications
    - Will reduce paperwork burden on USAC and applicants and allow applicants and service providers to plan ahead
    - But this will not work if steps are not taken to ensure that USAC makes funding decisions and issues reimbursements promptly, and that appeals are handled expeditiously



## Role of the private sector

- Nevesem endorses Commissioner Rosenworcel's call for the private sector to invest in the creation of cost-effective technologies and educational applications
- Through its EduSystems product, Nevesem has done just what we think Commissioner Rocenworcel has in mind
  - EduSystem provides interactive digital lessons for grades K-12, in both Spanish and English, on virtually all subjects, including math and science (handout)
- The Commission should challenge the private sector to come up with innovative solutions that will allow schools to make the most out of limited E-rate dollars
  - Similar to the “Apps for Communities Challenge” and the “Open Internet Challenge”



## Conclusion

- The E-Rate program has been critical to schools and libraries in Puerto Rico and across the nation
- To realize the full potential of digital learning, Nevesem agrees that the FCC needs to modernize the E-Rate program
- Nevesem commends the Commission for its continuing efforts to improve the program



EduSystem provides curricular content (k-12) in digital format for all core subjects: Math, Science, Social Studies, English and Spanish.

EduSystem's benefits include:

- Interactive content
- Facilitates differentiated instruction
- Continuously updated content
- Teachers can modify lessons by adding additional digital resources
- Internet portal for teachers to assign lessons
- Integrates seamlessly with distance learning programs
- User friendly software
- Compatible with computers (Mac/PC) and tablets (Ipad/Android)
- Academic and technical support