



PUBLIC NOTICE

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WIRELINE COMPETITION BUREAU AND OFFICE OF THE MANAGING DIRECTOR SEEK COMMENT ON IMPROVING FCC FORM 470 DROP-DOWN MENU

WC Docket No. 13-184

Comment Date: October 31, 2019

Reply Comment Date: November 15, 2019

By this Public Notice, the Wireline Competition Bureau (WCB) and the Office of the Managing Director seek comment on the Universal Service Administrative Company's (USAC) drop-down menu options for the FCC Form 470, the form that E-Rate program applicants use to solicit bids from service providers for E-Rate eligible services.¹ Specifically, we seek comment on whether and how these drop-down menu choices may be improved to minimize the potential for applicant confusion, address concerns about the current FCC Form 470 drop-down menu options,² and, to the extent practicable, to reduce administrative burdens on applicants and service providers.

Information received during this comment period will be used to develop the FCC Form 470 drop-down menu options for future funding years in time for applicants to conduct their competitive bidding for funding year (FY) 2021. WCB will submit any FCC Form 470 revisions to the Office of Management and Budget, consistent with the Paperwork Reduction Act (PRA). With this approach, we seek to provide greater transparency in how revisions to the drop-down menu options are determined and an opportunity for interested parties in the E-Rate community to participate in the process. At the same time, we believe this approach will enable applicants and service providers to familiarize themselves with any potential changes, and USAC to do the necessary IT development and updated training and outreach, before a revised FCC Form 470 drop-down menu is implemented.

Under the Commission's E-Rate competitive bidding rules, applicants cannot request funding for services on which they did not seek competitive bids (i.e., services that were not listed on the applicants' FCC Form 470).³ The rules also require applicants to provide sufficient detail about the services they seek on the FCC Form 470, so that service providers can determine the needs of the applicant and submit responsive bids to provide those services.⁴ To facilitate applicants' efforts to seek bids for services, the

¹ The E-Rate program is formally known as the schools and libraries universal service support mechanism.

² See, e.g., Letter from Kris Anne Monteith, Chief, Wireline Competition Bureau and Mark Stephens, Managing Director, Office of the Managing Director, FCC, to Radha Sekar, Chief Executive Officer, USAC, DA 18-444 (May 1, 2018).

³ 47 CFR §§ 54.503(a)-(c).

⁴ 47 CFR §§ 54.503(a), Note to Paragraph (a), (c)(ii); see also *Federal-State Board on Universal Service*, CC Docket No. 96-45, Report and Order, 12 FCC Rcd 8776, 9078, para. 575 (1997) (subsequent history omitted).

E-Rate Productivity Center (EPC), USAC's online portal that houses the FCC Form 470, provides applicants with drop-down menu options that list various categories of E-Rate eligible services from which to select. USAC, which administers the E-Rate program, has implemented these drop-down menu options pursuant to an approved PRA request.⁵ The FY2019 FCC Form 470 drop-down menu options for category one and category two services are listed in Appendices A and B.

The FY2019 drop-down menu options, among other things, were designed to ensure compliance with certain E-Rate competitive bidding rules and allow service providers to efficiently search for relevant FCC Form 470s. However, stakeholders have expressed concerns that these drop-down menu options may cause applicant confusion. As an initial matter, we seek comment on whether the FCC Form 470 drop-down options should be changed. Are there benefits to keeping the FY2019 FCC Form 470 drop-down menu options? Will changing the drop-down menu options reduce or increase the likelihood of applicant confusion? Will modifying the drop-down menu options affect service providers' ability to determine the needs of the applicant?

Criteria for Developing FCC Form 470 Drop-Down Menu Options. If stakeholders believe changes should be made to the FCC Form 470 drop-down menu options, we seek comment on what criteria should be used to develop them. Specifically, to be responsive to the concerns raised by stakeholders, we propose that any changes to the drop-down menu options be designed to meet the following criteria:

- **Intuitive and Easy-to-Understand:** The drop-down menu choices should be easily understood so that all applicants can determine what option to use to seek bids for the services needed. To minimize potential applicant confusion, the drop-down menu options should use consistent and easy-to-understand terminology to describe services.
- **Technology Neutral and Adaptable:** The drop-down menu choices should account for the myriad variations of service that applicants may request. For example, the drop-down menu options should account for applicants interested in seeking bids on Internet access service, data transmission service, or both over a variety of transport mediums (e.g., satellite, wireless, copper or coaxial cable, or fiber-based networks). Thus, the drop-down menu choices should be technology neutral and general enough to encompass any new technologies that may be developed in the future.
- **Facilitate Compliance with the Rules:** The drop-down menu choices should ensure that applicants can easily comply with the Commission's competitive bidding rules. For example, the FY2019 drop-down menu choice used to request bids for leased dark fiber also includes a request for bids for leased lit fiber, which ensures that any applicant seeking bids for leased dark fiber complies with our rules by also seeking bids for leased lit fiber.⁶ Ideally, the FCC Form 470 drop-down menu choices should enhance the competitive bidding process; that is, they should provide applicants with bids from service providers that offer comparable services of which the applicant might not have been aware and, thus, enable the applicant to choose the most cost-effective service offering.
- **Searchable:** The drop-down menu choices should provide service providers with an efficient way to find relevant FCC Forms 470 on which to bid. For instance, drop-down menu choices should provide vendors who only offer one service with a way to find the FCC Form 470s that are seeking that service.

We seek comment on the four proposed criteria listed above. Should these be the criteria used to develop FCC Form 470 drop-down menu choices? Are there other criteria we should consider? Are

⁵ See Universal Service – Schools and Libraries Universal Service Program, FCC Forms 470 and 471, Notice of Office and Management Budget Action, 3060-0806 (Dec. 19, 2018).

⁶ 47 CFR § 54.503(c)(1)(v).

there alternative criteria that may better serve the applicant community's needs or those of service providers?

Potential Drop-Down Menu Options. We seek comment on potential future funding year FCC Form 470 drop-down menu options, as listed in Appendix A (category one) and Appendix B (category two). To be clear, we are seeking comment on the terms used to describe services that are currently eligible under our rules and not on service eligibility.⁷ Do the drop-down menu options proposed in Appendices A and B meet the four criteria outlined above? Are there alternative drop-down menu options that better meet the criteria? Do these menu options encompass all E-Rate eligible services?

In light of concerns raised by stakeholders about whether the FCC Form 470 should differentiate between fiber and non-fiber services, we also seek specific comment on the drop-down menu options for fiber and non-fiber services. The FY2019 FCC Form 470 contains different drop-down menu options for fiber and non-fiber services and specifies whether other menu options include fiber or non-fiber services. In contrast, the drop-down options listed in Appendix A generally do not differentiate between fiber and non-fiber services. Should fiber and non-fiber services fall under different menu options, or should the same menu option encompass fiber and non-fiber services?

Further, some stakeholders have expressed confusion over which drop-down option should be used to solicit bids for data transmission and/or Internet access services in which the service provider does not lease the applicant access to its fiber or any other network element, but instead guarantees the applicant a specified bandwidth and quality of service over a prescribed time period. Instead of having separate drop-down options for standalone transport services and bundled Internet access and transport services, should there be a separate drop-down menu option that would apply only to category one "managed end-to-end services"? If we were to establish a single category one drop-down menu option for "managed end-to-end services," how would applicants communicate to potential bidders whether they need Internet access with their service offering?

Potential Changes to Guide Applicants through the FCC Form 470 Application Process. We also seek comment on other potential changes, as shown visually in the flow charts in Appendices C and D. The flow chart in Appendix C demonstrates how applicants could request category one services using a more guided approach to the FCC Form 470. To better guide applicants in identifying the drop-down menu selection on the FCC Form 470 that accurately reflects the services for which they are seeking bids, we propose to use this guided approach. Under this approach, in Step One, applicants would select either "Internet Access and/or transport service" or "C1 maintenance and operations and/or C1 network equipment." In Step Two, based on the response provided in Step One, they would then select the statement that best matches the services they seek bids on; and, in Step Three, the drop-down options that correspond to those statements would then automatically generate. We seek comment on whether to implement this guided process as reflected in Appendix C, and, if so, how to best implement it. Are the statements used in Step Two of Appendix C easy to understand? Could these statements help applicants determine the appropriate drop-down menu options to select on the FCC Form 470, or would additional guidance be needed?

Similarly, the flow chart in Appendix D demonstrates how applicants could request category two services using a more streamlined process. Under this approach, in Step One, applicants would first select "internal connections," "basic maintenance of internal connections," or "managed internal broadband services." Then, based on the response provided in Step One, applicants would select the components of those services that they intend to seek bids on in Step Two. In this step, they could select any number of options under a given category of service before filling in service details and could seek bids in the same service request for an internal connections component and basic maintenance of the component. Currently, applicants may select only one component under a given category of service at a

⁷ Appendices A and B are used solely to seek comment on drop-down menu choices and reflect the eligibility of services under current program rules.

time and cannot seek bids for an internal connections component and basic maintenance of the component in the same request for bids. We seek comment on whether this streamlined process would be helpful to applicants. Would using check boxes, rather than drop-down menu options, for category two services simplify the FCC Form 470 process? What other process improvements would simplify the way applicants seek bids for category two services?

Other Proposals. Finally, we seek any other comments and/or proposals that applicants, service providers, or other stakeholders may have to simplify, clarify, or otherwise improve upon the FCC Form 470 drop-down menu choices.

Interested parties are invited to file comments on or before the date indicated on the first page of this document. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS).

- Electronic Filers: Comments may be filed electronically using the Internet by accessing the ECFS: <https://www.fcc.gov/ecfs/>.
- Paper Filers: Parties who choose to file by paper must file an original and one copy of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, filers must submit two additional copies for each additional docket or rulemaking number.

Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

- All hand-delivered or messenger-delivered paper filings for the Commission's Secretary must be delivered to FCC Headquarters at 445 12th St., SW, Room TW-A325, Washington, DC 20554. The filing hours are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes and boxes must be disposed of before entering the building.
- Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9050 Junction Drive, Annapolis Junction, MD 20701.
- U.S. Postal Service first-class, Express, and Priority mail must be addressed to 445 12th Street, SW, Washington, DC 20554.

People with Disabilities: To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 202-418-0432 (tty).

Ex Parte Rules. This proceeding shall be treated as a "permit-but-disclose" proceeding in accordance with the Commission's *ex parte* rules.⁸ Persons making *ex parte* presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies). Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentation must: (1) list all persons attending or otherwise participating in the meeting at which the *ex parte* presentation was made; and (2) summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of the presentation of data or arguments already reflected in the presenter's written comments, memoranda, or other filings in the proceeding, the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum. Documents shown or given to Commission staff during *ex parte* meetings are deemed to be written *ex parte* presentations and must be filed consistent with section 1.1206(b) of the Commission's rules. In proceedings governed by section 1.49(f)

⁸ 47 CFR §§ 1.1200 *et seq.*

of the rules or for which the Commission has made available a method of electronic filing, written *ex parte* presentations and memoranda summarizing oral *ex parte* presentations, and all attachments thereto, must be filed through the electronic comment filing system available for that proceeding, and must be filed in their native format (*e.g.*, .doc, .xml, .ppt, searchable .pdf).⁹ Participants in this proceeding should familiarize themselves with the Commission's *ex parte* rules.

Additional Information. For further information, contact Stephanie Minnock of the Wireline Competition Bureau, at Stephanie.Minnock@fcc.gov.

⁹ *Id.* § 1.1206(b).

**APPENDIX A
Category One****FY2019/2020 Drop-Down Menu Options**

- Leased Lit Fiber (with or without Internet access)
- Internet Access and Transport Bundled (Non-Fiber)
- Transport Only – No ISP Service Included (Non-Fiber)
- Internet Access: ISP Service Only (No Transport Circuit Included)
- Leased Dark Fiber and Leased Lit Fiber
- Self-Provisioned Network (Applicant Owned and Operated Network) and Services Provided Over Third-Party Networks
- Network Equipment
- Maintenance & Operations
- Cellular Data Plan/Air Card Service
- Other

FY2021 and Future Funding Years Potential Drop-Down Menu Options

- Transport Service with Internet Access
- Internet Access Only (No Transport Service Included)
- Transport Service Only
- Leased Dark Fiber and Leased Lit Fiber
- Self-Provisioned Network (Applicant Owned and Operated Network) and Services Provided Over Third-Party Networks
- Category One Network Equipment
- Category One Maintenance & Operations
- Cellular Data Plan/Air Card Service

**APPENDIX B
Category Two**

FY2019/2020 Drop-Down Menu Options

Internal Connections

- Antennas, Connectors, and Related Components
- Cabling
- Caching
- Firewall Service and Components
- Racks
- Routers
- Switches
- UPS/Battery Backup
- Wireless Access Points
- Wireless Controller

Basic Maintenance of Internal Connections

- Antennas, Connectors, and Related Components
- Cabling
- Caching
- Firewall Service and Components
- Racks
- Routers
- Switches
- UPS/Battery Backup
- Wireless Access Points
- Wireless Controller

Managed Internal Broadband Services

- Existing Equipment
- Leased Equipment

**FY2021 and Future Funding Years Potential
Check Box Menu Options**

Internal Connections

- Antennas, Connectors, and Related Components
- Cabling
- Caching & Necessary Software
- Firewall Service, Components, & Necessary Software
- Racks
- Routers & Necessary Software
- Switches & Necessary Software
- Uninterruptable Power Supply / Battery Backup & Necessary Software
- Wireless Access Points & Necessary Software
- Wireless Controllers & Necessary Software

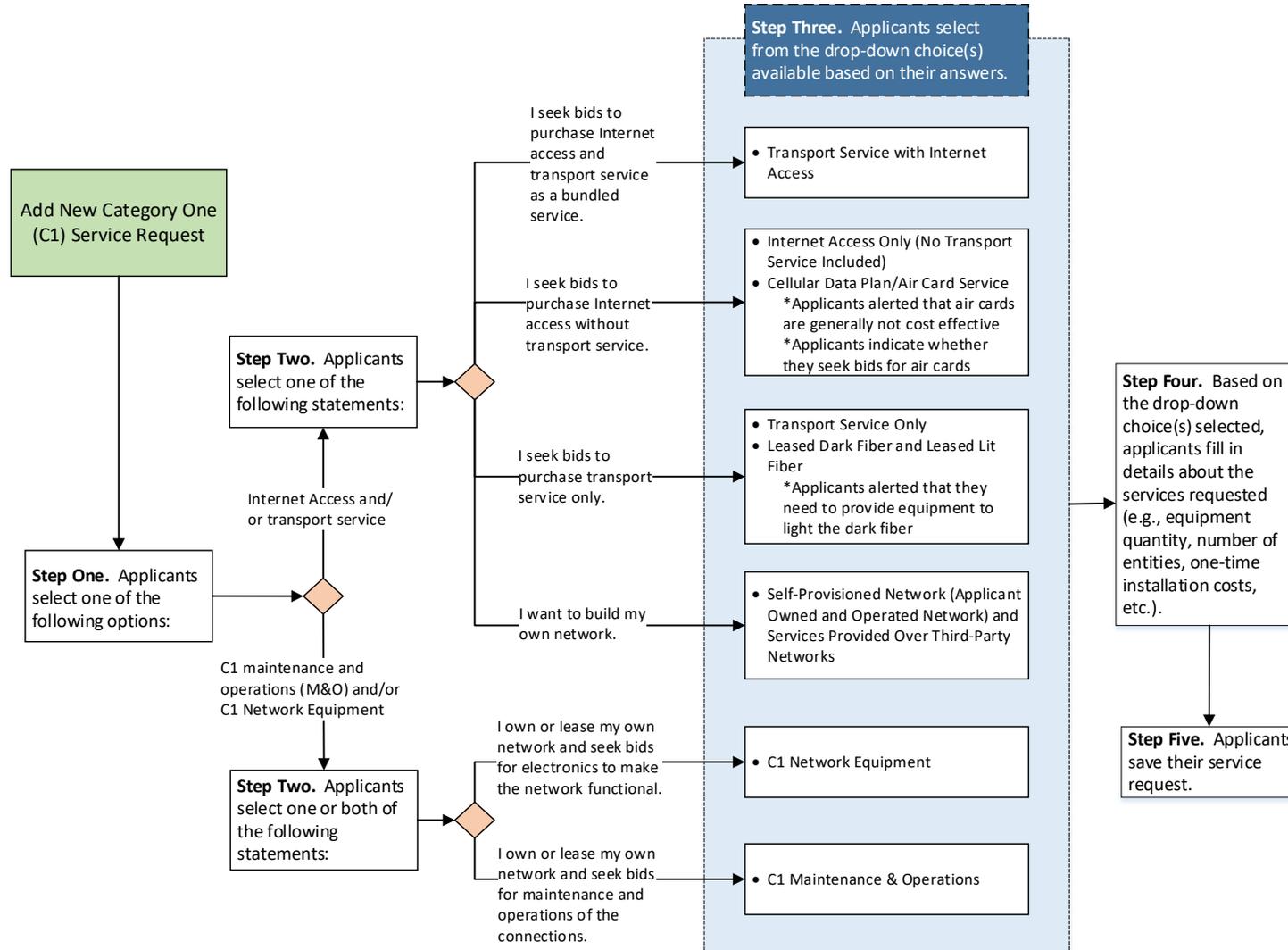
Basic Maintenance of Internal Connections

- Antennas, Connectors, and Related Components
- Cabling
- Caching
- Firewall Service and Components
- Racks
- Routers
- Switches
- UPS / Battery Backup
- Wireless Access Points
- Wireless Controllers

Managed Internal Broadband Services

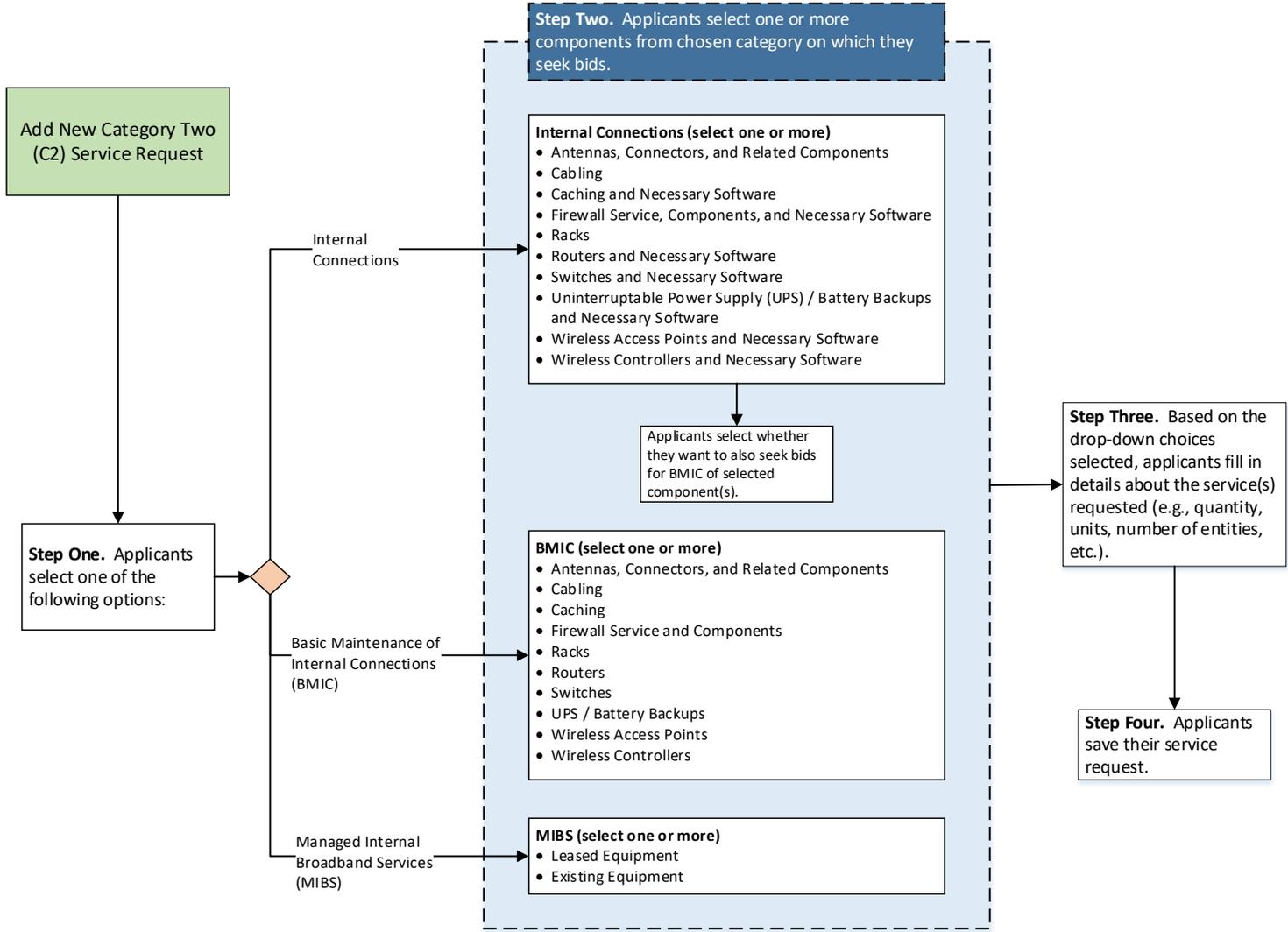
- Existing Equipment
- Leased Equipment

APPENDIX C
Category One Flow Chart*



* Before reaching the service request stage of the FCC Form 470, applicants generally provide contact information, indicate their applicant type (e.g., library, school district, etc.), provide the number of eligible entities served, and list the sites where they plan to receive service.

**APPENDIX D
Category Two Flow Chart***



* Before reaching the service request stage of the FCC Form 470, applicants generally provide contact information, indicate their applicant type (e.g., library, school district, etc.), provide the number of eligible entities served, and list the sites where they plan to receive service.