STATE E-RATE COORDINATORS' ALLIANCE (SECA) COMMENTS

REGARDING THE USAC INFORMATION TECHNOLOGY SYSTEMS MODERNIZATION INITIATIVE

OF THE FEDERAL E-RATE PROGRAM

The State E-rate Coordinators' Alliance (SECA), representing 46 states and territories, is pleased to provide comments on the proposed USAC E-rate modernization initiative. Modernization of the E-rate electronic interface will enable applicants and service providers to improve their efficiency and accuracy in completing forms successfully and also will improve the School and Libraries Division's efficiency in administering the program. SECA is excited about the prospect of IT modernization and encourages USAC to invest and allocate sufficient resources to this project. We believe that IT modernization constitutes the single greatest opportunity to improve the efficiency of the E-rate program, and to reduce the amount of time it takes for forms submission, processing, issuance of funding commitment decisions letters and more efficient disbursements of committed funding.

A well-designed updated system will reduce long-term administrative costs and speed funding to the over 100,000 schools and libraries that rely on the critical funding from the Universal Service Fund to support their daily operations. We support USAC's desire to move as many processes as possible, including most letter generation, to electronic notifications.

As the primary liaison between SLD and school applicants, and as a leading advocate for school applicants, SECA encourages USAC to establish an applicant portal that will enable applicants to submit all information relating their applications online. Specific suggestions for the contents and manner of operation of the applicant portal follow.

Applicant Portal

The applicant portal should be self-service to each applicant by enabling them to access all relevant data for their organization and perform the following tasks:

- All forms submitted by the applicant indexed by year and form number including Forms 470, 471, Item 21 attachments, 486, 472, and 500.

- All PIA communications including questions and responses with all attachments such as contract documents and other submissions.

- Copies of all correspondence sent by SLD such as Form 470 NL, Form 471 RAL, Form 471 FCDL, Form 486 NL, Form 500 Notification Letters, etc.

- Real time status information about all pending forms, to verify not only receipt and conclusion but also interim statuses similar to the way in which the Form 471 application status tool presently works.

- Applicants would be permitted to begin working on a Form 471 application prior to the official opening of the annual Form 471 window, but would not be permitted to submit the application until the window officially opened. In order to allow for system changes to be implemented USAC would schedule website outage periods when the online system would be unavailable to everyone.

- All post FCDL changes should be capable of being submitted electronically such as SPIN changes, service substitutions, equipment transfers, Form 500 changes of contract expiration dates, cancelled or reduced funding or permissible service start date changes.

- Applicants also should be able to update contact information, and submit permissible ministerial and clerical changes online including permissible Block 4 changes.

- Consortium leads should be given greater tools and functionality to permit the merging of existing Block 4 data from previously-submitted applications.

- With respect to contact information changes, the changes should be applied to all forms so that all correspondence from SLD is addressed to the appropriate contact person.

- Applicants should be able to apply for and receive PINs and administer their PINs online (adding to the existing PIN functionality).

- The applicant portal should be accessible using any commercially available web browser such as Internet Explorer, Firefox, Safari and Chrome, as well as any version of those browsers.

- The portal should generate e-mail reminders to school and library contacts about upcoming deadlines and action items that must be completed. This also would eliminate the need for Form 470/No 471 reminder letter, missing Item 21 attachment letters, and late Form 486 letters to be generated and mailed.

- Applicants also should be able to update contact information, submit permissible ministerial and clerical changes and submit permissible Block 4 changes using an online interface, rather than needing to make the corrections on a paper RAL and submitting them electronically.

- The interview versions of the Form 470, Form 471 and Form 486 should be removed as soon as possible. The initial concept of the interview versions was to make the application process more like the Turbo Tax interview. Unfortunately, the concept did not work because of functionality and lack of IT support.

- Although not portal-specific suggestions, we hope the that the successful firm hired to implement the USAC IT modernization plan would ensure that the default button on all USAC forms is 'next' or 'continue' and not 'back' or 'return to the SLD home page,' that the current server errors experienced by applicants are eliminated, and that pages that request a security code where none are needed to enter or view the form are revised.

- An interface which would show a summary of all funding requested and committed for a single billed entity over multiple funding years. Currently, this data is only available by downloading multiple DRT reports, or using a private E-rate consultant's website.

Above all others, there are three single functionalities that will improve the program significantly and should be at the top of USAC's priority list. They are:

- Applicants should be able to retrieve information from a prior year's form, copy it onto a new form, and then simply update the information. This is the most important functionality that USAC can provide to applicants to not only streamline the process, but to reduce errors, increase earlier submissions, and reduce the E-rate application stress that schools and libraries are subjected to each year.

- The Item 21 attachment concept should be entirely reconfigured so that this data is embedded in the Form 471 itself and is not a separate step and interface. In fact, it should be renamed the Item 21 Description of Services. The current Item 21 attachment system was created after-the-fact to obtain a high-level description of the services being requested. The system asks applicants to re-enter funding data that was already input on the Form 471, Block 5, and then provide additional information to match those amounts. This information should be requested on the Form 471, Block 5 before the form is submitted. For Priority 1 services, the interface could be very simple. For priority 2 requests, a separate punch-out interface would be developed for Priority 2 applications (which the system would automatically detect by the version of the form being created). All Item 21 descriptive information for Priority 2 services and equipment would allow for the upload of attachments via a Sharepoint type interface that would accept multiple applications such as Word, PDF, Excel, Image formats, etc.

- SECA has advocated for several years that the Form 486 certifications should be embedded on the Form 471, Block 5 and not require a separate form. There are multiple reasons for the need for this change that

3

we won't discuss in these comments, but until that form change is made, we recommend that the FCDL data be pre-populated onto the Form 486's Block 1 and Block 3. It is silly for an applicant to file an online Form 471, receive a paper FCDL, and then have to manually type-in all of the same information into the Form 486.

Having all the data in one location aids applicants to file forms, stores data that is reused across applications and funding years, aids reviewers because they will have access to all data in one place, and assists in timely notifying applicants of decisions and upcoming deadlines.

Such a portal should have assignable roles, so that the person who certifies forms as well as the contact person may have access to the portal information.   Other staff may be authorized to access the portal.

Application Review

USAC should design the next PIA review system around multi-year contracts—so that the highest level of review happens in the first year of a contract, and subsequent years have a lower standard of review that focus on any changes to the contract. The system should include checks and balances so that nominal year-to-year changes could be accepted with minimal or even automated review, whereas major changes in dollar value, components, or service level would receive more scrutiny.

In the companion SLITM Statement of Work (SOW) document, USAC indicates that many of the processes are not automated, and rely on obsolete spreadsheets and stand-alone Access Databases. Since the program's inception, information technology has advanced dramatically, and graphical workflow engines to design review workflows are standard in the industry. Many of them work with the Oracle database that USAC indicates is the backbone of its current systems. Implementing a workflow engine process will allow for more automated review where fewer items will fall into gaps between processes. Long-term maintenance costs will be reduced as it will be easier to adapt to future rule changes from the FCC than the heavily manual system that is in place now.

SECA recognizes that Priority 2 services are inherently more complex than most Priority 1 services, and consequently, should have higher levels of scrutiny to ensure that program rules are being properly followed. SECA supports USAC's desire to force Priority 1 Services onto separate 471 applications from Priority 2 equipment and maintenance requests, and separate 471 applications for Priority 1 funding requests at different discount percentages so that both review tracks can be optimized for different needs.

For Priority 2 requests (which are often reviewed several months after submission), applicants should be notified (via the enhanced status notification tool recommended above) when PIA review commences and should be given the opportunity to submit updated item 21 attachments so as to minimize later requests for service

substitutions. Applicants would continue to submit all Item 21 attachments as part of their window filing requirement; but for Priority 2 Item 21 attachments applicants would be provided a specific opportunity to update their attachments to reflect manufacturer equipment updates and other similar changes.

Notifications

SECA believes that most notifications can be sent electronically to reduce printing and postage costs, and that email addresses should be required on all forms and updated through the applicant portal. The system should be designed so that when a letter was previously sent, an email is sent instead. Automatic notification responses when a form or attachment is filed (470 RNL, 471 RAL, 486 Notification Letter, etc.) should automatically send an email response back to the applicant with date/ time stamp and the data submitted. All notifications would be stored in the applicant portal for future retrieval.

Invoicing

SECA requests that all invoicing notifications, in addition to being e-mailed to the contact person, also be kept in the applicant portal, and that tools be developed to track utilization and disbursements. State E-Rate Coordinators, consortia leads, and district members should be able to run a report that shows the usage for all of their member entities, which will make it more efficient to return excess funds on the Form 500 for future rollover amounts.

Further, the current online invoicing system was not built in the same manner as the three other online forms because it requires an applicant to first sign-in to the system with an E-rate PIN rather than allowing them to create an invoice form and then certify and submit it electronically. This sign-in system prevents anyone that creates forms for others to certify from submitting an online invoice. One benefit of the current online invoicing system is that it does permit you to view and modestly track previously-submitted invoices. But when the applicant portal is created, this functionality will be moved to the portal, so the initial sign-in invoice creation system will no longer be needed.

Data Retrieval Tool Upgrades

One of a State Coordinator's primary responsibilities is to contact applicants to ensure that they file their forms on time, and have all of the required pieces for their applications, etc. The current DRT is a great tool that is used daily by E-rate Coordinators, but it can be improved to be an even more robust, useful tool. We recommend the inclusion of the following data columns:

- Allowable contract date for each Form 470;

- Item 21 submission confirmation (should the online system not be updated to include our suggested Item 21 embed comments included above);

- Missing Form 486 (currently the Form 486 SSD column in the DRT is completed only once the form and certification have been processed);

- Contract signing date (this would assist E-rate Coordinators in determining when an applicant has listed a wrong CAD – a typical mistake is to list July 1 instead of the actual CAD – or when they filed a Form 471 prior to their Form 470 ACD);

- Status of BEAR or SPI in the invoicing review process (the current DRT only reflects a total of funds disbursed for a single FRN;

- Date of most recent invoice disbursement (so that applicants can compute when the 20th business day after the disbursement of funds occurs);

- Whether a service provider has submitted Form 473 Service Provider Annual Certification;

- Date of a revised FCDL that may be issued for split FRNs, appeals and/or other reasons (so that the Form 486 due date for the affected FRNs may be computed);

- Certification status of Form 471 applications. Currently the DRT does not show an FRN if the underlying Form 471 has not been certified. By including uncertified FRNs on the DRT, State Coordinators could easily target affected applicants and generate this missing certification.

Data Reports

In addition, State E-rate Coordinators could provide much better, targeted outreach by having access to online reports showing applicants who submitted the previous year but have not submitted for the current funding year. Currently State Coordinators manually create these lists by doing a look and compare -- a manual process that takes hours to create.

Access to Real Time Data

Either the applicant portal or the Data Retrieval Tool should provide real time data related to a particular form. Data such as form status and a clear representation of any changes made through the various review

processes including adjustments for ineligible use or products or changes to a requested weighted discount should be shown clearly as a difference between the 'original' version of the form and the 'committed' version of the form.

User Acceptance Testing

It is vital that USAC's project plan for updating its electronic systems must include sufficient time for applicants and service providers alike to engage in user acceptance testing (UAT). In 1996 and 1997 when the first generation of USAC's systems were built, the former Schools and Libraries Corporation ensured that applicants from the field were invited to test the systems and report their experiences before the systems went live. This testing led to vital improvements before the systems were put into operation across the country.   Because applicants and service providers rely on these systems and understand how to navigate the existing systems (and can identify the existing system shortcomings), these stakeholders are ultimately best qualified to evaluate and provide feedback on the new systems.

In conclusion, SECA applauds USAC for taking the steps to modernize their infrastructure, and would like to serve as a resource as the project moves forward.   Specifically, we would like to actively participate in the development of the user requirements and also participate in user acceptance testing. We look forward to assisting USAC to achieve and implement a more streamlined and efficient interface and processing system.

Respectfully Submitted by:

/s/ Gary Rawson

Gary Rawson, Chair
State E-Rate Coordinators' Alliance
3771 Eastwood Drive
Jackson, Mississippi 39211
601-432-8113
Gary.Rawson@its.ms.gov
March 22, 2013