

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

In the Matter of	)	
Modernizing the E-rate	)	WC Docket No. 13-184
Program for Schools and Libraries	)	

**COMMENTS BY THE NATIONAL ASSOCIATION OF STATE CHIEF INFORMATION OFFICERS (NASCIO)  
RELATED TO THE E-RATE 2.0 NOTICE OF PROPOSED RULEMAKING**

The National Association of State Chief Information Officers (NASCIO) submits the following comments on behalf of the nation’s state chief information officers and information technology executives and managers from the states, territories, and the District of Columbia regarding modernizing the E-rate Program for Schools and Libraries. NASCIO’s mission is to foster government excellence through quality business practices, information management, and technology policy.

In response to the NPRM, it is important to understand the service business model of the state Chief Information Officer (CIO) organization. Operating under the leadership of the state CIO, the majority of state enterprise IT agencies acquire, manage, or operate a suite of communications technology services to deliver voice, data, and video services. In most cases, these services are procured and sourced from private sector carriers or providers under a competitive solicitation. State IT agencies typically procure these services on behalf of agencies and other public entities—consolidating the services into service offerings on a chargeback basis, user fee, or comparable model of delivering services. This arrangement allows the CIO to leverage significant negotiating power and in-house expertise public entities in the state cannot match independently. State agencies, other branches of government, and local jurisdictions such as school districts are the “customers” that purchase data center, communication services, network, e-mail, system backup, storage, or other unit services under a published rate or pro-rated assessment method.

State CIOs—and to a lesser degree public servants as a whole—are charged with ensuring that state IT services are delivered in the most efficient and cost effective manner possible. That work often leads to an examination of how state’s public sector “digital” infrastructure (primarily networks, data centers, telecommunication services, and applications) is managed and whether IT services and business solutions are provided via consolidated, decentralized, or shared service modes of delivery. In the current environment, the trend is toward greater centralization of IT management, consolidation and optimization to exercise a greater degree of control over IT direction and investments while delivering more-efficient IT support to increasingly complex government organizations. Today, most of the states and localities are continuing to look for opportunities to consolidate services, slowly maturing and adopting the characteristics of a more centralized approach with IT consolidation and shared application delivery initiatives. According the most recent NASCIO survey data, 94% of state CIOs have an active consolidation initiative for networks and telecommunications underway or completed.

With this in mind, NASCIO applauds the Federal Communications Commission (FCC) for proposing a modernization of the E-rate program that looks to improve the program effectiveness and administration of the program. State CIOs are increasingly leading or supporting cross-jurisdictional collaborative activities between multiple state agencies and local governments, as well as facilitating public-private partnerships. Through collaborative governance structures, jurisdictions can pool funding; increase buying power; remove or reduce redundant investments in technology, business processes and organization; and, make significant gains in the quality of service.

Below you will find NASCIO's comments and questions on the E-Rate 2.0 NPRM released on July 23:

21. NASCIO urges the commission to keep broadband measurements that are compatible with existing standards such as the Measuring Broadband America Program. By providing standardized data in a common format on fiber optic cabling, broadband availability, and services, state and local governments will make more effective decisions regarding broadband deployment, shared services, and other options.

76. NASCIO believes the FCC should formulate a process that allows states to choose to collaborate with the FCC in planning and providing priority funding at the state's discretion. If state governments opt to collaborate with the FCC to ensure that state and federal projects are supportive rather than redundant, such a relationship can provide effective and efficient use of both federal and state funding for broadband services. It could also promote improved long-term planning for state investments. NASCIO would be concerned about any rule that requires state participation as states may not have the infrastructure and expertise in place to collaborate in the decision-making process.

164. NASCIO supports the Commission providing the flexibility for local jurisdictions, states, and private sector partners to collaborate on deploying fiber and other connectivity while utilizing the E-rate program. There are opportunities to reduce administrative and redundant public sector costs by considering partnerships that bring in intergovernmental and private sector partners. An example is the ongoing effort of the First Responder Network Authority (known as "FirstNet) to deploy a nationwide public safety broadband data network. This will require significant investment in backhaul, radio access networks, tower facilities and wide area networks for public sector facilities. FirstNet and its state and local partners may look to public lands and other assets for tower siting and other needs. As schools and libraries play a vital role in emergency response as a community gathering place or an emergency shelter, they seem ideal for such partnerships. Further, many schools are part of a larger campus of public buildings—often including public safety personnel and potential cross-jurisdictional partners ranging from independent utilities to libraries and administrative buildings. The opportunities to partner would likely provide significant benefits to all parties.

180 - 185. Efforts to promote consortium purchasing would be beneficial for recipients as well as the E-rate program as a whole. NASCIO believes creating incentives, such as additional support based on potential savings and efficiencies, would help the Universal Service Administrative Company (USAC) and the recipients make the best use of E-Rate funds. It could also create an environment for greater collaboration across jurisdictions, agencies and regions. To be clear these incentives should be carefully designed as to not deter those who choose seek funding on their own. However, properly crafted incentives will create more consortium purchasing. This will allow applicants to support greater services for more students at a lower cost—ultimately making the E-rate program reach out to a greater number of applicants. NASCIO believes it is a worthy endeavor.

NASCIO also supports prioritization of consortia applicants. While efficiency with which consortia applications have been reviewed has increased, they still take more time than individual applications, likely due to their more complex nature. This uncertainty creates a barrier and deterrent to joining a consortium application. While we agree there are potential instances where a consortium eliminates certain vendors due to the size and scope of the client, it is more likely a well-run consortium will simply change the type of vendors who bid for the contract as it increases in size.

186-190. NASCIO supports the promotion of statewide bulk purchasing contracts, and national purchasing vehicles such as the Western States Contracting Alliance (WSCA) and U.S. Communities. These institutions provide significant management oversight by procurement professionals, program auditing, and best price guarantees to purchasers. These groups already have alignment with state and local procurement statutes and a formal process for participation agreements. The FCC should consider incentives to maximize efficiency by encouraging applicants to utilize such vehicles, including services provided through state information technology offices such as that of the CIO or its equivalent. If the Commission decides to pursue a bulk buying program for E-rate supported services, NASCIO would urge the Commission or USAC to team with existing entities that already have the expertise and reach to provide bulk purchasing to its applicants rather than attempt to reinvent it with a new purchasing entity. With the patchwork of procurement rules at the state and local level, it is more effective to leverage existing expertise and services by creating partnership agreements or otherwise utilize existing state and regional entities that support the community rather than “recreating the wheel.”

198 - 201. NASCIO believes there may be an opportunity for state CIOs offices to contract with USAC or individual districts to serve in an advisory role, identifying the best prices for E-rate eligible services and products and ensuring schools are planning efficient and effective deployments that meet their needs.

206-207. NASCIO supports a *de minimis* exemption from E-rate competitive bidding rules for purchasing below a certain amount. The bidding process adds an administrative cost and latency to a process that could be streamlined with available options. We also support creating a process that allows applicants that follow state competitive bidding requirements to be exempted from E-rate competitive bidding rules, particularly in situations when the state and local requirements are deemed to exceed those of the E-rate program, are redundant, or even potentially create conflicts. There may be opportunities for USAC to forge standard blanket agreements of this nature with individual states that exempt applicants in that jurisdiction from E-rate bidding rules under particular circumstances. For example, USAC should create a process for states that negotiate master service agreements or master price contracts for products and services eligible for E-rate support. This process should allow USAC to exempt localities, school districts and other eligible entities within the state from competitive bidding rules when making eligible purchases off such an agreement.

239-246. NASCIO supports the reduction of the administrative burden for both applicants and USAC by reducing the paperwork burden for multi-year contracts. We agree that it makes sense for different maximum terms to be allowable for services with significant upfront investments on behalf of the provider, such as deploying or lighting fiber. This will allow for greater flexibility in negotiation and creative funding solutions on behalf of the applicant.

NASCIO applauds the Commission for its efforts to ensure our nation’s students receive access to the high-speed broadband connectivity and technology necessary for a 21<sup>st</sup> century classroom, and

appreciates the Commission's review of our comments on this matter. If you have any questions, please contact Mitch Herckis, NASCIO Director of Government Affairs at (202) 624-8477 or [mherckis@amrms.com](mailto:mherckis@amrms.com); or, Doug Robinson, NASCIO Executive Director, at (859) 514-9171 or [drobinson@amrms.com](mailto:d Robinson@amrms.com).

Respectfully Submitted,

A handwritten signature in black ink that reads "Brenda L. Decker". The signature is written in a cursive style and is enclosed within a thin black rectangular border.

Brenda L. Decker  
NASCIO President  
Chief Information Officer  
State of Nebraska  
201 East Main Street, Suite 1405  
Lexington, KY 40507