



White House and FCC Advance Plans to Connect America's Schools and Libraries to High-Speed Broadband

A Connected Nation Policy Brief

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This week marked two important announcements affecting U.S. libraries' and schools' ability to fully leverage 21st-century broadband and online resources.

Continuing to advance his [ConnectED](#) initiative, on Tuesday, President Obama [announced](#) a broad public-private partnership to help bring the power of broadband and online educational resources to millions of K-12 students throughout the country. An array of private companies have pledged in-kind contributions equivalent to an investment of \$750 million to support the goals of ConnectED. AT&T and Sprint will offer free or discounted mobile connectivity to student and/or teacher devices. Apple and Microsoft will provide free or reduced cost devices and software to students and/ or teachers. Verizon will also train teachers on how best to leverage online content to better educate the next generations. For more information on the President's announcement, see the text of the President's [speech](#) and [other materials](#) released by the White House this week.

Today, as part of the [Digital Learning Day](#) celebration, [Federal Communications Commission](#) (FCC) Chairman Tom Wheeler [outlined](#) his plan for modernizing the E-Rate universal service fund (USF). This FCC action is complementary to the ConnectED initiative and shares the same goal of connecting 99% of the nation's schools to high-speed broadband services over the next five years. As we described in prior [Connected Nation Policy Briefs](#), the E-Rate program, currently standing at \$2.3 billion per year, is the nation's largest single technology program for libraries and schools.

Chairman Wheeler announced that the FCC will take immediate steps to make additional funds available to support high-speed broadband connectivity to schools and libraries as part of the E-Rate program. In particular, the plan will double the E-Rate funds available to support high-speed broadband connectivity to \$2 billion per year over the next 2 years, starting in 2014. In addition, Chairman Wheeler announced that the current E-Rate funding cycle, which will begin to provide funding for services on July 1st 2014, will remain in place. However, Chairman Wheeler stated that he would take "immediate" action to accelerate the processing of applications for funding of broadband services to "make sure that the applications that get the most students the most broadband get moving more quickly." This would include steps that will facilitate consortium applications. In his speech, Chairman Wheeler emphasized the efficiency of consortia applications, which can obtain better price points for services rendered. The Chairman generally appeared committed to incentivize such collaborative procurement of broadband services between libraries and schools.

Chairman Wheeler also announced his plan and outline for long-term modernization of the program, which he described as "fundamental structural and administrative changes." In particular, the Chairman announced that an additional Public Notice will be released in the coming weeks that will propose changes on how to prioritize broadband services in E-Rate and to "appropriately phase out" subsidies for "legacy services, including low-bandwidth connections." It has been estimated that approximately \$600 million of the E-Rate program's current investment is made into legacy, narrowband services. Chairman Wheeler also announced that he hopes to act on this fundamental reform by spring of this year, which would allow these changes to take effect in 2015.

One important part of the debate over E-Rate modernization has been the size of the program. The current \$2.3 billion cap on E-Rate was established at a time when the predominant method of connecting to the Internet was dial-tone. The current E-Rate program is highly oversubscribed and multiple stakeholders have advocated for doubling the program's funding cap, currently set at approximately \$2.3 billion annually. In his speech today,



Chairman Wheeler announced that, while he would be open to increasing the overall size of the E-Rate fund, he noted that “any funding change must be preceded by an assessment of the use of current funds along with a fact-based analysis of the needs of the program.”

Clearly, Chairman Wheeler has laid out an aggressive timetable for E-Rate reform that could have a significant impact upon the funds that will be available to libraries and schools in this coming year and beyond. However, the challenge is matched by the need for this fundamental reform – as prior Connected Nation Policy Briefs have noted, only 34% of the schools and 3% of libraries in the ten jurisdictions Connected Nation serves have 100 Mbps broadband connectivity. The need is particularly acute in rural and low-income areas. Modernizing the E-Rate program is an important step in ensuring that students and lifelong learners of all ages have access to the 21st-century technology necessary to learn the 21st-century skills the nation needs for economic growth and prosperity.

For more information about the E-Rate and Connected Nation’s broadband expansion efforts, please contact Connected Nation at policy@connectednation.org.