



In the Matter of)	
)	WC Docket No. 21-93
Emergency Connectivity Fund for)	DA 21-317
Educational Connections and Devices)	
to Address the Homework Gap During)	
the Pandemic)	
Petitions for Emergency Relief to)	
Allow the Use of E-rate Funds to)	
Support Remote Learning During the)	WC Docket No. 21-31
COVID-19 Pandemic; Addressing the)	
Homework Gap Through the E-rate)	
Program)	

**Initial Comments
of the
State E-rate Coordinators' Alliance**

State E-rate Coordinators' Alliance
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I. Introduction

In establishing the Emergency Connectivity Fund and appropriating \$7.17 billion, Congress has decreed the criticality of sufficient internet connectivity for all elementary and secondary school student learners, staff and library patrons. While connectivity deficits may have been viewed as a fissure in broadband public policy prior to the pandemic, this lack of access has created a huge chasm that now impinges on the fundamental right of all students to receive education.¹ The broad yet specific parameters prescribed by Congress in the Emergency Connectivity Fund statute offer a sound blueprint for the FCC to use to establish clear, concise, and comprehensible requirements that can be implemented and administered promptly.

First and foremost, the regulations must be mindful that the ECF is **not** the traditional E-rate program. It is a 100% reimbursement program of limited duration and a specific Congressional appropriation of funds for both retrospective and prospective purchases for off-campus connectivity. These fundamental differences from the regular E-rate program must be kept front and center when crafting the regulations. SECA encourages the FCC to selectively apply the existing E-rate program rules and avoid weighing down the ECF with unnecessary technical requirements, and other esoteric rules and procedures, that create roadblocks for funding approvals with no redeeming purpose. SECA believes that the FCC can and should develop a program with simple funding formula, an easy-to-understand application process and simple-to-complete application, and a quick

¹ Primarily the province of states, all 50 state constitutions have a provision for the establishment of public education See, e.g., Education Commission of the States website, <https://www.ecs.org/50-state-comparison-k-12-governance/> (last visited April 3, 2021).

and efficient streamlined review and reimbursement process. The key purpose of the ECF is to get the funding—and thus connectivity—out to where it is needed, not to establish procedures and regulations that prevent the timely dispersal of these funds.

Safeguards to protect program resources can and should be embedded but should not unnecessarily mire down the processing of applications and invoices for reimbursement. The FCC can build on the lessons learned from the traditional E-rate program and adopt the beneficial aspects of that program, but we encourage the Commission to refrain from adopting the overly technical bureaucratic existing requirements simply for the sake of expediency. The rules should be broad and simple and should not require confusing exceptions and other caveats that will make it complex for applicants and difficult for the administrator to implement.

SECA members believe that creating a simple, basic framework for applying, receiving disbursements, and ensuring compliance is the keystone of the success of the ECF and hopefully, its successor program. Simplicity fosters efficiency in all aspects: compliant applications, streamlined processing and issuance of approvals and disbursements, compliance with recordkeeping requirements, and efficient and proper use of funding.

During the last 13 months, schools have undertaken a near impossible task of determining which students and teachers did not have sufficient internet bandwidth at home and to try to make alternative arrangements for them, having to shoulder this entirely unanticipated and unbudgeted expense. These currently, but previously unconnected, homes should be considered as part of the priority for the use of the Emergency Connectivity Funds and urge the FCC to adopt a definition of unconnected

homes that relates back to the those that were unconnected when the COVID-emergency was declared, not that reflects their current connectivity status.

Lack of connectivity for student learners, instructors and library patrons is multi-dimensional and cannot be solved single-handedly by the Emergency Broadband Fund. Although the \$7.17 billion program is by all accounts *a lot of money*, the cost of connecting **all** students, teachers and library patrons – particularly in those areas that lack broadband internet options at the present time - exceeds that amount by several-fold. The Emergency Connectivity Fund cannot and should not be expected to solve the nation’s connectivity challenges. It is for this and perhaps other reasons why numerous other funding initiatives have been established by Congress with the shared long-term goal of making affordable internet service available to all citizens.

SECA reluctantly has concluded that the substantial infrastructure investment that is needed to build and bring broadband internet to students and other households in unserved areas likely cannot be paid for from the Emergency Connectivity Fund. There simply may not be enough money to cover the vast large special construction costs that will be needed for this build-out. There may be other situations, though, that with the purchase of modestly priced equipment, existing internet service – particularly the internet already in place in schools and libraries – can be extended cost-effectively to serve homes that lack other options. We encourage the FCC to allow for such costs to be funded via the ECF and to not preclude the use of innovative cost-effective options.

II. Summary of Recommendations

Our recommendations are as follows:

- The ECF should adopt applicant funding caps to ensure that reasonable costs are reimbursed and that such caps account for the difference in costs between rural and urban locations. Caps should be calculated as \$100/150 per student and \$2/\$3 per library square foot.
- A price ceiling of \$300 per connected device (laptop, tablet or desktop and monitor) should be adopted but no other equipment or services should be capped because the prices are well known in the marketplace and do not widely vary.
- State and local competitive bidding requirements must be adhered to but there should be absolutely no additional, overarching federal bidding requirement such as posting an FCC Form 470.
- There should be an initial, single filing window for all qualifying costs incurred from January 27, 2020 through June 30, 2022, rather than June 30, 2021 as proposed in the Public Notice. If there are remaining funds after the initial filing window, the FCC should open a supplemental window.
- Any off-campus location where education is occurring should be eligible for reimbursement and such decisions should be made at the local level.
- Off-campus use of internet funded by the traditional E-rate program should be permitted to leverage all available resources as efficiently as possible, both during the pandemic and thereafter.
- The prohibition against construction of dark fiber and self-provisioned networks should be clarified as still allowing for schools and libraries to purchase eligible equipment and services to extend connectivity into the community.
- Administrative safeguards should be implemented to allow for efficient streamlined processing of applications and compliance with program rules.
- Separate staff and program administration resources from the traditional E-rate program should be dedicated to the ECF program so the existing E-rate program is not adversely impacted in any way.

III. Establishment of Uniform and Straightforward Parameters to Verify Reasonableness of Expenditures Also Will Ensure Equitable Allocation of Funding.

The most important issue that the ECF law deferred to the FCC is the question of verifying the reasonableness of the reimbursable costs.² The Public Notice raises four related inquiries concerning cost reasonableness, as follows. SECA's proposal answers each of these questions:

A. Should funding caps be set and if so what methodology or calculation should be used?

Answer: Yes, applicant funding caps should be set based on available funding and considering the higher costs of internet access in rural areas.

SECA recommends the following budget multipliers:

- Urban schools and districts: \$100 per student
- Rural schools and districts: \$150 per student
- Urban libraries and library systems: \$2.00 per square foot
- Rural libraries and library systems: \$3.00 per square foot

B. Should the FCC establish a range of prices or a price ceiling for each category of equipment and service eligible for funding to define "reasonable" costs and should those amounts vary depending on the rurality or urbanity of the location of the user?

Answer: Except for "connected devices," which have a wide range of costs and features, the FCC should not set a price range or ceiling for other eligible services and equipment. A price ceiling of \$300 per connected device³ should be adopted for reimbursements.

C. Should future purchases be subject to a federal competitive bidding requirement in addition to applicable state and local bidding requirements?

Answer: No, this is an unnecessary requirement that will create confusion and will not reduce prices. Applicants already have local and state accountability for

² H.R. 1319, tit. VII, § 7402(b).

³ SECA considers "connected devices" to be commonly used end user devices that enable students, staff, and/or library patrons to engage in remote learning, including but not limited to laptops, tablets, desktops, and monitors.

their purchases. Further, many schools already have either negotiated long-term contracts and/or have used available state master contracts to support cost-effective purchasing during the pandemic. Adding a Commission-mandated competitive bidding process would negate the work already performed for cost-effective purchasing and would create a confusing two-tier bidding system for pre and post ECF purchases.

D. Should purchases made as of January 27, 2020, when the COVID-19 emergency was first declared, be eligible for reimbursement?

Answer: Yes, applicants should have maximum flexibility to submit for reimbursement of eligible expenses incurred since the inception of the pandemic emergency if they certify that they have not already received or do not plan to use other federal or state COVID-19 relief funds for the same expenditures.

IV. Establishment of Applicant Funding Caps That Incorporate the Rural/Urban Difference in Internet Service Costs and That Are Easy to Understand and Administer Is the Most Equitable and Sensible Way of Ensuring that Cost Reimbursements are Reasonable.

The ECF rules must be established so that each applicant can easily compute the maximum amount of funding available to them, and then make their individual decisions on how to best allocate that funding to meet their local connectivity needs of students, teachers and patrons. Setting up a program that has no maximum ceiling amounts fosters uncertainty, delay and inequity with only some applicants qualifying for funding while many applicants could be denied funding because available funds were exhausted. This would be reminiscent of the earlier years of the traditional E-rate program where year after year only the applicants with the highest discounts could qualify for any Priority 2 funding. Applicants with lower discounts were effectively shut out of the Priority 2 funding with little hope of ever qualifying to receive the funds. We do not want to see a replication of the Priority 2 fund restrictions with the ECF program. The pandemic has identified a

need for off-campus access regardless of income level or physical location that must be addressed fairly.

The concept of setting applicant budgets that has been successfully implemented in the traditional E-rate Category 2 program should be incorporated into the ECF, but the formula and calculations should be simplified so that each applicant can easily calculate their own ECF budget without the need for complex math or the need for the administrator to program a budget look-up tool.

The formula must be respectful of the statutory mandate that 100% of reasonable costs must be eligible for reimbursement. SECA believes that setting the applicant budgets based on the available amount of funds allocated by Congress is the most sensible and straightforward approach.

Exhibit 1 to these Comments provides the mathematical calculations that support our recommendation that the following applicant budgets be set:

- Urban schools and districts: \$100 per student
- Rural schools and districts: \$150 per student
- Urban libraries and systems: \$2.00 per square foot
- Rural libraries and system: \$3.00 per square foot

These multipliers account for the more expensive costs of providing internet in rural areas. Such areas may lack cellular service or a wired service provider and may need to purchase satellite internet service or make other arrangements which may be more expensive.

Based on these multipliers we estimate that if all schools and libraries applied for and received all available reimbursements, the total demand would be \$6.7 billion. We

anticipate that the FCC would then be able to make a second filing window available based on all remaining funds. Alternatively, the FCC may wish to adjust the budget multipliers to account for the additional \$300 million during the initial filing window, which could be done by increasing the urban student multiplier to \$106.00.

To be clear, these amounts per student are not designed or intended to be used to pay for services for *all* students since some percentage of them – which may be most students in a district - already have adequate internet at home and do not need financial support from their schools for this purpose. The funds can and should be applied and targeted to provide internet to those unconnected or inadequately connected and to pay for the services that the schools already have incurred unexpectedly and plan to pay for the duration of the pandemic.

In addition to the applicant budget caps, we believe that the wide disparity in features and prices of connected devices should be addressed by setting a price ceiling of \$300 per device for reimbursement. This amount was determined based on a survey of our state coordinators and their knowledge of their state and local school procurements for tablets and laptops for students. Some state coordinators are aware of procurements that paid \$100 for the most basic of devices while others are aware of device prices paid of \$500 per device for a more sophisticated set of features. We therefore believe that the price of \$300 per device reflects a reasonable allowance for reimbursement of these devices.

We believe that the applicant budget caps coupled with the connected device price ceiling for reimbursement approach best meet the reasonableness standard of the statute,

by ensuring that all applicants can obtain a fair and reasonable amount of reimbursement of their qualifying costs based on the available funding from the ECF.

V. Competitive Bidding Requirements at the State and Local Level Are Sufficient Protections to Govern the ECF Program.

SECA members believe state and local competitive bidding compliance have served and will continue to serve as an important safeguard to ensure that the charges for eligible services and equipment will be reasonable. These protections that are already in place should be sufficient without the necessity to superimpose a federal competitive bidding requirement onto the ECF program. Federal competitive bidding will not improve the prospect of controlling costs, and there are other more effective measures that are more straightforward for applicants and the administrator to implement to meet the statutory standard of reimbursement of reasonable costs.

Schools and libraries began purchasing many of the items that will now be eligible for funding from ECF over a year ago, and have acquired expertise, experience and savvy of the marketplace. They are familiar with the service and equipment prices and offerings in their areas. Many of the prices are within a well-known range of reasonableness – as the FCC and commenters to the Remote Learning Petition proceeding noted.⁴ Most of the equipment and services are standard offerings and do not require customized service or equipment solutions that are the type of procurements that occur in the traditional E-rate program and that are bid on FCC Forms 470. Posting a Form 470 will likely have little if

⁴ Public Notice, page 11 and footnotes 55-59.

any downward effect on prices. There are a finite number of options available in each locality to connect to the internet. Given that schools have been working on ensuring student and staff connectivity from home for over a year, they know what these options are and what they cost and what the best value is. In other words, there is little likelihood that a new and cheaper service or equipment option will be discovered through posting an FCC Form 470. And furthermore, requiring competitive bidding will result in more delays in being able to use this funding to facilitate connectivity to students.

A mandatory FCC Form 470 inevitably will be punitive. Each year in the traditional E-rate program, some innocent, well-intentional applicants inadvertently err when completing their Form 470 by selecting the wrong service choice from the drop-down menu, use a “no-no” word in their service description, or a myriad of other bidding “gotchas” that are found to be a competitive bidding violation resulting in funding denials. Considering the urgency of the need to disburse the ECF funding quickly, the FCC must resist any urge to impose bidding requirements that could create administrative errors that will preclude funding approvals.

Federal competitive bidding also will unnecessarily extend the time period for disbursing funding and will do little if anything to ensure reasonableness of costs. There are simpler and more effective measures to fulfill the statutory “reasonableness” requirement as we explain below.

Schools and libraries already must abide by their state and local procurement laws and regulations when making purchases of services and equipment that are covered by ECF. Even in those instances where there may not be a mandatory requirement, these

entities nevertheless have overarching duties to make prudent and reasonable purchases for which they are accountable to their boards of directors and their constituents. Further, schools and libraries are already subject to a myriad of state and federal oversight and auditing requirements to account for their expenditures. All these measures should be leveraged and viewed as sufficient to ensure that the prices incurred will be reasonable and do not require an additional Commission-mandated competitive bidding process.

Federal competitive bidding will also cause confusion and uncertainty for purchases that have both a retrospective and prospective component. In response to the pandemic, schools have already entered into term agreements with service providers to pay for internet connectivity to students' homes and staff members' homes. If federal competitive bidding is ordered, do these agreements need to be bid while the agreement is in effect to qualify for reimbursement of prospective service costs? If the school or library has already determined that the service is a reasonable purchase, this seems unnecessary and burdensome. If not, then the FCC would have to not only make a set of rules governing which purchases must be bid, they would have to establish exemptions for pre-existing contracts. Already the complexity threatens the simplicity and efficiency of administering the program and create unnecessary pitfalls that will prevent the funding from being distributed to fulfill Congress' intent.

Further, experience with the traditional E-rate program has shown that many so-called competitive bidding violations are technical, inadvertent infractions of the esoteric rules and procedures governing the posting of an FCC Form 470 application that lack any nefarious intent.

Lastly, SECA points out that the FCC's COVID-19 emergency telehealth program rules implemented in response to a Congressional appropriation outside of the universal service contribution process – like the ECF program – did not require posting of a federal competitive bidding form. We believe that the same rationale should govern the ECF.

VI. Applicants Should Have Maximum Flexibility to Submit Reimbursement Requests for Purchases of Eligible Equipment and Services Relating Back to the Beginning of the COVID-19 Emergency Through June 30, 2022.

SECA members believe that the purchases of eligible equipment and services that relate back to January 27, 2020 and forward through June 30, 2022 should be eligible for funding. A crucial prerequisite to obtaining all reimbursements, and especially retroactive payments, is to require applicants to certify that they have not used other COVID-19 emergency funding appropriated by the federal or state governments to make the purchases for which ECF money is requested. Implementation of this important safeguard should be sufficient to allow applicants to decide individually on how best to use the ECF funds. It also will allow applicants that have used their own resources to pay for student internet connectivity at home prior to the availability of ECF to seek reimbursement. It will maximize flexible decision making at the local level.

The statute states that the reimbursement period shall end on June 30 of the year that first occurs after the date that is 1 year after the date on which such determination (including any renewal thereof) terminates. For example, if the emergency period was declared to be over on April 5, 2021, then one year after that date would April 5, 2022. The

first June 30th that occurs from the year anniversary of declaring the emergency to be terminated, in this example, would be June 30, 2022. No one knows today when the emergency will be officially terminated. Accordingly, it makes sense to operate the ECF on an annual funding cycle that ends June 30, 2022. If the emergency is declared to be terminated after July 1, 2021, then the June 30th termination date for ECF will be June 30, 2023. If there is funding remaining after processing all applications for the period through June 30, 2022, then another filing window could be opened for the funding period July 1, 2022 through June 30, 2023.

VII. Eligible Costs Should Include Equipment and Services to Any Off-Campus Location Where Learning is Occurring and Where Internet Service is Needed.

In general, the list of eligible equipment and services enumerated in the Public Notice is consistent with the statute, but there are three important areas that we request the FCC to clarify to provide clear guidance to applicants.

First, the Public Notice seeks comment on excluding funding for the construction of new networks including dark fiber and self-provisioned networks. (Public Notice at page 7). SECA generally agrees that special construction costs of dark fiber and self-provisioned networks that are used to interconnect school and library buildings should not be paid for from the ECF. This limitation should be clarified to explain that it is not a hindrance to reimbursing the costs of eligible equipment that schools and libraries may use to broadcast their E-rate-discounted internet service to off-campus locations to reach students, teachers

and patrons, subject to the prohibition against resale of E-rate services as set forth in 47 U.S.C. Section 254(h)(3).

Second, we encourage the Commission to interpret “advanced telecommunications and information services” to include the equipment necessary to deliver these services to connected devices as eligible. (Public Notice at page 7). This is consistent with the interpretation of the statutory language of Section 254(h)(2)(A) that access to the advanced telecommunications and information services **does** include the equipment necessary to deliver the services, which is the basis for funding internal connections equipment and services under the traditional E-rate program. To that end, antennas and other internal connections equipment on the Eligible Services List that can be used to provide off campus connectivity should be eligible for reimbursement from the ECF.

Third, we encourage the Commission to broadly interpret advanced telecommunications and information services in a technology-neutral manner that allows schools and libraries to devise and procure solutions to meet the needs of their local students, teachers and communities. This includes allowing applicants to decide what locations should be provided with internet access using ECF funds if student learning is occurring at the location.

VIII. The Current Prohibition of Using E-rate Funded Internet Off-Campus Must Be Removed in Order to Make Efficient Use of Traditional E-rate and ECF Funds.

Currently in the traditional E-rate program, there is a prohibition against using E-rate funded internet to off-campus locations. Numerous petitions seeking to overturn or

waive this restriction have been submitted to the FCC and recently a Public Notice inviting comments on these petitions was issued. SECA joined with other stakeholders in signing onto the SHLB Remote Learning Petition for Waiver and Rulemaking. In our comments to that proceeding, SECA explained why the limitation should be lifted during the COVID-19 emergency period.⁵ We incorporate those comments by reference into this proceeding and believe that this relief is even more imperative considering the ECF program.

In order to most efficiently use the ECF funding, the off-campus restriction must be eliminated so that E-rate funded internet, including on-campus E-rate-discounted wide area network connections and existing internal connection equipment, can be used in conjunction with equipment and services funded through ECF to connect students, teachers and patrons to the internet as cost effectively as possible. The purchase of eligible equipment can be used to extend school internet into communities particularly in areas lacking commercially available, reasonably priced internet service. If this limitation is not waived, this means that schools and libraries would have to use ECF funding to purchase another internet source and use that internet with ECF-funded equipment to provide service into communities. This would be extremely wasteful and inefficient. E-rate funded

⁵ State E-rate Coordinators' Alliance Initial Comments filed February 21, 2021 in WC Docket No. 21-31; <https://www.fcc.gov/ecfs/filing/10216240789625>. SECA explained in its Comments that schools should be permitted to use their existing E-rate broadband services without cost-allocation and without fear of jeopardizing their E-rate funding to provide off-campus access to students and teachers for the purpose of remote learning. The FCC can and should implement appropriate measures to ensure that off-campus usage of Internet does not result in schools requesting additional E-rate discount funding just to meet their off-campus Internet demands. Following the end of the pandemic, off-campus connectivity could be restricted to after-school hours. This would ensure that schools would apply only for the quantity of Internet needed for their on-campus usage during the day, and not increase their Internet funding requests for off-campus usage after school hours.

internet should be used to further educational access, wherever students are located and whether the students are in the physical school or library or learning from home.

IX. Specific Additional Safeguards Should be Enacted to Ensure ECF Funding is Used for its Intended Purposes.

The Public Notice asked about several other important safeguards that SECA supports.

First, applicants should be required to certify that the costs of the equipment and services on their ECF applications are not being paid for from other federal and state COVID-19 relief funds.

Second, applicants should certify the equipment and service will be used *primarily* for educational purposes consistent with the traditional E-rate program requirement.

Third, applicants should be required to maintain records of their purchases and other documentation consistent with the traditional E-rate program. No additional document retention requirements should be explicitly prescribed for ECF. Asset inventories already must be maintained for equipment purchased with E-rate funds.

Fourth, services must be in-use during the effective period year. However, there should be no additional oversight by service providers to verify that services are being used.

Fifth, post-reimbursement audits using a random sample of funding disbursements may be performed in accordance with the usual E-rate program procedures.

Sixth, if there are questions about the information provided by applicants in their ECF applications about whether the listed equipment or service qualify as reimbursable

costs, applicants may be required to provide documentation of their requests during pre-funding commitment reviews. Such reviews, however, must be limited to verifying that the costs are for eligible equipment and services and must be completed promptly, within 30 days of receipt of the applicant's documents submitted in response to information requests. In other words, if the ECF application itemizes eligible services and equipment, no further review should be necessary.

Seventh, applicants may be subject to invoice documentation reviews. The FCC should direct the program administrator to conduct a sample of invoice reimbursement reviews based on a statistically valid selection. There should not be 100% mandatory review of all invoices to verify that the purchase was made for equipment as listed on the ECF application. Any invoice reviews must be completed within 30 days of the receipt of the applicant's documentation in response to the information request.

Eighth, schools' compliance with the filtering requirement of the Children's Internet Protection Act should be limited to connected devices that the school purchases with ECF funding for student use. The CIPA statute states that school computers must be filtered and is silent about requiring filtering on internet to student homes.

X. Administrative Processing Measurements Should be Imposed to Ensure Efficient, Streamlined Processing of Applications and Reimbursements.

The Public Notice asked whether there ought to be performance goals and measurements to govern the FCC's and USAC's processing of ECF applications and forms. (Public Notice at page 3). SECA believes that specific performance measurements are vital

to ensure that the Congressional intent of the statute to promptly disburse reimbursements is realized.

It is vital that the administration of the traditional E-rate program continue and adhere to current performance measurements governing the various forms and post-commitment submissions. It would be counterproductive to slow down or impede in any way the administration of the traditional E-rate program to focus on the ECF program. Both programs need to be administered simultaneously which requires the retention of additional personnel and resources.

Since the review and processing of traditional E-rate applications and ECF applications will overlap, the current staff resources of USAC and its contractors are insufficient to incorporate this additional work stream. Equally as important, the same group of reviewers should not be reviewing the ECF and traditional E-rate applications since the guidelines for each program will differ and should be kept separate.

SECA recommends that the FCC direct USAC to undertake a separate engagement with a qualified contractor to process the ECF applications. SECA also recommends that the performance goal should be 30 days from receipt of a funding application to issuance of a funding commitment, or in the limited case where additional information may be required, 30 days from receipt of the additional information from the applicant. Likewise, invoices to the program should be processed within 30 days or in the limited case where additional information is required, 30 days from the receipt of the additional information from the applicant.

To be clear, the PIA procedures governing the traditional E-rate program must not be superimposed on the ECF program because many of those procedures are focused on competitive bidding and cost-effectiveness. By establishing the applicant budget caps and price ceiling for connected devices, and relying on state and local bidding requirements, these reviews will be unnecessary.

As detailed in the preceding section, there are additional safeguards that SECA recommends for compliance with the statute and FCC regulations. These safeguards will allow for the prompt processing of applications and invoices and ensure the funds are used to reimburse reasonable costs of eligible equipment and services.

XI. Reimbursements Should Allow for Either the SPI or BEAR Method of Payment, or if No SPI Process is Available, Applicants Should be Permitted to Obtain Prospective Reimbursements.

The Public Notice proposes that applicants, not service providers, must submit their reimbursement requests for ECF expenditures. (Public Notice at page 14). Should this proposal be adopted, it means that applicants would have to outlay the entire cost of the purchase before submitting for reimbursement. Many applicants do not have the financial resources to upfront these expenditures. Unless the reimbursement procedures are modified, these applicants would be able to obtain a funding commitment but could not receive the reimbursement since they would not have the money in their budgets to pay for the expenditures up front.

SECA recommends that the service provider invoice process be made available for the ECF, and the regulation that allows applicants to choose the SPI or BEAR method from

the traditional E-rate program be incorporated into the ECF. See 47 C.F.R. §54.514(c). The service provider would issue the invoice to the applicant that would reflect the 100% credit of the costs of the eligible equipment and services and then submit a reimbursement request to ECF. With the 30-day processing standard, service providers could be confident that they would promptly receive their reimbursements.

If the FCC feels strongly that the service provider invoice process should not be used, applicants must be permitted to submit a pre-purchase reimbursement form prior to making the payment to the service provider if the applicant cannot afford to pay the whole cost up front. Applicants requesting up-front reimbursements could be required to submit verification of the remittance of the payment to the service provider after the fact and/or ask the service provider to verify their receipt of payment.

XII. Conclusion

The State E-rate Coordinators' Alliance respectfully requests the Federal Communications Commission to adopt an Order consistent with the recommendations set forth in these Initial Comments.

Respectfully submitted,

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SECA Emergency Connectivity Fund Applicant Budget Proposal - Exhibit 1 to Initial Comments

Step 1. Determine the Percentage of Rural and Urban Students in E-rate Records

USAC Open Data Set - E-rate Request for Discount on Services: Basic Information (FCC Form 471 and Related Information) includes the urban/rural status of each School and District Applicant

<https://opendata.usac.org/E-rate/E-rate-Request-for-Discount-on-Services-Basic-Info/9s6i-myen>

Data was filtered to identify each unique school and district BEN that submitted FY 2021 Form 471 application and further delineated between urban and rural status, and was used to estimate the percentage of rural and urban students.

# Rural Students -District and Independent School FY 2021 471s	11,396,426
# Urban Students -District and Independent School FY 2021 471s	41,162,247
Total Students	52,558,673
% Rural Students	22%
% Urban Students	78%

Step 2. Determine the Total Number of Students Enrolled in all E-rate School and District Entities.

The C2 Budget Tool open data set has a larger number of students than the FY 2021 FCC Form 471 open data file and therefore, this larger number was used to calculate the Applicant budgets for the ECF.

(The C2 Budget Tool file does not have urban/rural status of each applicant which is why that calculation was derived from the Form 471 data for FY 2021 applications).

# Students - Schools in FY 2021 C2 Budget Tool (Open Data)	6,415,141
# Students - Districts in FY 2021 C2 Budget Tool (Open Data)	50,759,922

Total # Students in C2 Budget Tool **57,175,063**

The C2 budget tool file includes 5 million more students than the FCC FY 2021 Form 471 data file.

Step 3. Calculate the Total Number of Urban and Rural Square Feet of all E-rate Library and Library System Entities.

The C2 Budget Tool open data set includes the square feet of each library and library system. The 22% rural percentage of schools was then applied to library entities. Most library entities derive their rural/urban status from the school district in which they are located.

<https://opendata.usac.org/E-rate/E-rate-C2-Budget-Tool-Data-FY2021-/6brt-5pbv>

Total Square Feet	
Total # Square Feet of all Libraries and Library Systems in C2 Budget Tool	162,951,178
# Sq Feet - Rural (22%)	35,849,259
# Sq Feet - Urban (78%)	127,101,919

Step 4. Calculate the Per Student and Per Square Foot Budget Multipliers.

Using round, easy to calculate numbers will greatly simplify the calculation of applicant budget caps and the administration of ECF.

In order to provide a larger budget for rural entities, there is a flat 50% increase in the multiplier for both schools and libraries.

	Subtotal	Multiplier per Student	Funding Demand
# Rural Students (22% * 57,175,063)	12,578,514	Rural Schools \$150.00	\$1,886,777,079.00
# Urban Students (78% * 57,175,063)	44,596,549	Urban Schools \$100.00	\$4,459,654,914.00
Total # Students	57,175,063	Subtotal	\$6,346,431,993.00
	Total Square Feet	Multiplier per Square Foot	Funding Demand
Rural Libraries # Sq Feet - Rural (22%)	35,849,259	Rural Libraries \$3.00	\$107,547,777.48
Urban Libraries # Sq Feet - Urban (78%)	127,101,919	Urban Libraries \$2.00	\$254,203,837.68
		Subtotal	\$361,751,615.16
Total Funding Demand			\$6,708,183,608.16