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February 19, 2014

**VIA ECFS**

Marlene H. Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20554

Re: *Notice of ex parte presentation, Cisco Systems, Inc. – E-rate Reform (WC Docket No. 13-184)*

Dear Ms. Dortch:

On February 18, 2014, Cisco Systems, Inc. ("Cisco") met with staff from the Wireline Competition Bureau ("WCB"), Office of Strategic Planning ("OSP"), and the Office of the Managing Director ("OMD") to discuss the Commission's ongoing proceeding to reform the schools and libraries universal service program ("E-rate"). Commission staff attending the meeting were John Wilkins, Managing Director; Trent Harkrader, Lisa Hone, Patrick Halley, James Bachtell, Mark Walker, and Charles Eberle from WCB; and Nicholas Alexander from OSP. Cisco was represented by Jeffrey A. Campbell of Cisco and outside counsel Bryan N. Tramont and the undersigned of Wilkinson Barker Knauer, LLP.

In the meeting, Cisco made a number of points that were consistent with its comments and reply comments in this proceeding.[1] The fundamental problem with the E-rate program, which the Commission should focus on resolving in the current reform effort, is the perennial under-funding of networks *within* schools due to the existing system of prioritizing services. Connected digital learning depends on teachers' and students' ability to access Internet- and cloud-delivered content in the classroom. Broadband connections *to* the school are only useful to the extent that students and teachers can access them in the classroom, particularly as educators move towards a one-to-one ratio of students to connected devices. As Cisco observed in its comments, the density of users per square foot on schools' internal networks today is among the highest found in any environment – higher than hotels, enterprise businesses, or

[1] Comments of Cisco Systems, Inc., WC Docket No. 13-184 (filed Sept. 16, 2013) ("Cisco Comments); Reply Comments of Cisco Systems, Inc., WC Docket No. 13-184 (filed Nov. 8, 2013) ("Cisco Reply Comments").

restaurants.[2] Cisco therefore advocates a "whole network" approach to E-rate funding, which could be implemented by eliminating the current distinction between priority one and priority two services.

The "whole network" approach to funding also should recognize that internal networks require basic maintenance of both hardware and software to perform properly. Enterprise users universally purchase basic maintenance contracts, and there is no basis to expect schools and libraries – which typically have fewer resources than commercial enterprises – to operate networks without these contracts. There is no evidence of widespread problems with waste, fraud, or abuse in basic maintenance, and any such concerns are addressed if E-rate applicants are required to purchase the same maintenance contracts that enterprise customers of comparable size purchase.

The Commission also should ensure that funding levels are sufficient to provide the "whole network" support that schools and libraries need. Schools' and libraries' educational technology needs are radically different than they were in 1997, and the program should reflect this.[3] To this end, the Commission appropriately has raised a number of useful proposals, including changes to the discount matrix.

The Commission should move quickly and comprehensively to make all of the changes to the E-rate program that are necessary for U.S. schools and libraries to benefit fully from the revolution in digital learning opportunities.

Respectfully submitted,

WILKINSON BARKER KNAUER, LLP

/S/

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[2] Cisco Comments at 6.

[3] *See, e.g.*, Cisco Comments at 1-6.