

March 15, 2014

VIA ELECTRONIC FILING

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th St. SW
Washington, DC 20554

Re: Ex Parte Communication (WC Docket No. 13-184)
Modernizing the E-rate Program for Schools and Libraries

Dear Ms. Dortch:

On March 14, 2014, I met personally with Jon Wilkins, Acting Managing Director and Advisor to the Chairman for Management, and Michael Steffen, Director of Digital Learning. I discussed the importance of broadband connectivity, both within and between buildings; and my view that every E-rate applicant should have the opportunity *each year* to receive discounts on both types of broadband connections.

I explained that E-rate discounts should be made available to each applicant on an annual basis, in a consistent fashion – and with minimal delay - regardless of the service category(s) for which discounts are requested. Planning, budgeting and deploying technology in schools and libraries is an on-going responsibility of E-rate applicants. As such, the FCC should not expect applicants to conform their technology needs to arbitrary timelines. Applicants should be allowed to request support for on-campus broadband connectivity this and every other year. Combined with a multiyear funding commitment, such an arrangement would allow applicants to upgrade their facilities without further delay; while at the same time, amortizing installation costs over multiple years, protecting the Universal Service Fund.

I also emphasized that eliminating items from the list of eligible goods and services reduces potential cost-effective solutions that meet the specific needs of a given school or library. As an example, I mentioned that cellular data or Wi-Fi-based services may be, in some cases, the most cost-effective method to provide a broadband connection to a student in a classroom. Rather than narrowing the list of potential services used to connect students and library patrons, the FCC should restore and protect the E-rate program's original technology-neutral, open approach.

Funds For Learning, LLC
Ms. Marlene H. Dortch
March 15, 2014

Finally, I commended the FCC staff, under the leadership of Chairman Wheeler, for their commitment to reform of the E-rate program and for their willingness to look at the big picture, fundamental elements of this challenge. To illustrate the deep, systemic nature of the issues they are considering, I provided a copy of a letter from Funds For Learning to the FCC, dated January 25, 2001, that raised many of the same questions that the FCC is currently addressing. See attached.

Pursuant to Section 1.1206 of the Commission's Rules, this letter is being filed electronically.

Sincerely yours,

/s/ John D. Harrington

John D. Harrington
Chief Executive Officer



January 25, 2001

Ellen Blackler
Mark Seifert
Common Carrier Bureau
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Dear Ellen and Mark:

We wanted to follow up on your invitation at our meeting in November to suggest areas that we believe the Federal Communications Commission staff should explore as part of its upcoming inquiry into the status of the E-rate program. Having worked with school and library applicants, as well as the vendor community, we believe that these are some topics that are worthy of further discussion:

- Do the E-rate program's current rules and procedures adequately address the most likely places where program fraud could occur? Is too much attention paid to areas that are not a significant source of fraud?
- Has the definition of services that are eligible for E-rate support distorted the purchasing decisions of E-rate applicants? Have schools and libraries purchased products that were either not cost-effective nor sensible from a technology standpoint in order to be able to take advantage of the discounts?
- Has the window period created a "rush to purchase" mentality that tends to discourage applicants from making thoughtful, cost-effective decisions and increases the demand on program funds? Are there other filing arrangements, such as scheduling multiple filing windows, that could address this situation?
- Have the rules for calculating discount rates tended to disqualify certain kinds of applicants that are, in fact, serving low-income populations? What changes would address this?
- What changes should be made to enable more applicants to qualify for support? Should there be a limit imposed on how much funding an applicant can receive in a funding year or years? Are middle-class schools getting left behind as American schools get wired?

•Should applicants be required to certify that the savings they achieve under the program will be used to purchase more eligible services and products or services that are necessary to support those products and services? (In other words, should applicants be required to use their E-rate savings to enhance their technology programs?)

•Why do such a large proportion of committed E-rate dollars go unspent?

•Should the Universal Service Administrative Company provide better guidance on what is considered “adequate” support for such areas of the technology budget as computers, staff development, maintenance and electrical capacity?

•Should the FCC reconsider the definition of “internal connections?” Is it too broad, too narrow or too unclear?

•Should the FCC and SLD provide more detailed guidance on the eligibility of particular products? Should there be a more formal mechanism through which a company could get its products reviewed, and appeal determinations with which it disagrees?

•Is the issue of “bundled services” more complex and more significant than the FCC originally thought, and do current rules adequately, fairly and clearly address this issue?

•Is there a “communications gap” that makes the process more difficult than it needs to be and that in the end results in a greater administrative burden on the SLD?

•What realities of school district budgeting and administration and the school technology market do the program’s rules and procedures ignore, making the application process unnecessarily complicated?

We would be happy to discuss these questions, and any others you may have, if you wished to explore them further.

Sincerely,

Orin Heend
President

Sara Fitzgerald
Vice President