



NSBA Advocacy Institute 2014 CALIFORNIA BACKGROUND E-Rate and Connectivity

The federal E-rate program was established by Congress in 1996 with the intention of providing schools and libraries, particularly in rural and impoverished communities, with improved access to telecommunications services. The program is funded through fees on telecommunications providers and is administered by the Universal Service Administrative Company (USAC), under the direction of the Federal Communications Commission (FCC). E-Rate provides discounts to assist schools and libraries in the U.S. to obtain affordable telecommunications and Internet access.

The amount of the discount depends on the level of poverty and the location of the school that receives services. Discounts range from 20 to 90 percent. Since its inception, the percent of public school classrooms with internet access has grown exponentially and the continued need for the discounts has also grown. In FY 2013, USAC received almost 45,000 applications requesting \$5.2 million in funding for schools, libraries and consortia. E-Rate is currently funded at approximately \$2.4 billion per year.

Connect America Fund

In 2012, the FCC established the Connect American Fund (CAF), a one-time allocation of \$300 million to support broadband build-out in rural areas. Unfortunately, the FCC placed several restrictions on the use of those funds that did not work for rural areas. In May of 2013, the FCC released a second “one-time” allocation of the remaining \$485 million, including any unused funds from the first allocation.

Unlike with wireline services, many people living in rural areas shown on the National Broadband Map as being served by satellite and wireless services cannot, in fact, receive those services. For rural communities to receive any benefit from CAF and compete, they will need to establish fixed wireline networks to provide robust services and enable connectivity. If rural communities are only able to access broadband through limited technology, it will greatly impact educational advantages for students.

ConnectEd Initiative

In June 2013, the President announced a new initiative to connect 99 percent of America’s students to the internet through high-speed broadband and high-speed wireless within five years. ConnectEd would also invest in improving the skills of teachers and ensure that every teacher receives support and training to use the technology. The Administration called on the FCC to modernize and leverage the existing E-Rate program to meet the goals. ConnectEd is also going to be used to make content and devices available at the same cost as traditional textbooks.

Administration officials have said those changes would be supported through a temporary, "one-time capital" expense that would cost phone users no more than \$5 per year.

FCC Rulemaking

On July 19, 2013, the FCC voted 3-0 to release a plan for overhauling the E-rate program. The FCC has released a [Fact Sheet](#) and a [Notice of Proposed Rulemaking](#) (Rulemaking) calling for comments on all aspects of the program but especially focusing on increasing broadband capacity, cost effective purchasing and streamlining program administration. Some of the proposals up for consideration include:

- Establishing fiber optics as a priority and phasing out support for outdated services and products
- Simplifying the rules for use of fiber optics
- Increasing the use of wireless connections within classrooms and libraries
- Awarding funding on a simplified per-pupil basis
- Increasing the ability of consortia, rather than individual schools and districts to make E-rate purchases with the goal of reducing costs
- Streamlining the application review process and allowing electronic filing of documents
- Maximizing the use and impact of funding

CSBA submitted comments to the FCC on the E-Rate rulemaking and they are posted on CSBA's website [here](#).

TALKING POINTS FOR E-RATE AND CONNECTIVITY:

- **CSBA supports the ConnectEd initiative as it will provide increased funding for schools to expand access for students.**
- **The second Connect America Fund (CAF) installment needs to allow rural communities to actually build out the structures they need in order to fully access high-speed broadband and internet services and all of its capabilities in order to provide educational opportunities for students and for job creation.**
- **The E-Rate program is necessary to provide assistance to schools in maintaining and expanding internet connectivity.**