

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of:

Modernizing the E-Rate Program)	
For Schools and Libraries)	WC Docket No. 13-184
Connect America Fund)	WC Docket No. 10-90
)	
)	
Schools and Libraries Universal Service)	CC Docket No. 02-6
Support Mechanism)	

July 15, 2019

Reply Comments submitted by the E-Rate Management Professionals Association

The E-Rate Management Professionals Association¹ respectfully submits reply comments on the Texas Carriers' Petition to Prohibit Use of E-Rate Funds to Build Fiber Networks in Areas Where Fiber Networks Already Exist.

After a thorough reading of the petition by the Texas carriers as well as comments filed by industry groups and carriers, E-mpa opposes the attempt by Texas carriers to circumvent the competitive bidding process and increase the burden on the program Administrator, as well as the universal service fund itself.

In 54.503, the Competitive bidding requirements section of the Universal Service regulations, statute is quite clear that all entities must conduct a fair and open competitive bidding

¹The E-Rate Management Professionals Association(E-mpa) ® is an association of E-rate professionals and consultants whose mission is to promote excellence and ethics in E-Rate professional management and consulting through certification, education and professional resources.

process and select a service offering based on tangible criteria using the cost of eligible services as the most important factor. This principle is fundamental in the procurement of all E-rate services. Applicants, especially those in underserved areas have historically paid a high premium for bandwidth. Competition is good for the E-rate program as it ensures that the Universal Service Fund is used wisely. If it is more cost effective for an applicant to build out a new service which will provide more options in the community, the fund benefits.

As consultants, we have seen that with added ability to seek less traditional services that applicants (the beneficiaries of the Schools and Libraries program) experience more competition and as a result see a reduction in cost. Infrastructure is improving because of this competition. Comments (submitted by Education Superhighway and CoSN, SHLB, TASA, et al as well as Reply Comments submitted by Funds For Learning) effectively illustrate the decrease in cost since the FCC's 2014 Modernization Order. They also illustrate the efficacy of consortia in providing lower priced bandwidths for schools and libraries.²

The concept of Special Construction existed before the Modernizing the E-Rate Program for Schools and Libraries order (The Modernization Order). However, The Modernization Order gave applicants the option to procure services that allowed enhanced competition. The institution of matching funds required special construction charges to be quoted separately from the cost of monthly charges, thus allowing (and requiring) an apples-to apples comparison of bids over a period of time. Vendors who previously included special construction charges in monthly costs, are now required to show more granularly their cost by separating the monthly costs from the cost of special construction. Now applicants are able to make more informed decisions and can choose

² Reply Comments of Funds For Learning, LLC p. 6; Comments of EDUCATIONSUPERHIGHWAY, p. 6; Comments of the Consortium for School Networking (CoSN) Schools, Health & Libraries Broadband (SHLB) Coalition, Texas Association of School Administrators (TASA), et al, pp 7-8

non-traditional methods of building networks when they are the most cost effective. This competition has driven the cost of services down and allowed fiber networks to be built in places where previously options were scarce.

In the Second Report and Order and Order on Reconsideration (Second Modernization Order), as commented by several others, the FCC disagreed with NCTA's suggestions to limit special construction because safeguards were adopted by the FCC to ensure that applicants competitively bid, and selected the most cost-effective option, and that providers, "...all have an equal opportunity to bid to provide E-rate services, and we expect that where there are existing providers and networks capable of providing service at targeted speeds, they will be well situated to offer very competitive pricing through the competitive bidding process."³

In light of the above, the Texas Carriers and the like, should examine their own business practices, rather than advocate for the elimination of competition. If a carrier has existing fiber, it should have every advantage in a competitive bid. The carriers did a poor job of demonstrating why, although they had the home team advantage, they failed to deliver competitive pricing to applicants within the areas they serve. It is evident that rather than play the game, they chose not to even compete.

We believe that the current competitive bidding requirement is all that is needed, and further restriction is detrimental to growth and progress. E-mpa opposes the Texas Carriers' Petition for Rulemaking.

Respectfully submitted:

³ FCC-14-189A1, para.51