E-Rate and the National Broadband Plan

Topic	Recommendation	Page	Recom.	USF Program	Notes
Audits/IPIA	The FCC has moved oversight of the audit program to the Office of Managing Director and has directed USAC to revise its audit approach.	144	8.1	All	
Audits/IPIA, cont.	The FCC has implemented a new Improper Payments Information Act (IPIA) assessment program that is tailored to cover all four USF disbursement programs, measure the accuracy of payments, evaluate the eligibility of applicants, test information obtained by participants, and ensure a reasonable cost while meeting IPIA requirements.	144	8.1	All	These will likely be desk audits and much less burdensome than the last round of audits.
Audits/IPIA, cont.	The FCC has implemented a new compliance audit program for all four USF disbursement mechanisms and contributors. This audit program takes into account such factors as program risk elements and size of disbursements. This audit program is also conducted at a reasonable cost in relation to program disbursements and reduces unnecessary burdens on beneficiaries.	144	8.1	All	These will be performance audits as opposed to compliance attestation audits.
Contribution Base	Broaden the USF contribution base to ensure USF remains sustainable over time.	149	8.10	All	They do not propose a method for doing this, but rather just restate the ideas already out there.
State Networks	The FCC should explore creative solutions to help schools, libraries and health care providers reduce their broadband-related costs by aggregating demand with other community institutions so that they can purchase the maximum amount of broadband with their USF dollars. For instance, the FCC should remove barriers to the shared use of state, regional, tribal, and local networks by schools, libraries and health care providers when such networks provide the most cost-efficient choice for meeting broadband needs.	154	8.20	E-rate/RHC	Presumably, if the proposal is for USF to pay for the entire network and allow other entities to share the network, there should be some cost sharing to lower the costs for all entities.
Funding Cap	The FCC should initiate a rulemaking to raise the cap on funding for E-rate each year to account for inflation.	227	11.18	E-rate	
Data Collection	The FCC should collect and publish more specific, quantifiable and standardized data about applicants' use of E-rate funds.	227	11.20	E-rate	Likely require form changes to collect data. Will USAC validate the data?
Bench marking	The FCC should initiate a rulemaking to set goals for minimum broadband connectivity for schools and libraries and prioritize funds accordingly.	235	11.15	E-rate	Goals should include speed, quality, number of peak users, type of service, and quantity.
Off-Hours Community Use	The FCC should adopt its pending Notice of Proposed Rulemaking (NPRM) to remove barriers to off-hours community use of E-rate funded resources.	236	11.14	E-rate	USAC will likely perform reviews to ensure applicants are not requesting more broadband than what the school alone would need.
Additional funding to entities with dial-up	The FCC could give additional funding to or place a higher priority on schools and libraries using dial-up so that they could transition to broadband services. Such a plan could also be used to upgrade schools and libraries with lowtier broadband services.	237	11.15	E-rate	Give greater discounts to entities using dial-up or low-end broadband.

Priority 2 Funding	In order to ensure that schools and libraries have robust broadband connections and the capability to deliver that capacity to classrooms and computer rooms, the FCC should develop ways that Priority 2 funding can be made available to more E-rate applicants.	237	11.16	E-rate	No comment on how to get this done.
Dark fiber	Applicants should be able to acquire the lowest-cost broadband service, whether it is a fully leased or a mixed lease/own solution. For instance, the current ineligibility of dark fiber prevents applicants from pursuing lower-cost mixed lease/ own strategies for broadband infrastructure. Allowing funding for ownership or leasing of dark fiber and associated communications equipment could allow recipients to use locally underutilized commercial or governmental capacity to provide lower-cost, high-value broadband instead of leased services currently eligible for E-rate discounts.	237	11.17	E-rate	They mention allowing schools to buy dark fiber.
Dark fiber, cont.	The E-rate program already has a three-year amortization rule for "special construction" fees that E-rate applicants pay carriers that construct infrastructure to serve them. This is done to avoid front-loading the E-rate fund with expenses tied to such long-lasting projects. Extending this rule to situations where recipients receive funding for broadband solutions that may involve ownership or mixed lease/ownership of network components— such as the need to purchase equipment to light leased dark fiber—could reduce the short-term impact on the fund.	237	11.17	E-rate	They mention applying the 3-year amortization to offset initial impact on program.
Simplify Application Process	The FCC can ease burdens on applicants for Priority 1 services that enter into multiyear contracts. Applications for small amounts could be streamlined with a simplified application similar to the "1040EZ" form the Internal Revenue Service makes available for some taxpayers.	238	11.19	E-rate	Form 471 EZ and better coordination with other govt agencies.
Simplify Application Process, cont.	The FCC should also work with other relevant federal agencies, including the U.S. Department of Education and the Department of Agriculture, to streamline requirements between agencies and ensure that schools and libraries do not have to duplicate work because of uncoordinated deadlines or other requirements that differ only slightly.	238	11.19	E-rate	Simplify application process through greater government coordination.
Data Collection	The FCC should modify the relevant FCC forms to determine more accurately how schools and libraries connect to the Internet, their precise levels of connectivity and how they use broadband. The collection of this additional information will enable the FCC to continue to improve the management and design of the program as network technologies and uses change in the future.	238	11.20	E-rate	Likely require form changes to collect data. Will USAC validate the data?

State Networks	The FCC should encourage schools and libraries to use state, regional, Tribal and local networks to increase school and library purchasing power. It should support the establishment of state, regional, Tribal and local networks through the E-rate program. In addition, better collaboration among state and federal programs, including the FCC's Rural Health Care Program, could reduce the potential waste of federal resources and maximize available federal funding for broadband-related projects.	239	11.21	E-rate/RHC	Proposing USF pay for the entire network and allow other entities to share the network?
Government Coordination	The FCC should explore creative solutions to aid schools and libraries in reducing their broadband-related costs so that they can purchase the maximum amount of broadband for their limited dollars. For example, the FCC could establish a website that facilitates an exchange of information among federal agencies, state networks and schools and libraries so that the state networks can provide consulting support and share best practices for efficient technological solutions for broadband needs. The same website could also allow state networks to collaborate and share information with federal agencies so that federal funding for broadband projects can be better utilized.	239	11.21	E-rate	Website for better coordination between state networks and federal agencies.
Tribal Libraries	However, some states preclude Tribal libraries from being eligible to receive state LSTA funds, thus making Tribal libraries in those states ineligible for E-rate funding. Congress should consider amending the Act to allow Tribal libraries to become eligible for E-rate funding if they are eligible to receive funding from either a state library administrative agency or a Tribal government under the LSTA.	239	11.22	E-rate	Allow tribal libraries to participate in program if eligible for LSTA from state or tribal government.
Residental Student Internet	Where applicant-managed hardware can use wireless services off campus, E-rate should provide appropriate Priority 1 discounts for those services. Potentially high demand for this service should be accounted for in the program design to ensure equitable overall distribution of E-rate funds. For example, providing a limited amount of funding for wireless services within a pilot program could help determine demand levels and cost-effectiveness.	239	11.23	E-rate	This would carve out E-Rate dollars for a pilot program to fund the initiative. There is no estimate of cost.
Competitive Grants	A competitive component to E-rate could foster similar innovative applications for use of broadband networks nationwide. Importantly, competitions should be designed to offer funding opportunities both to smaller institutions with fewer resources to develop competitive applications and larger institutions with the ability to undertake larger programs.	239	11.24	E-rate	This is just creating a sub-program under E-Rate. No real meat explaining if and what this program would cover beyond what they already get through E-Rate.
Community Colleges	Congress should consider providing additional public funds to connect all public community colleges with high-speed broadband and maintain that connectivity.	239	11.25	E-rate	No comment on cost. No comment about extending discounts to CCs beyond broadband.