

The E-Rate Program: Recent Changes and a Case Study

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Overview

- Changes implemented last year
- Case Study: Paducah Power System FiberNet
- Lessons Learned, etc.

Recent Changes to E-Rate Program – E-Rate Order, FCC 10-175, Sept. 28, 2010

- Dark fiber an “eligible service” (again)
 - Recipient must light fiber immediately
- Lit and dark fiber may be obtained from any entity – not just “telecommunications carrier”
 - Non-profits, state, municipal, utilities...
- “Special construction costs”:
 - Dark fiber: construction w/in school/library property line
 - Lit fiber: construction within and outside of school/library property line
- Community use

Case Study: Paducah Power System FiberNet

- PPS FiberNet: Existing 61-mile fiber network in Kentucky connecting PPS substations
- Webster County School District
 - 5 school campuses + admin building + bus garage, etc.
 - T-1s ... \$\$\$

PPS FiberNet / Webster County Schools

- Webster County RFP
- PPS Response:
 - Lit fiber WAN to each campus etc. (9 locations)
 - \$225/ mo. per location, 1Gbps+
 - WAN to provide connectivity to Internet PoP at admin bldg.
 - New 54 mile fiber build: \$487,000.

PPS FiberNet / Webster County Schools

- PPS FiberNet awarded contract
- Form 471:
 - \$13,500 MRC
 - \$486,899 NRC
 - Discount percentage: 76%
- Total USAC funding commitment for 2011-12: \$380,303.

Lessons Learned, Etc.

- WAN approach may work well
 - Caution: leasing is permitted, ownership is not
- Ownership issues: service provider and recipients governed by the same entity?
- Cost allocation
 - No warehousing or over-provisioning, but...
- Timing
 - Construction schedules vs. USAC funding year (Sept. 30 for NRC)
- Contracts
 - Act now...

Questions, more information:

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