971 S Clearwater Loop
Suite 4000
Post Falls, ID 83854

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

To: FCC

Subject: E-Rate

To further supplement the FCC's record in its E-rate reform, Fatbeam provides a list of the schools it serves via dark or lit fiber:

Dark Fiber E-Rate Customers:	
Centralia School District	Centralia, WA
Highland School District	Cowiche, WA
Medical Lake School District	Medical Lake, WA
Sunnyside School District	Sunnyside, WA
Yakima School District	Yakima, WA

Lit Fiber E-Rate Customers:	
Butte School District	Butte, MT
Coeur d'Alene School District	Coeur d'Alene, ID
East Valley School District	Moxee, WA
Franklin Pierce School District	Tacoma, WA
Post Falls School District	Post Falls, ID
Yakima School District	Yakima, WA

Eleven school districts that Fatbeam provides service to via the E-Rate program, 45% have elected to subscribe to dark fiber. This shows a strong interest in dark fiber, and as such, the Commission should equalize the funding between dark and lit fiber. School districts are electing to lease dark fiber such that they can expect no escalation in the monthly recurring charges, and the school districts have the ability to increase the capacity by simply replacing electronics.

- Fatbeam strongly supports the continued eligibility of dark fiber services. Dark fiber enables a school district to increase its bandwidth connectivity with no additional transport costs.
- School districts with sophisticated network deployments or high bandwidth needs often prefer dark fiber for a number of reasons:
    - Predictable WAN costs. Dark fiber provides predictable costs of WAN connections under the district's control
    - Dark fiber provides greatly simplified district network configurations without the variability of provider electronics in the middle of the district's network.
    - Dark fiber provides the district the ability to enter into long term contracts without concern of future bandwidth limitations or cost increases.
    - Dark fiber eliminates redundant network electronics required for both the service provider and school district to operate a network.
    - Dark fiber cost stability allows school districts to implement forward looking technology plans incorporating technologies into their networks they otherwise could not afford with higher cost, lower bandwidth, lit services.

Fatbeam understands that parties in the proceeding are advocating that new fiber funding may result in overbuilds of existing fiber.

FATBEAM RESPONSE

Many markets have existing fiber assets. However, due to lack of competition, access to these fiber assets can be prohibitively expensive and potentially inflexible in the bandwidth options, network configuration and options for dark fiber. Competition will provide higher bandwidth, improved customer service and lower costs in these markets. Fatbeam believes that it is in the best interest of the FCC to continue supporting new fiber where it is competitive to existing fiber networks.

To most accurately respond, we thought it appropriate to use a couple of Fatbeam school district examples. In doing so, we broke down the markets by size.

Market Example A (populations between 15,000 and 85,000)
Yakima WA, Coeur d Alene ID, Butte MT, Centralia WA

In this market example, both incumbent telephone and cable companies own fiber networks. However, the lack of competition in small markets hinders competitive pricing. In the case of this market example, Fatbeam has saved the E-Rate program and its related school districts roughly $540,000 annually while increasing bandwidth on an average of 10x's. Additionally, it should be noted that in all cases of these market examples, the cable provider was providing service to each of these districts.

Without competitive bids, dark fiber would not exist in these markets, as cable companies and incumbent telephone companies do not provide dark fiber.

Market Example B (populations between 400 and 4,000)
Moxee WA, Medical Lake WA, Grangeville ID, Cowiche WA

In this market example, the incumbent telephone companies only have copper plant available, and the cable companies typically have a coax copper plant, which only provides limited geographic reach. Cost of bandwidth was extremely high prior to Fatbeam entering the market due to a lack of competition. Furthermore, competition in such markets enables school districts to have WAN connectivity similar to what larger markets enjoy.