

Welcome

E-Rate
and the
National Broadband Plan

New Mexico Summer Institute
July 14, 2010



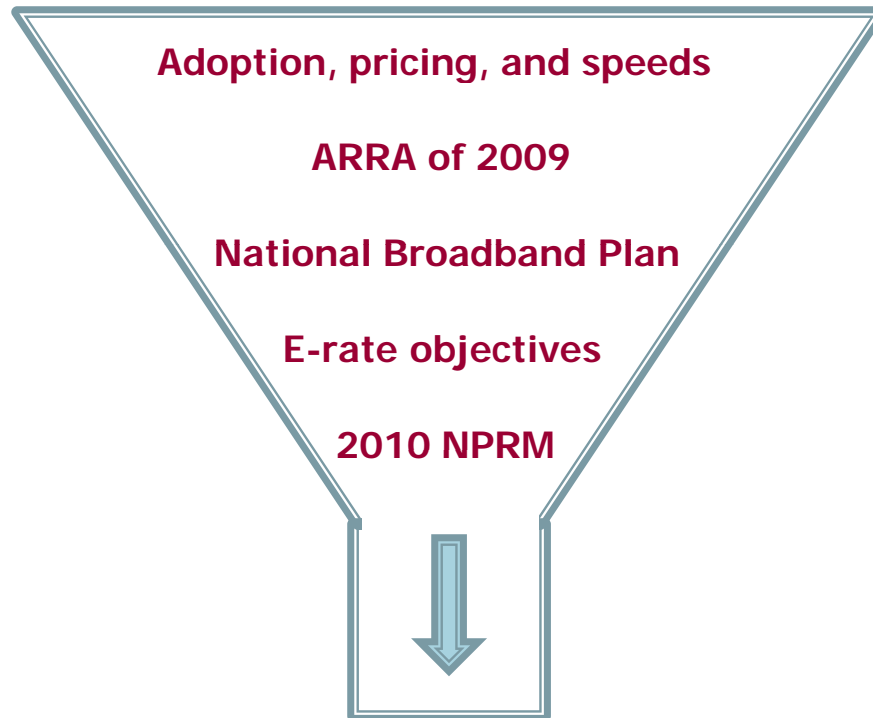
E-Rate Central

Theme

**Broadband is the dial-tone of the 21st Century
and the U.S. is getting too many busy signals**

Agenda

Broadband in the United States



**E-Rate
FY 2011**

E-Rate Central

U.S. vs. World

- **U.S. lags in broadband adoption**
 - **Ranked 15-16 among developed countries**
 - **Approx. 65% household adoption in U.S.**
 - **Up to 90% in Asia and Europe**
 - **Near universal access at 10 Mbps in Taiwan**

U.S. vs. World

➤ U.S. lags in broadband speeds and pricing

- **U.S. is slow and expensive**
 - Average \$35/mo. for 1 Mbps
 - Average \$145/mo. for 50 Mbps
- **Asia and Europe is faster and/or cheaper**
 - Less than \$20/mo. for 1 Mbps in Hong Kong, Taiwan, and Sweden
 - Less than \$35/mo. for 2 Mbps in Canada and Denmark
 - Several countries provide 200 Mbps at less than \$60/mo.

ARRA

➤ American Recovery and Reinvestment Act of 2009

- Stimulus funding: \$7.2 billion for broadband*
- FCC planning: National Broadband Plan (March 2010)**

* Stimulus funding: \$100 education

** FCC planning: Bringing Broadband to Rural America (May 2009)

➤ National Broadband Plan Goals for 2020

- 100 Mbps access for 100 million households (“100 for 100”)
- 90% household adoption rate
- 1 Gbps access to anchor institutions in every community
- Leadership in mobile innovation – 500 Mhz new spectrum
- Digital literacy for every child by HS graduation
- Transition Universal Service Fund for affordable broadband
- Competition across the broadband ecosystem
- First responder access to wireless public safety networks

➤ Roadblocks to implementation

- Some changes may require — or provoke — legislation
- FCC authority to regulate broadband Internet services are already in question (Comcast vs. FCC decision)
 - Title I: Ancillary authority over information services
 - Title II: Traditional regulation of telecommunications services
 - “Third Way:” Title II with forbearance
- E-rate may be less affected than other programs

➤ E-rate program goals

- **Increased flexibility and bandwidth**
 - Off-hour community use of school Internet facilities
 - Specific goals for school and library connectivity
 - Greater infrastructure flexibility (e.g. dark fiber)
 - Shared use of state/regional/local networks
 - More funding for Internal Connections
- **Pilot programs to foster innovation**
 - Wireless connectivity for off-premise devices (“24/7 learning”)
 - Award some funding through competitive grants
- **Improved connectivity for community colleges and tribal libraries**

➤ E-rate program goals, cont.

- **Additional funding**
 - Index annual cap to inflation
 - Provide higher discounts for lower bandwidth applicants
 - More broadly for USF
 - Expand USF contributions base
 - Shift High Cost funds from copper to broadband
- **Improve program efficiency**
 - Streamline application process
 - Implement more targeted audit programs
 - Improve administrative cost efficiency and data collection

Proposed 2010 Key Broadband Action Agenda Items*

	Q2 2010 (CY)	Q3 2010 (CY)	Q4 2010 (CY)
Promote World-Leading Mobile Broadband Infrastructure and Innovation	Mobile Roaming Order and FNPRM (WTB)	AWS Bands Analysis (WTB, OET)	AWS Potential Order (WTB, OET)
	D Block Order/NPRM (WTB, PSHSB) [Also In Public Safety]		Secondary Markets Internal Review (WTB)
	Launch Strategic Spectrum Plan and Triennial Assessment (WTB, OET, OSP)	Spectrum Sharing/Wireless Backhaul NPRM/NOI (WTB, OET)	Spectrum Dashboard 2.0 (WTB, OET, PSHSB, MB, IB)
	2.3 GHz WCS/SDARS Order (OET, WTB, IB)	Oppor. Use of Spectrum NPRM (OET, WTB, IB, MB, PSHSB)	Recommendation re: Contiguous Unlicensed Spectrum Proceeding (OET, WTB)
		TV White Spaces Opinion & Order (OET, MB, WTB)	Experimental Licensing NPRM (OET)
		MSS NPRM (OET, IB, WTB)	
Accelerate Universal Broadband Access and Adoption	USF Reform NPRM and NOI (WCB, WTB)	Mobility Fund NPRM (WTB, WCB)	
	Lifeline/Low-income Joint Board Referral Order (WCB, WTB)	Hearing Aid Compat. Second Report & Order/FNPRM (WTB, OET, CGB)	Spectrum on Tribal Lands NPRM (WTB, CGB)
	E-Rate FY2011 NPRM (WCB)	E-Rate FY2011 Order (WCB)	
	USF Merger Commitments Order (WCB, WTB)	Rural Health Care Reform NPRM (WCB)	USF Transformation NPRM (WCB, WTB)
	Lifeline Pilot Roundtable (WCB, WTB)	Lifeline Flexibility NPRM (WCB, WTB)	Intercarrier Compensation NPRM (WCB, WTB)
	FCC/FDA Workshop and PN on Converged Devices (OET)	Establish Accessibility and Innovation Forum (CGB, WCB, WTB)	USF Contributions NPRM (WCB, WTB)
	Launch FCC Office of Native American Affairs (CGB)	Real-Time Text NOI (CGB, WCB, WTB, OET)	Real-Time Text NPRM (CGB, WCB, WTB, OET)
	FCC-Native Nations Broadband Task Force (CGB)		Internet Video and Device Accessibility NOI (CGB, WCB, WTB, MB)
Foster Competition and Maximize Consumer Benefits Across the Broadband Ecosystem	Mobile Wireless Competition Report (WTB, OSP)	Interconnection Clarification Order (WCB)	
	Pole Attachments Order and FNPRM (WCB)	Rights-of-Way Task Force (CGB, WCB)	Small Business Broadband & Wholesale Comp. NOI (WCB)
	Small Business Broadband & Wholesale Comp. PN (WCB)		
		Special Annex Workshop (WDR, WTR, OSD)	Special Annex NPRM (WDR, WTR, OSD)
	CableCARD NPRM (MB, OET)		
	Smart Video Devices NOI (MB, OET)		Smart Video Devices NPRM (MB, OET)
	Launch Tech. Adv. Grp. on Speed & Perf. (CGB, OET, WCB)		Transparency & Disclosure NPRM (CGB, WCB, WTB, OET)
	Launch Speed and Performance Measurement Program (CGB, WTB, WCB, OET)		Broadband Data NPRM (WCB, WTB, OSP)
Advance Robust and Secure Public Safety Communications Networks		Public Safety Roaming & Priority Access NPRM (WTB, PSHSB)	NG 911 NOI (PSHSB, OET, WCB, WTB)
		D Block Order/NPRM (WTB, PSHSB) [Also In Mobile]	Back-Up Power NOI (PSHSB, OET, WTB)
		700 MHz Walver Petitions (PSHSB, WTB, OET)	Serv. Outage & Homeland Security NPRM (PSHSB, OET, WCB, WTB, IB)
	ERIC Public Safety Interoperability Order (PSHSB)	700 MHz Public Safety Order/FNPRM (PSHSB, WTB, OET)	
	Cybersecurity Certification NOI (PSHSB, WTB, OET, WCB)	Location Accuracy FNPRM (PSHSB, OET, WTB)	
	Survivability NOI (PSHSB, OET, WTB, WCB)		
	Serv. Outage & Homeland Security Workshop (PSHSB, OET, WCB, WTB, IB)		



* FCC actions only — not other governmental agencies

➤ E-Rate Notice of Proposed Rulemaking (FCC 10-83)

- Major NPRM
 - Released May 20th
 - Comments were due July 9th
 - Reply comments due July 26th

- Parallel Eligible Services List proceedings
 - ESL NPRM (FCC 09-105)
 - Draft ESL for FY 2011 (DA 10-1045)

- Overlapping proposals to revise Form 470 and Form 471
 - Comments due July 30th

➤ Major E-rate proposals

- Streamline the application process
- Codify competitive bidding requirements
- Simplify discount rate calculations
- Support 24/7 online learning
- Modify Eligible Services List
- Provide predictable funding for Internal Connections
- Establish rules for equipment disposal
- Revise Form 470 and Form 471

Great goals, in concept, but...

➤ Streamline the application process

- Eliminate the tech plan requirement
 - For applicants covered by state/local planning requirements
 - For Priority 1 services only
- Eliminate the Form 470 requirement
 - For applicants covered by state/local bidding requirements
 - For Priority 1 services only

➤ Issues:

- Would this simplify the application process?
 - Different rules for different applicants in different states
 - Should USAC interpret state/local rules?

- **Codify competitive bidding requirements**
 - **Codification of existing requirements**
 - **“Illustrative” list of prohibited activities**
 - **No employees/board members on any E-rate vendor boards**
 - **No employees ownership in potential E-rate providers**
 - **No gifts/meals/etc. to employees and board members**
 - **No product demonstrations during the bid selection process**
 - **After a contract is in place, different vendor cannot offer new or lower prices**

- **Issues:**
 - **Is illustrative list too strict?**
 - **Stricter than most state conflict of interest rules**
 - **USAC treats such lists as absolute prohibitions**
 - **Impact on operational SPIN changes?**

- **Simplify discount rate calculations**
 - Single “matrix” discount for school districts
 - NCES rural/urban designations

- **Issues:**
 - **Matrix discount**
 - Winners/losers?
 - Priority 2 implications?
 - Consortium discounts?
 - Block 4 simplification?
 - **NCES listings are out-of-date**

NPRM

- **Support 24/7 online learning**
 - **Wireless Internet access services for portable devices used off campus**

- **Issues:**
 - **Can E-rate program support the costs?**
 - Some discussion of pilots
 - **CIPA implications?**

➤ **Modify Eligible Services List (“ESL”)**

- **Add “dark fiber”**
 - Leased for immediate use
 - Provision by non-ETPs
- **Eliminate:**
 - Web hosting
 - Basic maintenance
 - Voice telephone service

➤ **Issues:**

- **Dark fiber designed to promote shared use of municipal and regional networks**
- **Elimination of problematic or unnecessary services**

NPRM

- **Provide predictable funding for Internal Connections**
 - Index funding cap to inflation
 - Cap applicant funding (e.g., \$15/student)
 - Set aside for Priority 2 (e.g., \$500M)
 - Revised discount matrix for Priority 2
 - Eliminate 2-in-5 Rule
 - Eliminate eligibility of basic maintenance

- **Issues:**
 - **Basic problem: E-rate funding is limited. Alternatives are:**
 - Increased funding
 - Lower and/or capped discount rates
 - Less eligible services
 - Applicant funding caps
 - Shift funds from Priority 1 to Priority 2

- **Establish rules for equipment disposal**
 - Can dispose of after 5 years
 - Must be declared excess and follow state/local rules
 - Salvage values can be retained by applicant
 - Must notify USAC (revised Form 500)
 - Must retain records for 5 years after disposal

- **Issues:**
 - USAC notification and record retention

- **Revise Form 470 and Form 471 (and others)**
 - **Fundamental revisions after rule changes**
 - **Interim revisions being proposed**
 - **Add consultant contact information (470/471)**
 - **Add tech plan creation date to certifications (470/471)**
 - **Eliminate telephone number and ineligible entity listings (470)**
 - **Change Block 4 format (471)**

- **Issues:**
 - **Cost/benefits of interim revisions**
 - **Online filing requirement**

Timing

- **FCC public comment periods**
 - Comment periods closed on community usage and CIPA
 - NPRM and related ESL proposals
 - Comments were due July 9th
 - Reply comments due July 26th
 - Form 470/Form 471 revisions
 - Comments due July 30th

- **USAC begins FY 2011 training in late September**

- **Implications**
 - Final orders on community usage and CIPA
 - Modest program changes for FY 2011 from current NPRM
 - 2nd NPRM 4Q10/1Q11 to propose longer-term changes

Guess

- **Limited changes for FY 2011**
 - **Permanent authority for community usage**
 - **Revised Form 486 for new CIPA certifications**
 - **Likely changes from NPRM**
 - Eligibility of leased dark fiber
 - Elimination of 2-in-5 rule
 - Indexing of funding cap for inflation
 - Implementation of equipment disposal rule
 - Phase-in schedule for other changes
 - **Possible changes from NPRM**
 - Tech plan and Form 470 exemptions for some
 - Ineligibility of Web hosting
 - Lower cap of Priority 2 discounts
 - New Form 470, Form 471 and Form 500

Stay Tuned !

Resources

E-RATE CENTRAL


Dedicated to Simplify
the E-rate Program
Schools and
Libraries

Home
Services
Application Tips
Forms Rack
State Information
Service Provider
Resources & Archives

State Information
Friday, July 2, 2010

Funding Quick Search:

Billed Entity Number SPIN



Funding Commitment Overview:

Funding Year	State Total	National Total	% Nat. Total
2010	\$6,315,405.22	\$710,277,802.07	0.9%
2009	\$39,958,735.91	\$2,726,963,675.87	1.5%
2008	\$33,254,113.64		
2007	\$39,773,655.47		
2006	\$31,974,834.26		
2005	\$35,277,728.77		
2004	\$36,024,194.34		
2003	\$78,891,326.54		
2002	\$51,632,417.60		
2001	\$55,378,030.97		
2000	\$18,919,624.28		
1999	\$29,626,125.97		
1998	\$19,204,432.25		

[Last Update: 07/08/2010]

New Mexico E-Rate Exchange

Weekly E-Rate Newsletter
Vol. 4, No. 26 July 5, 2010

Headlines:

- Funding Status
- Proposed Form 470 and Form 471 Revisions
- FCC NPRM on E-Rate Program Revisions: Competitive Bidding
- E-Rate Updates and Reminders
- Schools and Libraries News Brief dated July 2 – Online Form 486 Tips

Introduction

This newsletter is part of the New Mexico E-Rate Exchange ("NewMEX"), a complementary informational service provided by E-Rate Central and tailored specifically to the needs of E-rate applicants in New Mexico.

Funding Status

Wave 7 for FY 2010 will be released on Wednesday, July 7th, for \$48.0 million, including \$156 thousand for five New Mexico applicants. Funding is being provided only for Priority 1 services. Cumulative funding for FY 2010 is currently \$758 million, including \$6.5 million for New Mexico.

The most important development for FY 2010 was the FCC's decision last week to roll over \$900 million in previously unused funds. The \$900 million will raise the total amount of funding available to \$3.15 billion. Given this decision, USAC should be ready to begin funding Priority 2 requests at the 90% discount level within the next couple of weeks. Since the roll-over amount matches that of FY 2009, while demand stayed approximately constant, we would expect that Priority 2 funding will again reach 80% or less.

Wave 59 for FY 2009 will be released on Thursday, July 8th, for \$5.5 million — none for New Mexico. Funding for Priority 2 services is still limited to 78% and above. Cumulative funding for FY 2009 is currently \$2.7 billion.

Proposed Form 470 and Form 471 Revisions

<http://www.e-ratecentral.com/us/stateInformation.asp?state=NM>