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Federal Communications Commission
445 12th Street SW
Washington, DC 20554

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In the Matter of:

Modernizing the E-Rate Program for	)	WC Docket No. 13-184
Schools & Libraries	)	CC Docket No. 02-6

INTRODUCTION: On behalf of *AASA: The School Superintendents Association*, representing more than 10,000 public school superintendents, I write to share AASA's reply comments to the FCC's proposed changes to the schools and libraries program (E-Rate). AASA has been a strong advocate for E-Rate since its creation in 1996, and we remain committed to supporting this successful program in its critical work of connecting the nation's schools and libraries.

Since its inception, E-Rate has been focused on increasing the connectivity and the quality of the connection of schools and libraries. We can now say that almost all schools nationwide are connected to the internet and students are able to integrate cutting edge technology into their classrooms. Schools are able to use their E-Rate discounts to help them afford essential services and leverage additional dollars for other areas of their budgets, including instruction. There is still a lot of work to be done: Though most schools and libraries are now connected to the internet, the quality and speed of that connection does not always meet the demand. We have school districts that do not have the technological capacity to keep up with the cutting edge of online formative assessments and tracking massive amounts of data through the state longitudinal data systems.

As a program, E-Rate addresses its core of carefully managed connectivity services at the same time that it must address the ever-evolving reality of technology and its implications for education. The FCC's proposed changes are bold, and success depends on the ability of the FCC to carefully navigate the historic strength of E-Rate (equitable access to core connectivity) with the obvious need to modernize the program into one that addresses not just if there is connectivity, but also the type of connectivity.

In our initial comments we focused on our overall support for E-Rate, the critical nature of ensuring that program funding meet program demand, maintaining program flexibility, and streamlining the application process. We expressed concern and urged caution as it relates to targeting supported services for broadband, adjusting the discount matrix, adjusting the poverty calculation, and funding caps/per-pupil funding. We use these reply comments to reiterate our initial comments and expand where necessary.

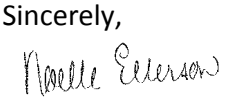
COMMENTS: A quick review of the hundreds of initial comments received in reply to the FCC's proposed changes finds a strong sentiment of support for the E-Rate program as a program that is successful in its mission of expanding school and library connectivity as well as a program that warrants updates that support—and don't undermine—the program's future success. The resounding support comes from a variety of education stakeholders (superintendents, principals, school boards, teachers, libraries and community members), unified in their call for both updating the program and additional resources to support the E-Rate expansion/modernization. We were pleased to see broad support for many of the positions we advocated, including: prioritizing a new, permanent funding level for E-Rate; streamlining applications; maintaining the school/library/education focus of E-Rate; and a sense of caution as it relates to modifying the discount matrix and/or eligible services lists.

- **Funding:** The E-Rate program is capped at just over $2.3 billion of the Universal Service Fund. This amount had remained frozen at $2.25 billion until 2011, when the program received a slight inflationary adjustment. Even with this very modest increase in funding, schools and libraries apply for E-Rate discounts that far exceed the available funding. In fact, demand in 2013 exceeded $5 billion, more than double the available funding, meaning more applications go unfunded than receive funding. The Consortium for School Networking released a survey in September 2013 detailing these fiscal constraints, with virtually all respondents (99%) reporting a need for expanded internet connectivity/bandwidth in the next three years and 90 percent describing E-Rate funding as 'insufficient' in meeting their district's needs. Bolstered with this most recent survey data, AASA urges the FCC to increase base E-Rate funding to $5 billion (with an inflationary adjustment), and to support this funding level as permanent and not a one-time infusion of funding.
- **Flexibility**: It is very important for the FCC to recognize the difference between 'What is good for one is good for all' and 'One size fits all'. The difference is best summarized in one word: flexibility. The FCC and President Obama's ConnectEd proposal are to be applauded for their effort to ensure that all schools have broadband connectivity. The benefits are undeniable, and modernizing the E-Rate program is the most effective way to ensure that all schools have opportunity to access affordable broadband connectivity. Opportunity to access, however, is different than an explicit requirement or overly narrow goal. Opportunity to access addresses the notion that 'broadband is good for some kids, it will be good for all' while stopping short of the overly prescriptive requirement (one-size-fits-all approach) of making only certain types of connectivity available. As the FCC moves forward with considering the myriad changes proposed in the NPRM, AASA encourages the FCC to do so in the context of autonomy and flexibility at the local level. There is a fine line between incenting desired behavior (i.e., fiber or broadband connectivity) and being overly prescriptive (eliminating other eligible services). In the context of E-Rate and affording higher-cost connectivity, a well-intentioned incentive aimed at prioritizing certain services could, in reality, fall short as schools cannot afford the higher-cost service AND find themselves no longer able to afford previously eligible lower-cost/priority services. Districts should remain in control of deciding which services to purchase through E-Rate.
- **Streamlining the Application Process:** AASA urges the FCC to support online filing to the extent possible, balancing the NPRM's call for all applicants to file forms electronically with the reality that e-filing may not be feasible for those applicants that lack adequate bandwidth for online filing or for replacement contracts that are filed out-of-cycle. AASA supports streamlining the E-Rate application process so as to minimize administrative burden. This annual paper trail (one-half dozen forms) absorbs countless hours and forces some schools to have to hire outside consultants. Related to our support for streamlining the application and administration of E-Rate, it is imperative the FCC consider the implications of any of its final changes and whether those changes are actually more effective (including online application) or more complicated (set-asides add to difficulty of application).

- **Areas of Concern**: There are several aspects of the FCC's proposed changes that give AASA pause. So long as the FCC approaches all of its final decisions in a manner that focuses on modernizing (as opposed to overhauling) a successful program and is absolute in the program's core tenets—equitability in distributing connectivity discounts and addressing need (as opposed to specified funding caps or individual allocations)—AASA is confident that the final changes will strengthen the E-Rate program. With that in mind, there are certain things AASA urges the FCC to avoid in its final rule making:
  - *Targeting supported services for broadband*. Targeting can lead to the rationing or elimination of Priority I services, leaving financially struggling schools without the guaranteed funding for critical Priority I services. Communications connectivity was a basic tenet of the 1996 Telecommunications Act. Targeting support services diminishes a school's ability to freely determine the specific connectivity services and priorities it needs to—and can—address.
  - *Set-aside funds or a dedicated stream/carve-out of funding*. This includes set-asides, block grants and pilot programs. These grants or pilots may not be truly accessible to all schools and libraries, undermining the equitable approach of E-Rate. However well-intentioned, pilot programs and set-asides are, by their very nature, designed for some, but not all. AASA believes even the expanded funding level of E-Rate will be in high demand and that diverting funds to a set-aside or pilot is in direct conflict with working to expand broadband to all schools, students and libraries.
  - *Modifying the discount matrix*. We oppose modification to the priority one discount, based largely on the fact that these levels are based on poverty and, therefore, on an ability to pay. As schools continue to dig out of the recession, schools in need should not be forced to pay more for these recurring telecommunications services. We would be willing to discuss the local match for districts applying under priority two services. The program's current funding constraints mean it is rare for districts in the low 80-percent threshold to receive priority two discounts. Given the current fiscal climate, this situation requires a lot more study before a decision is made. Raising the overall cap would help address this increasing demand on priority two discounts.
  - *Funding Caps/Per-Pupil Funding*: Such proposals fail to recognize high-cost service factors that often impact rural and small schools. Everything from cost of connectivity to accessing maintenance has higher costs in small and geographically isolated locations, and per-pupil funding would unfairly shortchange all of these districts and the students they serve. Further, the E-Rate program was designed to connect schools and libraries, not fund individual children. Funding portability (per-pupil funding) stands to undermine the overarching goal of connecting schools. It creates a situation where high-need/high- poverty schools could see enrollment and, consequently, funding decline, further limiting the ability of the high-need school to afford even the most basic of telecommunications connectivity.

AASA supports both action to modernize the E-Rate program and increased investment. Action without investment will set the program up for failure, and investment without action (to modernize the program) would be a lost opportunity. AASA strongly urges the FCC move forward in a direction that ensures E-Rate: continues to fulfill its original promises on connectivity, works to meet current demand before expanding to new services, and has adequate funding support. Please don't hesitate to contact me if you have any questions: nellerson@aasa.org.

Sincerely,



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