



August 7, 2013

Marlene Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Re: WC Docket No. 13-184, CC Docket No. 02-6, GN Docket No. 09-51

Dear Ms. Dortch:

On August 7, 2013, Jon Bernstein of the Bernstein Strategy Group, Ellen Wolfhagen, an independent consultant, and Jeff Patterson and Brett Woudenberg of Gaggle met with Michael Steffen, the Director of Digital Learning, and the following FCC Wireline Bureau staff members:

Trent Harkrader  
Kim Scardino  
Cara Voth  
Charles Eberle  
Brian Boyle

The discussion focused on Gaggle's concerns with the proposed E-Rate Eligible Services List (ESL) of 2014 and the E-Rate Notice of Proposed Rulemaking (NPRM), released on July 13, 2013.

Specifically, regarding the ESL, Gaggle and its advisors took issue with proposed changes that would: 1) prevent E-Rate applicants from receiving discounts on collaboration tools unless bundled with web hosting services; and 2) require that E-Rate applicants receive web hosting services and collaboration tools from a single provider. Gaggle argued that such changes were anti-competitive in nature, restrict districts from selecting the most cost effective and best solution tailored to their needs, and run counter to the way other E-Rate eligible services are purchased. Additionally, Gaggle noted that requiring the bundling of collaboration tools with web hosting services makes pricing individual components difficult and will lead to less transparency for school customers overall. Finally, since the Commission clearly values collaboration tools and allows their eligibility under the web hosting services category, Gaggle suggested that one alternate

solution might be to shift collaboration tools to the e-mail services category as their communication and collaboration functions are more analogous to e-mail's functions.

Regarding the E-Rate NPRM, Gaggle objected to eliminating e-mail and web hosting as E-Rate eligible services on the grounds that these services have great educational value, allowing students, educators and parents to communicate and collaborate and fostering 21<sup>st</sup> Century learning skills, such as critical thinking. Additionally, Gaggle argued that the free e-mail services and collaboration tools that exist do not meet school safety and security needs, lack functionalities vital to schools (such as single sign-on and account provisioning) and are largely geared towards consumers and corporations, not k-12. Gaggle noted further that its numerous school district customers value Gaggle's offerings, even with the existence of similar free services, and have proven so by expending their own funds to purchase Gaggle's services and filing comments in the ESL proceeding. Finally, Gaggle asserted that if the purpose of doing away with e-mail and web hosting/collaboration tools was to free-up E-Rate support to be used to address program shortfalls, it could not agree with this logic as these two service categories combined accounted for less than 2% of overall E-Rate commitments annually.

Sincerely,

Jon Bernstein  
President  
Bernstein Strategy Group