

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 200554

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

**COMMENTS OF TELEPACIFIC COMMUNICATIONS**

U.S. TelePacific Corp. and Mpower Communications Corp. (each d/b/a TelePacific Communications) (“TelePacific”) respectfully submit these Comments in response to the Notice of Proposed Rulemaking issued by the Commission in the above-referenced docket (the “ E-Rate NPRM”).<sup>1</sup>

**I. Introduction**

TelePacific Communications is a Competitive Local Exchange Carrier (“CLEC”) with more than 40,000 business customers and more than a million lines in service. It has been serving E-Rate customers since 2000 and currently provides services to E-Rate customers at more than 400 schools in California, Nevada and Texas. TelePacific Communications is a strong supporter of the E-Rate program and has some high level suggestions in response to the NPRM.

**II. Cost Effectiveness and Administrative Streamlining**

Two of the Commission’s major stated goals are to maximize the cost effectiveness of E-Rate funding and to streamline the administration of the E-Rate

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<sup>1</sup> *Notice of Proposed Rulemaking In the Matter of Modernizing the E-rate Program for Schools and Libraries (“E-Rate NPRM”),* WC Docket No. 13-184, FCC 13-100 (Rel. July 23, 2013).

program. In reading the Commission's proposals, TelePacific believes the Commission will have to make some initial priority decisions regarding whether it wants to get monies quickly and effectively to schools and libraries or whether it wants to exercise detailed control and measurement of the recipients' actions in trying to establish broadband services to support their educational programs and goals. It seems unlikely that the Commission can truly "have it both ways."

Furthermore, the more complexity the Commission puts in place, the more time and money schools and libraries will be forced to spend on outside consultants to help them through the process. Just in the last several years, TelePacific has seen a dramatic increase in the use of consultants, which utilize resources that could be better used on broadband and telecommunications services. Simplicity is by far the most cost effective and efficient approach to a successful E-Rate program.

TelePacific does have a relatively straightforward suggestion for "tightening up" the Commission's procedures and providing more accountability, while speeding up the availability of funding for schools and libraries.

#### Initial Application Should Contain Supporting Documentation

TelePacific has found that the initial time line is very long and that the required forecasts are often overstated. Since initial forecasts often err on the high side, E-Rate funds are often unintentionally over-subscribed. The over-subscribed portions of these funds are not easily or quickly available for other providers, leading to E-Rate funding being held in limbo, often for as long as five years, rather than being used to provide additional support to other eligible schools and libraries.

Requiring a copy of the initial invoice (only), <sup>2</sup>showing the specific services obtained by the applicant and the pricing of those services, would allow for an initial reconciliation of funding between the first invoice and the initial funding award. This would take little additional time up front but would help USAC award the necessary and correct amounts. This should result in more funding being available much more quickly because the actual dollars required for contracted services would be known quickly. Overfunding would be minimized and any over-subscribed dollars could be released quickly for use by other customers, rather than being held for long periods of time.

### III. Funding for Broadband Connections

The Commission has sought general comment on “the most efficient technological architectures that schools and libraries are likely to use for connectivity.”<sup>3</sup> While many of the Commission’s questions focus on the use of fiber, TelePacific and other CLECs have found that very high speed broadband connections can be provided much more economically (and where there is no fiber) by Ethernet over Copper (“EoC”). Thus, TelePacific would urge the Commission not to overlook the efficacy of the wires already in the ground.<sup>4</sup> This is especially true because the vast majority of schools and libraries have access to copper but do not have access to fiber and are not in a position to develop their own telecommunications network from the

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<sup>2</sup> TelePacific does not support requiring the provision of frequent copies of invoices, as that would greatly slow the customer/carriers’ receipt of funding.

<sup>3</sup> *E-Rate NPRM at para. 67.*

<sup>4</sup> *See generally, Request to Refresh Record and Take Expedited Action to Update Copper Retirement Rules to Promote Affordable Broadband Over Copper*, dated January 25, 2013, filed by Mpower Communications Corp., U.S. TelePacific Corp., ACN Communications Services, Inc., Level 3 Communications, LLC, TDS Metrocom, LLC and Telecommunications for the Deaf and Hard of Hearing, Inc., in WC Doc. Nos. 10-188, 12-353; GN Doc. Nos. 09-51, 13-5, RM 11358.

ground up. Not trying to direct recipients' and recipients carrier's choice of technology would be the most efficient and cost effective at this time. If, in the future, fiber has been laid so that it is accessible by most schools and libraries, it might then be the preferable choice.

#### **IV. Most CLECs Provide Integrated Dynamic Services, Not Bundled Services**

The Commission discusses at some length how support for certain, mostly voice, services might be phased out.<sup>5</sup> It is of significance in attempting to identify, measure, and perhaps phase out, traditional telephone or other voice services such as VoIP that most CLECs do not, as many ILECs do, merely "bundle" voice services with internet or other telecommunications products but offer dynamically integrated voice and data products.

More specifically, whether voice is provided over T-1s, in a more "traditional" manner, or over Ethernet-Over-Copper or fiber, CLEC products allow the customer to use the bandwidth for either and/or both voice and internet access services. How much of either is used at any given time is dependent upon the customer's needs at any given time. One minute they might use all their bandwidth for internet access and later choose to use all capacity for voice traffic, making it very difficult to "count" how much is used for voice and what is internet access.

More than 80% of all new TelePacific customers purchase such integrated dynamic products so this is a major impediment to such measurements. Further, TelePacific believes that schools and libraries still need voice services and with integrated products, such as CLECs offer, schools and libraries can have all the

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<sup>5</sup> *E-Rate NPRM*, beginning at para. 90.

broadband they need and still have voice services for less than the cost of obtaining each separately.

**V. Conclusion**

TelePacific urges the Commission to:

- 1) Keep the E-Rate guidelines as simple as possible for efficiency and effectiveness;
- 2) Require a copy of the initial invoice and reconcile the awarded funding up front;
- 3) Not lose sight of the fact that the vast majority of schools and libraries only have access to copper rather than fiber for broadband services; and
- 4) Recognize that most CLECs provide integrated dynamic voice and data services, which makes separately identifying and measuring voice and data services problematic . This does, however, allow schools and libraries to obtain all the bandwidth they need, along with voice services,- for less than obtaining each separately.

Respectfully submitted,

s/ Nancy E. Lubamersky  
Nancy E. Lubamersky  
Vice President, Public Policy &  
Strategic Initiatives  
Marilyn H. Ash, Director,  
Public Policy  
TelePacific Communications  
515 S. Flower St., 47<sup>th</sup> Floor  
Los Angeles, CA 90071

Tel: (510) 995-5602  
Fax: (510) 995-5603  
[nlubamersky@telepacific.com](mailto:nlubamersky@telepacific.com)  
[ashm@telepacific.com](mailto:ashm@telepacific.com)