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

In the Matter of	)	
	)	
Connect America Fund	)	WC Docket No. 10-90
	)	
A National Broadband Plan for Our Future	)	GN Docket No. 09-51
	)	
Establishing Just and Reasonable Rates for Local Exchange Carriers	))	WC Docket No. 07-135
	)	
High-Cost Universal Service Support	)	WC Docket No. 05-337
	)	
Developing an Unified Intercarrier Compensation Regime	))	CC Docket No. 01-92
	)	
Federal-State Joint Board on Universal Service	)	CC Docket No. 96-45
	)	
Lifeline and Link-Up	)	WC Docket No. 03-109

Joint Comments of the National Association of State Chief Information Officers (NASCIO) and the National Association of State Technology Directors (NASTD)
April 18, 2011

On behalf of the NASCIO and NASTD, we are writing to submit comments in response to the Notice of Proposed Rulemaking posted in the March 2, 2011 *Federal Register* regarding the modernizing and streamlining universal service. NASCIO represents the state chief information officers and information technology executives and managers from the states, territories, and the District of Columbia. NASTD represents state information technology professionals, whose responsibility is to provide and manage state government information technology services and facilities for state agencies and other public entities, often including hospitals, prisons, colleges and universities. These members also play a strategic role in planning and shaping state government technology infrastructures and policies. Thank you for the opportunity to comment on this NPRM.

In response to the NPRM, it is important to understand the service business model of the state CIO organization. Operating under the leadership of the state CIO, the majority of state enterprise IT agencies are structured in a similar fashion and procure services on behalf of agencies and other public entities consolidating the services into service offerings on a chargeback basis, user fee or comparable model of delivering services. Typically, the executive branch agencies are “customers” that purchase data center, communication services, network, e-mail, system backup, storage or other unit services under a published rate or pro-rated assessment method. In some cases, other branches, agencies and jurisdictions acquire technology services under this model. These could include offices of elected officials (Secretary of State, Attorney General, etc.), educational institutions, local governments and special purpose districts.

Central state IT organizations acquire, manage or operate a suite of communications technology services to deliver voice, data and video services. Generally these services are procured and sourced from private sector carriers/providers under a competitive solicitation. These services typically include local and long distance voice, wireless cell phone, smart phone services (voice, text and web access), interactive voice response (IVR) and other contact center functionality (e.g. predictive dialers, recorders, workflow/workforce management), Internet services, local area networks, wide area networks, “last mile” connectivity, virtual private networks, voice over IP (VoIP), video and audio conferencing and digital microwave.

State CIOs have an obligation to ensure that state IT services are delivered in the most efficient and cost-effective manner possible. That work often leads to an examination of how the state’s “digital” infrastructure (primarily networks, data centers, telecommunication services and applications) is managed and whether IT services and business solutions are provided via consolidated, decentralized or shared service modes of delivery. From a communications services perspective, this may mean focusing on rationalizing the infrastructure through aggregation of services and contracts to include network consolidation.

Invariably, state CIOs find themselves exploring strategic IT consolidation and shared services offerings as ways to improve operational efficiency, optimize service delivery and lower costs. Enterprise consolidation focuses on how the state organizes delivery of IT services to agencies: combining existing organizations, services or applications into a single operation. Consolidation typically is mandated by law, executive order or state CIO directive. Shared services focus on the delivery of a particular service or services in the most efficient and effective way, as a way of gaining economies of scale and other benefits.

The trend is toward greater centralization of IT management and consolidation to exercise a greater degree of control over IT direction and investments while delivering more-efficient IT support to increasingly complex government organizations. Today, most of the states are in a middle ground of this movement, slowly maturing and adopting the characteristics of a more centralized approach with IT consolidation and shared application delivery initiatives. National surveys of state CIOs reveal a continued progression toward more IT consolidation in the future. The direction of state government is clear – enterprise IT consolidation and shared services is the strategic direction and favored approach by elected state leaders.

While the members of NASCIO and NASTD are enthusiastic proponents of ubiquitous high-speed, low-cost Internet access for all Americans, we have concerns as to how a nationwide broadband initiative would be funded. Diverting revenues from the existing Universal Services Fund would create voids in areas the USF was originally intended to supplement. Enacting another "USF-like" revenue-generating structure for the purpose of expanding broadband lays this financial burden at the feet of the rate payers, individuals and institutions alike. As rate payers, our state members already share the financial burden of these mandates and any increased levies would likewise have to be recovered from our enterprise state agency customers.

Summary of NASCIO and NASTD joint comments and questions on the FCC CAF NPRM by referenced paragraphs:

17 & 18. NASCIO and NASTD supports the FCC not proposing "flash cuts" because it can have unattended consequences for states telecommunication services. We rather the FCC use a planned approach with the initial funding stream for the new CAF (the Reformed High Cost Fund).

31. NASCIO and NASTD express concerns that current state master contracts for statewide networks, in which a prime contractor subcontracts with local carriers/providers for last mile service, would be disrupted by potential changes in who is providing last mile service or their cost structures.

87. NASCIO and NASTD were inquiring if there will be any overlap between the CAF proposal and HIE or other emerging health-related electronic records initiatives in which the states are involved.

311. NASCIO and NASTD support the requirement for recipients in the first phase of the CAF to deploy broadband networks of at least 4 Mbps (actual) downstream and 1 Mbps (actual) upstream. This should be a minimum requirement to support the kinds of state government services today and planned in the foreseeable future. We anticipate greater use and demand for rich media, high bandwidth services which would be used by individual citizens or other entities performing public services. Such services include things like interactive public hearings; full-motion/high definition video from disasters taking place in remote areas; delivery of streaming video of government proceedings to citizens and other high demand, rich media applications.

312. NASCIO and NASTD supports including evolving speed requirements and performance in terms of contracts to ensure that states and consumers do not get stuck at those speeds. Speeds should evolve overtime to meet the future demands of applications that would need high speed upload capabilities for citizens.

If you have any questions, please contact Doug Robinson, NASCIO Executive Director at (859) 514-9171/ dbrobinson@amrms.com or Mark McCord NASTD Executive Director at (859) 244-8187 / mmccord@csg.org.

Respectively Submitted,

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