

FCC LAUNCHES MODERNIZATION OF E-RATE PROGRAM TO DELIVER STUDENTS AND TEACHERS ACCESS TO HIGH-CAPACITY BROADBAND NATIONWIDE

REVITALIZED E-RATE PROGRAM GOALS: INCREASED BROADBAND CAPACITY, EFFICIENT TECHNOLOGY PURCHASING, AND STREAMLINED PROGRAM ADMINISTRATION

Today, the Federal Communications Commission initiated a thorough review and modernization of the E-rate program, building on reforms adopted in 2010 as well as the Commission's reforms of each of the other universal service programs. During the past 15 years, support provided by the E-rate program has helped revolutionize schools' and libraries' access to modern communications networks. E-rate-supported Internet connections are vital for learning, but the connectivity needs of schools and libraries are changing due to evolution of digital learning. Last month, President Obama called on the Commission to modernize the E-rate program to connect schools and libraries serving 99% of our students to next-generation high-capacity broadband.

The E-rate program has played a vital role in connecting the Nation's schools and libraries.

- E-rate was established in 1997 and is the federal government's largest education technology program.
- When Congress passed the Telecommunications Act of 1996, only 14% of classrooms had Internet and most schools with Internet access (74%) used dial-up Internet access.
- By 2005, the E-rate program had successfully connected 94% of U.S. classrooms to the Internet, and by 2006, nearly all public libraries were connected to the Internet (98%).

New digital learning technologies are opening transformative new opportunities for students, teachers and library patrons.

- In schools, emerging educational technology allows an increasingly interactive and individualized learning environment and expands school boundaries through distance learning applications.
- In libraries, high-speed broadband access provides patrons the ability to apply for jobs; interact with federal, state, local, and Tribal government agencies; engage in life-long learning; and stay in touch with friends and family.
- The plummeting costs of tablets and netbooks, increasing Wi-Fi speeds, and innovative cloud-based software are allowing this technological transformation of learning, much of which would have been impossible five years ago.

But too many U.S. schools and libraries do not have the bandwidth necessary to fully utilize the evolving learning technologies.

- In response to a 2010 Commission survey of E-rate funded schools and libraries, half of respondents reported slower connection speeds than the average American home and 39% cited cost of service as the greatest barrier to fully meeting their broadband needs (2010 Commission survey).
- One quarter of libraries still have broadband speeds of 1.5 Mbps or less, and only 9 percent of libraries have speeds of 100 Mbps or greater (2012 American Library Association survey).
- Forty-one percent of libraries report that their speeds fail to meet their patrons' needs some or most of the time (2012 American Library Association survey).
- There is extraordinary demand for existing E-rate support. For funding this year (2013-2014), schools and libraries sought E-rate funding in excess of \$4.9 billion.

The Commission proposes three goals for a modernized E-rate program: Increased Broadband Capacity; Cost-Effective Purchasing; and Streamlined Program Administration

Increased Broadband Capacity: To ensure schools and libraries have affordable access to 21st century broadband, the notice of proposed rulemaking seeks comment on a range of approaches to focus funds on high-capacity broadband, including:

- Simplifying rules on fiber deployment to lower barriers to new construction
- Prioritizing funding for new fiber deployments that will drive higher speeds and long-term efficiency
- Phasing out support for services like paging and directory assistance
- Ensuring that schools and libraries can access funding for modern high-speed Wi-Fi networks in classrooms and library buildings
- Allocating funding on a simplified, per-student basis

Cost-Effective Purchasing: To maximize the cost-effectiveness of E-rate purchases, the proposal seeks comment on:

- Increasing consortium purchasing to drive down prices
- Creating other bulk buying opportunities and increasing pricing transparency
- Increasing transparency on how E-rate dollars are spent
- Improving the competitive bidding process
- Creating a pilot program to incentivize and test more cost-effective purchasing practices

Streamlined Program Administration: To streamline the administration of the E-rate program, the proposal seeks comment on:

- Speeding review of E-rate applications
- Providing a streamlined electronic filing system and requiring electronic filing of all documents
- Increasing the transparency of USAC's processes
- Simplifying the eligible services list and adopting more efficient ways to disburse E-rate funds
- Streamlining the E-rate appeals process

Outstanding Issues: The proposal also seeks comment on a variety of other issues, including:

- The applicability of the Children's Internet Protection Act (CIPA) to devices brought into schools and libraries, and to devices provided by schools and libraries for at-home use
- Adjusting to changes to the National School Lunch Program that affect E-rate
- Additional measures for protecting the program from waste, fraud and abuse
- Wireless community hotspots

Additional information is available at <http://www.fcc.gov/e-rate-update>