October 15, 2016

Senator Claire McCaskill  
Chief of Staff: Julie Dwyer  
United States Senate  
Room: 730 Hart Building  
Washington, DC 20510

Dear Senator McCaskill:

In the St. Louis region we have unintentionally created barriers to broadband that deny African-American children a fair shot at prosperity in the 21st century. These barriers make it more difficult for students from low-income families to connect to the Internet while outside of school. We need your help to bridge these barriers so that we may help thousands of families in North St. Louis close the homework gap. We need your leadership in four ways:

• Support FCC Educational Broadband Service (EBS) reform by demanding that the FCC take action to ensure that EBS delivers the public benefit that was promised when the licenses were gifted to nonprofits and education institutions.

• Help us obtain guidance from the FCC to ensure that access to EBS is a civil right in St. Louis. Project Appleseed wants to encourage the repurposing of an underutilized EBS license - the Innovative Technology Education Fund (ITEF or WHR806 St. Louis) - to serve all low-income families in North St. Louis regardless of school district accreditation status.

• A letter of support for our private-public partnership to provide all low-income students in North St. Louis City & County in grades 7-12 - 8,000 families in total - with one tablet computer, mobile broadband connection and training. Sprint has announced a new program that could provide 5,000 students with these tools by 2017.

• Support the modernization of Lifeline so that a modest discount will be available for low-income public school families in need of broadband access.

The stakes are high for getting families broadband access as well, since parent-teacher engagement is primarily delivered online. Teachers assume their students have unrestricted access to the Internet and set homework accordingly; businesses assume their customers are Internet users and shape their offerings and jobs online; and governments shift resources to digital provision of information and opportunities to interact.

FCC Educational Broadband Service Reform

In 2001 Attorney General Jay Nixon, appointed me to the board of the Innovative Technology Education Fund (ITEF), FCC WHR806, then known as “HITECH”. The previous board was dissolved by the attorney general because of litigation that found gross misconduct by the board of directors (3). As newly state-appointed board members, we re-incorporated the organization as a private foundation. I am the last founding board member to have an association with the foundation and I currently serve on the foundation’s advisory board and I do not speak on behalf of the board.

In 2004, the FCC made changes to policy and rules regarding our 2.5GHz spectrum and made it available for commercial broadband services. EBS licensees like ITEF, were immediately approached by Sprint with checkbooks in hand. The wireless spectrum was leased and is used for mobile broadband communications and Internet access. As a result, this spectrum went from swampland to ocean front property overnight.

I was part of the three-person team that negotiated ITEF’s 30-year lease agreement from 2005 thru 2006 with two other board members. The formula used for calculating the value of the lease agreements, produces a 30-year contract that averages $30 million for each of the EBS licensees in St. Louis and St. Louis County - St. Louis Community College, Missouri Baptist Hospital, KETC-TV and Education Plus. ITEF has used the millions in income from our leased spectrum primarily to invest nearly $5 million in stocks and bonds. Over $2 million in grants have been awarded to local schools.
Last February, Zach Laverenz, the CEO of EveryoneOn, a national nonprofit working to eliminate the digital divide, posted a transparency challenge to EBS board members and advisory board members on the National Digital Inclusion Association (NDIA) listserv:

“Please be informed about EBS spectrum licensing and demand that the FCC take action to ensure it delivers the public benefit when the licenses were gifted to nonprofits and education institutions, nearly 50 years ago…. EBS leasing is a scam. It is at best a gross underutilization of a public asset and at worst a perverse misuse of a public asset for private benefit.”

I completely agree Mr. Laverenz. It is clear to me that EBS is in dire need of reform. ITEF’s EBS license is an example of gross underutilization of a public asset for private benefit.

The parent and family engagement mandates in the new Every Student Success Act of 2015, should be adapted for use as EBS community engagement standards that define what educational activities are required of each EBS licensee – beyond the weak “substantial service” requirements approved by the FCC in 2011. EBS education requirements should be tied to Title I activities under the Act such as: “(d) Shared responsibilities for high student academic achievement - Ensuring regular two-way, meaningful communication between family members and school staff, or (e) Building capacity for involvement - Help parents to work with their children to improve their children’s achievement, such as literacy training and using technology as appropriate, to foster parental involvement.”

ITEF has done nothing to build out broadband capacity for education in the St. Louis region. The same cannot be said of the EBS licensees at St. Louis Community College, Missouri Baptist Hospital, KETC-TV and Education Plus. The foundation’s grants are random acts of kindness and the board has never formally evaluated the impacts of the foundations grants.

The FCC should reform EBS and require EBS licensees to provide detailed transparency information. EBS licensees are charged with being responsible custodians and stewards of a public asset and to maximize its impact for those Americans it was intended to benefit. EBS licensees can begin by answering simple questions about the value and utilization of their commercial lease arrangements, and by clearly explaining how they quantify the proportionate digital inclusion and educational benefit delivered to the public.

Sprint is the primary beneficiary of a huge public asset, a spectrum band worth ~$12B - $14B, according to Mr. Laverenz, which Congress allocated to deliver education and public benefit. It is reported that Sprint pays approximately $300 million a year in EBS lease payments. The FCC should demand that all EBS licensees make public quantifiable utilization of EBS licenses for digital inclusion, and do so in proportion to the value of the immense lease payments they receive from Sprint. The FCC can also insist on these kinds of simple EBS disclosures within the existing regulatory compliance structure for EBS licensees.

The questions and disclosures for EBS licensees (and to Sprint) are simple:

- How much money do you receive each year in EBS lease payments and how much do you spend each year on digital inclusion or other social/educational purposes?

- How much have you received in net revenue since you (EBS licensee) entered into lease agreements with Sprint, and how much of that have you spent on digital inclusion efforts or other educational initiatives?

Guidance on the Civil Rights Act, Americans with Disabilities Act and FCC Educational Broadband Service

ITEF grant funding is made to local schools without sufficient regard to digital equity and inclusion. Funding is made available to schools that have the time, talent and capability to seek out and apply for grants. The board’s funding process does not solicit grant requests from or direct resources to underserved high-poverty and high minority populations. I believe this practice contributes to a bias against schools with significant numbers of black students living in poverty and it shuts out all students living in Normandy and Riverview Gardens.

I need guidance from the FCC. Does the Civil Rights Act of 1964, Title VI, Section 601 apply to FCC Educational Broadband Service licensees. I believe the foundation is operating under the false assumption that FCC regulations compel EBS licensees to assist only “accredited educational institutions.” I believe this rule only applies to the holders of EBS licenses and not which schools can receive services from a holder of an EBS license.

“No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.”

- ITEF holds an EBS license, a federal program administered by the FCC. The State of Missouri classifies the Riverview Gardens and Normandy school districts as unaccredited. ITEF has refused to fund grants to both districts for the last 10 years. The only unaccredited schools districts in Missouri are Normandy and Riverview Gardens. Each district has a 99 percent black enrollment.
• There are four other EBS licenses in St. Louis and St. Louis County - St. Louis Community College, Missouri Baptist Hospital, KETC-TV and Education Plus. EducationPlus the consortium made up of St. Louis area school districts has an EBS license and both Normandy and Riverview Gardens are members, co-owners. EducationPlus provides services and leadership for both member districts and nonmember’s districts regardless of accreditation status.

• ITEF grants favor schools that are mostly white and wealthy. Since 2013 50 percent of ITEF’s grants have been awarded to private schools. Private schools have families account for 10 percent of the state’s students. Private schools have an average income of $75,000 per yr., on average 76 percent of the students are white, 20 percent Hispanic and are 9 percent. Twelve percent of private school students live in poverty.

• The remaining 50 percent of grants went to public school districts where average income was $56,000, 57 percent students are white, 34 percent black and 43 percent receive free and reduced lunch. 90 percent of Missouri students attend public schools. The state’s future workers, military troops, scientists, doctors, and political leaders will be drawn mostly from children now being educated in public schools.

Does Section 504 of the Rehabilitation Act of 1973, which prohibits discrimination on the basis of disability in all programs or activities that receive Federal financial support, apply to ITEF grant funding?

• For students with disabilities in Normandy, Riverview Gardens ITEF fails to provide equal access to the foundation based on disability: The foundation has no grants targeted to schools for students with disabilities.

Closing St. Louis’ Homework Gap

Over 40 percent of families with students in North St. Louis and St. Louis County don’t have an Internet connection or computer access at home (1). Project Appleseed is making a systemic effort to erase the barrier known as the homework gap. Our goal is to provide all low-income students in grades 7-12 - 8,000 families in total - with one free tablet computer, a mobile broadband connection and training (2). To fill the gap we are employing underutilized federal digital programs in St. Louis like the Federal Communication Commission’s Lifeline program, ConnectEd, and the Community Reinvestment Act of 1977 (CRA).

By 2020 we want to ensure that all these families have access to the technology needed for education and employment. It will cost just $5.8 million over five years to reach our goal. First we must bridge these gaps by aggressively raising private funds.

We need a letter of support as we seek a grant to provide digital equipment for 5,000 of these students. Sprint’s newly announced 1Million Project is the largest corporate initiative to bridge the digital divide and help close the “Homework Gap” for 1 million disadvantaged high school students lacking home internet access. Sprint will give each qualifying student a free wireless device and free wireless connectivity for up to four years in high school. The program will be rolled out in seven to 10 cities, including Kansas City, Mo., early next year, before becoming more widely available in the 2017-18 school year.

Until all families can have access to EBS, Lifeline and all their benefits, we can’t close the homework gap and raise academic achievement for the most vulnerable children in the state. If you or someone on your staff were open to a meeting I would welcome the opportunity. The intent is to get acquainted and see if there are any potential opportunities to work with one another. If so, we can schedule a time to connect.

Sincerely,

Kevin S. Walker
President & founder

1. Missouri Department of Elementary and Secondary Education, MSIP 2015
7. 20 U.S. Code § 6318 - Parent and family engagement
8. CFR, Title 47, Chapter 1, Subchapter B, Part 27, Subpart M, Section 27.1201 – EBS eligibility