

April 1, 2014

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Modernizing the E-Rate Program for Schools and Libraries, WC Docket No. 13-184;
Focused Comments on Consortia Applications and Demonstration Projects

Dear Ms. Dortch:

The National Association of State Chief Information Officers (NASCIO) submits the following comments in response to the FCC's March 6 public notice seeking focused comments on E-Rate Modernization. NASCIO represents the nation's state chief information officers, information technology executives, and managers from the states, territories, and the District of Columbia.

With this submission, NASCIO hopes to illustrate the value of cross-jurisdictional approaches that can be applied to the E-Rate program through consortia applications and more direct state government participation, resulting in reduced costs, greater efficiency—and ultimately connecting more students and libraries to quality high-speed broadband throughout the nation. We also hope to show that much of the infrastructure necessary to achieve this goal is either already in place or quickly replicable based on other states' practices, as well as provide some suggestions around demonstration projects and models the FCC may want to consider as it formulates final rules to modernize the E-Rate program.

As the program exists now, there is little incentive for local districts to participate in consortia applications that facilitate cross-jurisdictional collaboration or other bulk purchasing opportunities. The current formula especially creates disincentives for higher discounted applicants to join a consortium because the lower discounted members can decrease the percentage of reimbursement. Further, while there is some expertise on applying for E-Rate funds at the local level, these applications are often created without the added value of technical expertise that could be made available from participation of state resources such as a state Department of Technology or state Office of the Chief Information Officer. Such expertise could improve the speed, reliability, and security of local networks through utilizing regional approaches and network architecture expertise.

NASCIO would recommend awarding additional percentage points to consortium applications to encourage participation. Adding a financial incentive to create consortia, such as an increased

percentage reimbursement for consortium applications, will simplify the program over the long-term, drive costs down, and ultimately save time and money for both federal and local stakeholders.

NASCIO also believes the Commission should recognize and prioritize state consortia buyers with State Master Contracts as a unique class for expediting funding applications, reviews and processing. State master procurement vehicles have proven over time that the larger the aggregation of "connections" or "equipment" purchased the lower prices will be. States and localities have been proving this through their state master contract purchasing, as well as utilizing cooperative purchasing organizations across jurisdictions. In addition, these vehicles have also set statewide network, security, and interoperability standards.

These contracts are readily available to most according to the National Association of State Procurement Officials (NASPO) most recent survey: 46 states have centralized contracts for Technology Services, and 47 have centralized contracts for IT equipment. All of these states allow political subdivisions (including school districts) to purchase from state contracts. Most states provide other services for political subdivisions, such as electronic access to state contracts, staff expertise upon request and purchasing on their behalf.¹

In paragraph 57, the Bureau suggests that “stakeholders could propose a project to gather data on bulk purchasing by a state, consortia, or regional research and education network for certain internal connection components, commercial internet access, or a VoIP solution that would replace traditional voice service.” NASCIO would whole heartedly support and participate in such a project. Much of the body of knowledge necessary may already exist through national cooperative purchasing organizations such as the NASPO Cooperative Purchasing Organization—known as WSCA-NASPO. All authorized governmental entities in any state are welcome to use WSCA-NASPO cooperative contracts with the approval of that state's State Chief Procurement Official, and NASCIO offers to participate in a demonstration project to aggregate data from multiple cooperative purchasing vehicles on eligible E-rate services and equipment. NASCIO members have also proposed comparing state network circuit pricing with those that are purchased locally as a potential project if the Bureau is seeking product specificity, but we believe this could be replicated across a wide variety of services or equipment eligible for purchase through the E-rate program.

A possible demonstration project for the power of consortia and bulk purchasing would be working with states to identify overlapping rural school and library districts without a current market or means to receive broadband connectivity, and allowing the state to collaborate with the Bureau in a connectivity build-out of the designated area. This would allow rural schools and libraries to not only benefit from bulk purchasing, but also ensure coordinated build-out of public infrastructure with other key public entities such as rural health clinics and public safety entities. In the end, this would provide the necessary scale and assistance to create a sustainable local market.

¹ “2011-2012 NASPO Survey of State Procurement Practices: Summary Report.” June 2012.
http://www.naspo.org/Survey/Documents/Zip/FINAL-SummaryReport2011-12Survey_Updates_7-23-13.pdf

States have already proven through their own work that there is an opportunity to drive down prices of connectivity through state-led purchasing and other forms of cross-jurisdictional collaboration and partnerships, particularly in rural areas. An illustrative example is the “Network Nebraska-Education” initiative, a unique partnership between the Nebraska Office of the Chief Information Officer, the University of Nebraska, and school districts across the state. The project kicked off in 2006 as a result of state legislation without any upfront state funding to implement the actual network. While participation has been completely voluntary for the school districts, the project is now in its seventh year of existence as a statewide network and connects 89% of public K-12 education, 100% of public higher education, and 50% of private colleges in the state on a single IP network. The unit cost of Internet is one of the lowest in the country, with a 39 percent reduction in costs over the last 5 years. The network participants are now requesting shared services to include statewide Internet, network management, traffic shaping, and intrusion prevention. Moreover, participation in the network continues to grow, and the state expects to near 100 percent adoption by k-12 education in one year.

By uniting public school districts and intermediate service agencies on a single statewide IP network, it has permitted these entities to form regional consortia for technical support and commodity Internet purchases. In northeast Nebraska in a 21-county region encompassing 27% of Nebraska’s land area, 90 K-12 entities (mostly small rural districts) have joined together to cooperatively purchase 1,860Mbps of commodity Internet from the State master contract. This enables the regional staff to jointly manage the intrusion prevention, content filtering, and traffic shaping so that each district may burst above its allocated share without penalty. This consortium purchasing and management model has been replicated successfully in three other consortia on Network Nebraska, thereby saving tens of thousands of dollars per year.

NASCIO suggests that Bureau look to support such projects as that in Nebraska and other states looking to expand quality high-speed broadband access to K-12 and libraries. These funds should be provided to applicants who already have a proven, sustainable broadband service operation and are looking to expand by targeting K-12 and library locations without current fiber access. Not only has the statewide network united an overwhelming majority of the Nebraska education entities on a single IP network, it has also provided them a vehicle to purchase and distribute educational applications, content delivery, distance learning exchange, and administrative videoconferencing. With over 500 distance education courses and 10 gigabits of Internet being exchanged on an annual basis, it is an impressive project creating many educational opportunities.

NASCIO believes with the right incentives this is a model that is replicable by other states. Most states have not had the impetus to get involved, such as the legislation mandating state action that was enacted in Nebraska, and these opportunities are thus being passed by in many other states. NASCIO would suggest the Commission consider identifying states that are willing to participate in one-time pilot projects to fully fund the non-discounted portion of the infrastructure build to unserved or underserved regions. It is important to note that access to reliable technical expertise and networks that are scalable for the future are key factors in building broadband service operation that are sustainable without pilot project funding, and should thus be a prerequisite to any such pilot or collaboration to ensure long-term, sustainable success.

NASCIO applauds the Commission for its efforts to ensure our nation's students receive access to the high-speed broadband connectivity and technology necessary for a 21st century classroom, and appreciates the Commission's review of our comments on this matter. If you have any questions, please contact Mitch Herckis, NASCIO Director of Government Affairs at (202) 624-8477 or mherckis@amrms.com; or, Doug Robinson, NASCIO Executive Director, at (859) 514-9171 or drobins@amrms.com.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Craig Orgeron", with a long horizontal flourish extending to the right.

Craig Orgeron, Ph.D., CPM
President, NASCIO
CIO, State of Mississippi