

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

In the Matter of	)	CC Docket No. 02-6
	)	
Modernizing the E-rate	)	WC Docket No. 13-184
Program for Schools and Libraries	)	

Reply Comments of the State of Alaska  
Department of Education and Early Development and the Alaska State Library  
Regarding  
Notice of Proposed Rulemaking  
Related to E-rate 2.0

E-rate has made it possible for students and communities in Alaska to access communications that connect them to one another, the nation, and the world. Our state has approximately 340 communities and about 750,000 inhabitants, but its footprint covers more than 650,000 square miles. The vast distance between Alaskan communities, along with a topography that contains the tallest mountains of our nation, means that we are presented with communication challenges that are unseen in other states and territories of our nation. Further, a number of our rural communities face economic challenges.

Our schools and libraries are a part of a global conversation *because of Universal Service*. While our rural schools often face challenges, our schools have the capacity to offer highly qualified instruction, through videoconferencing, to students that prepare for 21<sup>st</sup> century success. Our communities with libraries have the ability to participate, through the OWL (Online With Libraries) videoconferencing network<sup>1</sup> in a wide range of activities such as regional government forums, university coursework, trainings for childcare providers, visits to the Great Barrier Reef, and other like opportunities that allow us to expand our interaction with the world.

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<sup>1</sup> Alaska State Library OWL Video Conference Calendar. <http://library.alaska.gov/dev/owlCalendar.html>

The E-rate program, as it stands, has been a tremendous success thus far. The State of Alaska (SOA) *encourages the Commission to examine what is working for the program* and to modify only those policies and procedures that will streamline the program for both the applicant and administration. I have read comments from some that suggest sweeping revisions, such as per-pupil funding caps to unilaterally increasing every connection to 100 Mb/s. Approaches such as these indicate that all communities are basically the same. Were that true, such a “one size fits all” approach might be warranted. But the realities of our differences should convince us that we must continue to consider the economic and geographic factors of each community.

With all of this in mind, and having viewed comments representing divergent opinion across our nation, we share the following reply comments that focus on these issues:

- **Per-Pupil Funding** is not in the best interest of rural applicants,
- **District-Wide Discounts** will simply the E-rate program and align it more closely with the discount allocation for libraries,
- **Streamlining Eligible Services** in order to focus funding and advance the program to reach its broadband connectivity goals,

### **Per-Pupil Funding**

Paragraphs 140-162 of the NPRM inquired about a simplified allocation of funds to all schools and libraries applicants. The SOA reviewed many comments from state agencies who commented that per pupil funding would not be in the best interest of rural and remote locations. These commenters cite high costs due to geography, a lack of fiber networks, and an absence of an economic model that would bring fiber to these regions.

Funds for Learning<sup>2</sup> advocated for a per-pupil funding allocation in part because “*a small number of applicants request a disproportionate share of available funds*”. While this statement may be true, we do not agree that the fix for overreaching applications should be an overhaul of the current mechanism that rightly allocates funding based upon established costs. To impact all applicants in order to address a problem presented by a

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<sup>2</sup> <http://apps.fcc.gov/ecfs/document/view?id=7520944155>, page 2.

relative few creates complexity rather than simplification. We believe that the E-rate program, through its High Unit Cost Review procedure, is a better vehicle for addressing the “allocation problem” that Funds for Learning references. We disagree that an untried and complex change in allocation would be the appropriate answer to large funding demands that are made by a few.

We concur with the Wisconsin Department of Public Instruction’s position<sup>3</sup> that a formulaic approach introduces *more*, rather than less, complexity into the program. They praised the current allocation methodology because its discounts are based upon actual costs. We also believe that the current methodology, which bases funding allocations on actual costs of services, has proven to be a successful mode of funding disbursement and an example of what is currently working well with the program. The State of Kansas echoed these comments by stating “*any formulaic approach will introduce more complexity into the program, not less.*”<sup>4</sup>

The State of Hawaii<sup>5</sup>, in our view, correctly stated that a per student cap “*could have the effect of inadvertently disqualifying areas where E-rate support is most needed: in those rural, remote, and tribal areas where high-capacity bandwidth is least available and most expensive to provide*”. We found similar comments filed by state agencies in Arkansas, South Dakota, Alabama, California, and others that all agreed that per-pupil funding caps and other “one size fits all” approaches do not adequately address the significant range of costs due to a lack of fiber across our vast nation. The State of Kansas<sup>6</sup> shared that “*We oppose a cost per student as being too arbitrary and punitive to smaller schools required to provide equitable services*”. In addition to commenting that the per-pupil funding cap would harm the most rural locations, the South Dakota Department of Education<sup>7</sup> rightly noted that the Funds for Learning per-pupil approach does not clearly address how consortia funding would be administered. In this NPRM, much consideration is given to incentivizing and prioritizing consortium applications, and we agree that the per-pupil approach would create a level of complexity with consortia applications that is at odds with program simplification.

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<sup>3</sup> <http://apps.fcc.gov/ecfs/document/view?id=7520943611>, page 9.

<sup>4</sup> <http://apps.fcc.gov/ecfs/document/view?id=7520943866>, page 6.

<sup>5</sup> <http://apps.fcc.gov/ecfs/document/view?id=7520943989>, page 4.

<sup>6</sup> <http://apps.fcc.gov/ecfs/document/view?id=7520943866>, page 5.

<sup>7</sup> <http://apps.fcc.gov/ecfs/document/view?id=7520944031>, pages 17-20.

The California Department of Education's comment<sup>8</sup> that "*the current approach used to distribute E-rate funding is working well*" was echoed by many other commenters. We encourage the FCC to recognize *what is working* within the current system and not attempt to fix what is clearly working. Instead we encourage the Commission to examine those few who are placing an unfair burden on the program via utilizing or modifying High Unit Cost Review process already in place.

### **District Wide Discount**

Paragraphs 126-132 of the NPRM inquired about program simplification through district wide discounts. The SOA supports the overwhelming number of applicants, such as the Alabama State Department of Education<sup>9</sup>, the Kentucky Department of Education<sup>10</sup> and the Iowa Department of Education<sup>11</sup> which favored district wide discounts. ALA first proposed this in 2010 and reaffirmed that support in their initial comments as well<sup>12</sup>. All libraries are currently assigned a simple average based upon the district in which they reside and a move to schools utilizing the same simple average would align schools with libraries discount allocations.

The Council of Great City Schools<sup>13</sup> argued that the most impoverished schools within their districts would be harmed by a district-wide average. We disagree with this statement and point out that schools within a district are not insular locations with separate budgets but are instead a part of *a single organization* that will have its overall funding elevated by the discount of impoverished sites. Having a district-wide average appropriately recognizes that schools share the budget of the entire school district and a district's funding should rise or fall based upon its total population, allowing the district to then allocate funds to buildings as it sees fit.

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<sup>8</sup> <http://apps.fcc.gov/ecfs/document/view?id=7520944156>, page 13.

<sup>9</sup> <http://apps.fcc.gov/ecfs/document/view?id=7520944012>, page 17.

<sup>10</sup> <http://apps.fcc.gov/ecfs/document/view?id=7520944006>, page 4.

<sup>11</sup> <http://apps.fcc.gov/ecfs/document/view?id=7520943991>, page 8.

<sup>12</sup> <http://apps.fcc.gov/ecfs/document/view?id=7520944024>, page 17.

<sup>13</sup> <http://apps.fcc.gov/ecfs/document/view?id=7520943836>, page 6-7.

### **Streamlining the Eligible Services List**

The SOA supports those comments that favor of eliminating services that are beyond basic connectivity to phone and Internet and videoconferencing. SECA<sup>14</sup> recommends that email service and webhosting be eliminated from the Eligible Services List because these services are not themselves broadband transmission. We agree with these comments and find similar support from the South Dakota Department of Education<sup>15</sup> that recommends the elimination of services such as web hosting and e-mail as ride-over services, as well as paging and directory assistance and other outdated services. We also support these two commenters' recommendation that Basic Maintenance of Internal Connections be eliminated from Eligibility. They accurately point out that this particular service is available to only the highest discount applicants who are often targeted by vendors to purchase an "insurance" policy for service that may or may not be used.

#### **Summary:**

The SOA appreciates the opportunity to provide comment on the future of E-rate in our nation. We believe that streamlining both program rules and eligible services will address many of the program's shortcomings. I also believe that one of the strengths of the program as it exists is that it allocates funding based upon actual bills rather than population counts. It recognizes that our nation is diverse and that costs and needs vary greatly with terrain and economic conditions.

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<sup>14</sup> <http://apps.fcc.gov/ecfs/document/view?id=7520944060>, page 22.

<sup>15</sup> <http://apps.fcc.gov/ecfs/document/view?id=7520944031>, page 10.