

**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 OF WINDSTREAM CORPORATION**

Windstream Corporation (hereinafter “Windstream”) submits the following comments in response to the Commission’s Notice of Proposed Rulemaking (“NPRM”) initiating a thorough review and update of the E-Rate program.<sup>1</sup> As an approved E-Rate provider that has partnered with thousands of schools and libraries across the country, and as one of the largest providers of voice and broadband service in rural areas, Windstream appreciates the opportunity to comment in this proceeding and commends the Commission for undertaking this important effort. By implementing targeted changes to improve the effectiveness and efficiency of E-Rate, the Commission can make an already successful program even more transformative in expanding educational opportunities in rural and high-cost areas.

Windstream knows first-hand the power of E-Rate; last June, President Obama announced his ConnectED initiative at a middle school in the Mooresville (N.C.) Graded School District, a long-time Windstream customer and a national leader in using high-speed broadband and wireless devices to overhaul its pedagogical approach and drive gains in student achievements. Windstream’s data connections have helped make these achievements possible, as Windstream provides 1 Gigabit connections to each of Mooresville’s lower schools and a 5

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

Gigabit connection to its high school, funded in part through the E-Rate program. With thoughtful changes to E-Rate, the Commission will enable more schools to follow in Mooresville’s footsteps and will advance the administration’s ConnectED goals, to link 99 percent of America’s students to the Internet through next-generation broadband and high-speed wireless within five years.

In particular, Windstream recommends that the Commission reform the E-Rate program to facilitate fiber connectivity—the most cost-effective and future-proof method for delivering robust broadband to schools and libraries—and enable recipients to benefit from comprehensive network solutions. The Commission should consider the elimination of support for outdated services in order to free up more funding for broadband connectivity, but it should not eliminate funding for services such as voice, email, and web hosting that provide crucial communications links between educators, students, and parents. Finally, Windstream encourages the Commission to pursue reforms that enhance the efficiency of the E-Rate program—such as eliminating the unnecessary “pass-through” in the BEAR process—but to refrain from imposing unnecessary administrative burdens that add costs to the program.

**I. THE COMMISSION SHOULD REFORM E-RATE TO FACILITATE THE DEPLOYMENT OF FIBER AND COMPREHENSIVE NETWORK SYSTEMS.**

Windstream agrees that the Commission should update E-Rate to prioritize services that provide high-capacity broadband and related services to and within school and library buildings.<sup>2</sup> In particular, the Commission should reform the program to facilitate fiber connectivity—the most cost-effective and future-proof way to deliver robust broadband to schools and libraries—and to enable schools and libraries to benefit from comprehensive IT solutions, including cloud computing and other managed services. Likewise, the Commission should refrain from

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<sup>2</sup> *Id.* at ¶ 65.

dedicating scarce E-Rate funding toward technologies and services—including school- and library-owned wide area networks (WANs)—that are unlikely to be cost-effective propositions in the longer term.

**A. The E-Rate Program Should Prioritize Fiber Connectivity to Schools and Libraries.**

To most effectively achieve its goals and the targets of the administration’s ConnectED initiative, the Commission should reform the E-Rate program to prioritize fiber connectivity to schools and libraries.<sup>3</sup> Though other technologies, such as point-to-point microwave or satellite, may meet the near-term needs of some schools in rural areas, fiber is a much more prudent investment of limited E-Rate resources. It is undisputed that the speed and capacity demands of schools and libraries are increasing rapidly; fiber is the most cost-effective and future-proof means of meeting those growing demands in the longer term. It makes little sense for the E-Rate program to dedicate funding toward infrastructure that is unlikely to meet the needs of schools and libraries in a few short years. Moreover, the deployment of fiber to schools and libraries can have significant collateral benefits—or “halo effect”—decreasing the cost of broadband deployment to surrounding homes and businesses and thus facilitating the achievement of the Commission’s broader universal service objectives.

**B. The E-Rate Program Should Facilitate the Provision of Comprehensive Information Technology Solutions.**

When considering how to prioritize E-Rate funding, Windstream urges the Commission to recognize that the needs of schools and libraries are and will continue to be best served through comprehensive information technology solutions. As Cisco notes in a white paper published earlier this month, a modern network for schools and libraries must include not only

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<sup>3</sup> See *id.* at ¶¶ 67-69.

robust broadband connectivity, but “network management and maintenance, safety and security solutions, access- and distribution-layer infrastructure, wireless availability and access points, video endpoints, local caching, [and] cloud services . . . .”<sup>4</sup>

Providers such as Windstream are increasingly able to provide targeted, comprehensive IT solutions to schools and libraries in a cost-effective manner. Thus, the Commission should focus on facilitating such arrangements by moving away from the rigid, tiered prioritization of individual products and services and enabling schools and libraries more easily to use E-Rate funding to offset the costs of tailored solutions that provide long-term efficiencies.

In addition, the Commission should work to clarify and simplify the rules governing which pieces of equipment are E-Rate eligible and at what priority level. Currently, under the “Tennessee Test,” E-Rate support personnel—many of whom are not engineers—must determine whether equipment is eligible for E-Rate based on whether it is essential for the operation of the school’s or library’s internal communications system.<sup>5</sup> The answer can vary for the same equipment in different circumstances. For example, depending on the design of the network, a firewall—which is integral in protecting data and as such should always be eligible—may or may not be eligible under the current framework depending on where in the network system it is located. Similarly, the current rules with respect to on-premises Priority One equipment seem to indicate that eligible equipment must be analogous to a Channel Service Unit/Data Service Unit, but the same documentation implies that a “gateway” would also be

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<sup>4</sup> Cisco, *High-Speed Broadband in Every Classroom: The Promise of a Modernized E-Rate Program*, at 5 (rel. Sept. 2013), available at [http://www.cisco.com/web/strategy/docs/education/e\\_rate\\_connected\\_wp.pdf](http://www.cisco.com/web/strategy/docs/education/e_rate_connected_wp.pdf) (last visited Sept. 16, 2013).

<sup>5</sup> See *Request for Review by the Department of Education of the State of Tennessee of the Decision of the Universal Service Administrator*, FCC 99-216, CC Docket Nos. 96-45, 97-21, Order, at ¶¶ 38-39 (rel. Aug. 11, 1999)

eligible.<sup>6</sup> These devices can vary substantially in substance and in cost, and ambiguous rules have led to different interpretations by different service providers about what is eligible. Windstream urges the Commission to clarify equipment eligibility rules to ensure uniform compliance and reduce the burden on E-Rate support teams.

**C. Supporting School- or Library-Owned WANs Would Be an Inefficient Use of Limited E-Rate Money.**

Consistent with its goal of ensuring the efficiency and cost-effectiveness of the E-Rate program, the Commission should not remove or amend Section 54.518 of the Commission’s rules<sup>7</sup> to permit schools and libraries to build or purchase their own WANs.<sup>8</sup> The deployment of WANs requires, among other things, obtaining access to public rights of way, and the operation of WANs requires not only day-to-day maintenance but periodic technology “refreshes” and replacement of routers and other end-user equipment. Network and service providers who perform these functions on a full-time basis are best equipped to build and operate WANs in the most cost-effective manner, and E-Rate should not promote schools and libraries diverting resources away from their core educational objectives to assume these responsibilities.

**II. WHEN CONTEMPLATING ELIMINATION OF SUPPORT, THE COMMISSION SHOULD CONSIDER POTENTIAL UNINTENDED EFFECTS ON ESSENTIAL COMMUNICATIONS AND ON COST EFFICIENCY.**

Windstream agrees with the Commission’s intention to phase out support for outdated services,<sup>9</sup> in order to free up more funding for high-capacity broadband connectivity and related services. However, Windstream urges the Commission not to eliminate funding for voice

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<sup>6</sup> See, e.g., USAC, Schools and Libraries (E-Rate) Eligible Services Overview, available at <http://www.usac.org/sl/applicants/beforeyoubegin/eligible-services/voip.aspx> (last visited Sept. 16, 2013).

<sup>7</sup> See 47 C.F.R. § 54.518.

<sup>8</sup> See *NPRM* at ¶ 80.

<sup>9</sup> See *id.* at ¶ 92

service, email and web hosting, which enable schools and libraries to communicate more effectively with students, parents, and other patrons, thus enhancing the educational experience. In addition, though it may make sense to eliminate support for certain services and components of voice services, the Commission should not make it more difficult for providers to offer, and for customers to use E-Rate funding to pay for, bundles that often are more simple and cost-effective.

**A. E-Rate Should Continue to Support Essential Communications Links Between Educators, Parents, and Students.**

In its efforts to modernize E-Rate, the Commission should be careful not to eliminate funding for services that facilitate communications between educators, parents, and students that enhances students' overall educational experiences. For example, the Commission should not at this time phase out services that are used only for voice communications.<sup>10</sup> Studies have shown the importance of student engagement and the link between engagement and teacher-family communication.<sup>11</sup> In many areas, particularly in those served by the E-Rate program, households often lack access to the internet and smartphones. Thus, voice service and some supplemental services such as voicemail remain a critical link. Similarly, the Commission should not phase out E-Rate support for supplemental services such as email and web hosting;<sup>12</sup> these services

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<sup>10</sup> See *id.* at ¶¶ 105-108.

<sup>11</sup> See, e.g., Matthew A. Kraft and Shaun M. Dougherty, The Effect of Teacher-Family Communication on Student Engagement: Evidence from a Randomized Field Experiment, 6 *Journal of Research on Educational Effectiveness* 199 (Oct. 2012) (citing various studies suggesting “positive relationship between school-to-family communication and student outcomes”, and concluding that “frequent teacher-family communication immediately increased student engagement”), *draft available at* [http://scholar.harvard.edu/files/mkraft/files/kraft\\_dougherty\\_teacher\\_communication\\_jree.pdf](http://scholar.harvard.edu/files/mkraft/files/kraft_dougherty_teacher_communication_jree.pdf) (last visited Sept. 16, 2013).

<sup>12</sup> See *NPRM* at ¶ 97.

enable schools and libraries to use their broadband service effectively to facilitate communications with students and parents who have Internet access.

**B. Reforms Should Not Undermine E-Rate Recipients' Ability to Purchase Cost-Effective Product Bundles.**

Windstream agrees that certain services, such as paging and directory assistance, are outdated and no longer should be supported by E-Rate,<sup>13</sup> and that the Commission may wish to eliminate support for certain components of voice services that may not primarily serve educational purposes in order to dedicate more support toward broadband connectivity.<sup>14</sup> However, the Commission should avoid changes that require E-Rate service providers to break apart bundles that provide a more cost-effective and simple purchasing option for recipients. Because regulated services are not able to be discounted within a bundle, but non-regulated services are, breaking apart a bundle to determine the cost allocations between Internet, Telecommunications, and non-eligible pieces, and alter billing systems accordingly, would be extremely burdensome. In addition, the price of bundles varies due to circuit distance, route, and the elements within each bundle, so each bundle would need to be analyzed individually. This burden ultimately would increase costs for E-Rate purchasers.

**III. THE COMMISSION SHOULD MODIFY BEAR PROCESS TO ELIMINATE UNNECESSARY "PASS-THROUGH" BY SERVICE PROVIDERS.**

Windstream supports the Commission's proposal to modify its process to permit schools and libraries, paying the full cost of services under the BEAR process, to receive disbursements

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<sup>13</sup> See *id.* at ¶ 93.

<sup>14</sup> See *id.* at ¶ 95. Windstream does not agree with the Commission's proposal to eliminate support for inside wiring maintenance plans. See *id.* To the extent that voice service serves a critical educational function, as discussed above, essential maintenance of the facilities that provide this service is also an educational purpose.

directly from USAC.<sup>15</sup> Under the current system, service providers serve as an unnecessary “pass-through for the reimbursement of funds,” requiring them to implement a costly accounting, processing and approval system. Windstream agrees that the Commission’s proposal would simplify the E-Rate disbursement process and remove an entirely unnecessary burden on service providers.

**IV. THE COMMISSION SHOULD NOT IMPOSE ADDITIONAL, UNNECESSARY ADMINISTRATIVE BURDENS THAT WOULD RAISE PROGRAM COSTS.**

Windstream opposes the Commission’s proposals to double the existing record retention requirement from five to at least 10 years<sup>16</sup> and to require an officer of the service provider to sign Forms 472, 473, and 474 that are submitted to USAC.<sup>17</sup> On these subjects, Windstream agrees with the points made by the United States Telecom Association in its comments,<sup>18</sup> and incorporates them herein.

In addition, with respect to the record retention requirement, Windstream notes that because most E-Rate contracts are for three to five years, the current retention policy—mandating retention for five years from the last date of service—requires parties to retain the contracts for 10 years in many cases as a practical matter. Doubling the current retention policy would essentially require the retention of many documents for approximately 15 years, increasing storage costs for service providers and schools and libraries.

With regard to the officer certification proposal, Windstream alone processes more than 1,000 BEAR forms per year and another 3,000 participants utilize the Service Provider Invoices

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<sup>15</sup> *Id.* at ¶¶ 259-262.

<sup>16</sup> *See id.* at ¶ 295.

<sup>17</sup> *See id.* at ¶¶ 300-302.

<sup>18</sup> *See* Comments of the United States Telecom Association, WC Docket No. 13-184, at 3-6 (filed Sept. 16, 2013).

annually. Currently, the “authorized person” certifying the forms has substantial knowledge about the accounts, what is being provided and the relevant discounts. It would be essentially a full-time job for an officer to have to make these certifications, and obtain the necessary knowledge to do so.

### **CONCLUSION**

Windstream agrees that the Commission should update E-Rate to prioritize services that provide high-capacity broadband and related services to and within school and library buildings, and encourages the Commission to implement changes that advance fiber connectivity and the provision of comprehensive network solutions to schools and libraries, and reduce unnecessary burdens on E-Rate service providers and participants.

Respectfully submitted,

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