



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)
)

**Initial Comments of the State E-rate Coordinators' Alliance
Regarding Improvements to the FCC Form 470 Drop-Down Menu
In Response to Public Notice DA 19-196**

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I. Introduction

The State E-rate Coordinators' Alliance (SECA)¹ welcomes the opportunity to submit formal recommendations to improve the design of the Form 470 application.² We are very pleased that the Federal Communications Commission (FCC or Commission) issued this Public Notice and made it a priority to consider the input of interested parties when revising E-rate forms and prior to submitting them for approval to the Office of Management and Budget in accordance with the Paperwork Reduction Act (PRA).³

¹ SECA accomplishes its work through the resources of its 98 individual members who provide statewide E-rate coordination activities in 46 states and 2 U.S. territories. Representatives of SECA typically interact daily with E-rate applicants to assist them concerning all aspects of the program. SECA provides face-to face E-rate training for applicants and service providers. As state E-rate coordinators, members serve as intermediaries between the applicant and service provider communities, the Administrator, and the Federal Communications Commission (FCC or Commission). SECA members typically provide more than 1300 hours of E-rate training workshops annually to E-rate applicants and service providers. In addition to the Formal training hours, SECA members spend thousands of hours offering daily E-rate assistance to individual applicants through calls and e-mails. We do not have any administrative staff and rely full time on our members' volunteer activities.

Further, several members of SECA work for and apply for E-rate on behalf of large, statewide networks and consortia that further Congress' and the FCC's goals of providing universal access to modern telecommunications services to schools and libraries across the nation.

² Wireline Competition Bureau and Office of The Managing Director Seek Comment on Improving FCC Form 470 Drop-Down Menu, WC Docket No. 13-184, Public Notice released October 1, 2019 (DA 19-986) ("Form 470 Public Notice").

³ SECA encouraged the FCC to proceed in this manner when we submitted joint comments with the Schools, Health & Libraries Broadband Coalition on July 23, 2018 in response to the Notice published on May 22, 2018 in the Federal Register (83 FR 23677) regarding the renewal of the forms pursuant to the Paperwork Reduction Act. The benefit of the FCC's current approach is to invite specific recommendations to be submitted by interested parties **prior to** the agency's preparation and submission of revisions to the Forms to OMB for approval. We completely agree that the 470 Public Notice will provide greater transparency, more advance notice of the forthcoming changes to the forms and a longer IT development lead time for USAC to code their systems to implement the changes. In sum, SECA applauds the FCC for adopting this approach whenever there are substantial revisions to be made to E-rate forms.

SECA previously has communicated our concerns and requested relief from the FCC concerning the current iteration of the Form 470 drop-down menu particularly as it relates to Category One Internet access service. See, e.g., April 2, 2019 Letter, <https://www.fcc.gov/ecfs/filing/10402054108231>; May 30, 2019 Letter, <https://www.fcc.gov/ecfs/filing/105300724930409>. We have also submitted comments on several occasions asking for the Category Two section of the Form to be redesigned in order to be more applicant-friendly and to eliminate the possibility of inadvertent errors that later become grounds for denial of funding. Recommendations regarding Eligible Services List dated May 29, 2019, <https://www.fcc.gov/ecfs/filing/1052914798846>; Comments to Draft Eligible Services List for FY 2020 dated September 3, 2019, <https://www.fcc.gov/ecfs/filing/10904291369585>.

While we are very appreciative of the Commission's willingness, through letters issued jointly by the Wireline Competition Bureau Chief and Managing Director in 2018 and again in 2019, to provide some relief for applicants who may have been confused in completing the Form 470, we are hopeful that the revisions stemming from this Public Notice and parties' comments will resolve the confusion and will alleviate the need for extraordinary relief from the Commission in FY 2021. See DA 18-444 (May 1, 2018 letter) and DA 19-985 (October 1, 2019 letter). Unfortunately, relief may be warranted again in FY 2020 since the same drop-down menu from FY 2019 is being used in FY 2020.

II. Proposed Criteria to Govern Form 470 Revisions

The FCC proposed four criteria to govern revisions to the Form 470 application,⁴ with which we concur, subject to clarification as noted below:

1. Intuitive and easy-to-understand
2. Technology neutral and adaptable
3. Facilitate compliance with the rules
4. Searchable

In accordance with the FCC's inquiry of whether there are additional factors that should be adopted, SECA recommends two additional criteria:

5. **Use consistent terms and phrases that are used in E-rate orders and regulations, including the Eligible Services List (ESL).** The ESL is based on the FCC orders and regulations and itemizes the eligible services and products. Using the same language in the Form 470 as set forth in the ESL to identify the eligible services and products will greatly improve the user experience and eliminate the current confusion arising from the use of different terms of art to describe services and products in the ESL compared to the Form 470.⁵
6. **Eliminate or minimize requirements that are later cited as competitive bidding violations and grounds for funding denials.** This factor builds on framework of the 2006 landmark "Bishop Perry" global appeal decision⁶ where the Commission declared that inadvertent, technical mistakes committed by applicants should not be grounds for funding denials and instead should be permitted to be corrected. Applicants who make a good faith effort to comply with program rules should not be penalized because they forgot to check a box that they did not understand was required or in instances where they did not complete the form correctly because the instructions were unclear.

⁴ Form 470 Public Notice at p. 2.

⁵ For example, the Form 470 refers to various "transport" services which is not a term used in the Eligible Services List to define Data Transmission services. Similarly, in describing "Internet Access/ISP Service," the Eligible Services List does not differentiate or offer any explanation of the difference between Internet access service bundled with data transmission service and Internet access service only (with no data transmission service). We believe that to the extent possible, the Form 470 should reflect the service and products contained in the Eligible Services List, and vice-versa – that is, if there is a service or product listed on the Form 470, the Eligible Services List must include the same product or service and use the same terms of art.

⁶ Request for Review of the Decision of the Universal Service Administrator by Bishop Perry Middle School, New Orleans, LA, et.al., 21 FCC Rcd 5316 (6); CC Docket No. 02-6, SLD File Nos. SLD-487170, et al., *Order* (released May 19, 2006), Order No. FCC 06-54), ¶123.

III. Description of Issues with the Current Form 470

The current issues with the Form 470 application stem from the introduction of the drop-down menu for service and product requests in the online filing interface, E-rate Productivity Center (EPC), beginning with FY 2016. Prior to that time, applicants were able to describe their service requests using narrative text box fields in the Form. We understand that the Form 470 drop-down menus were intended to ensure applicant compliance with competitive bidding rules and to enable service providers to have more robust search capabilities of the Form 470 applications. Unfortunately, the Notice acknowledges, “stakeholders have expressed concerns that these drop-down menu options may cause applicant confusion.”⁷ As a result of this confusion, applicants have suffered funding denials due to selecting the incorrect drop-down choice. Unless an applicant selected the precise service requests on their Form 470 application to correspond with the services and products later listed in their Form 471 application for funding, their funding requests for “mismatched” products and services are denied. These denials have occurred despite the fact that the applicant described the specific service and product requests in their narrative text boxes on the Form 470 application even if they did not select the correct service or product choice from the drop-down menu .

Further, when applicants do not have accurate Form 470 service and product options from which to choose, or they select the wrong option because the wording is confusing or unclear, service providers are unable to efficiently search for bidding opportunities. We believe that the balance between specificity (using the current drop-down menu) and flexibility (using pre-FY 2016 narrative text boxes) must be recalibrated in order to ensure applicants are able to accurately and successfully complete the Form 470 application and service providers can easily search the form for bid opportunities.

Applicant as well as service provider confusion surrounding the different Category One data transmission and Internet access service options is well documented.⁸ Beginning in August of 2017, the Form 470 applications submitted for FY 2018 required service requests for Internet access delivered via fiber transmission service to use the leased lit fiber service option, and then explain in the narrative text box that the applicant was seeking a bundled Internet service via fiber service.⁹ In FY 2019, the drop-down menu was revised to delineate that leased lit fiber service could be selected for data transmission only service or for Internet bundled with fiber transmission service. But because the one drop-down service option was for two distinct services, applicants had to use the narrative text

⁷ Form 470 Public Notice at p. 3.

⁸ See May 1, 2018 Letter Providing Guidance to USAC on E-rate Competitive Bidding Rules for FY 2018; October 1, 2019 Letter Concerning Application of E-rate Competitive Bidding Rules for FY 2019. See also SECA Letters of April 2, 2019 and May 30, 2019 in WC Docket No. 13-184.

⁹ See August 22, 2017 Schools and Libraries Program News Brief at <https://www.usac.org/sl/tools/news-briefs/preview.aspx?id=786>.

box to explain exactly what service they were seeking. Service providers searching for Internet service opportunities or for fiber transmission service opportunities could not simply rely on the leased lit fiber service without also reading the narrative text box or contacting the applicant for clarification. This obviously required an extra step and extra time by providers.

There likewise is some confusion with respect to the Category Two drop-down menu regarding licenses, basic maintenance of internal connections and managed internal broadband services. An applicant may select an internal connections product as a service request, receive bids for the associated products which may also include the necessary license to operate the product, only to later learn that the license has been classified by either the administrator or vendor as basic maintenance of internal connections. The applicant, entirely unaware when they post the Form 470 that the license might later be determined to be basic maintenance, did not select a maintenance service request on their Form 470 application. Consequently, the applicant is then denied funding for the license cost as a competitive bidding violation, since there was no service request for basic maintenance of internal connections included in their Form 470 application – despite the fact that the applicant clearly stated in the Form 470 that they desired to purchase the necessary license to operate the product. SECA encourages the FCC to resolve this issue when redesigning the Form 470.

Similarly, an applicant may request bids for maintenance but not for managed internal broadband services (MIBS) – even though there is an overlap in these services (maintenance can be part of MIBS). A service provider may then submit a bid for MIBS that the applicant determines is most cost effective and therefore applies for funding for MIBS in their Form 471 application. Unless the applicant selected the MIBS service on their Form 470 application, however, the applicant would be denied funding as a competitive bidding violation.

SECA believes that the revised FY 2021 Form 470 application must appropriately serve two purposes: (1) enable applicants to solicit bids in a streamlined and easy to understand process, and (2) enable service providers to readily obtain an accurate reflection of applicant needs in order to submit reasonable bids. The revisions we propose below are designed to achieve these goals.

IV. Proposed Revisions to Form 470 Should Adopt the Guided Flow Chart Approach In lieu of Drop-Down Menus.

In the Form 470 Public Notice, the FCC sought comment on two different approaches for revising the Form 470: (1) modify the service and product options for the Category One and Category Two drop-down menus; or, (2) modify the architecture of the Form 470 application to provide guided questions that would elicit the required information from applicants depending on the specific service or product options they select. Separate proposed flow charts for Category One and Category Two were attached as Appendix C and D to the Public Notice and the FCC asked whether these streamlined options should be adopted and what if any changes and improvements should be made.

SECA has studied the flow charts and conferred with several different stakeholder groups representing both applicants and service providers, as well as individual Category One and Category Two service provider companies, to better understand their needs and concerns.¹⁰ Using the FCC's flow charts as a solid starting point, we have developed modified flow charts for both Category One and Category Two. In addition to mapping out Steps One, Two and Three, as is shown in Appendix C and D, we also took the additional step of prescribing the specific details that will be required or available for each service and product option in Step Four. We think it is vital that all of the steps of the flow chart, including Step 4, be devised by the FCC with the input of stakeholders and included in the form submission to OMB for approval.

In lieu of the current drop-down menu approach, SECA believes that using these four steps, as laid out in our proposed flow charts, should be incorporated into the design of the Form 470 online interface appearing in EPC. We think doing this, will greatly simplify the process for applicants and increase their likelihood for success. In addition, it will simplify the search process for providers and allow them to focus their resources in preparing bids that are responsive to applicants' needs.

Our recommended flow charts are attached as Exhibit 1 and Exhibit 2 and were designed with careful thought and emphasis placed on the six governing criteria as set forth in Section II of these comments. The key features of each flow chart are:

¹⁰ SECA's comments are generally centered around the flow-chart concept as we believe this makes the most sense in terms of how applicants should complete their application and how USAC should design the online interface. In providing suggested revisions to the flowcharts, we also incorporated several important edits to the list of services and products, consistent with the current ESL, to better align with the terminology and manner in which these products and services are marketed. Those changes are described further in these comments.

A. *Category One Guided Flow Chart*

Step 1 - The applicant has two choices:

Seeking Bids for Internet Access Service and/or Data Transmission Service.

We use the phrase “Data Transmission Service” in place of “transport service” to be consistent with the Eligible Services List and the Form 471.

OR

Seeking Bids for Maintenance/Operation and/ or Category One Network Equipment for an Existing Network.

The requests for Maintenance/Operation service and Category One Network Equipment for existing networks are different from these types of requests in relation to new data transmission service and networks. When being requested for existing networks and services, Maintenance/Operation and Category One Network Equipment stand alone and are independent of any Internet Access Service and/or Data Transmission Service requests. Service providers very much need to know this distinction when formulating their bids.

In contrast, when being procured as part of a new Data Transmission Service, Maintenance/Operations and Category One Network Equipment are an integral part of the new service, and therefore, it is more logical for these service requests to be grouped with and included in the “new service lane” rather than as a separate service request. This is a fundamental difference from the existing Form 470 application and the FCC’s Appendix C flow chart.

Steps 2 – 4 for Internet Access Service and/or Data Transmission Service

SECA proposes four individual subcategory options for Internet Access Service and/or Data Transmission Service for which the applicant will select one:

- Internet Access Bundled with Data Transmission Service*
- Stand-alone Internet Access without Data Transmission Service*
- Data Transmission Service (which will include a warning that this option does not include Internet service)*
- Build and Own a Data Transmission Network {self-provisioning}*

These choices resolve the ambiguity surrounding the current choice of “Leased Lit Fiber (with or without Internet access)”, which uses one option to define two separate and distinct services – transmission service only and combined Internet with transmission service. Data transmission service and Internet access service will be wholly separate options since they are different services.

When further delineating the specific subtypes of services for each of these four “Step 2” choices, SECA spent considerable time contemplating the options and descriptions in light of the FCC’s requested criterion that the choices be “Technology neutral and adaptable.” We determined that this factor must be applied in a manner that also ensures that applicants may choose the specific services to procure and are not compelled to receive proposals for services that they do not want. Consequently, this criterion must be implemented in a manner that honors the special focus and priority that the FCC and applicants place on installing fiber data transmission service. The FCC Public Notice itself, in the proposed re-design of the Category One service choices as set out in Appendices A and C, recognize that the rules require a combined leased dark fiber and leased lit fiber service option. Likewise, we very much believe that a separate service option for leased lit fiber transmission service needs to continue to be available in the Category One portion of the Form 470 application.

The FCC’s own regulations and orders prescribe certain bidding requirements for the procurement of fiber services. When seeking bids for leased dark fiber service, applicants must also seek bids for leased lit fiber service. When seeking bids for self-provisioned networks, applicants must seek bids for services provided over third-party networks. In order to be consistent with the leased dark fiber/leased lit fiber combined service option, the service options must also continue to provide a leased lit fiber option. Many applicants have bandwidth capacity needs that require fiber transmission service to be able to fulfill these needs. Further the Commission has repeatedly noted that fiber transmission service is scalable and is a priority service for E-rate applicants.¹¹ Last, the service options for the past four years

¹¹ The FCC’s 2014 Modernization Orders are replete with references to the importance of fiber broadband connectivity. “Location, access to fiber connections, financial resources, access to a research and education network (REN), statewide or regional coordination, ISP competition, and a well-informed information technology (IT) staff are among the many factors that can affect a school’s or library’s ability to procure high-speed connectivity at a reasonable price.” Modernizing the E-rate Program for Schools and Libraries, WC Docket No. 13-184, FCC 14-99, Report and Order and Further Notice of Proposed Rulemaking (released July 23, 2014) ¶31.

Fiber is scalable. “In most cases, a 1 Gbps fiber connection can be readily scaled to 10 Gbps with upgraded networking equipment.” Id. at ¶39.

The equalization of E-rate regulatory treatment of lit fiber and dark fiber was intended to expand access to low cost fiber. Modernizing the E-rate Program for Schools and Libraries, WC Docket No. 13-184, Second Report and Order and Order on Reconsideration (released December 11, 2014) at ¶ 29.

have consistently included the leased lit fiber choice. As a result, applicants have grown accustomed to seeking this choice on the Form 470 application.

The fiber transmission service option, therefore, is proposed to be included as one of the subtypes of services under the Internet Access Bundled with Data Transmission Service as well as Data Transmission Service. The fiber option is listed below the service option that encompasses all types of data transmission services.

If the leased lit fiber option is omitted, this means that the only data transmission service option is an “all inclusive” technology option. Consequently, applicants may be precluded from being able to specify the service that they desire. As a result, they could be faced with the receipt of proposals for services that they do not want to purchase, but due to the competitive bidding rules, would be forced to evaluate and justify why they may reject a proposal for a non-fiber service. Even more concerning, applicants could be at risk for funding denials due to rejecting a less expensive bid for a non-fiber service in favor of a fiber service. These risks and uncertainties would greatly undermine the FCC’s intention to simplify the Form 470 application process and would not facilitate compliance with the rules.

In response to any concerns that the continued inclusion of a leased lit fiber service option would not be technology neutral, SECA notes that the inclusion of the leased lit fiber option is in addition to, and not in lieu of, an all-inclusive technology option for data transmission services would honor the technology neutrality principle. At the same time, it would enable those applicants with the specific need and desire for fiber service to select this service choice.

Internet Bundled with Data Transmission Service Step 3

This subcategory will ask applicants to select from three different options:

- Internet delivered via any type of data transmission service (fiber or non-fiber such as fiber or non-fiber such as coaxial cable modem, DSL, copper, satellite and wireless)
- Internet delivered via fiber transmission service
- Cellular data plans/air cards which will have a warning that this service is generally not cost effective.

For applicants that are unsure what type of Internet transport they are seeking, we included an all-inclusive technology option as the first choice. This will help those applicants that may not be as technology-savvy as applicants with dedicated technology professionals on staff or may be unaware of what types of technology transmission service are available in the vicinity. However, many schools already have fiber. For these applicants that know they need their Internet access delivered via fiber and need fiber wide area network data transmission service,

they will have the choice to specify this technology for the reasons explained in Section II above.

Although not required in the rules, the current version of the Form 470 requires an RFP when seeking cellular data plans/air cards. We believe this requirement needlessly complicates the request and should be removed on the FY 2021 Form 470 when seeking these services. Also, these services are often requested by our smallest schools and libraries that are unfamiliar with and lack the resources to prepare an RFP.

Stand-alone Internet Access Service Without Data Transmission Service Step 3

This option does not require any additional choices in Step 3 and will proceed directly to Step 4. However, there should be a clear explanation on this page, perhaps with graphics and/or examples to illustrate the type of service this option references. This would also assist applicants in comprehending that this option is sometimes called “commodity Internet,” is not often purchased by the typical applicant, and requires the applicant to procure data transmission service to have the Internet access service delivered to their school and library buildings.

Data Transmission Service Step 3

This subcategory will ask applicants to select from three different options:

- Any type of data transmission service (fiber or non-fiber such as coaxial cable, DSL, copper, satellite and wireless)
- Leased lit fiber data transmission service, or
- Leased Dark Fiber and Leased Lit Fiber which will include the embedded requirement to ensure an RFP has been uploaded, as well as a written reminder that applicants are required to include in their RFPs requests for both services and then conduct a bid evaluation among all qualified proposals.

Like Internet bundled with data transmission service, for applicants that are unsure what type of technology they are seeking for data transmission service, we included an all-inclusive technology option as the first choice. This will help those applicants that may not be as technology-savvy as applicants with dedicated technology professionals on staff or may be unaware of what types of technology transmission service is available in the vicinity. However, for applicants that know they need fiber data transmission would then select the “Leased lit fiber data transmission service” option.

Build and Own a Data Transmission Network Step 3

This option does not have any additional choices under Step 3 and will proceed to Step 4. This option will describe that this is a Self-Provisioned Data Transmission Network where applicants will pay a vendor to construct a network for which the applicant will then own, light and maintain. It will also explain that the maintenance and operation, and equipment to light the network, are eligible for E-rate funding and may be selected as additional options.

Similar to the Leased Dark/Leased Lit Fiber option, the Self-Provisioned Network option will include the embedded requirement to ensure an RFP has been uploaded, as well as a written reminder that applicants also are required to include in their RFPs requests for any type of third-party services that could connect the entities described in the RFP, and then conduct a bid evaluation among all qualified proposals.

Step 4 for Internet Access and/or Data Transmission Service

The details required in Step 4 are estimated bandwidth (Mbps or Gbps) and estimated number of connections. The words “or greater” are hardcoded into the form so that the quantities provided by applicants may be increased as warranted to best meet their needs and to empower vendors to propose higher quantities in their bid responses. The minimum and maximum range in the current form will be omitted. This has become a point of failure for applicants in their bids when they opt to purchase a service that may be greater than their maximum range. Applicants often are unsure of what quantity of bandwidth they may wish to purchase, and the decision may be driven in part by the prices proposed by service providers which they do not know when they submit their Form 470 applications; and other considerations such as establishing one-to-one connectivity programs for students. They should have the option to consider purchasing additional quantities to best meet their needs.

We do not believe that a separate question about installation and configuration is required in Category One because these costs should be assumed to be required to be included in the vendor’s proposal.

Also, vendors may need to include special construction charges with their Internet access proposals, and as such, the installment plan question is included as an option.¹²

¹² SECA proposes removing the question about how many years the applicant would like to amortize their non-discounted share of the special construction costs. We feel this is a detail that should be left for negotiation during the contracting stage and not have to be specified on the Form 470 before costs are known. Further, it is highly uncommon for an applicant to select that they want to only amortize two or three years instead of the full four years that are available.

For Leased Dark and Lit Fiber Service (combined) and for Self-Provisioned Data Transmission Network (owned and operated by the Applicant) & Services Provided Over Third-Party Networks, applicants may also check the Maintenance/Operation and C1 network equipment options and the description of those services/equipment would be included in the applicant's RFP.

Steps 2 - 4 for Seeking Bids for Maintenance/Operation and/ or Category One Network Equipment for an Existing Network.

Step 2 is not required, and applicants will advance directly to Step 3 where they will select either Maintenance/Operation or Category One Network Equipment. In Step 4 they will describe their requests using narrative text boxes.

Although not required by the rules, the current version of the Form 470 requires an RFP when seeking Category One Maintenance/Operation or Category 1 Network Equipment. We do not believe these should be required when applicants seek bids on this service and equipment for existing networks.

B. Category 2 Guided Flowchart

Step 1 - The applicant has two choices:

Seeking NEW Internal Connections

OR

Seeking Services on EXISTING Internal Connections

When considering how this section of the Form 470 should be designed, we quickly realized that there are two distinct groups of requests: a) requests seeking NEW equipment and the related maintenance and/or MIBS that pair with that equipment, and b) requests seeking licenses, maintenance, and/or MIBS on EXISTING equipment. For this reason, we created two distinct paths in Step 1 from which applicants will choose. The flowchart reflects these two paths as New or Existing for ease of review, and we suggest the same terminology to be incorporated into the actual Form 470 to make the applicant choices as clear as possible.

Revisions to Equipment Types: Before proceeding to describe Steps 2 -4, it is important to note that we propose to omit “Antennas, Connectors and Related Components” because this product option is confusing and unnecessary. Antennas and connectors are ancillary to the other internal connections products and it is unclear what is meant by “Related Components.” Further, it is impossible to quantify a Related Component.

Additionally, we feel strongly that “Wireless Access Points” and “Wireless Controller” equipment requests should be combined into a single equipment type option because wireless service is quickly evolving, and the line between these components/functions is increasingly blurred as service moves to the cloud.

Steps 2 -4 for Seeking NEW Internal Connections

Requests for bids on New Internal Connections will include a guided path that will allow applicants to use check boxes to select the specific product types. We agree with the FCC’s proposed flowchart that software should be automatically included with the product type in Step 3, and we go one step further by adding “licenses” as a standard component for each equipment type as well. Embedding licenses is crucial considering the rapid rate at which technology functions are being placed in the cloud and schools/libraries purchase per-seat or per-device right to use licenses instead of an actual boxed piece of equipment.

In Step 4, applicants will provide either estimated quantities “or greater” or estimated number of buildings. We believe applicants should be given the option to quantify the services/equipment they are seeking in one of those two ways because often applicants, particularly smaller, non tech-savvy applicants, don’t know exact quantities or model numbers – they just know they want “wireless service in two buildings.” For this reason, we believe we need to provide for a building-based path forward that allows those applicants to be successful.

We also believe it’s important to allow “quantities” to be reflected in “estimates” because often applicants will not know specific quantities at the Form 470 stage, or the bid prices will come in much less than expected and the applicant will be able to purchase more than they anticipated with their available budget.

Using “estimated” and “or greater” will also remove a common PIA gotcha where reviewers have been known to deny quantities above the number listed in 470s and RFPs. Further, it will be more consistent with state procurement laws that allow applicants to bid on a certain quantity, but then purchase additional quantities if needed.

Finally, applicants will use check boxes to indicate whether they also want vendor bids to include installation/configuration, basic maintenance, and/or MIBS options (with an additional

question under MIBS to determine if the applicant is seeking to lease or purchase the equipment as a component of MIBS)

Steps 2 – 4 for Seeking Services on EXISTING Internal Connections

When an applicant already owns the equipment, and is seeking licenses, maintenance or MIBS on that existing equipment, it makes sense to include a separate guided path where applicants can select the specific adjunct services they are seeking and identify the products they already own. Having these service requests be identified differently also will greatly facilitate vendors' Form 470 searches and bid responses. SECA proposes three subcategory options for which the applicant will select one:

- Licenses or Manufacturer's Support Services on Existing Internal Connections Equipment
- Basic Maintenance of Existing Internal Connections Equipment
- Managed Internal Broadband Services on Existing Equipment

The "Licenses or Manufacturer's Support Services" option is vitally important to distinguish from Basic Maintenance of Existing Internal Connections Equipment. We view Manufacturer's Support Services as distinct from maintenance which is typically marketed and defined as time and materials service to repair equipment when a service problem occurs. Manufacturer's Support Services, in contrast, provide ongoing and typically automated software updates to ensure that the equipment continues to operate properly. These services also include technical support and assistance provided remotely or via web site access.

This is the group of services that have been subject to confusion over whether the vendor and administrator defines the service to be an internal connection or basic maintenance. Apparently the classifications vary depending on the manufacturer, which is an impossible task for applicants to figure out when submitting their Form 470 applications. This lack of standardization has led to funding denials because of a category "mismatch" between the Form 470 application and Form 471 applications, when applicants chose internal connections on the Form 470 but later learned that the license or software update is considered to be maintenance. The incorporation of this new subtype of Licenses or Manufacturer's Support Services will relieve applicants from the seemingly impossible task of distinguishing on the Form 470 application whether the item is a license/manufacturer's support service or maintenance. Regardless of how the manufacturer and administrator later classify the item – either internal connections or maintenance – the applicant will have met the competitive bidding requirements by selecting this subtype.

With this modification, we also hope that Manufacturer Support Services will be deemed non-recurring services, identical to licenses, whereby multi-year purchases can be applied for and funded in the year of purchase instead of being required to amortize the pre-paid costs over the term of the license/support service.

Once the applicant selects the subtype under Step 2, they will see a similar checkbox of all different product types in Step 3. Applicants will select as many as are appropriate.

In Step 4, applicants will describe in a separate narrative text box the services they are seeking, including any specific type of license/manufacture's support service, maintenance or MIBS they wish to purchase.

V. SECA's Proposals are Consistent with the FCC's Four Criteria and SECA's Two Additional Criteria.

In summary, SECA's Proposals meet the FCC's four factors and SECA's proposed additional factors:

1. Intuitive and easy-to-understand - The flow charts rely on plain language and use concise language.
2. Technology neutral and adaptable – The subcategories are all technology neutral except where a technology is required to be specified per FCC orders and regulations.
3. Facilitate Compliance with the Rules – Applicants have narrative text boxes to explain their service requests in each section of the form and see all available options to choose rather than have to use a drop-down menu and risk making an incorrect selection.
4. Searchable – all fields of the Form 470 will be searchable and sortable.
5. Use consistent terms and phrases that are used in E-rate orders and regulations, including the Eligible Services List (ESL).
6. Eliminate ministerial requirements that are later cited as competitive bidding violations and grounds for funding denials. The problem with the Internet choices in Category 1 and licenses/software/basic maintenance choices in Category 2 has been resolved.

VI. Conclusion

The State E-rate Coordinators' Alliance sincerely appreciates the FCC's efforts to resolve the Form 470 problems that have occurred during the last three funding years. The hold-harmless letters sent to USAC to avoid denials for certain Category One service requests have helped lessen the adverse impact on applicants in FY 2018 and FY 2019 but without structural changes to the Form, the problems will recur. The public interest is well served by the public forum that this proceeding has created to facilitate permanent revisions of the Form 470 application in EPC to improve the effectiveness of this form to the benefit of both applicants and service providers. We respectfully request that the Form 470 application be redesigned consistent with our recommendations.

Respectfully submitted,

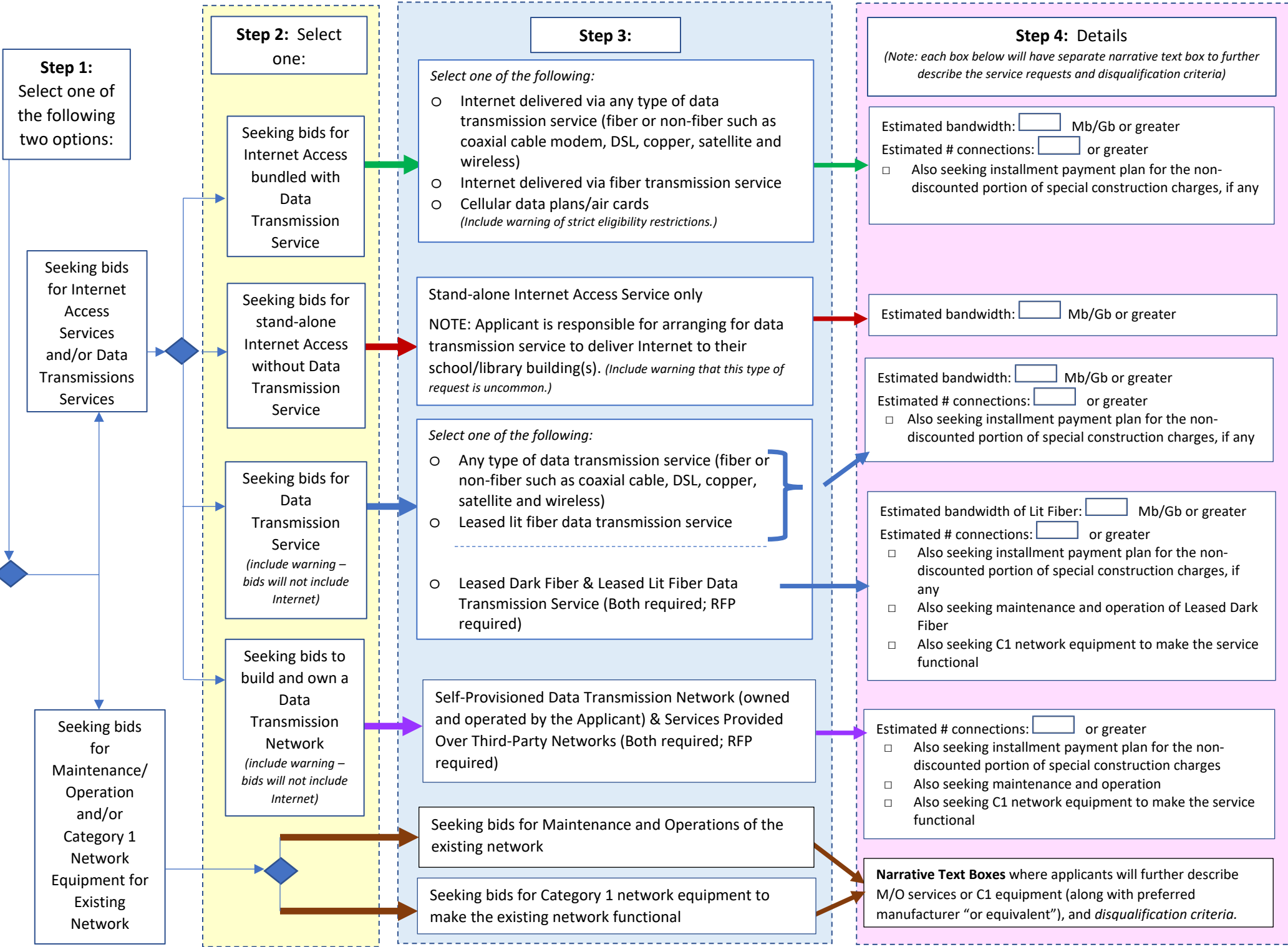


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SECA Recommended Category 1 Form 470 Flow Chart

APPENDIX 1 (10/31/2019)



SECA Recommended Category 2 Form 470 Flow Chart

APPENDIX 2 (10/31/2019)

