



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

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In the Matter of:)	
)	CC Docket No. 02-6
Draft Eligible Services List for the)	GN Docket No. 09-51
Schools and Libraries Universal Service Program)	WC Docket No. 13-184
_____)	

**COMMENTS ON THE FY 2015 DRAFT ELIGIBLE SERVICES LIST
FOR THE SCHOOLS AND LIBRARIES UNIVERSAL SERVICE Program
(DA 14-1130)**

The State E-Rate Coordinators’ Alliance (SECA) submits these Comments in response to the FCC’s Public Notice released August 4, 2014 (designated DA 14-1130) seeking comment on the proposed Eligible Services List (“ESL”) for Funding Year 2015.

Basic ESL Structure:

SECA concurs with the Commission’s objective of shortening and focusing the ESL by eliminating long lists of ineligible products and services, the Special Eligibility Conditions section, and the Glossary of terms. However, we are concerned that the draft ESL has taken this objective too far. Particularly for FY 2015, the program’s first year under the E-rate modernization Order, we believe that the ESL should directly reference the eligible service changes made in the Order. Most importantly, the ESL should note those products and services

that were eligible in FY 2014, but will no longer be eligible in FY 2015. Although this information is summarized in the accompanying Public Notice, SECA believes that it must be included in the ESL itself. In particular:

1. The ESL should explicitly note that web hosting, voice mail, and email will no longer be eligible as of FY 2015.
2. Conversely, the telecommunications component of distance learning/video conferencing services should be explicitly listed as eligible.
3. Although, as discussed below, SECA believes that not all of the “Telephone Components” should be eliminated immediately, the ESL should explicitly list those components considered ineligible as of FY 2015.
4. The ESL should explicitly note the broad categories of internal connections components (as described in footnote #7 of the Public Notice) that will no longer be eligible as of FY 2015.
5. Similarly, as discussed below, SECA believes that the ESL should explicitly address, as a whole, the eligibility or ineligibility of the three basic components of cellular service, namely voice, text messaging, and data.

Cellular Eligibility Status:

The eligibility or ineligibility of various cellular service components appears to be causing some confusion among applicants. As the draft ESL now stands:

1. The ineligibility of text messaging is noted only in the Public Notice and can be inferred in the ESL only by its absence in the list of eligible services.
2. The phase down of eligibility of cellular voice is covered in the ESL only as one of a series of voice services so affected.
3. The limited eligibility of cellular data plans is currently addressed separately in the ESL.

SECA believes that the ESL needs to address all aspects of cellular eligibility as a single integrated discussion. To the extent that voice, text, and data services are provided on a bundled

basis, SECA would encourage the FCC and the cellular industry to provide safe harbor allocation percentages.

Given the limited eligibility of cellular data only as a cost-effective alternative to more traditional Wi-Fi systems, the FCC may wish to consider classifying cellular data, when eligible, as a Category 2 service. Such a change would create technical neutrality on a funding basis, and would further highlight the limited nature of cellular data eligibility.

Telephone Component Eligibility:

SECA understands the rationale for making minor Telephone Components ineligible, but questions whether any immediate savings in E-rate funding justify the application complexities created for both applicants and PIA. As a practical matter, applicants and/or PIA reviewers will be required to find, and breakout, a variety of relatively small charges that are often buried deep within what can be large and complex telephone bills. This will be very time consuming and clearly violates the FCC goal 3 to make the E-rate application process faster and more efficient. Unless the FCC is prepared to require telephone carriers to clearly breakout and summarize ineligible Telephone Component charges on their bills, SECA recommends that such components be treated as a part of normal voice services, and whose eligibility are to be phased out on the same schedule.

Funding Year Limitations on Eligibility:

Under the E-rate modernization Order, the eligibility of Wi-Fi system maintenance, managed Wi-Fi services, and caching are only explicitly authorized for FY 2015 and FY 2016. SECA believes that the ESL should specifically note this limitation so as to warn applicants considering multi-year contracts for such Category 2 services that discounts for such services will not be available beyond FY 2016 unless the Commission takes specific action to make them so.

SECA notes that the FNPRM portion of the E-rate modernization Order seeks comments on the definition of caching. We hope that resolution of caching definitional issues will be reflected in the final ESL. To the extent that caching issues remain outstanding, the ESL should identify such unresolved issues.

Application-Dependent Eligibility of Broadband Circuits:

SECA believes that additional clarification is needed in the ESL to address when, or if, cost allocation of broadband circuits is required depending upon how those circuits are used. For example:

1. The Public Notice indicates that the telecommunications component of distance learning/video conferencing services is eligible; this clarification needs to be carried forward into the ESL.
2. Various voice services, including VoIP, are typically carried over digital transmission circuits such as PRI's, Frame Relay, T-1s, T-3s, or native IP such as MPLS/Ethernet. The ESL should clarify whether the underlying circuit charges are fully eligible when not fully dedicated to voice services, or whether voice service utilization must be quantified and separately allocated as a part of the phase down of voice service support. SECA believes that it is the FCC's intent to promote, without penalty, the shared use of broadband for numerous applications — including voice services.
3. Similarly, the draft ESL indicates that telephone dial-up is an eligible data transmission service but that plain old telephone service (“POTS”) is eligible only as a voice service. Presumably, this means that a telephone dial-up line is fully eligible for data usage, but not for voice. It is not clear whether eligible data usage includes only dial-up Internet service, or includes other data applications such as fax or alarm circuits.

Equipment Purchase and Installation Contracts:

SECA strongly supports the change in language confirming that Category 2 purchases of equipment, and that installation of said equipment, need not be provided under a single contract. This change will be particularly important if and when the FCC designates one or more Preferred Master Contracts for Category 2 equipment only.

SECA believes that the need to combine equipment purchases and installation under a single contract never seemed necessary or sensible. SECA suggests, therefore, that the FCC treat the

new language as a clarification, rather than a change of rule, and resolve outstanding appeals on this issue accordingly.

Other Recommended Changes:

SECA suggests the following minor changes in the draft ESL:

1. “DS” and “T” designations of digital transmission services are equivalent. The listing of these eligible services should be combined into a single line, e.g., “DS-1 (T-1), DS-3 (T-3) and Fractional T-1 or T-3.” The reference to DS-2, which is not used in the U.S., can be eliminated.
2. Multi-Protocol Label Switching (“MPLS”) should be included as an eligible digital transmission service.
3. The FCC should additionally clarify that the eligibility of basic maintenance of Category 2 equipment does not include routine preventive maintenance.
4. The Internet access section says: “Firewall protection may not be provided by a vendor other than the Internet access provider and may not be priced out separately.” For firewall eligibility, SECA does not believe that E-rate eligibility should be based on how it is billed and thus request that the phrase “and not priced out separately” be removed.

Respectfully Submitted by:

/s/ Gary Rawson

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