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

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

COMMENTS OF THE
COUNCIL OF THE GREAT CITY SCHOOLS

The Council of the Great City Schools is pleased to submit comments to the Notice of Proposed Rulemaking seeking to modernize the E-Rate Program for schools and libraries, released by the Federal Communications Commission on March 6, 2014. (WC Docket No. 13-184, CC Docket No. 02-6).

Introduction

The Council of the Great City Schools appreciates the opportunity to respond to the Commission's Public Notice on E-Rate Modernization. As the Commission has stated, financial support from the E-Rate has helped many schools be a part of the immense technological advancements our society has seen in the last 15 years, and provided educators and students with access to modern communications that they may not have accessed otherwise. The Council believes that both updating the E-Rate and increasing the funding support are unconditional modifications that must be made.

The Council of the Great City Schools includes 67 of the nation's largest urban school districts. These 67 districts represent less than half of one percent of the approximately 18,000 school districts in the U.S., yet enroll almost 7 million students, including approximately 25 percent of the nation's Hispanic students, 30 percent of the nation's African American students, and 25 percent of the nation's children living in poverty. In short, school districts in the Council collectively serve the nation's highest numbers and concentrations of disadvantaged children, employ the largest number of teachers, and operate in the greatest number of outdated and deteriorating buildings.

In previous comments, we have praised the E-Rate because of the opportunity it offers urban schools to provide the technology that can enhance teaching and learning. Results on the National Assessment of Education Progress (NAEP) during the past decade have shown that while urban districts still lag behind academically, they have made significant progress and

greater gains than any other educational entity in the United States. These are test results the entire nation should be encouraged about, and for which the FCC can take some credit.

Significant gaps still exist, however, between urban schools and the average American school, when it comes to both academic performance and funding equity. Historically shallow resources for inner city education have been exacerbated by the current economic constraints facing city, state, and federal budgets. The Council supports the goals outlined in the Administration's ConnectED initiative, and continues to offer our support to help the Commission convert the proposal into policy. But we must underscore that it has never been more essential for the Commission to ensure that high levels of E-Rate support remains available for urban schools to operate classrooms, modernize teaching and learning, and maintain their current pace of academic improvement.

In this modernization effort, the Commission is attempting to transition the focus of the program towards expanding broadband services, which are certainly necessary for all schools to achieve future success. We are concerned, however, that with limited program funding, shifting the program to service all schools will result in less support for the intended beneficiaries: those applicants serving the nation's most disadvantaged and high-poverty communities.

The Council appreciates statements from Chairman Wheeler stating that, if merited, an increase in the funding cap is possible, and we feel that sufficient evidence has been provided to the Commission – during this rulemaking process, through the annual demand for reimbursements, and in thousands of comments over the program's life – to support that decision. Reform is an important part of the E-Rate program, but the FCC should build upon the successes of the program and increase the amount of money available to fuel the overhaul, rather than simply reprioritizing existing services and funding levels. An increase in the annual funding cap is needed to help schools maintain their current operations, spur increased broadband capacity, and further the nation's progress towards the ambitious goals laid out by the president.

Focus on Disadvantaged Communities

As discussed above, we urge the Commission not to make any changes to the program that would have an adverse impact on the nation's poorest communities, and those schools in either rural or urban settings. In our response to the 2013 NPRM, we outlined several potential changes that could have a negative financial result. Modifying the discount matrix, requiring a single poverty percentage for an entire district, or denying the use of Community Eligibility poverty data could dilute the financial benefits of the E-Rate, and result in less targeting of support to our nation's neediest students.

When the Telecommunications Act was developed in the 104th Congress, the intent of legislators to focus E-Rate support on the students most in need was clear. During floor debate on June 8, 1995, Senator Jay Rockefeller, a Democrat from rural West Virginia and a key sponsor of universal service, asserted that equity would result from leveling the playing field for poor students, and was an important part of the bill. Senator Rockefeller stated:

> *"We have something in this law called `public interest.' If there is ever a case of public interest, it is that people who are born in poor circumstances, in rich circumstances, in rural areas, in urban areas, or somewhere in between on either of those fronts have an equal chance in terms of the education system and the computer system and the health system of this country."*

Senator Olympia Snowe, a Republican sponsor of the universal service provisions from Maine, also spoke that day about the benefits of universal service, and how the intent of this provision in the Telecommunications Act is to target the digital divide, specifically in, "rural areas and some urban areas, because the people do not have the capacity to get on line to join up with that information highway." In debating the benefits of the E-Rate, she further clarified this point by describing the opportunities universal service would provide for financially disadvantaged neighborhoods, in saying:

> *"Some have suggested that these discounts would be wasted on some communities with poor schools, low literacy rates, high levels of unemployment, or other social problems. I disagree. This language will open doors, not close them. Those communities stand to gain enormously from the telecommunication network. It will open up a whole new world to these communities."*

The congressional and bipartisan intent of the E-Rate is made clear by the legislative history established in these floor speeches. The E-Rate provisions were established to balance out the inequities that exist in society by focusing on the poorest communities. There was no discussion of targeting funding to all schools, or funding applicants with low or average levels of poverty. In fact, Senator Jeff Bingaman, a Democrat from New Mexico, stated that those who could afford to pay for technology themselves should do so, while the program should focus on those who could not.

> *"The free market system will provide technological opportunity and new technology and benefits to those who can pay the bill. We want that to happen. But we also want some access to that technology for those who may not be able to pay as much and that is what this provision is intended to do."*

Interestingly, another rural Republican, Senator James Jeffords from Vermont, specifically spoke about the need in urban schools, citing visits to Baltimore, New York, Detroit, Washington, DC, Los Angeles, and San Diego in his floor remarks. As the education subcommittee chairman for the chamber's Committee on Labor and Human Resources, he remarked on the need in these districts:

> *"As I talk with them and travel with them, there is no question but that one of the most critical and important barriers they have to being able to participate in a meaningful way by the utilization of computer technology to provide the education through the software that would be made available and the opportunities that come through that is the inability to have affordable telephone communications."*

We understand that urban schools have benefitted greatly from the E-Rate since passage of the Act, and do not argue that there are areas of the nation with high poverty that struggle to provide adequate technology levels in their classrooms. But we have concerns about proposals to create "widespread access" to E-Rate funding when the job remains incomplete in the program's intended areas. Urban schools still have significant digital divides and technology needs, and further E-Rate funding is essential both to continue current practices, and to begin the delivery of next-generation education services, such as content-rich media, participation in online state assessments, blended learning, computer adaptive testing, individualized student learning objectives, and 1:1 computing practices.

The focus on the most disadvantaged schools and students is not unique for national education programs, most of which have also remained underfunded. The largest federal program for K-12 education, Title I of the Elementary and Secondary Education Act (ESEA), is appropriated at approximately one-third of the generally agreed upon full-funding level. As a result, the program does not serve just any school that enrolls a poor student, but wisely avoids the dilution of funds by requiring schools to have a poverty level above the district average or at least 35% in order to be eligible for funding. Many districts, in seeking to get the most effective use of this federal money, set the poverty threshold far higher. Urban school districts in the Council average a minimum threshold above 50%.

We also continue to advocate ceaselessly for an increased annual cap because it is obvious the only way the Commission will meet the needs of all students in this country – both poor and non-poor – is through additional funding. Yet we remain concerned that providing the true and necessary amount of funding for all schools in the nation is an unlikely outcome, and that an inadequate funding level coupled with service for all schools will result in reduced support for the neediest communities. The Commission itself recognizes this possibility, by including questions in the Public Notice about how to proceed, "in the event that demand exceeds availability." In such an event, the program must remain focused on the program's original beneficiaries.

Broadband Deployment Within and To Schools

The Council supports the eligibility of equipment that is essential for getting high-capacity broadband from the building's front door to learning devices in schools, including internal wiring, switches and routers, wireless access points, and wireless controllers. In addition, the software supporting these components, including load balancing, switch management and fault detection software should be eligible, as well as WAN optimization and packet shaping services. These components are essential for maintaining and operating networks in large districts.

We also agree with the Commission that the E-rate should support caching through content servers to reduce broadband demand. However, there should be a clear definition of cache, or at least some flexibility so schools can determine what tools are required to get more broadband to the classroom.

The Council urges the Commission to consider the inclusion of internet filtering and proxy equipment, as well as firewall and security equipment such as IPS and IDS protection, as eligible services. These types of services are vital to avoid student exposure to inappropriate internet content, and keep district networks safe from attacks. Security infrastructure needs to be included if districts are expected to expand broadband and wireless availability in schools.

Finally, we support the Commission's considering a one-time investment fund for major projects, although we do not want such a fund to come at the expense of the annual cap. Initial costs are a hurdle that many districts can't currently overcome, and one example was provided in joint comments filed by the City of Chicago, the Chicago Public Schools, and the Chicago Public Libraries. In their response to the NPRM, they stated, "Fiber is the most cost effective, scalable and reliable broadband solution today, but it is not always the most cost-effective method for increasing capacity at sites, as fiber last-mile costs can be high in urban areas as well as rural areas. Dark fiber is being considered as a future option for the CPS and could reduce costs in the long run, but high startup costs are a barrier to adoption. To take full advantage of this technology, we will also need to upgrade core internal infrastructure." This situation is common in districts throughout the country, and is another example of the significant need for sufficient funding from the E-Rate program.

Access to Funding

The Council appreciates the flexibility the Commission is exploring during its review of the E-Rate program. In terms of access to funding, however, we repeat our claim that a significant increase in the annual cap is the most appropriate way to provide funding for all schools in the nation. If the cap is not increased, the Public Notice's suggested options to widen access to funding do little to promote the equity intended in the Telecommunications Act. Putting the poorest schools and districts on hold during a five-year cycle, or asking applicants to wait through rotating eligibility, is not a sound policy for targeting poverty. Nor has it proven to be an effective method for applicants seeking reliable funding sources for implementing a technology plan.

As we stated in our reply to last year's NPRM, the Council remains wary of changes to the funding process that would create budgets, ceilings, or caps for applicants, or would shift the funding process to a formula block grant for schools and libraries. All of our school districts favor greater flexibility and predictability in the program, and changes that move in that direction are welcome. But we remain opposed to a new system that does not target poor students, reduces funding for the neediest schools and libraries, or requires applicants to pay a greater share of project costs than they can afford.

Being located in an urban area does not guarantee increased competition and lower costs. Urban applicants often receive few responses to their bids and 470 postings, and sometimes receive no response. Not all service providers want to work or invest in inner-city neighborhoods, and many do not have the capacity to provide services or maintenance at dozens, if not hundreds, of locations. As a result, the cheapest services are not always an available option for city schools.

A per-student cap does not recognize this, as well as other factors that drive up costs in urban areas, such as age of the building, square footage, regional pricing and a number of other market factors that affect the bottom line. We also share the concerns that others have raised about the correlation between a per capita model and investments in technology infrastructure or for paying for recurring services. The cost to bring connectivity to school buildings, regardless of the number of students in each building, requires a core infrastructure cost.

We also recognize that despite the significant concerns and complications raised by commenters regarding a formula distribution, the Commission does have the ultimate decision in whether or not to move the program in that direction. We strongly suggest that any formula that is considered by the Commission be based not on the number of students in a school, but rather *on the number of poor students*. This will help ensure that the program's original intent – a focus on the most disadvantaged schools and communities – remains the core basis of the funding structure.

Phasing Out Eligible Services

Voice Services

Urban schools continue to fear the Commission's elimination of E-Rate support for voice services. We appreciate the inclusion of remarks by the Council on this topic in the Public Notice, as well as the warnings from a number of school districts of the harm that would be caused by such a decision. We would specifically like to highlight the comments from the School District of Philadelphia (SDP) on this topic. In the district's response, they stated that SDP, "opposes any proposal to phase out or eliminate the eligibility of voice services. The telephony infrastructure in all SDP schools was designed around current E-rate program rules and eligibility framework and the elimination of voice telephone service as an eligible service would be of great hardship and would pose a direct risk to the safety and security of students and teachers."

The Philadelphia schools continued to say, "Traditional voice service, whether delivered as an analog or digital service, is a proven, reliable and cost-effective solution for bringing telephony services to schools and classrooms. Prior to the introduction of the E-rate program, less than 30 percent of SDP classrooms had functioning voice service. SDP took advantage of E‑rate funding to construct and greatly expand voice services to the classroom, inclusive of the purchase and installation of PBX systems and related equipment."

We share the Philadelphia comments not only to demonstrate the investment in and importance of voice services, but also because of the specific details they provided regarding traditional voice and VoIP service. The Public Notice also asked whether instead of the outright elimination of voice services, perhaps some support should be preserved for VoIP or VoIP transition. We would argue that this VoIP proposal demonstrates the Commission's acknowledgement of the importance of voice services to the educational purpose of schools – for vital communications between teachers, administrators, parents, and the community. We would also finally point out that Philadelphia, and many other districts, have shared with the Commission that moving to VoIP would not result in savings for the district. Specifically, "SDP has found that even the

largest telecommunications carriers in Philadelphia still cannot deliver VOIP-based telephony to buildings and/or directly to classrooms in a more cost-favorable manner than traditional analog or PRI-based services."

The Council understands the Commission's focus on services that further the broadband goal, but remain unconvinced about eliminating support for voice services. In the current economic environment, E-Rate support for cost-effective systems that are already in place should not be eliminated for any reason. Once E-Rate reimbursements are disallowed, state or local funding is not available to help school districts with their share of the service. The Commission's decision will simply result in increased local costs.

If the Commission does decide to eliminate voice services, multiple years of phased-down support is the only approach to minimize the financial harm to school districts, to allow planning time to determine the best options for new infrastructure and services, and to terminate existing contracts. The Commission should also be sure to preserve some support for traditional phone service, since landlines are required for essential safety features, such as elevator car communications, alarm systems, and connections of emergency services in the event of disaster. With a heavy reliance on broadband data networks, some funding support for these traditional components becomes even more of a necessity, as a basic level of communications service is needed in case of network failure.

Maintenance

Although not a focus of the Public Notice, the Council would like to repeat our opposition to the elimination of maintenance reimbursements. Basic Maintenance is vital to ensure that the E-Rate's investment in infrastructure was wise and sustainable. Earlier Orders from the Commission recognized this need, and cited basic maintenance as "necessary for the operation of the internal connections network." The nation's urban applicants have devoted scarce local funding to build technology networks with the understanding that E-Rate maintenance reimbursements would be available to help them operate and serve classrooms.

Revoking the eligibility of maintenance costs will sacrifice both the local and E-Rate money that has been spent, and retroactively change the factors which school districts considered in making funding and budgeting decisions. It could also have a chilling effect on future investment in infrastructure and broadband purchases, as school boards contemplate a costly local share for upkeep. Finally, in the broadband environment the Commission is working towards, the faster networks tend to be more complex, cost more to maintain and are harder to troubleshoot. Just like it has been to date, maintenance funding will be a critical component to ensure the success of the E-Rate moving forward.

Conclusion

As one of the E-Rate program's most dedicated stakeholders and supporters, and one of the primary beneficiaries intended by Congress, urban public schools appreciate the opportunity to provide input on the Commission's E-Rate modernization efforts. The E-Rate allows city school districts to benefit from modern telecommunications, and the program has helped many poor students and disadvantaged schools receive access to technology, media, and information-rich

instructional content that is a necessary part of contemporary education. The president's call to deploy high-capacity bandwidth to all students, teachers, and schools is a sound investment for our nation, and one we wholly support.

Urban schools are working hard to make the Common Core State Standards a resounding success, and broadband funding is an important part of the effort to improve instruction and provide a modern learning environment for the nation's largest concentrations of poor and disadvantaged poor children. We ask the Commission to remain aware of the fact that any E-Rate eligibility decisions they make can both positively impact future investments and also harm existing ones. As it reviews comments from stakeholders and makes changes to the program, we urge the Commission to update the E-Rate in a way that both achieves the ConnectED goals but continues to help our nation's neediest schools reach their goals of raising student achievement, meeting high standards, and providing all students with a safe, secure, and modern learning environment.

Respectfully Submitted,

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The Council of the Great City Schools is the only national organization exclusively representing the needs of urban public schools. Composed of 67 large city school districts, its mission is to promote the cause of urban schools and to advocate for inner-city students through legislation, research and media relations. The organization also provides a network for school districts sharing common problems to exchange information, and to collectively address new challenges as they emerge in order to deliver the best possible education for urban youth.

Member districts: Albuquerque, Anchorage, Atlanta, Austin, Baltimore, Birmingham, Boston, Bridgeport, Broward County (Ft. Lauderdale), Buffalo, Charleston County (S.C.), Charlotte-Mecklenburg, Chicago, Cincinnati, Clark County (Las Vegas), Cleveland, Columbus, Dallas, Dayton, Denver, Des Moines, Detroit, Duval County (Jacksonville), East Baton Rouge, El Paso, Fort Worth, Fresno, Guilford County (Greensboro, N.C.), Hawaii, Hillsborough County (Tampa), Houston, Indianapolis, Jackson, Jefferson County (Louisville), Kansas City, Long Beach, Los Angeles, Miami-Dade County, Milwaukee, Minneapolis, Nashville, Newark, New Orleans, New York City, Norfolk, Oakland, Oklahoma City, Omaha, Orange County (Orlando), Palm Beach County, Philadelphia, Pittsburgh, Portland, Providence, Richmond, Rochester, Sacramento, San Diego, San Francisco, Santa Ana, Seattle, Shelby County (Memphis), St. Louis, St. Paul, Toledo, Washington, D.C., and Wichita.