

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

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

COMMENTS BY: Concerned Mississippi Technology Coordinators

In Response to

**7th REPORT AND ORDER AND FURTHER NOTICE OF PROPOSED RULEMAKING
VIII. FURTHER NOTICE OF PROPOSED RULEMAKING
Section B. Ensuring That Multi-Year Contracts Are Efficient**

The Technology Coordinators from the Mississippi districts listed below share the opinions expressed.

Ross Randall - Lamar County School District
Margie Delaney - Rankin County School District
Dr. Kameron Ball – Clinton School District
Toby Bradley – Pascagoula School District
Amanda Harris – Rankin County School District
Timothy Bryant – Jefferson Davis County School District
Chris Hill – Forrest County School District
Marvin Adams - Columbia School District
John Korzenko – Quitman School District
George Stuart – Smith County School District
Chad Penson – Philadelphia School District
Dustin Pounders – Booneville School District
Dane Conrad – Hattiesburg School District
Dr. Douglas Belk – Pascagoula School District
Kathy Harvey – Marion County School District
Todd Sanderson – Marshall County School District
Sue Jarvis – McComb School District
Bobby Dawson – Lawrence County School District
Dale Goodin – Perry County School District
Reggie Mathews – Amite County School District

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In response to the Commission's request for further comments in regards to the FNPRM – Modernizing the E-Rate Program for Schools and Libraries, we respectfully submit the following.

Although we are specifically addressing part B in this response, we do have a collective and strongly held belief concerning increasing the amount of funding to the program. We steadfastly hold that there should not be an increase in funding until all cost saving methods have been implemented. Consequently, this document addresses one measure to ensure cost efficiency in telecomm purchases in Mississippi.

We agree with the commission that all new contracts used for E-Rate purposes should be open and transparent. We concur completely that all expenditures made by public agencies should be easily accessible to the public, and open to public scrutiny.

We feel that Master Contracts allowed for use by E-Rate recipients should be limited to single item services only. Although this may increase the work for those preparing the contract(s), it encourages competition among smaller businesses that can perform those services in their area of operations. In other words, an electrical contractor who can provide fiber optic cabling for WAN circuits at a competitive price should not be penalized because they cannot provide VoIP or Internet Access.

Because of the dynamic nature of the telecommunications and data networking environment now, we feel that automatic extensions to E-Rate eligible contracts should be prohibited and no E-Rate eligible contract should be allowed to exceed 5 years except under extraordinary circumstances.

Although we believe that current long-term contracts should be grandfathered into the program, we suggest that it would be prudent to add an additional restriction if the grandfathered master contract is a single provider master contract. We request that local districts wishing to use the master contract must be required to have a competitive process for services to ensure that the grandfathered master contract pricing is, in fact, the best pricing available to the district. This should not apply to purchases made by the state on behalf of multiple districts such as is the case in Mississippi where the Mississippi Department of Education purchases Internet services for many districts in the state. This would only apply to individual schools or districts making the purchases themselves.

Regarding the Mississippi single award State Master Contract for telecommunications services, we feel it is important to note that its purpose was to provide services to state government entities and therefore is designed to meet those needs and not necessarily the needs of our schools and libraries. Representatives of the Mississippi Information Technology Service, ITS, have stated publically that they are not likely to make the Mississippi Telecom State Master Contract multi-award due to the nature of the enterprise level solutions they need to provide to state agencies.¹ Mississippi Schools and Libraries are allowed to purchase from this contract but they are not required to do so. The Commission also allows schools and libraries to purchase from the SMC without a local competitive process. We believe the Commission should revisit this position when the SMC is a single award contract. As more and more fiber is deployed in areas around the country, we believe it to be in the best interest of all to avoid a single award SMC. We believe local entities should be required to solicit bids and use the single award SMC pricing as a bid response.

The required bid may be the only way to ensure that competitive pressure is maintained in the E-Rate market place. It would also ensure that the single provider would offer the best pricing possible from the single provider SMC when there are various prices on the contract for the same services as is the case in Mississippi. On the Mississippi contract, the best pricing is given only when a 3-year service agreement is signed.² If the Commission would require Mississippi entities to have a competitive process before being allowed to use the single provider SMC, one would expect that the SMC provider would inform schools and libraries of the most cost efficient choices they have available on the contract.

Along with the 5-year limit on contracts to keep competition alive, we urge the Commission to consider ways to curtail another practice we see in Mississippi. That is that the single provider SMC has a price redetermination every two years or less. According to ITS, pricing during the redetermination process is determined by talking with people and looking at pricing in other states.³ In Mississippi, the competitive pressure from other providers has continued to push

¹ **Roger Graves**, ITS, Meeting Video - Spring 2014 Mississippi Educational Technology Leaders Association Meeting, April 24, 2014, http://www.metla.org/?page_id=1192, Time 16:07 – 19:29

TRANSCRIPT Appendix A

² **Gary Rawson**, ITS and State E-Rate Coordinator, Appendix B, Email to the Mississippi Technology Coordinator's mailing list, Feb. 10, 2012

³ **Gary Rawson**, ITS and State E-Rate Coordinator for Mississippi, E-Rate Modernization Workshop, Roundtable Discussion, May 6, 2014, www.fcc.gov/events/e-rate-modernization-workshop, embedded video, Time 179:03 – 179:24

TRANSCRIPT Appendix C-1

the pricing down on the SMC.⁴ The problem is the aforementioned 3-year agreements that are required to get the better pricing. These agreements are signed with only the pseudo competition of a price redetermination having taken place. We believe in many cases, districts could get much better pricing from a local competitive process and we contend that the best price possible will never be known until such a process takes place.

Yes, those not using the contract are also signing a multi-year contract but it is important to note the difference is that their contract resulted from a true, open and local competitive process, unlike those using the SMC.

Using the Mississippi SMC, a district signs the 3-year agreement in order to get the new better pricing, so they are locked in for 3 years. In two years, the next price redetermination takes place and, in order to get the new pricing, a new 3-year agreement must be signed. This effectively stifles any competition for the district for 5 years and this cycle continues as long as prices drop. Such a practice could easily undermine the effects of a 5-year contract limit.

In Mississippi, if a district wants to have a competitive process, they can and if they do not want to, they can use the SMC.⁵ There is no other scenario in E-Rate rules where a district has any choice but to seek the best pricing possible for their services through an open competitive process. This is the foundation of the program. We are only asking that this fundamental element of the program be extended to single provider SMCs.

The Concerned Mississippi Technology Coordinators whose districts are listed at the beginning of this document are concerned that, without the suggested action, the competition that is driving down prices in Mississippi which in turn allows us to provide our students with a robust Internet experience will diminish. This group fears that without a requirement for a competitive process in order to use a single award SMC, we will see those competitive pressures wane.

Most of the remaining 75% of our districts are now under a new 3-year service agreement with the SMC provider. Unless some action is taken, these districts will sign a new 3-year agreement in about a year when the next price redetermination takes place without a true current competitive process involving multiple providers.

⁴ Gary Rawson, ITS and State E-Rate Coordinator for Mississippi, E-Rate Modernization Workshop, Roundtable Discussion, May 6, 2014, www.fcc.gov/events/e-rate-modernization-workshop, embedded video, position 179:24 – 179:57
TRANSCRIPT Appendix C-2

⁵ Gary Rawson, ITS and State E-Rate Coordinator for Mississippi, E-Rate Modernization Workshop, Roundtable Discussion, May 6, 2014, www.fcc.gov/events/e-rate-modernization-workshop, embedded video, position 179:57 – 180:27
TRANSCRIPT Appendix C-3

We believe that a free and open market is the best way to ensure our students and teachers have cost effective resources for the technology rich classrooms teachers and students demand. We believe that an open E-Rate market is possible in Mississippi only if districts and libraries are required to have an open and competitive process to determine if the SMC offers the best pricing possible.

APPENDIX A
Transcript of Comments

Roger Graves

Chief Operating Officer, Mississippi Department of Information Technology Services

**Spring Meeting of Mississippi Educational Technology Leaders Association
April 24, 2014**

ROGER GRAVES

Gary. Let me ??? some verification for this also. Before RFP 4000 there was a contract called RFP 3000. That contract was developed by the Council for Education Technology and ITS at the request of the legislature.

The legislature charged the state of Mississippi to put a contract in place for a network of networks with a provider to provide interconnectivity, you know, seamless interconnectivity amongst the entities which were K12 schools, community colleges, universities, state government.

RFP 4000 came out of the Council for Education Technology also in 2005. The groups that represented K12 Schools, community colleges, universities, government all met together and said, this is what we want to do. We have a contract, we have a network today based on frame relay and ATM backbone, which is good for today but we want to look at something tomorrow so we were looking at Multi Protocol Label Switching (MPLS). So two networks were actually bid in RFP 4000. The legacy network frame ATM and an MPLS migration network that we moved to during the 2005, 2006, 2007 timeframe.

State government, Department of Health, Department of Human Services ??? falls under ITS purview. By law we are charged with developing contracts that look at the aggregate buying power of the state and so our contract RFP 4000 was written for state government. K12 Schools have the option of using that contract or not using that contract. It is completely up to you whether you want to use it or go out to bid. So, if there is a better alternative for you, please do so.

You're not going to hear any complaints from us about going off and doing it. Because again, my job and my role at ITS is for state government. So it's available to community colleges, universities fall under our purview, they have to use that contract also. City / County Government, we have others that use that contract because it was better for them, for pricing and services or whatever. But please, if you need to go find something else, go do so. There's no, nothing binds you to using that contract.

QUESTION FROM AUDIENCE

What is the future for 2018?

ROGER GRAVES

2018 is we are looking at the statewide contract again, you know. We are looking for state government, you know. There're roughly 950 state government sites, 8 universities multiple campuses around the state. We cannot have a variety of different providers and have an enterprise network solution. So when I'm looking at 2018 I'm looking at the network for state government.

QUESTION FROM AUDIENCE

And that's going to be a single vendor award?

ROGER GRAVES

For state government I'm looking at that. Yes, because, you cannot run an enterprise at the state government level with a variety of different companies. Were ??? seeing it now with some video issues and things like that are happening. So, you know, there again if the K12 Schools want to do something different either as a group or separate, feel free to do so.

APPENDIX B

Archived list message below can be found at:
<http://lists.ms-meca.org/pipermail/tcl/2012-February/000493.html>

[TCList] 4000 clarification

Gary.Rawson at its.ms.gov [Gary.Rawson at its.ms.gov](mailto:Gary.Rawson@its.ms.gov)
Fri Feb 10 14:23:57 CST 2012

- Previous message: [\[TCList\] Web Hosting: Recurring Charge or a One-Time Charge](#)
- Next message: [\[TCList\] 4000 clarification](#)
- Messages sorted by: [\[date \]](#) [\[thread \]](#) [\[subject \]](#) [\[author \]](#)

Here is something I just found out late yesterday, and just got confirmed 10 minutes ago.

You have two options within 4000.

- 1) You can get the lower rates offered by 4000 if you sign a 3 year agreement to use the service.
- 2) You can also choose to retain current 4000 rates (not the lower rates) which gives you a one year agreement (remember the opt out letter?).

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URL: <http://lists.ms-meca.org/pipermail/tcl/attachments/20120210/3dbaceb0/attachment.html>

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- Previous message: [\[TCList\] Web Hosting: Recurring Charge or a One-Time Charge](#)
 - Next message: [\[TCList\] 4000 clarification](#)
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[More information about the TCL mailing list](#)

APPENDIX C

Transcript of Comments from FCC Video

Gary Rawson

*Federal Programs Coordinator, Mississippi Department of Information Technology Services and
Mississippi State E-Rate Coordinator*

E-Rate Modernization Workshop, Roundtable Discussion May 6, 2014

(1) Video Position 179:03 – 179:24

Now how do we learn the pricing? We talk to people just like the transparency we referred to before. We talk to other states. We found out that Nebraska has \$2.00 a meg Internet. Well then we go to our vendor and say why can't we get that. So that drives the pricing down for Internet.

(2) Video Position 179:24 – 179:57

So how do you drive pricing down for connectivity? You do that through local competition. And we have some tremendous competition within the state of Mississippi that is steadily driving pricing down. Because you have a State Master Contract rate. Then competition comes right here, then we have a two year redetermination, state master contract rate does this. Then competition says oh we gotta beat that so it goes here. You see what's happening. Competition is driving the rates down and sooner or later somebody is going to have to scream uncle or something because it can only so far.

(3) Video Position 179:57 – 180:27

But that's how we've done that is made available to the schools, at their choice, to use the state master contract. They don't have to use it. They can do their own procurement.

We do our best to make the procurement process easy for them in that we do the 470. We handle all the contract issues and therefore all they have to do is fill out the 471 for the gigabit connection connectivity and use our contract and then we maintain the contract in the sense that as technology changes the contract changes.

See Complete Statement By Mr. Rawson Appendix IV

APPENDIX D

Transcript of Comments

COMPLETE STATEMENT

Gary Rawson

*Federal Programs Coordinator, Mississippi Department of Information Technology Services and
Mississippi State E-Rate Coordinator*

E-Rate Modernization Workshop, Roundtable Discussion

May 6, 2014

I promise you I did not pay Marvin to say this, Marvin, Marvin, Marvin, you'd just have to know Marvin.

But anyway it's that we have \$750.00 a gig connections and how did we get there. We started out in 2006 with an RFP for statewide services. Now let me identify that. Statewide means state government, universities, community colleges, everybody in the state within state government and K12 falls within that governing authority arena. So we could offer the services to them. Many of them have chosen that. So over time we did this contract in 2006, multi-award contract. We also have the contract setup so we review it every two years so prices drop every two years.

I don't know if I can say service provider names in here so I will just it initials. The initials AT&T. But what we did with AT&T they say that they did not get a 10 year contract, they got 5 two year contracts. Because every two years we renegotiate, we threaten them that if you don't give us better pricing then we will cancel the contract and re-bid.

Now how do we learn the pricing? We talk to people just like the transparency we referred to before. We talk to other states. We found out that Nebraska has \$2.00 a meg Internet. Well then we go to our vendor and say why can't we get that. So that drives the pricing down for Internet.

So how do you drive pricing down for connectivity? You do that through local competition. And we have some tremendous competition within the state of Mississippi that is steadily driving pricing down. Because you have a State Master Contract rate. Then competition comes right here, then we have a two year redetermination, state master contract rate does this. Then competition says oh we gotta beat that so it goes here. You see what's happening. Competition is driving the rates down and sooner or later somebody is going to have to scream uncle or something because it can only so far.

But that's how we've done that is made available to the schools, at their choice, to use the state master contract. They don't have to use it. They can do their own procurement.

We do our best to make the procurement process easy for them in that we do the 470. We handle all the contract issues and therefore all they have to do is fill out the 471 for the gigabit connection connectivity and use our contract and then we maintain the contract in the sense that as technology changes the contract changes. We don't have to go out and rebid because you go from frame to ATM to MPLS to Metro E that's just changes in technologies and therefore that's within the scope of the contract, within the scope of the original procurement. And so that's how we leverage it in the state and have driven prices down and continue to drive them down. Every two years we re-do it.