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United States Senate

COMMITTEE ON COMMERCE, SCIENCE,
AND TRANSPORTATION

WASHINGTON, DC 20510-6125

WEB SITE: <http://commerce.senate.gov>

July 8, 2014

The Honorable Thomas Wheeler
Chairman
Federal Communications Commission
445 12th Street, NW
Washington, DC 20554

Dear Chairman Wheeler:

Nearly two decades ago, we worked hard to create the E-Rate program. This program has been one of the crowning achievements of the Telecommunications Act of 1996, and is essential to providing Internet connectivity to schools and libraries. We write to you today because while we are proud of the extraordinary history of this program, we want to ensure that its future is even brighter.

E-Rate has fundamentally transformed education in this country. When we created E-Rate in 1996, barely 14 percent of classrooms had access to the Internet. Today, nearly all schools around the country are connected to the Internet, and it is now a standard part of the learning experience.

Just as important, E-Rate has provided connectivity to American libraries to advance their mission to serve as employment gateways, places for civic engagement, and centers for lifelong learning. These institutions are vital outlets to connect all Americans, including millions of Americans in rural parts of the country.

We are pleased by reports that you appear to be proposing a number of common sense reforms to cut red-tape and update the E-Rate program. In particular, we ask that you develop a way to support multi-year applications that help minimize paperwork for E-Rate applicants. However, we have serious concerns regarding some aspects of your proposal that we hope you will address.

First, we can all agree that Wi-Fi technology can bring the full benefits of digital learning to students and library users. However, because Wi-Fi enhances connectivity for institutions that have broadband, its profound impact cannot be felt where there is no broadband to support it. That is why any permanent changes to program rules to support Wi-Fi need to be carefully balanced.

Efforts to make Wi-Fi technology ubiquitous in our schools and libraries cannot come at the expense of the already limited funding that keeps these institutions connected. It would be ill-advised to guarantee a permanent set-aside for Wi-Fi, if that set-aside could end up cannibalizing funding for basic Internet connectivity. In practice, without additional program funding, such a set-aside could upend the priority structure that has long-served the E-Rate program by shortchanging funding for Internet connectivity in the country's poorest and most rural schools in favor of funding Wi-Fi technology everywhere.

As you know, in the past, full funding for basic Internet connectivity has required roll over funds. Moreover, demand for basic broadband connectivity is only going to increase in the coming years. If your proposal earmarks all roll over funds for Wi-Fi, those basic broadband connections for our schools and libraries that rely on E-Rate are in jeopardy. Accordingly, all basic Internet connectivity requests under Priority 1 should be honored before Wi-Fi funding is made available.

Similarly, any proposal to change the E-Rate distribution mechanism should not fundamentally alter the program's values. We are concerned by reports that your proposal would radically alter the program by adopting per student or per square foot funding models for Wi-Fi. We are opposed to the use of such per student or square foot distribution mechanisms for any aspect of E-Rate because it is not an effective means of getting resources to schools and libraries with the greatest need. Moreover, a one-size-fits-all approach would disempower schools and libraries from addressing their highly localized conditions. One of the reasons E-Rate has been so successful is that schools and libraries are able to contract with local providers for their unique needs within the confines of the program. To the extent that you make adjustments to support for Wi-Fi, we ask that you consider it a two-year test project, subject to further review, rather than a broader departure from the need-based system that has made the existing E-Rate program a success.

Significantly, our worries are shared by schools and libraries, both urban and rural, and the educators and librarians who work at these institutions. It is crucial for you to work with members of our nation's education community to address their concerns. They are on the front lines of this program in classrooms and libraries across the country. We take their input seriously and ask you to do the same, because their continued support of the E-Rate program is essential.

Finally, the permanent funding cap for the E-Rate program needs to be raised. Because of its success, the E-Rate program has not been able to keep up with the overwhelming needs of schools and libraries. Demand for funds from the program consistently outstrips supply by a factor of two-to-one. Furthermore, the program cap has not fully kept pace with inflation. While other universal service programs at the Commission have grown substantially during the last two decades, the E-Rate program has been frozen at a level designed for the dial-up era. Of course, some will argue that the program should be frozen in time, but this type of thinking does our

children a disservice. If we want to compete as a nation, it starts in our classrooms and libraries where every child must be able to take full advantage of the power of technology.

We find it unfortunate that the proposal you are considering does not appear to address permanent funding changes to put the E-Rate program on a solid financial foundation for the future. The need for additional long-term funding for this program demands action. Thus, no matter the outcome of the E-Rate program updates you are currently considering, we will continue to work with you to secure the support required to meet the present and future broadband needs of our schools and libraries.

As the founders of the E-Rate program, we applaud your commitment to schools and libraries across the country. Nothing short of our international competitiveness and children's future are at stake with E-Rate modernization. That is why it is so important for you to take the time necessary to get this right. We trust that you will make appropriate changes to guarantee the program's continued success.

Sincerely,



JOHN D. ROCKEFELLER IV
Chairman
U.S. Senate Committee on Commerce,
Science, and Transportation



EDWARD J. MARKEY
Member
U.S. Senate Committee on Commerce,
Science, and Transportation