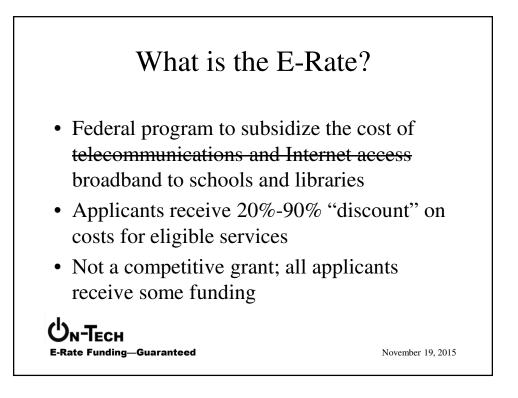# E-Rate
What to Expect in FY 2016

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What is the E-Rate?

- Federal program to subsidize the cost of ~~telecommunications and Internet access~~ broadband to schools and libraries

- Applicants receive 20%-90% "discount" on costs for eligible services

- Not a competitive grant; all applicants receive some funding

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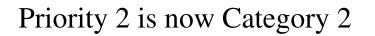
Focus on Broadband

- No reduction in eligibility of broadband services
  - Expansion of dark fiber/self-provisioned eligibility
- Voice services phased out: 20 percentage points per year
  - Includes circuits dedicated to voice
- Voice equipment removed
- Video services and equipment removed
- Other non-broadband services removed
  - E-mail
  - Webhosting
  - Voicemail

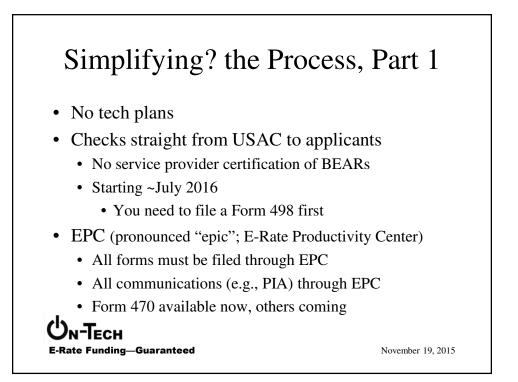**⏻N-TECH**
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Voice Funding Withering

Base Discount	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	Increased Cost 2015
20%	-	-	-	-	-	25%
25%	5%	-	-	-	-	27%
40%	20%	-	-	-	-	33%
50%	30%	10%	-	-	-	40%
60%	40%	20%	-	-	-	50%
70%	50%	30%	10%	-	-	67%
80%	60%	40%	20%	-	-	100%
90%	70%	50%	30%	10%	-	200%

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Priority 2 is now Category 2

- Voice, video and servers dropped
- Top discount dropped from 90% to 85%
- $150-in-5 replaces 2-in-5 ($2.30-in-5 for libraries)
- Caching added
- Managed internal broadband services added
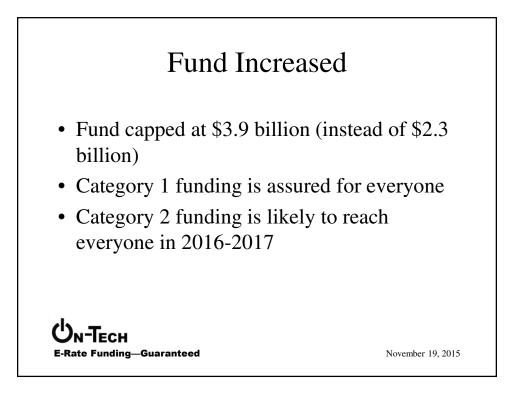- $1 billion available next 2 years, then ?

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Simplifying? the Process, Part 1

- No tech plans
- Checks straight from USAC to applicants
  - No service provider certification of BEARs
  - Starting ~July 2016
    - You need to file a Form 498 first
- EPC (pronounced "epic"; E-Rate Productivity Center)
  - All forms must be filed through EPC
  - All communications (e.g., PIA) through EPC
  - Form 470 available now, others coming

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Simplifying? the Process, Part 2

- Discount calculation simplified
  - Urban/rural criteria changed
- New Item 21 Attachment format
  - May be possible to import last year's
- Contracts don't have to look like contracts; must be written
- New form for multi-year contracts … later (don't use it)
- Must consider Preferred Master Contracts (maybe some day)
- No 470 for business-class Internet access (file anyway)
- Appeals must be filed with USAC first
- Documents must be retained for 10 years

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Fund Increased

- Fund capped at $3.9 billion (instead of $2.3 billion)
- Category 1 funding is assured for everyone
- Category 2 funding is likely to reach everyone in 2016-2017

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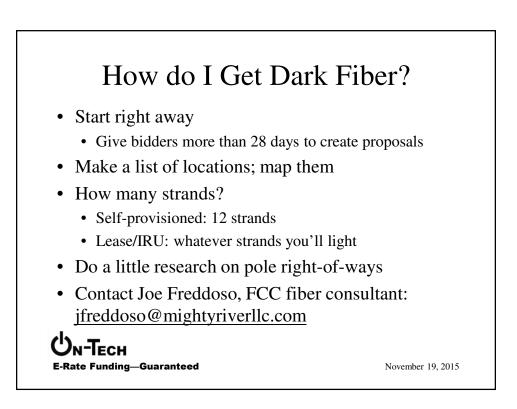
WANs: Going Over to the Dark Side

- You can "buy" a fiber WAN
  - Must compare price to lit fiber, regular bandwidth contract
- You can lease a dark fiber WAN built just for you
  - Must compare price to lit fiber, regular bandwidth contract
- You don't have to amortize upfront costs
  - Bill USAC up front for their share, but pay your share of upfront costs over 4 years
- If the state kicks in support for broadband, the E-Rate will match up to 10% (not in NJ; advocacy opportunity)

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How do I Get Dark Fiber?

- Start right away
  - Give bidders more than 28 days to create proposals
- Make a list of locations; map them
- How many strands?
  - Self-provisioned: 12 strands
  - Lease/IRU: whatever strands you'll light
- Do a little research on pole right-of-ways
- Contact Joe Freddoso, FCC fiber consultant: jfreddoso@mightyriverllc.com

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New C2 Services

- Caching
  - Web caching: commonly accessed pages stored locally
  - WAN caching: commonly accessed data stored locally
- Managed Internal Broadband Services (MIBS)
  - Operation, management, monitoring, repair of LAN
  - May include leased equipment
    - May include upfront charges
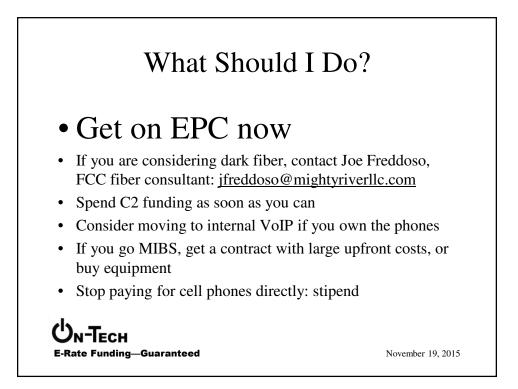 - Ineligible components must be cost-allocated
  - Cloud WLAN controller charges

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C2 Services No Longer Eligible

- Voice equipment (PBX)
- Video equipment (Video server)
- Servers (DNS, DHCP, email)
- Antennas (excluding access points)
- Interfaces / Gateways (IAD, media converter)
- Circuit cards

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Category 2 Budgets

- Five-year budgets:
  - Schools: $150/student
  - Libraries: $2.30/sq.ft. (Urban libraries: $5/sq.ft.)
  - $9,200 minimum per location
- Spend it how you want:
  - all in 1 year, spread across 5 years, half this year and half next year, etc.
- Includes Basic Maintenance, MIBS
- Budget is per-location
  - Equipment which serves more than one location consumes budget from each location served
    - Based on tangible criteria, provide a realistic result
    - Examples: per user, per square foot, per location, other (e.g., by usage)

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What Should I Do?

- # Get on EPC now
- If you are considering dark fiber, contact Joe Freddoso, FCC fiber consultant: jfreddoso@mightyriverllc.com
- Spend C2 funding as soon as you can
- Consider moving to internal VoIP if you own the phones
- If you go MIBS, get a contract with large upfront costs, or buy equipment
- Stop paying for cell phones directly: stipend

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How do I use EPC?
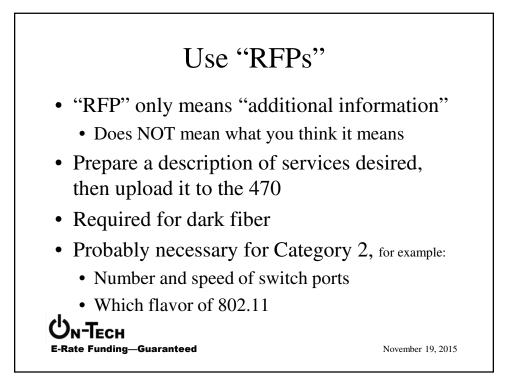
1. Activate an Account Administrator
   (creates users, assigns permissions)
2. Create user accounts
   a) Assign permissions
3. Associate consulting company
   a) Add users from consulting company
   b) Assign permissions to consulting company
4. Get started on the Form 470
   a) Save & Share to let others see the form

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The New Form 470

- Only through EPC
  - No paper form
- Saving: what the buttons mean
  - Save & Continue: save this page, go to next page
  - Back: save this page, go to previous page
  - Save Changes: just save, stay where you are
  - Save & Share: close form, make available to all users above Read Only permissions, who can then make changes
    - If another user "Accepts" the form to make changes, no one else can view it until that person hits "Save & Share"
- No opportunity to describe each service
- One narrative for all services per Category
  - Combined, narratives cannot exceed 5,000 characters

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Use "RFPs"

- "RFP" only means "additional information"
  - Does NOT mean what you think it means
- Prepare a description of services desired, then upload it to the 470
- Required for dark fiber
- Probably necessary for Category 2, for example:
  - Number and speed of switch ports
  - Which flavor of 802.11

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Questions

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Thank you!

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