

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

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| In the Matter of |) | |
| |) | |
| Modernizing the E-rate Program |) | WC Docket No. 13-184 |
| for Schools and Libraries |) | |
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COMMENT OF CLEAR RATE COMMUNICATIONS, INC.

Clear Rate Communications, Inc. ("Clear Rate"), a competitive local exchange carrier, submits the following comment in response to the Public Notice released March 6, 2014 (DA 14-208), regarding the modernizing the E-rate program for schools and libraries.

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Overall Summary

The commission requests input on three issues, High-Capacity Broadband-Wi-Fi/Internal Connections, traditional voice services and administration of the program.

High-Capacity Broadband – The issue of High-Capacity Broadband with Internal connections and traditional voice services could be addressed through a combined solution of LAN/WI-FI deployment inclusive of a VOIP solution deployment, as many costs are shared in these installations. This will be discussed in further detail below.

Traditional Voice Funding – The traditional voice funding should not be phased out as many schools rely on this funding and it is a critical aspect of their telecommunication infrastructure. Additionally, it may become difficult to separate as schools migrate to IP-Based communications integrated with their broadband service.

Program Administration – The administration of the program lacks audit or integrity check on the RFP process. Many schools or libraries merely process the paperwork and have no intention of changing providers regardless of cost savings. In other situations, vendors have already been chosen and the procedure is followed without real consideration or evaluation of competing bids. This is the most wasteful aspect of the program.

I. FOCUSED FUNDING FOR HIGH-CAPACITY BROADBAND

How should the Commission best use the additional funds to support the efforts to provide high-capacity broadband within and to schools and libraries?

Funds should be allocated based on several criteria:

- Last date of major LAN/WI-FI deployment, if any
 - Schools should not be awarded funds to change LAN & WI-FI equipment simply because they are available, aging internal systems should be replaced first
- Current Broadband Speed per student/classroom
 - Schools with access to slow speeds will typically have increased costs to obtain higher-speed internet
- Schools requiring or providing laptops/tablets
 - These schools will leverage LAN/WI-FI funded systems much more than schools not providing/requiring these devices
- A minimum of three providers should be required to ensure costs are managed for these services

What services, software, or equipment is necessary to enable high quality, high-capacity networks and which should qualify for support?

Several elements are required and should qualify for support, listed most important to least important:

1. **High-Speed internet connection**
2. **Routers and Firewalls** are critical as they route and manage the traffic
3. **Wireless Access Points and Ethernet Switches** are critical infrastructure for internal connections as these distribute the bandwidth to the classroom, laptop or tablet
4. **Cabling** is non-critical and existing cabling can be reused in most cases, due to the high-cost of cabling entire schools and libraries these approvals warrant additional scrutiny and should be approved only in cases where new or additional cabling is required
5. **Software** is typically included with the hardware and no additional costs should be allocated for this area

B. *Broadband Deployment to Schools and Libraries*

1. *Scope of Services to be Funded*

Should the Commission undertake a limited initiative, within the existing priority one system, to incent the deployment of high-capacity broadband connections to schools and libraries?

Limited initiatives are time-consuming and force schools and libraries to adapt to short-term rules. These typically create a new subset of rules, forcing providers and schools to learn yet another set of compliance rules. Limited initiatives should not be used.

How would the Commission ensure that applicants do not enter into agreements requiring excessive funding for broadband deployment?

All providers should enter bids for services into a central E-Rate system for each prospective bid. Schools selecting higher-cost providers over lower-cost providers should be required to explain why they chose a higher cost provider. Any schools providing poor or incomplete explanations should have their application manually reviewed. This will limit poor use of funds.

C. *Encouraging Cost-Effective Purchasing*

Service providers should enter bid responses into an E-Rate system so schools and libraries can easily compare bid responses and provide oversight from E-Rate. This oversight will encourage good stewardship with the funds provided by the E-Rate program and discourage simply choosing a provider because of familiarity or a pre-determined choice.

II. *REDUCED SUPPORT FOR VOICE SERVICES*

Commission has proposed to refocus the E-rate program on supporting high-capacity broadband connectivity to and within schools and libraries and recognized the need to confront the prospect of eliminating or reducing support for voice and other legacy services that do not advance the deployment of broadband.

How to redirect E-rate support from voice to broadband services?

It would be a mistake to redirect E-Rate support from voice to broadband services. These services still have to be paid for and the schools would simply pay these costs from their technology budgets that support IT and broadband services. Additionally, schools are using these services in advanced ways from automated calling systems to enhanced E911 to each classroom. These advanced services may not be deployed without funding.

A. *Reduced E-rate Support for Voice Services*

The Commission may gradually reduce the discount rate applicants receive for voice services (phase out support for voice beginning in funding year 2015). Should any services to be excluded from the phase out?

ISDN-PRI, SIP and Hosted PBX services should be excluded from phase-out as these services provide high-capacity service and are very efficient uses of voice technology. They also support advanced services such as automated calling services and enhanced E911 which can direct first responders to individual classrooms, saving precious time in an emergency. This will have the added effect of encouraging schools to reduce unnecessary and higher cost POTS.

In the event a phase-out is scheduled it should be gradual and allow for schools to coordinate the phase-out with deployment of WI-FI and LAN deployments. These are ideal times to deploy IP or Hosted PBX systems that provide a multitude of advanced features, including Video, HD and Enhanced E911.

C. *Other Issues Related to Voice Services*

Rural area or areas that lack access to broadband – if Commission decides to decrease support for voice services it could continue to provide support for traditional voice services for those schools and libraries in remote rural areas, on Tribal lands, or elsewhere that lack access to high-capacity broadband.

A phase-out of traditional voice services should be eliminated to POTS and stand-alone services. ISDN-PRI, SIP and Hosted PBX based services should continue to receive funding as they are efficient from both a technology and cost perspective. However, all rural areas should be exempt from these requirements as they typically have few or no broadband choices.

Program Administration – Ensure Cost-Effective purchases

The lack of oversight for schools failing to review bid responses is a serious concern. In many instances, schools have selected providers to avoid dealing with the administrative work of changing providers. In one bid incident, which we reported to USAC, a school chose a service that was \$2,000 per month higher than what we proposed for no discernable reason. These valuable funds were wasted and the school never provided a valid reason for this choice as far we know.

Additionally, many RFP submissions are vague or lack detail to provide a proper bid. Often requests for additional information are rebuffed by consultants or school IT staff. There is a lack of transparency which allows a high level of waste to continue. The following procedures will eliminate this type of inefficiency and improper use of the funding system.

Proposed Cost Assurance Program – Basic Outline

All schools should be required to disclose the chosen provider, the services, rates and terms within 30-days of bid closing.

The following simple procedures will eliminate waste:

- The school or library must choose the selected provider within 30 days of bid closing.
- The winning provider's services, rates and terms should be disclosed to all other providers.
- In the event a provider(s) identifies a serious issue with the bid process, i.e. the school selected a much higher bid for no discernible reason; the school can be questioned and reported, if necessary. The transparency in and of itself, will minimize waste as providers chosen based on personal preference or expediency as opposed to value will be obvious.
- This scrutiny will force schools and libraries to choose based on value and cost as opposed to non-value or irrelevant factors.

Please feel free to contact me with any questions or for further discussion of the issues presented in this comment.

Dated: April 7, 2014

Respectfully submitted,

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