

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of

Ensuring Children's Safe Use of	)	WC Docket No. 26-133
Screens and E-Rate-Funded Services	)	
)		
Modernizing the E-Rate Program for	)	WC Docket No. 13-184
Schools and Libraries.	)	
)		
Establishing Emergency Connectivity Fund	)	WC Docket No. 21-93
to Close the Homework Gap	)	
)		
Promoting Fair and Open Competitive	)	WC Docket No. 21-455
Bidding in the E-Rate Program	)	

Comments of CSM Consulting, Inc.

**Regarding the
2026 Notice of Proposed Rule Making (NPRM) FCC 26-41**

CSM Consulting, Inc. (“CSM”) is submitting these comments in response to the Commission’s request for comment on the Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking, FCC 26-41, released on June 26, 2026. CSM is an E-Rate management firm assisting applicants throughout the country to achieve and maintain compliance with the rules, regulations, timelines, and documentation requirements associated with the E-Rate program. We have been providing these services as a firm since 2003, though the firm’s principals have been involved in the program since its inception as applicants and coordinators for large school districts and county offices of education (also known as educational services agencies). Our client base consists solely of applicants including statewide and regional consortia and public, private and charter school systems ranging from 21 to over 400,000 students as well as individual libraries and library systems. In Funding Year 2026, CSM filed 830 FCC Form 471 applications with 1,949 funding requests for 417 applicants in 18 states. Our staff members are highly versed in E-Rate processes and routinely communicate with Universal Service

Administrative Company (“USAC”) administration on program compliance issues. CSM has been closely involved with a significant number of program audits and compliance reviews. CSM is a member in good standing of the E-Rate Management Professionals Association (E-mpa™).

Do Not Sunset E-Rate

CSM respectfully disagrees with the premise that the widespread availability of broadband and Wi-Fi in schools and libraries demonstrates that the fundamental objectives of the E-Rate program have been achieved to the extent that the program should be reduced, limited, or sunset.

The substantial increase in connectivity among schools and libraries over the past three decades is evidence of the success of the E-Rate program—not evidence that the program is no longer necessary. Rather, the predictable, reliable funding provided by E-Rate has allowed districts to effectively plan their network topology to evolve over time, in conjunction with the perpetual advancement of technology. The Commission's observation that virtually all schools report having broadband and Wi-Fi should not be equated with universal access to affordable, adequate, reliable, and future-ready connectivity. The existence of a broadband connection does not, by itself, demonstrate that a school or library has sufficient bandwidth, appropriate internal network infrastructure, reliability, or capacity to meet its current and future needs.

Connectivity needs have not remained static. The bandwidth and network infrastructure that may have been considered sufficient several years ago can become inadequate as instructional technology, cloud-based applications, online testing, cybersecurity requirements, video-based learning, administrative systems, and other network-dependent services continue to evolve. A school having broadband today does not mean that the school will have sufficient capacity tomorrow. Systems not maintained will degrade and fail.

For thirty years, schools and libraries have built their technology budgets around the discounts provided through the E-Rate program. Eliminating or significantly reducing that support would not eliminate the underlying costs of broadband service. Instead, applicants would become responsible for paying the full cost of recurring monthly broadband circuits and other eligible services/equipment. Those additional expenses would necessarily divert limited local and state education funding away from classrooms, instructional programs, personnel, student services, and other critical educational priorities. To cover the shortfall left by the contemplation of E-Rate's sunset, applicants will need to cut staff, chop education resources, eliminate core learning functions, and possibly even more drastic solutions. If you sunset the E-Rate program, you will damage education in the United States irrevocably.

CSM urges the FCC to step back from the abyss and reject any discussion on sunsetting the E-Rate program.

Universal Service Means All, Not Just Rural Applicants

Furthermore, CSM supports the definition of Universal Service as service for all Americans. Universal Service does NOT mean only rural schools and libraries or in areas that have a single provider.

The FCC says it best on their webpage for Universal Service. “All Americans should have access to communications services.” It does not say, ‘all rural entities.’ It does not say all ‘single service provider entities.’ It says ALL Americans. This has been enshrined in the 1934 Communications Act for ninety-two years. The FCC doesn’t get to pick and choose how to implement the law. Here is the text from the FCC’s own page on Universal Service.

Universal service is the principle that all Americans should have access to communications services. It is also the name of a fund as well as the category of Federal Communication Commission (FCC) programs and policies created to advance that principle. Universal Service is a cornerstone of the [Communications Act of 1934](#). Since then, universal service policies have helped make telephone service widely available, including in remote and rural areas. Today, the FCC recognizes high-speed Internet access as an essential communications technology of the 21st century and is working to make broadband as widely available as voice service, while continuing to support voice service.¹

Furthermore, the FCC website continues, “The [Telecommunications Act of 1996](#) expanded the traditional goal of universal service to include increased access to both telecommunications and advanced services, such as high-speed Internet, for all consumers at just, reasonable and affordable rates.”²

From 47 U.S. Code § 254 - Universal service (2) Access to advanced services:

Access to advanced telecommunications and information services should be provided in all regions of the Nation³

In short, Universal Service is statutory, and law --and must be applied equally.

CSM strongly opposes limiting E-Rate support to areas classified as "high-cost" or reducing discounts based on perceived levels of competition or Rural/Urban status. Such an approach could unfairly penalize schools and libraries based on geographic and market conditions. In particular, while urban locations may have a larger variety of service provider options and more

¹ <https://www.fcc.gov/general/universal-service>

² *ibid*

³ <https://www.law.cornell.edu/uscode/text/47/254>

competition, prices are often high because of construction costs in an urban setting. For example, one urban district we represent needed to add a single site to their existing network and the lowest bid submitted to build out the Category One network infrastructure build out to that single site was \$350K-- an amount which would have been insurmountable for the district were it not for the E-Rate Program.

Competition Drives Pricing Downward

Competition is the bedrock of the E-Rate program, allowing applicants to leverage lower prices to obtain greater capacity and improved services. The goal of E-Rate should be affordable, reliable, and adequate connectivity—not simply the lowest possible price—and increased competition should strengthen the value of E-Rate rather than serve as justification for reducing or eliminating support.

Competition does not necessarily equate to affordability, as schools and libraries have widely varied financial resources and may still face significant costs even in competitive markets. Additionally, declining costs per Mbps do not necessarily translate into lower overall costs, as schools and libraries continue to require greater bandwidth and more sophisticated network infrastructure to support cloud applications, online learning, cybersecurity, AI, and other emerging technologies. The existing E-Rate competitive bidding requirements already provide an important mechanism for ensuring that applicants obtain cost-effective services.

At the time of the competitive bidding project, the applicant does not know how many bids will be received—it could be no bids, a single bid, or any number of bids. Requiring an applicant to get a certain number of bids as the FCC questioned⁴ will inevitably cause many applicants to need to restart the competitive bidding process and many applicants will miss E-Rate filing deadlines if required to get additional bids after the bid closing date. Additionally, it may run afoul of state and local procurement rules. Many applicants begin the competitive bidding process in August or September, for contracts awarded in January or February, to be timely filed before the end of the E-Rate filing window. A district which conducts the competitive bidding process and does not receive the required number of bids may not have enough time to rebid the project, resulting in them not having a contract in place to provide internet access, and instead would either need to extend the previous contract, or to move to a month-to-month service where the costs sometimes double or triple the contracted rate.

The better option is the way it is handled now: For no bids, the applicant completes the competitive bidding, memorializes that no bids were received at the end of the 28-day period, and requests an updated quote from the incumbent provider or purchases off of a state master contract, if available. For a single responsive bidder, the bidding manager confirms that the bid

⁴ NPRM FCC 26-41, Page 46, paragraph 83

was responsive and cost-effective compared to prices in the marketplace and awards to the single bidder.

CSM contends that flexibility in the competitive bidding process, not adhering to an arbitrary number of bidders, produces better competitive bid results and better-quality contracts as a result.

E-Rate Progress on Broadband

In the thirty years of the E-Rate program, technology has evolved far beyond what was envisioned at the time the 1996 Telecommunications Act was penned. E-Rate has allowed schools and libraries nationwide to utilize a dedicated funding stream outside the federal budget process to implement technologies that allow internet connectivity into our classrooms. Back in 1996, most schools connected with dial-up modems, Digital Subscriber Line (DSL), or Cable modems. Home connections buzzed over phone lines with America Online and were limited to 56K modems. The first browser, Netscape, had only existed for fourteen months. Thirty years later, we carry mobile devices in our pocket thousands of times more advanced, connecting to School and Library backbone networks to educate our students. Students learn anywhere: at school, at home, at the library, or more broadly—anywhere there is Wi-Fi. Most course curriculum is delivered on a tablet device such as an IPAD or Chromebook. Many textbooks are digital and updated as new data overrides obsolete data. Without E-Rate, those advanced networks cease to function and fall silent.

The success of education in evolving to meet the current needs of our students is not a one-time purchase with which we can stick a flag in the ground and declare victory because we once wired the classrooms to the internet. Rather, it is an ongoing investment in our children's future.

As network technology evolves, as do the threats to it. The most existential threat school networks face today is cybersecurity, where ransomware, phishing requests, denial of service attacks and other bad actors can shut an unprotected network down indefinitely at the cost of hundreds of student education hours and thousands of district dollars. E-Rate funding should be allocated to integrate cybersecurity needs into annual funding requests. Likewise, the challenges of integrating Artificial Intelligence into classroom learning will massively upend existing curriculum, relying very heavily on the high-capacity bandwidth circuits provided by E-Rate. These are the problems which will challenge education for many years to come—and it requires both an ongoing investment in the form of E-Rate funding, but also action by Congress, and the FCC to administer it.

AI Artificial Intelligence

The FCC asks in this NPRM about how the E-Rate Program could be used to support the utilization of Artificial Intelligence in Education. “What level of connectivity do schools and

libraries need to utilize AI-enabled educational tools or other emerging technologies effectively?”⁵

The short answer to the FCC’s question is applicants will require significantly more bandwidth to handle the connections with substantially more data transfers passing the connection nodes than the current networks were built to handle, AI applications may involve cloud-based processing, real-time interaction, large data transfers, video and audio processing, personalized learning platforms, intelligent tutoring systems, accessibility tools, translation services, administrative applications, and other services that depend upon consistent, high-capacity network connectivity.

Consequently, a school having Internet Access does not necessarily mean that it has the network infrastructure necessary to effectively utilize AI-enabled technologies. E-Rate currently supports the underlying infrastructure required to transport and distribute broadband within schools and libraries, an infrastructure that plays a critical role in the implementation of new technology. Connectivity requirements will vary significantly based on the size of an institution, number of concurrent users, applications being utilized, network architecture, geographic location, and the degree to which services rely upon cloud-based resources. Instead of establishing a static bandwidth threshold, the Commission should recognize that network capacity must be scalable and responsive to actual and reasonably anticipated demand.

Educational Purpose

Educational purpose means many things to many different applicants. Each state defines the standards of Educational Purpose differently. A public school will have a different educational purpose than a private school or religious-based instruction. Charter schools define educational purpose based on their own individual charter. Libraries often serve a different population than schools (with some overlap) and consequently, there is intentionally no uniform standard of educational purpose nationwide. The Commission has no authority granted to it by Congress to regulate educational purpose. The only regulations that impact on educational purpose in the E-Rate program is a law passed by Congress (Children’s Internet Protection Act) and until such time as Congress passes any such update to the law, the FCC is exceeding its authority to attempt to regulate educational purpose and screen time initiatives.

CSM believes that the existing broad E-Rate framework provides sufficient safeguards to ensure that supported services are used for appropriate purposes.

Annual Budget

⁵ FCC 26-41, Page 18 Paragraph 24

CSM contends that the Commission should not interpret the fact that annual E-Rate demand has fallen below the program's funding cap as evidence that schools and libraries no longer need E-Rate support or that the program has fulfilled its mission. E-Rate is not a 'bill to the cap' (use or lose) federal program where the budget disappears if it is not used annually. Competitive Bidding, Lowest Corresponding Price, and Cost Effectiveness rules reduce the demand on the budget cap because they lower the total project cost. Rather, the Commission should distinguish between funding demand and underlying connectivity need. A program can have funding demand below its authorized cap while remaining essential to the schools and libraries that rely on that support to obtain and maintain affordable, reliable, and sufficiently capable connectivity.

E-Rate is fundamentally a discount program and is not an unrestricted grant program. The level of funding requested through E-Rate is influenced not only by an applicant's technological needs, but also by its ability to afford the required non-discounted share and its administrative capacity to navigate the E-Rate application and procurement processes. A school or library may have a legitimate need for additional bandwidth, improved internal network infrastructure, or other eligible services but nevertheless be unable to undertake the associated project or submit a funding request because of budgetary or administrative constraints.

The Commission's own E-Rate framework recognizes this distinction by providing support for both connectivity to eligible locations and connectivity within those locations. Category One support addresses services providing connectivity to schools and libraries, while Category Two support addresses internal connections and related services necessary to distribute connectivity within eligible facilities. The continued level of Category Two demand demonstrates that having an Internet connection delivered to the edge of a school building does not eliminate the need for investment in the network infrastructure that allows that connection to be distributed and made useful to students and staff.

Accordingly, CSM asks that the Commission view current connectivity levels not as evidence that E-Rate has fulfilled and exhausted its purpose, but as evidence that the program has successfully advanced its original objective and should now be modernized to address the ongoing capacity, reliability, and internal-network needs that accompany that achievement.

National School Lunch Program (NSLP) as basis for Discount Level

CSM supports the continued use of National School Lunch Program (NSLP) eligibility and Urban/Rural status as factors in determining E-Rate discount rates. These measures provide a reasonable, consistent, and administratively efficient means of evaluating the economic and geographic circumstances of schools and school districts.

NSLP eligibility provides a consistent, objective, and readily verifiable measure of low-income students served by schools and school districts. While no single measure can capture every

aspect of a district's financial circumstances, NSLP eligibility provides an established and consistently reported indicator that allows the Commission to distinguish between applicants with various levels of student economic need. Evaluating support in this manner more accurately reflects providing an appropriate level of assistance based on the circumstances of the students and schools being served.

District size and aggregate tax base alone do not demonstrate a district's ability to pay for telecommunications services. The NSLP discount rate model provides a more meaningful basis for evaluating whether support is appropriately targeted. A district's aggregate tax base does not reveal how much funding is actually available for technology and connectivity after accounting for operating costs, staffing, facilities, transportation, and the many other costs associated with providing educational services.

NSLP eligibility and local tax base should not be treated as interchangeable measures of a district's financial circumstances. NSLP eligibility measures characteristics of the students being served, while a local tax base primarily measures characteristics of the community in which the district operates.

For example, a district can serve a significant low-income population while also having a substantial aggregate tax base because of it being a large district that serves a large geographic or population. Conversely, a smaller district may have a relatively low aggregate tax base without necessarily having greater or lesser student economic need. Having a substantial aggregate tax base therefore should not be viewed as evidence that a district has sufficient resources to absorb a reduction in its E-Rate discount. (i.e. Charter School Districts often serve a low-income population in a high tax base urban region and would be adversely affected if local tax base replaced NSLP.)

CSM also supports retaining Urban/Rural status as a component of the E-Rate discount calculation. Geographic location can materially affect both the cost and availability of telecommunications services.

Rural schools and school districts frequently operate in areas with fewer telecommunications providers and less competition. Limited competition can affect the prices available to schools and school districts. Last mile costs to rural locations are significantly higher because more infrastructure buildout is needed to light the fiber. Urban districts may have more options for vendors resulting in a lower monthly service cost but face higher costs for permitting and construction. No one region has a monopoly on high costs, rather there are different factors which affect network construction. The current use of NSLP eligibility and Urban/Rural status also provides a straightforward methodology that is easy for applicants to understand and for the Commission to administer consistently. NSLP information is reported regularly by schools and

school districts and can be verified through established 3rd party reporting processes. This provides an important administrative advantage. If a new model was introduced with a substantially more complicated assessment of local wealth, tax capacity, or other financial indicators, it will take years to implement nationwide and would create massive additional burdens for applicants and the Commission while making the discount calculation less predictable.

Head Start and Kindergarten Eligibility

CSM respectfully urges the Commission to maintain E-Rate eligibility for Head Start and pre-kindergarten students and facilities under existing eligibility requirements. Teachers need access to the internet at Head Start and Kindergarten locations, to utilize age-appropriate curriculum, interactive displays, communications, and classroom presentation systems. Most internet at these locations is used by the teachers who guide the classroom instruction. While Head Start and Kindergarten students do not often directly utilize the internet for classroom learning as the older students do, that doesn't mean that the Head Start and Kindergarten school sites should be ineligible for funding as the need for reliable internet still exists. They have the same needs as any other school site and non-instructional facility in a School District. Eliminating internet access or internal connections at these locations is punitive and harmful.

Vendor Interests in New Services

CSM believes the Commission has already established comprehensive safeguards that effectively limit undue vendor and consultant influence in the E-Rate program. Existing competitive bidding requirements, conflict-of-interest provisions, gift rules, and USAC's thorough application review and audit processes provide substantial protections against improper influence.

Rather than creating new restrictions, the Commission should continue to support and enforce the existing procurement framework, which has successfully promoted fair competition, transparency, and applicant-driven decision-making throughout the history of the E-Rate program.

Consortia 479

While CSM supports ensuring that all entities participating in the E-Rate program comply with the Commission's rules, we do not believe requiring every consortium member to submit an electronic FCC Form 479 in EPC prior to the consortium lead filing FCC Form 471 will improve program integrity or reduce administrative burden. In fact, this proposal does the opposite and massively increases the administrative burden on the Consortia applicants without any commensurate improvement in the receipt or delivery of services.

First, consortium members already certify their compliance with applicable E-Rate requirements by completing FCC Form 479 and providing it to the consortium lead prior to the consortium

lead certifying Form 486, which is appropriate as it is on Form 486 that every applicant, whether consortium or not, certifies their compliance with the Children's Internet Protection Act (CIPA), if applicable. The proposed change would primarily alter the method of submission rather than create any new substantive certification requirements.

Second, consortiums exist in part to centralize administration and reduce the administrative burden on individual schools and libraries. Requiring each consortium member to independently access EPC and complete certifications before the consortium lead can file FCC Form 471 shifts administrative responsibilities back to individual members and diminishes one of the primary efficiencies that consortium participation is intended to provide.

Third, the proposal creates additional opportunities for filing delays. Many consortiums include dozens or even hundreds of individual schools and libraries. If a single consortium member fails to complete its electronic certification on time, the consortium lead's ability to timely file the FCC Form 471 could be delayed, potentially affecting funding for every participating member. The current process allows consortium leads to efficiently collect and maintain FCC Forms 479 while ensuring compliance without creating unnecessary filing dependencies.

Fourth, the Commission has not identified evidence that the existing FCC Form 479 process has resulted in widespread compliance issues or abuse. Absent such evidence, there is no corrective action needed.

Finally, while the Commission seeks parity between consortium and non-consortium applicants, consortium applicants are fundamentally different by design. Consortiums were established to take advantage of large-scale pricing advantages, consolidate expertise, simplify administration, and reduce the burden on individual schools and libraries. Requiring each consortium member to separately complete additional EPC certifications reduces these efficiencies without providing meaningful benefit.

Not every consortia member files for E-Rate support. If every member must log into EPC, maintain an active account, submit certifications, and do so before the lead applicant can file, it will likely prevent many consortia from filing applications. The FCC is effectively undoing one of the primary benefits of consortium participation.

We have observed that many consortium members have personnel changes every year. A superintendent, library director, or EPC account administrator may retire or change positions. Waiting for every member to update EPC access and submit certifications could delay the consortium's entire application, even when the consortium lead has everything else ready to file. For these reasons, we believe the current process appropriately balances accountability and administrative efficiency. If the Commission wishes to modernize FCC Form 479, it should

consider allowing consortium leads to retain electronic certifications in their records and provide them to USAC upon request, rather than requiring every consortium member to independently submit the form through EPC before the consortium application can be certified.

Service Substitutions

Within E-Rate there are two types of service substitutions: global service substitutions (initiated by the vendor when a newer model comes out which supersedes a previous version) and applicant- initiated service substitutions done in consultation with the vendor during implementation. Global service substitutions can happen at any time, and are generally invisible to the applicant, whereas applicant-initiated service substitutions must be completed before the last date to receive service (June 30, XXXX for a Category One recurring service bandwidth change or September 30, XXXX for a Category Two Internal Connections request) and require applicants to log in to EPC as a full rights user defined by the applicant to initiate the transaction.

The FCC proposes to amend section 54.504(d) of the E-Rate program rules to make clear that service substitutions must be in writing and certified under penalty of perjury by an authorized person and that the Administrator must approve the service substitution prior to reimbursement being made.”⁶ This request already happens today as invoicing requirements have become much stricter over the last several years, and invoices are not paid if there is a part number mismatch or a bandwidth mismatch. There is no reason to add even more layers of bureaucracy when the existing certifications are already sufficient.

A much better option to simplify the Service Substitution process for Category Two is the inclusion of the “From/ To List” which is the Make, Model number, pricing, quantity, etc. from the approved Funding Request (by line item), and indicate the replacement items quantities and prices. Over the years, many applicants have taken the Bulk Upload Template, modified it to create the ‘From/To’ List, and uploaded that into the substantiating documentation on the service substitutions. CSM suggests that the FCC direct USAC to create a ‘From/To’ Template based on the existing bulk upload template to use for Category Two Internal Connections Service Substitutions requests to include as additional documentation because it simplifies the service substitution process.

For Category One Bandwidth changes, mid-year bandwidth changes (provided the new bandwidth is covered in the upgrade section of the contract), which is now handled by a service substitution and works correctly with no additional changes needed to certifications as only a full rights user in the EPC Portal can submit the substitution.

⁶ FCC 26-41, page 43, paragraph 76

Category One Transition of Services can be simplified even further than the recent rules set down by the 2026 Report and Order FCC 26-30 (Competitive Bidding Portal Order)⁷ and not require a service substitution, if the FCC Form 471 line items are modified to allow for “starting bandwidth and prices” and “ending bandwidth and prices.” To make this change, USAC would place a checkbox on the Funding Request Line Item which says, “Check the box if the request is for transition of services.” Starting and Ending Bandwidth text fields would be added for the applicant to fill in. As long as the invoices have either the starting bandwidth or the ending bandwidth, then the invoices can be paid and no bandwidth service substitution will be needed--and consequently, no split funding requests will be required. This action will greatly simplify E-Rate program administration for Category One service substitutions.

E-Rate in 5-10 Years

The best way to answer where we are going is to look at where we have been. Five years ago, education nationwide pivoted because of the worldwide pandemic and proved that learning happens where the Wi-Fi connection resides, regardless of whether it is in a classroom, at home, or on the go. Education has become decentralized, and there are now many more options for student involvement than there have been in the past—and a standardized curriculum, built for an industrial society, may not be the best for every student in a post-industrial economy. The challenge to educators is to meet the moment where the student is located, engaging them in a way that inspires them.

Educators need a strong technology foundation to be able to support the students’ varied interests. For schools, that means heavy investment in bandwidth capable of supporting artificial intelligence, to build safeguards into the network to prevent cyberattacks, and to expand opportunities for collaborative learning both in multiple classrooms on a single campus, across multiple campuses, or across multiple districts.

Tomorrow, educators will need tools which support AI and distributive learning. They will be using bandwidth hungry applications which generate a large volume of data. They will use Artificial Intelligence to build electrical circuits in science class, sample interactions in chemistry without expensive chemicals, attend remote drama classes with Broadway stars, or rebuild an engine in virtual auto-shop. What is happening now, in innovative school district pilot projects across the country, will become ubiquitous in the coming years. Some of that is already starting to happen today, in innovative school districts and classrooms around the country. All of that individualized learning needs a hefty, robust network to rely upon, flexible enough to adapt. In ten years, bandwidth needs at schools will likely more than double as a result of AI, as they have every five years since the beginning of the E-Rate program. The SETDA bandwidth standard of

⁷ FCC 26-30 paragraph 44

today at 10 Gbps per 1,000 users⁸ is roughly 300 times the 56K dial up bandwidth needs of a school in 1996 and the bandwidth needs will continue to increase as more computer intensive applications are integrated into the curriculum.

Within the next five to ten years, most schools will need to upgrade their cabling infrastructure, as the current Cat- 6 or 6e cabling standard will be a quarter of a century old (adopted in 2002), and applicants will need to install infrastructure that supports the advanced features of newer Wi-Fi standards including Wi-Fi 8.

Category Two Budget is Not Redundant

On page 17 of the NPRM, the FCC asks whether the expansion of E-Rate funding which took place in the 2014 order is still relevant today when there are other federal funding sources. If Category Two funding were to be eliminated (reset prior to the Second Report and Order in 2014), operational planning at the district level for infrastructure would stop-- almost immediately.

There are two halves to a successful connection: Category One Telecommunications Services (from the Service Provider Central Office to the School District Office or Data Center (Internet Service), and Wide Area Network (WAN) Services to the individual sites.) and Category Two Equipment or Services inside the demarcation point to the classroom. Applicants need both halves to function. An internet connection needs electronics in the classroom to complete the transition of data so that the Wi-Fi signal can be broadcast. Likewise, the Wi-Fi access points can only act as an intranet if there is no internet connection. Cutting Category Two budget (Internal Connections, Basic Maintenance and Managed Internal Broadband Services), as the question asks above, creates a sinkhole – whereby the high-volume water (data packets) disappear into the void and never complete the path to the destination (wireless access points). Consequently, networks will fail because of the deliberate choice to cut Category Two funding. It is essential that the Category Two Funding continues.

The FCC made the wise decision in the Second E-Rate Modernization Order 2014 to change the conceptualization of what was then Priority Two Services to a more equitable universal definition whereby all applicants could utilize the funding over five years instead of a limited few depending on what remains after the Priority One Funding. The early E-Rate program was fraught with uncertainty, as applicants never knew whether they would get Priority Two Funding or not until far into the Priority One application cycle. Applicants at the highest 90% poverty levels sometimes got multiple years of funding (until the 2-in-5 rule limited them to funding in two out of every five years as a band-aid to stretch Priority Two dollars) and applicants below

⁸ <https://www.setda.org/priorities/equity-of-access/broadband-imperative/broadband-imperative-iii/infrastructure-for-the-future/>

80% discount percentage often got nothing. Most applicants below 80% discount stopped applying because they were wasting a significant amount of time on the application process and getting no results. The 2014 Modernization Order change starting in 2015 fixed that problem with a five-year Category Two budget and allowed all applicants to budget their time and resources for network upgrades.

Furthermore, E-Rate Category Two does not duplicate infrastructure improvement efforts of other federal programs like BEAD (Broadband Equity Access and Deployment Program). BEAD funds one-time physical deployments in unserved or underserved areas. E-Rate provides the continuous, predictable discounts necessary to maintain ongoing monthly broadband subscriptions and internal network upkeep. BEAD provides the “road,” E-Rate Special Construction provides the ‘on-ramp’ to connect the school to the high-speed network. The two funding sources work hand-in-glove with each other, not duplicating efforts.

Eliminating or reducing Category Two internal connection budgets or eliminating special construction support would disproportionately harm underfunded rural and low-income districts. These areas lack the local tax base to absorb full commercial broadband rates.

CIPA and Screen Time

In 2000, Congress passed the Children’s Internet Protection Act into law which required the filtering of obscene materials for children under 18 years of age. The law’s language was modified in 2011 by the Protecting Children In the 21st Century Act. These are the only two laws which impose restrictions on E-Rate funding. Congress has not passed any law regarding Screen Time. Therefore, the FCC is exceeding its authority to propose implementing the changes regarding screen time.

While many people argue that excessive screen time is bad for student learning, and in general, excesses of many things are not healthy, these functions are best handled through local acceptable use policies and internet safety policies, not at a federal level. Schools know their students best, not a federal agency 3000 miles away. To paraphrase Justice Potter Stewart when famously talking about obscenity, “I know it when I see it,” the FCC risks being the heavy-handed arbiter of screen time when that decision is best left to the local school boards and internet safety policies.

Kalamazoo Order Should Remain

CSM supports maintaining the Commission’s longstanding treatment of existing contracts under the principles established in the Kalamazoo Order. The Kalamazoo Order appropriately recognizes that, in limited circumstances, an existing contract can be evaluated as a bid as part of a subsequent competitive bidding process without requiring an applicant to unnecessarily terminate or replace a contract that may continue to provide the most cost-effective service. Under this process, the applicant must still comply with the E-Rate competitive bidding

requirements, including posting the FCC Form 470, allowing for the full 28-day competitive bidding period at minimum, and evaluating the bids received. If, after completing that process, the existing contract is determined to be the winning and most cost-effective bid, the applicant can memorialize that selection. For E-Rate purposes, the relevant contract date is the date of that memorialization following completion of the competitive bidding process, rather than the date of the underlying agreement.

Importantly, the Kalamazoo Order is not a mechanism for avoiding or circumventing the E-Rate competitive bidding rules. As an applicant initiates a new competitive bidding process, the existing contract is treated as a bid or proposal to be evaluated alongside other responsive bids. The existing contract does not automatically determine the outcome of the procurement. The applicant must still conduct a fair and open competitive bidding process and evaluate all responsive bids, including the existing contract, to determine the most cost-effective service or solution. In such situations, as long as the applicant has followed all applicable E-Rate competitive bidding requirements, waited the required 28 days at minimum, completed a bid evaluation, and determined that the existing contract represents the most cost-effective option, then the underlying objectives of the E-Rate competitive bidding rules have been satisfied.

The Commission should therefore retain the Kalamazoo Order as an important means of promoting cost-effectiveness within the E-Rate program. Many applicants enter into multi-year agreements specifically to obtain favorable pricing, predictable costs, and continuity of service. The Commission can preserve the integrity of the competitive bidding process while retaining Kalamazoo by requiring applicants to document that the existing contract was affirmatively considered alongside responsive bids and that continuation of the existing arrangement was determined, through the competitive bidding process, to be the most cost-effective option.

CSM respectfully recommends that the Commission decline to eliminate the Kalamazoo Order on Reconsideration process as proposed in this NPRM. The appropriate focus should remain on whether an applicant conducted an open and fair competitive bidding process, complied with all applicable E-Rate requirements, evaluated and considered all responsive bids, and selected the most cost-effective service or solution. The Kalamazoo Order provides a practical means of allowing a legitimate existing contract to compete as a bid in a subsequent E-Rate procurement. Maintaining this flexibility will protect the Commission's competitive bidding objectives while avoiding unnecessary administrative burdens and preserving cost-effective procurement options for applicants.

In Conclusion

E-Rate is not a program where the FCC can stick a flag in the ground, declare that school classrooms have been connected to the internet, and sunset the program. Rather, it is an integral part of education. Schools and Libraries rely on the E-Rate Program to provide quality, affordable internet connections which form the backbone of education in the 21st Century. Sunsetting E-Rate would have catastrophic effects on education. School Districts facing the loss

of the Internet funding would need to make massive cuts to education—firing teachers and staff, cutting educational resources, increasing class size, and potentially even closing school facilities.

Likewise, Universal Service means just that, Universal Service--the same equal access to everyone, regardless of income, geographic region, racial breakdown, or Rural/ Urban status. The E-Rate Program should not be shrunk to cover only applicants who have a single service provider in their region or high costs due to geographic location.

Furthermore, Congress has not passed any legislation defining screen time. It is the purview of Congress to act in this regard, and therefore, the FCC is exceeding its authority in this Notice of Proposed Rulemaking to propose to limit screen time.

In short, E-Rate is a fundamentally successful program relied on by educators to provide discounted internet access to students for the last 30 years. Every Congressional District in the country receives E-Rate Universal Service funding for their schools and libraries. The goal of the FCC in this Notice of Proposed Rulemaking should not be to introduce draconian, unworkable project requirements like screen time restrictions or implement overly complex regulations meant to discourage participation in the E-Rate program, but to introduce reforms to minimize the bureaucratic burden on applicants.

Sincerely,

/s/

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