

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of )  
 )  
Modernizing the E-Rate Program for ) WC Docket No. 13-184  
Schools and Libraries )

**EDUCATION COALITION COMMENTS**

The Education Coalition<sup>1</sup> respectfully submits these comments in response to the Wireline Competition Bureau’s March 6 Public Notice.<sup>2</sup> The Coalition recognizes the *E-Rate PN* as “an important mile marker on the road to E-rate modernization,”<sup>3</sup> and appreciates the Commission’s commitment to an E-Rate Modernization Order that would be effective in time for Funding Year 2015. Such reform is a necessary predicate to more widespread adoption of digital learning solutions that can empower students and teachers throughout the country, and maintaining this timetable is critical.

***Broadband Deployment Within Schools.*** The *E-Rate PN* appropriately recognizes the clear consensus in the record to target E-Rate funds to support high-speed connectivity both *to* and *within* schools and libraries.<sup>4</sup> A school building may be served with high-speed bandwidth today, but without the internal infrastructure connecting that broadband to students and teachers in the classrooms, the promise of digital learning will remain unfulfilled. In other words,

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<sup>1</sup> Coalition Members include The Council of Chief State School Officers, Foundation for Excellence in Education, Alliance for Excellent Education, Chiefs for Change, International Association for K-12 Online Learning (INACOL), Knowledge Alliance, the National Alliance for Public Charter Schools, and the Clayton Christensen Institute for Disruptive Innovation.

<sup>2</sup> Wireline Competition Bureau Seeks Focused Comment on E-Rate Modernization, WC Docket No. 13-184, *Public Notice*, DA 14-308 (rel. March 6, 2014) (“*E-Rate PN*”).

<sup>3</sup> Julie Veach, Chief, Wireline Competition Bureau, Moving Forward on the E-rate Modernization Path (March 6, 2014), <http://www.fcc.gov/blog/moving-forward-e-rate-modernization-path> (“*Veach Blog*”).

<sup>4</sup> *E-Rate PN*, ¶ 6.

“internal connections are every bit as important as connectivity to the building.”<sup>5</sup> Yet, as Chairman Wheeler recently noted in speaking to the legislative conference of the Council of Chief State School Officers, “[t]his past year, for the first time ever ... no [E-Rate] funding was available to support Wi-Fi.”<sup>6</sup>

While in a perfect world, the FCC would provide all applicants 100 percent of requested funding, given budgetary limitations, the common sense proposals in the *E-Rate PN* warrant serious consideration to ensure some guaranteed level of support to internal connections every year.<sup>7</sup> Over the long term, additional resources may be necessary in order for E-rate to meet the demand for internal connections essential for effective digital learning. However, such considerations must also be guided by fiscal discipline and the knowledge that average consumers are responsible for funding these vital national policies.

In recalibrating the priority system to allocate a set amount of E-Rate funds for Local Area Networks (“LANs”) and Wi-Fi networks, the Commission should also provide as much certainty and flexibility for schools and charter schools as possible. Educators need flexibility to apply E-Rate funds on network components when the demands of digital learning necessitate additional support. Furthermore, advanced Wi-Fi deployment can realize infrastructure costs savings, while 1:1 initiatives continue to increase, further underscoring the need to prioritize in-school infrastructure in the Commission’s reform efforts. Expanding the use of multi-year contracts will also provide greater funding certainty, as well as improve bulk purchasing power by lowering unit pricing.

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<sup>5</sup> See *Veach Blog*.

<sup>6</sup> Remarks of Tom Wheeler, Chairman, Federal Communications Commission, Council of Chief State School Officers Legislative Conference (Mar. 17, 2014), [http://transition.fcc.gov/Daily\\_Releases/Daily\\_Business/2014/db0317/DOC-326083A1.pdf](http://transition.fcc.gov/Daily_Releases/Daily_Business/2014/db0317/DOC-326083A1.pdf) (“*Wheeler CCSSO Remarks*”).

<sup>7</sup> *E-Rate PN*, ¶¶ 13-23.

To achieve that certainty, the Commission should consider a funding method that provides a predictable level of support for internal connections to all eligible applicants. The record reflects the challenge that too many applicants today receive no Priority 2 funding.<sup>8</sup> An annual allocation is one option that could mitigate the opportunities for such funding disparities and also could provide a more accurate picture of the current demand for E-Rate funds<sup>9</sup> – a development that would hold significant utility as the Commission explores further changes to the program. An annual allocation could also assist states and consortia with budget planning, which, under the current two-in-five rule, presents significant challenges.

***Encouraging Cost Effective Purchasing Through Consortia, Bulk Buying, and Greater State Engagement.*** Fiscal responsibility requires that the Commission “address how to increase the efficiency with which the funds are spent,” as Chairman Wheeler has stated.<sup>10</sup> To that end, the FCC should encourage consortia and bulk buying through more active state participation in the E-Rate program.<sup>11</sup>

➤ **Consortia.** Consortia enable greater competition and economies of scale, and the bulk buying enabled by consortium purchasing can in fact “drive down prices of the products necessary for Wi-Fi and LAN connectivity.”<sup>12</sup> As Chairman Wheeler has recognized, “consortia and other joint applications ... tend to get better prices for equipment and services,” which

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<sup>8</sup> See, e.g., Comments of the Kansas Department of Education, WC Docket 13-184 at 5 (Sept. 16, 2013) (“A majority of Kansas’ schools never receive funding for internal connections ...”).

<sup>9</sup> See, e.g., Comments of Education and Libraries Networks Coalition, WC Docket 13-184 at 10 (Sept. 16, 2013) (“[A]ctual demand is repressed because most applicants no longer bother to apply for the dwindling Priority 2 support now available.”).

<sup>10</sup> See *Wheeler CCSSO Remarks*.

<sup>11</sup> *E-Rate PN*, ¶¶ 34-36.

<sup>12</sup> *Id.*, ¶ 35.

makes “existing funds go farther.”<sup>13</sup> Consortia can also facilitate greater state engagement in IT and network planning / technical support to help schools and charter schools fully integrate digital learning solutions more efficiently and effectively. According to the National Association of State Chief Information Officers (NASCIO), consortia that take advantage of state-level resources can “improve the speed, reliability, and security of local networks through utilizing regional approaches and network architecture expertise.”<sup>14</sup>

Unfortunately, the current program structure creates a *disincentive* for consortia.<sup>15</sup> According to a Funds for Learning analysis, it takes 294 days on average for a consortium to receive a funding decision for Priority 1 services compared to 194 days for a single district applicant. Consortia applicants seeking Priority 2 services fare worse – waiting 483 days on average, with some as long as 565 days – compared to an individual applicant with a mere 387 day wait period.<sup>16</sup> Joining a consortium in the E-Rate program as currently structured means accepting an extra 100 day waiting period of uncertainty. The Commission should act expeditiously to remove this impediment.

Current statewide programs and educational technology consortia, such as the Wisconsin eSchool Network consortium, the North Carolina School Connectivity Initiative, and the Pennsylvania Association of Intermediate Units Network offer guiding examples of how such efforts can maximize the use of E-Rate funds and pool resources and technical expertise.<sup>17</sup> For

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<sup>13</sup> Remarks of Tom Wheeler, Chairman, Federal Communications Commission, National Digital Learning Day (Feb. 5, 2014), [http://transition.fcc.gov/Daily\\_Releases/Daily\\_Business/2014/db0205/DOC-325447A1.pdf](http://transition.fcc.gov/Daily_Releases/Daily_Business/2014/db0205/DOC-325447A1.pdf).

<sup>14</sup> Comments of National Association of State Chief Information Officers, WC Docket No. 13-184 at 1 (Apr. 1, 2014) (“*NASCIO Comments*”).

<sup>15</sup> *See id.* at 1 (“As the program exists now, there is little incentive for local districts to participate in consortia applications that facilitate cross-jurisdictional collaboration or other bulk buying purchasing opportunities.”).

<sup>16</sup> Funds for Learning, Decision Times Vary by Priority, Applicant and Amount (Jan. 10, 2014), <https://www.fundsforlearning.com/blog/2014/01/decisions-vary-by-priority-applicant-and-amount>.

<sup>17</sup> Comments of Education Coalition, WC Docket No. 13-184 at 20-22 (Sept. 16, 2013).

example, under the North Carolina School Connectivity Initiative, school districts saw efficiency gains in E-Rate funding requests, and created “a network engineering service bureau ... to help district engineers troubleshoot, manage upgrades, and design systems.”<sup>18</sup> This approach can be replicated elsewhere if the E-Rate program’s incentive structure promotes and fosters consortia.

Indeed, the Commission has acknowledged the importance of providing incentives for the formation of consortia to provide technical leadership and buying power, particularly for small rural applicants, and has committed to streamline the process to make it easier for applicants to secure funding.<sup>19</sup> Specifically, by prioritizing consortium funding at each priority level using a consortium-specific process, and allocating expert consortium reviewers, the Commission can remove existing disincentives to consortia participation. Further, the Commission should explore a targeted 5 percent consortium-specific funding discount as it considers broader changes to the discount matrix.

➤ **Bulk Buying.** The proliferation of technology in education provides unique challenges for schools and requires dynamic approaches to ensure maximum benefit when purchasing hardware. The vast and ever-changing nature of the technology landscape is a significant challenge to districts. Hardware choices vary by manufacturer, model, and a variety of specifications. The amount of information available is frequently too great and changes too rapidly for a single individual school to make optimal decisions.

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<sup>18</sup> Kerry Herman and Health Staker, *The North Carolina School Connectivity Initiative: A Public-Private Approach to Improving School Data Networks* at 13-14 (Dec. 2010), <http://www.christenseninstitute.org/publications/the-north-carolina-school-connectivity-initiative-a-public-private-approach-to-improving-school-data-networks/> (last visited Apr. 7, 2014).

<sup>19</sup> Press Release, Education Coalition, *Education Coalition Commends FCC for Much-Needed Reforms to E-Rate Program* (Feb. 5, 2014). Diverse commentators – from the State E-rate Coordinators’ Alliance to AT&T and Internet2 – have expressed support for consortia in the record. *See* Reply Comments of the State E-rate Coordinators’ Alliance, WC Docket 13-184 at 4-5 (Nov. 8, 2013); Comments of AT&T, WC Docket 13-184 at 10 (Sept. 16, 2013); Comments of Internet 2, WC Docket 13-184 at 19 (Sept. 16, 2013).

The Commission should enable applicants to take advantage of statewide contracting and bulk buying opportunities, which can help achieve the goal of cost-effective purchasing while reducing some of the complexities of technology purchasing. The benefits of pooling technology purchases together in this manner are numerous: higher cost savings, increased incremental purchasing power, access to contractual negotiating expertise, efficiencies of scale, mitigation of administrative burdens, greater awareness of best practices, and reduced E-Rate funding demands. NASCIO has asked the FCC to “recognize and prioritize state consortia buyers with State Master Contracts as a unique class for expediting funding applications” because such procurement vehicles “have proven over time that the larger the aggregation of ‘connections’ or ‘equipment’ purchased the lower the prices will be.”<sup>20</sup>

For example, PEPPM is a collaborative purchasing program, operated by the Central Susquehanna Intermediate Unit (CSIU) in Pennsylvania, designed to reduce the time and effort between the decision to buy and the receipt of products.<sup>21</sup> The program serves 900 school districts, regional educational service agencies, private schools, community colleges, and universities in more than 40 states. The Maine Learning Technology Initiative is an example of leveraging a multistate relationship to drive better terms for purchases.<sup>22</sup>

Furthermore, aggregating demand through state procurement efforts can bolster the economics of deploying advanced services in rural areas. Rural school districts frequently lack the economies of scale necessary to create the economic case for broadband deployment, and states can play a critical function in leveraging demand into programmatic cost savings and bulk buying opportunities. Consortia help to not only negotiate lower pricing but also to aggregate

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<sup>20</sup> *NASCIO Comments* at 2.

<sup>21</sup> See PEPPM National Cooperative Contracts, <http://www.peppm.org/pa/default.htm> (last visited Mar. 23, 2014).

<sup>22</sup> See Maine Learning Technology Initiative, <https://www.maine.gov/mlti/> (last visited Mar. 23, 2014).

sufficient demand to accelerate commercial providers' build out of services to underserved and remote areas that otherwise would not have access to advanced connectivity.

The Commission should accordingly remove existing disincentives to statewide contract options through "good faith" deference to state procurement regulations and rules and exempt applicants that use state master contracts from E-Rate procurement rules. The Commission should also consider creating better metrics to gauge the efficiency and effectiveness of procurement processes.

***Voice.*** The Commission should shift E-Rate from a program focused on voice to a broadband-focused program that enables digital learning. Citing the transition to VoIP, the *E-Rate PN* appropriately states an expectation that schools and libraries will pay less for voice services over time.<sup>23</sup> To that end, the Commission should institute a clear, reasonable, and predictable process to de-emphasize, and potentially phase out, voice support. Such a process should recognize the immediate and dramatic budgetary impact on removing support for voice services, and minimize disruptions through a multi-year phase out. The Commission's proposal of a three-to-five year gradual phase-out through reduced annual funding<sup>24</sup> balances the need to transition the E-Rate program away from voice, while also allowing schools and libraries the time necessary to set up alternatives.

In the interim, the Commission should encourage the adoption of IP-based alternatives to traditional telephone services, and provide outreach to schools and libraries on applications that offer voice services over advanced IP platforms.

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<sup>23</sup> *E-Rate PN*, ¶ 40.

<sup>24</sup> *Id.*

**Demonstration Projects.** The *E-Rate PN* correctly recognizes that “local needs vary and local decision making has been one of the hallmarks of the E-rate program.”<sup>25</sup> To explore how best to meet such local needs – and to consider how E-Rate can be structured to support new digital learning developments in the future – it is reasonable for the Commission to consider “well-defined, time-limited demonstration projects.”<sup>26</sup> In so doing, the Commission must carefully balance the significant potential value of pilot programs against the finite total amount of funding available under E-Rate and remain focused on the goal of identifying effective ways to support ubiquitous access to high speed broadband for educational purposes, particularly for students with the greatest need.

Such a balancing would enable the Commission to explore new approaches, technologies, and services to help inform potential changes to the broader program structure. Specifically, the Coalition believes the Commission can continue to experiment with expanding mobile anywhere access – exploring innovative solutions to address this digital divide – while reforming E-Rate. To that end, the Commission should seek to find means by which to re-constitute the Learning-on-the-Go pilot program<sup>27</sup> to determine if there is a more cost-effective way to support mobility under E-Rate.

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<sup>25</sup> *Id.*, ¶ 55.

<sup>26</sup> *Id.*, ¶ 56.

<sup>27</sup> See News Release, FCC, FCC Authorizes Release of Funding to Qualified Schools and Libraries for Off-Premises Wireless Internet Projects (July 11, 2011), [http://hraunfoss.fcc.gov/edocs\\_public/attachmatch/DOC-308331A1.pdf](http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-308331A1.pdf) (“Under the ‘Learning On-The-Go’ pilot program, mobile learning devices enable teachers and parents to tailor school curriculum and interactive learning to students’ skill sets. Digital textbooks never go out of date and students will have greater opportunities to access the latest educational curriculum available. With digital textbooks, you can effectively stretch out the binding of a book and slide new content in – slide in an assessment, or a simulation, or videos – to bring lessons to life. Digital tools also help parents, allowing them to better monitor and evaluate how their children are doing and where they need more help. New wireless devices and applications will also help teacher integrate school and home work assignments for students, creating greater efficiency in the exchange of information.”).

The Coalition understands the fiscal challenges of expanding E-Rate eligibility to more fully include virtual schools, online learning, and mobile connectivity services. However, these trends will only continue in coming years. It is a matter of when, not if, the Commission will have to structure the E-Rate program to support these models and services. For example, online learning is growing exponentially across the country. In the 2013-14 school year, 25 states have state virtual schools, and 29 states and Washington, DC have statewide, full-time online schools operating.<sup>28</sup> There were an estimated 1,816,400 enrollments in distance education courses in K-12 schools districts in 2009-2010, almost all of which were online courses. 75% of these enrollments were in high schools.<sup>29</sup> This enrollment estimate does not include students attending full-time online schools – approximately 200,000 full time students in 2009-2010. As of 2012-2013, the number of students has grown to 310,000.<sup>30</sup> Top reasons school districts make online learning opportunities available to their students are to offer courses not otherwise available and provide opportunities for students to recover course credits.<sup>31</sup>

The agency should recognize the well-documented<sup>32</sup> learning opportunities offered by mobile connectivity and off campus learning. A Pew Research study of 2,462 Advanced Placement and National Writing Project teachers last year found that just 18 percent of teachers surveyed “say all or almost all of their students have access to the digital tools they need *at*

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<sup>28</sup> Watson, J. et al., “Keeping Pace with K-12 Online & Blended Learning: An Annual Review of Policy and Practice,” Evergreen Education Group, (2013) [http://kpk12.com/cms/wp-content/uploads/EEG\\_KP2013-lr.pdf](http://kpk12.com/cms/wp-content/uploads/EEG_KP2013-lr.pdf) (“*Keeping Pace Review*”).

<sup>29</sup> Queen, B., & Lewis, L., “Distance Education Courses for Public Elementary and Secondary School Students: 2009-10,” U.S. Department of Education, National Center for Education Statistics (Nov. 2011) (<http://nces.ed.gov/pubs2012/2012008.pdf> (last visited Apr. 7, 2014) (“*Dept. of Education Distance Education First Look*”).

<sup>30</sup> See *Keeping Pace Review*.

<sup>31</sup> See *Dept. of Education Distance Education First Look*.

<sup>32</sup> See, e.g., Reply Comments of Education Coalition, WC Docket No. 13-184 at 16-19 (Nov. 8, 2013).

home.”<sup>33</sup> The Department of Commerce has also found strong correlations between socio-economic status and household computer ownership and broadband adoption.<sup>34</sup> As the Commission and U.S. Department of Education specifically noted in the 2012 Digital Textbook Playbook, “digital learning cannot only happen at school. To accomplish truly ubiquitous learning, students must be able to connect outside the school walls.”<sup>35</sup>

***Reform Path Ahead.*** The Commission has set forth a thoughtful two-step process to reforming the E-Rate program. Both are important and necessary steps. The incremental – yet significant – reforms the Commission has before it now illustrate the need to work toward fostering a policy and regulatory environment that encourages and incentivizes long-term public and private investments in education innovation. Ensuring that all existing funds are used as efficiently and effectively as possible is the most appropriate and responsible first step. It is equally important for the Commission to commit to evaluate its initial reforms, its E-Rate programmatic goals, the sufficiency of funding under the program to meet the demands of new emerging models of education, and – after taking into consideration the savings resulting from the modernization of the program – take the action necessary to ensure our nation’s students have access to high-speed broadband in their schools, charter schools, and libraries.

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<sup>33</sup> Kristen Purcell et al., How Teachers Are Using Technology at Home and in Their Classrooms, Pew Research Internet Project (Feb. 28, 2013), <http://www.pewinternet.org/2013/02/28/how-teachers-are-using-technology-at-home-and-in-their-classrooms/>.

<sup>34</sup> National Telecommunications and Information Administration and Economics and Statistics Administration, U.S. Department of Commerce, Exploring the Digital Nation: America’s Emerging Online Experience at 27-28 (June 2013), [http://www.ntia.doc.gov/files/ntia/publications/exploring\\_the\\_digital\\_nation\\_-\\_americas\\_emerging\\_online\\_experience.pdf](http://www.ntia.doc.gov/files/ntia/publications/exploring_the_digital_nation_-_americas_emerging_online_experience.pdf).

<sup>35</sup> Digital Textbook Collaborative, *Digital Textbook Playbook* at 30 (Feb. 1, 2012), available at [http://transition.fcc.gov/files/Digital\\_Textbook\\_Playbook.pdf](http://transition.fcc.gov/files/Digital_Textbook_Playbook.pdf)

**Conclusion.** The Commission has before it an unprecedented national opportunity to help reorient our educational system around the promise of digital learning. The growing availability of affordable devices and high-quality digital content means student-centric personalized learning is finally achievable at scale. All of this underscores the need for decisive Commission action that reforms E-Rate around broadband connectivity for the students today and the students of tomorrow. These proposals herein can serve as a stepping-stone to a larger set of Commission reforms enabling “applicants to scale up capacity while driving down costs.”<sup>36</sup> The Education Coalition stands ready to assist the Commission in support of such efforts.

Respectfully submitted,

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<sup>36</sup> *E-Rate PN*, ¶ 3.

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