

**STATEMENT OF
CHAIRMAN JULIUS GENACHOWSKI**

*Re: Schools and Libraries Universal Service Support Mechanism, CC Docket No. 02-6, A
National Broadband Plan for Our Future, GN Docket No. 09-51*

For our children to compete in the 21st century, our schools and libraries must be connected to world-class broadband networks. The National Broadband Plan laid out a vision of cutting-edge classrooms where students and teachers have innovative digital tools, access to best online educational content in the world, and the skills to take advantage of them.

A few months ago we took our first step to modernize E-rate for broadband by allowing schools to open their services to their communities. Today, we take another step toward the vital goal of updating E-rate for broadband with a series of essential reforms.

E-rate -- enacted by Congress through the leadership of Senator Jay Rockefeller (D-WV), Senator Olympia Snowe (R-ME), and Congressman Ed Markey (D-MA) -- was a revolutionary achievement that has expanded opportunities for schoolchildren and communities across the country. Through the E-rate program, 97 percent of American schools and nearly all public libraries now have Internet access.

But the National Broadband Plan found that many schools need significant upgrades to meet broadband speed and capacity demands, and that many E-rate policies are out-of-date. Building on the National Broadband Plan, today we propose a number of significant reforms, drawing on the agency's years of knowledge and experience with E-rate -- and the vast array of feedback we've received from participants, educational experts, and other stakeholders through the National Broadband Plan process.

First, we propose giving schools and libraries greater flexibility to choose the most cost-effective and educationally useful broadband services -- including mobile services that students can use outside the classroom. Teachers across the country -- in urban and rural areas -- have told us that the use of broadband to enable learning should not stop at the schoolyard gate.

Second, we propose to simplify the E-rate application process; cut red tape by eliminating federal requirements that overlap with state or local contracting requirements; and reduce some of the limitations on residential schools that serve populations facing unique challenges.

And finally, in view of persuasive recommendations from many strong supporters of the E-rate program, we propose to index the E-rate cap to keep pace with inflation.

Together, these proposals will accomplish real and important objectives on behalf of families, children and teachers.

Updating E-rate is a key pillar of comprehensive reform of universal service, one of the primary recommendations of the National Broadband Plan. Today's item also reflects our commitment to smart and fiscally prudent policies that eliminate inefficiencies and target universal service support effectively to have the greatest possible impact.

I look forward to working with my colleagues to improve the E-rate program for the 21st century, and I thank the staff for their hard work on this item.

**STATEMENT OF
COMMISSIONER MICHAEL J. COPPS**

Re: Schools and Libraries Universal Service Support Mechanism, CC Docket No. 02-6, A National Broadband Plan for Our Future, GN Docket No. 09-51

Three months ago, the Commission approved an Order which would allow schools to make E-Rate funded facilities and services available to the general public outside of regular school hours. That Order was this Commission's first official action toward achieving the goals of the National Broadband Plan. Of all the programs and initiatives that I've seen at the FCC, E-Rate is, to my mind, easily the best. By connecting schools and libraries to the Internet, it has connected a generation of young people to the enabling technology of the Twenty-first century. Thanks to E-Rate, students and communities across the land can access the digital tools necessary to learn, to compete, to find opportunity and to prosper. I can't think of a better program to put front-and-center as we move forward to implement the National Broadband Plan.

So I am pleased to support this item to improve and modernize E-Rate by considering ways to streamline the application process, to provide greater flexibility for program participants to select among broadband services and expand the reach of broadband to the classroom. E-Rate, which has accomplished so much for so many, can have a future even more illustrious than the achievements it has already logged. This program deserves to be empowered so it can keep up with the latest technologies and with all the new educational tools that are coming online. The item before us considers a broad array of possibilities—some may turn out to be, upon examination by commenters in the weeks ahead, better than others. And there will be many ideas we haven't even thought of here. But—a note of realism—we must always be cognizant that this is a capped program, so some priorities trump others. The basic task is to get high speed, high capacity broadband out to these institutions—and that challenge takes precedence over some of the other very meritorious ideas which could bring added luster to E-rate. Providing access is the precondition for harvesting the rich fruits of that access.

I thank my colleagues for their continuing support of the E-Rate program, and I also want to express my gratitude to the Bureau for its hard and creative work on this item. I look forward to developing a really good and innovative record on this Notice and moving forward to actions that will make this hugely successful program even better.

**STATEMENT OF
COMMISSIONER ROBERT M. McDOWELL**

*Re: Schools and Libraries Universal Service Support Mechanism, CC Docket No. 02-6, A
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First, I commend the Chairman for his commitment to comprehensive universal service reform. It is an understatement to say that responsible reform is badly needed. Review of the E-Rate program is an important component to any reform endeavor. Today's Notice of Proposed Rulemaking (NPRM) highlights many areas where the E-Rate program could be improved to ensure that the program continues to be successful in supplementing our nation's educational system.

Additionally, I thank the staff for their diligence on this NPRM. In particular, I appreciate the clarification that the proposed change to the definition of "rural area" was not intended to put rural America at a disadvantage compared to urban areas. Rather, the change in the definition was proposed to explore whether there is a better way to ensure that the E-Rate funds are targeted appropriately in rural parts of the country. It is important to note that many rural students do not have the luxury of traveling down the road for their educational needs which may be lacking in their schools. In fact, some rural schools are not even connected to the outside world by a road system at all.

In closing, I have a couple overall thoughts regarding universal service reform, in general, and in particular regarding this NPRM. In the context of any reform measures, we should always look to find ways to stem waste, fraud and abuse. As managers of this fund, we must conduct reform in a way to ensure that we collect only what we need, and spend what we collect, in the most efficient and effective manner possible. Finally, I note that this NPRM seeks comment as to whether the existing cap on the E-Rate program should be indexed for inflation. I will be interested to review comments on that proposal and note that any final changes that we make to any one part of the system should be made in the context of comprehensive reform so that we do not inadvertently expand the growth of the overall fund.

There are a lot ideas packed into this NPRM. I look forward to reviewing the record and working with all of my colleagues and stakeholders on a transparent and fair process in pursuit of fiscally prudent reforms.

**STATEMENT OF
COMMISSIONER MIGNON L. CLYBURN**

*Re: Schools and Libraries Universal Service Support Mechanism, CC Docket No. 02-6, A
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Many of the millions of Americans who do not have broadband rely on their local schools and libraries – our nation’s critical community anchor institutions – for basic broadband access. Such access has been made possible by the incomparable E-rate program. Without it, our Nation would be lagging even further behind in terms of broadband adoption.

For us to continue to support broadband adoption in our local communities, we must update the E-rate program to meet our current needs. Today’s Further Notice proposes a number of ways in which we can maximize our use of E-rate funds in order to better prepare our students and citizens to succeed. For example, increased flexibility for recipients to choose the most cost-effective and educationally useful broadband services may enable recipients to better leverage and stretch their E-rate dollars. In addition, by streamlining the application process, we can likely reduce the cost of participating in the program, potentially making it more accessible to schools and libraries that have not previously participated. We also may want to index the E-rate funding cap to inflation in order to protect the purchasing power of recipients, thereby allowing them to acquire critical broadband elements they need to serve and educate.

These are all constructive ideas as we look to modernize the program and ensure that we are making the most of what it has to offer.

**STATEMENT OF
COMMISSIONER MEREDITH A. BAKER**

Re: Schools and Libraries Universal Service Support Mechanism, CC Docket No. 02-6, A National Broadband Plan for Our Future, GN Docket No. 09-51

I am pleased to support this Notice. The E-rate program has been instrumental in bringing broadband to communities across the country through their schools and libraries. In the wake of the National Broadband Plan, it makes sense to launch a proceeding to examine how the E-rate mechanism is working well now and how it could be improved to more efficiently and effectively help achieve the important goal of ensuring broadband access by all people of the United States.

As we consider changes to the E-rate going forward, I continue to have concerns that our efforts to modernize the various components of the Universal Service Fund should not result in further growth in the overall size of the Fund. It is also critical that all future changes to the program include adequate safeguards against waste, fraud and abuse. It is our obligation to ensure that money is spent wisely to achieve the goals set out by Congress.

Thanks to the bureau for all your work on this.