

April 18, 2018

VIA ELECTRONIC FILING

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

Re: **Ex Parte Communication**
Modernizing the E-rate Program for Schools and Libraries -- WC Docket No. 13-184
Schools and Libraries Universal Service Support Mechanism -- CC Docket No. 02-6

Dear Ms. Dortch:

On April 18, 2018, Cathy Cruzan, President of Funds For Learning, and I met with Commissioner Rosenworcel and Travis Litman, Commissioner Rosenworcel's Chief of Staff and Senior Legal Advisor. In our meeting, we described the importance of E-rate support for schools and libraries and we expressed our appreciation for the FCC's continuing efforts to bring broadband connections to students and library patrons. We also shared initial feedback about the funding year 2018 E-rate filing window.

- **Underreported Demand.** We discussed the distinction between demand and the funding request data submitted on the E-rate Form 471 application. We explained that the FY2018 funding request data understates the real demand in schools and libraries for E-rate eligible goods and services. We shared that this underreporting occurs because of several reasons, including: (A) the requirement that applicants reduce the scope of their reported project to an amount equal to or less than their Category Two ("C2") site budget; (B) the site-based administration of the C2 budgets; (C) the reduced purchasing power of applicants because of the phase-out of support for telephone service; and (D) the difficulty in using the USAC online portal and invoicing process.
- **Reduction in applicants and sites.** In our meeting we also shared information about the number of applicants participating in the program. We described that since 2014 there has been an 8% decline in the number of sites listed as recipients of E-rate supported services. This decline is directly tied to the phase-out of support for telephone service and difficulty with the application process, including the EPC online portal. Other factors that have contributed to this trend, but to a much lesser degree, include school consolidations and changes in USAC reporting requirements (e.g. the definition of a site).

Finally, to illustrate this information, we shared the attached table.

Respectfully submitted,

/s/ John D. Harrington

John D. Harrington

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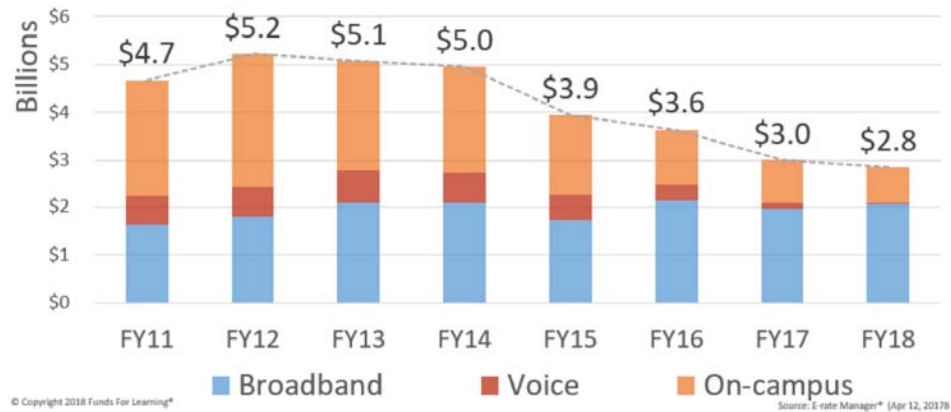
Jharrington@fundsforlearning.com
405-341-4140

Attachment: E-rate Historical Snapshot (April 2018)

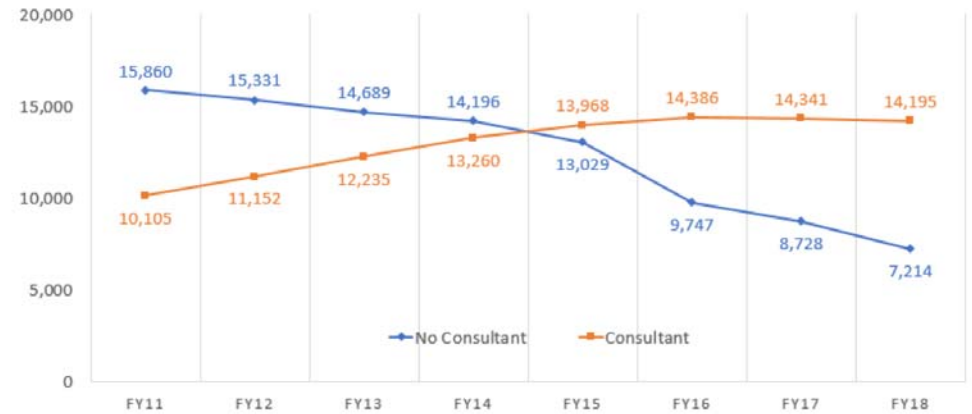
cc: Commissioner Jessica Rosenworcel
Travis Litman

E-rate Historical Snapshot (April 2018)

E-rate Discounts Requested (FY2011-FY2018)



Count of E-rate Applicants



Looking deeper at the drop in FY18 Applicants

	Cat 1	% of 2017	Cat 2	% of 2017	Overall	% of 2017
School District	11,190	90%	5,858	99%	11,874	93%
School	6,155	95%	2,335	91%	6,333	95%
Library or Library Systems	2,539	85%	560	93%	2,576	85%
Consortium	492	103%	126	107%	504	103%
Overall	20,376	91%	8,879	96%	21,287	93%

Count of Sites Receiving E-rate Discounts

