

November 2, 2018

Mr. Nicholas A. Fraser
Office of Information and Regulatory Affairs
Office of Management and Budget
725 17th Street, NW
Washington, DC 20503

*Re: OMB Control Number 3060-0806 – PRA Comments
Universal Service-Schools and Libraries Universal Service Program
FCC Forms 470 and 471*

Dear Mr. Fraser:

The Schools, Health & Libraries Broadband Coalition (SHLB)¹ submits the following comments on the request from the Federal Communications Commission (“FCC” or “Commission”) for Office of Management and Budget (“OMB”) approval, under the Paperwork Reduction Act (“PRA”), for the approval and renewal of the FCC Forms 470 and 471, relating to the Schools and Libraries Universal Service Program, commonly referred to as “E-rate.”

SHLB previously submitted comments to the FCC on July 23, 2018 in response to the 60-day Federal Register Notice dated May 22, 2018. The comments offered numerous suggestions for improving the efficiency of the Form 470 and 471. We are pleased that in its October 2, 2018 Supporting Statement submitted to OMB, the FCC has agreed to accept one of our recommended changes – eliminating the Connectivity Questions from the Form 471. Unfortunately, the FCC stated that they were unable to accept our other recommendations at this time. We continue to believe our other recommendations are worthwhile and submit this letter to explain our rationale.

The E-rate program operates on a July to June cycle, whereas the OMB approvals are based on a calendar year schedule. SHLB understands that OMB review and renewal of these forms occurs in the midst of an E rate application cycle and mid-course changes could be problematic and confusing. We are concerned, however, that the approval of the forms for an additional three years in the present format will perpetuate confusion that has arisen with the FCC Form 470 competitive bidding form. We request, therefore that the OMB and FCC modify

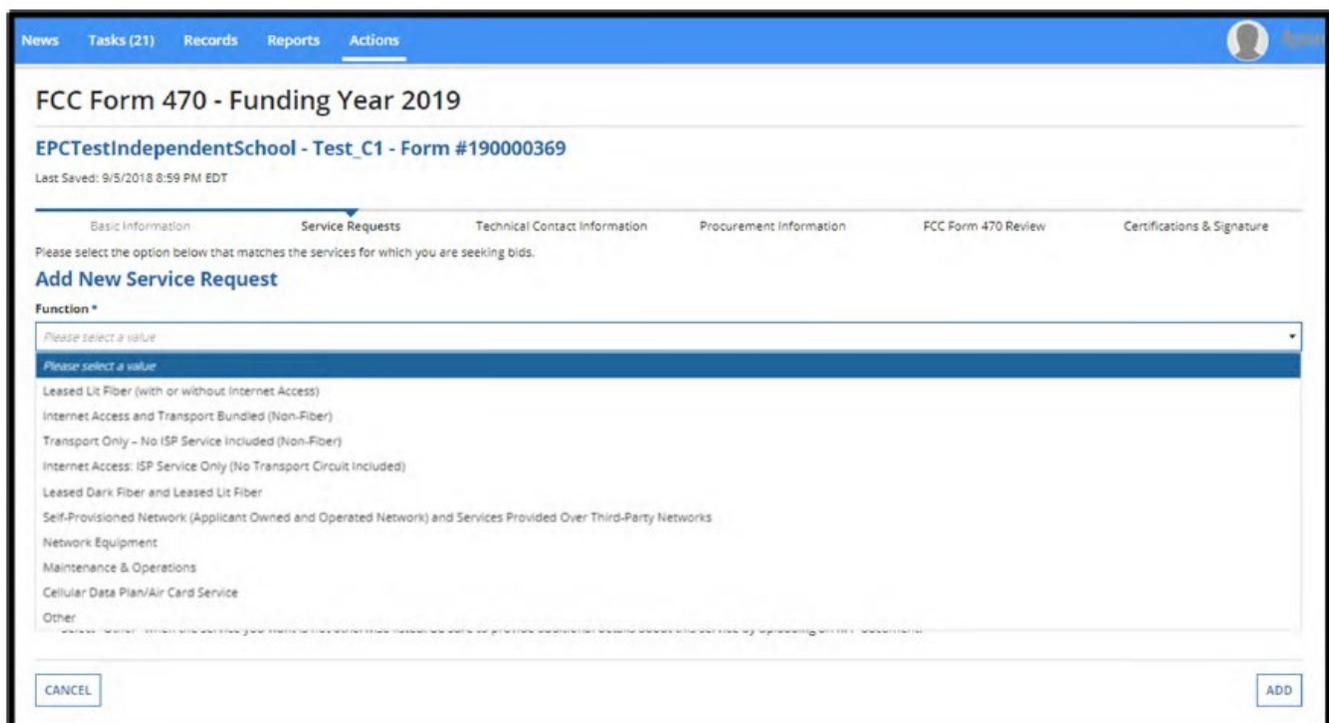
¹ SHLB Coalition members include representatives of schools, libraries, telehealth networks, state broadband offices, private sector companies, state and national research and education networks, foundations, and consumer organizations. See <http://shlb.org/about/coalition-members> for a complete list of SHLB Coalition members.

the Category 1 service request options in the Form 470 dropdown menu described below to be implemented as of July 1, 2019, for E-rate funding year 2020. We believe these modifications will enhance the quality, utility, and clarity of the information collected and minimize the burden of the collection of information on the respondents.

Category 1 Drop-Down Menu Options Must Be Revised to Clearly Articulate Plain Language Internet Access Service Options.

The Form 470 is a competitive bidding form that is completed by an E-rate applicant and posted online. During the 28-day competitive bidding period, interested service providers may submit proposals to provide the services identified in the form. The key to the form is the identification of services for which proposals are requested. Applicants must choose these services from a dropdown menu that is built into the form. There is a separate menu for Category 1 and for Category 2 services and equipment.

The Form 470 Category 1 dropdown menu set forth below is in use today and the FCC has proposed the same menu and descriptions for renewal.



FCC Form 470_C1_Intake_FY2019.pdf, p. 7 (submitted to OMB).

Although the dropdown menu and descriptions are included in the current form, OMB has not approved these dropdown menu items or descriptions in the past. The menu was developed and implemented by the FCC after OMB's most recent approval of the Form 470. When the form was previously submitted and approved by OMB, this level of detail was not included in the PRA submission.

Actual experience shows that the menu items – such as the Internet service options – are confusing to both applicants and broadband service providers. If an applicant is seeking Internet Access that is delivered over fiber, they are expected to know to select the “Leased Lit Fiber (with or without Internet Access)” option, instead of an actual Internet Access drop down option, and then know to type a note to service providers in the Narrative text box explaining that they actually are seeking Internet access services and not a Leased Lit Fiber service. Further, if an applicant is seeking cable modem or DSL-type Internet, they are expected to know to select the “Internet Access and Transport Bundled (Non-Fiber)” option -- terminology that is unfamiliar to many E-rate applicants, particularly the smallest schools and libraries that would be traditionally be seeking cable modem/DSL type Internet access services. In short, applicants are unclear about the Internet service choices to be selected on the Form 470 and service providers are having difficulties discerning what kind of Internet service is being requested, or if it's for Internet at all.

Specifically, the first concern is that the form uses a single service option on the menu – “Leased Lit Fiber (with or without Internet Access)” to denote two entirely separate services:

- Leased Lit Fiber without Internet access means a fiber transport circuit.
- Leased Lit Fiber with Internet Access means Internet service that is delivered over a fiber transport circuit.

Because one menu option is being used for two separate services, applicants must write an explanation of the service they want in a text box on the form. Service providers must consult this text box to clarify which service is being requested by the applicant and to be able to submit responsive bids.

Second, the term “Leased Lit Fiber” is apparently used to refer to a circuit but this is not explicitly explained anywhere on the form.

Third, this approach assumes that applicants know whether the data transport circuit being used for Internet is a fiber transport medium or a different medium when in fact many applicants have no way of knowing.

Fourth, applicants who want a bundled Internet service (including the Internet and the transport circuit) and who do not know whether the circuit is a fiber or non-fiber circuit must also select another dropdown menu option called “Internet Access and Transport Bundled (Non-Fiber)” to ensure that they may consider bids for Internet service delivered on a non-fiber circuit. They must select two options when in fact they want one service,

and this is not at all clear to service providers who are reviewing the applicants' forms. To the service provider, it appears that the applicant may want two separate services – bundled Internet over a fiber circuit and bundled Internet over a non-fiber circuit.

Fifth, there is another Internet service option called “Internet Access: ISP Service Only (No Transport Circuit Included)” which compounds the confusion. Since the “**transport circuit**” language is not part of the “Leased Lit Fiber (with or without Internet)” and “Internet Access and Transport Bundled” applicants may be confused by the use of different terminology and may not understand that the transport circuit refers to the leased lit fiber or non-fiber transport circuits.

Should an applicant fail to select the correct Internet dropdown choice, they risk being denied E-rate funding for a competitive bidding violation.² Our suggested modifications (described below) are intended to avoid this drastic consequence by setting forth clear, consistent choices that are based on commonly used technology terms.

Category 1 Drop-Down Menu Options Must Be Revised to Accurately Refer to Category 1 Network Equipment and Maintenance.

It should also be made clear that the equipment and maintenance options are to be for Category 1 only, since these options are also available under Category 2. Applicants could easily be confused by the inclusion of these options under Category 1 without any clarification, which in turn could lead applicants to mistakenly use the Category 1 drop down menu for bidding their Category 2 internal connections and maintenance requests. This confusion could result in funding denials for competitive bidding violations.

² In light of confusion that arose in FY 2018 concerning the Category 1 dropdown menu selections, the E-rate program administrator contacted many applicants that may have selected the incorrect Internet options, provided a supplemental explanation of the Internet service choices and encouraged them to submit a new Form 470 if necessary. Further, the FCC issued a letter on May 1, 2018 (DA18-444) directing the E-rate program administrator to refrain from denying funding to applicants that may have not selected the correct Internet service option. See https://apps.fcc.gov/edocs_public/attachmatch/DA-18-444A1.pdf. The letter also directed the administrator to make changes to the dropdown menu selections but unfortunately these modifications did not resolve the issues as described herein.

For the current application cycle (E-rate funding year 2019), the program administrator has advised that they do not intend to perform such outreach, and instead will rely on written materials that may or may not reach affected applicants. We anticipate that another directive from the FCC may be necessary to ensure that applicants that did not clearly understand the Internet service selections and may not have chosen the correct option for FY 2019 are not penalized with denial of funding.

Summary of Requested Changes to Category 1 Service Requests

We request the new Form 470 to set forth service options that are clear, concise and use industry-accepted terminology such as:

CATEGORY 1 PROPOSED SERVICE REQUESTS	
TRANSPORT CIRCUITS	Leased Lit Fiber Circuit (without Internet access)
	Non-Fiber Circuit(s) (not including Internet Access), such as copper, satellite, fixed wireless, microwave, etc.
	Leased Dark Fiber and Leased Lit Fiber (must bid both)
	Self-Provisioned Network (Applicant Owned and Operated Network) and Services Provided Over 3 rd Party Networks (must bid both)
INTERNET ACCESS	Internet Access Bundled with Leased Lit Fiber Circuit
	Internet Access Bundled with Non-Fiber Circuit, such as cable modem, DSL, etc.
	Internet Access: No Circuit Included
	Internet Access: Cellular Data Plan/Air Card Service
OTHER	Category 1 Network Equipment of a Dark Fiber or Self-Provisioned Network
	Category 1 Maintenance and Operations of a Dark Fiber or Self-Provisioned Network
	Other

In conclusion, SHLB respectfully requests that the Form 470 Category 1 dropdown menu be modified consistent with these comments, for use beginning July 1, 2019, for E-rate funding year 2020.

Sincerely,



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