Update to E-rate Reform Efforts 1/30/2014

In July, the FCC sought comment from stakeholders on dozens of E-rate reform proposals, with initial comments due in September and reply comments due in November. The FCC staff has been reviewing the 1250+ comments submitted and also meeting with various groups over the last four months in an effort to obtain data regarding the connectivity levels and costs of schools and libraries nationwide. There has only been speculation about where the FCC may take the program in future years and we suspect that was because the Commission was awaiting the appointment of their new Chairman, Tom Wheeler, to determine what his top priorities would be and in what direction the E-rate program should head.

In the last week we have seen several indications that Chairman Wheeler is making E-rate one of his very top priorities. On January 24, Wheeler posted in his blog, "As part of our top to bottom review of E-Rate, the opportunity has opened to use existing funds to immediately begin to expand E-Rate funding targeted to high-speed connectivity to students in schools and libraries. These additionally available funds will begin to be put to work this year for schools and libraries. This will be done without affecting the program's existing structures and the 2014 program application process that is now underway."

And following the President's comment regarding ConnectED in his State of the Union speech, Chairman Wheeler issued following statement, "Harnessing the power of digital technology is central to improving our education system and our global competitiveness. In the Internet age, every student in America should have access to state-of-the-art educational tools, which are increasingly interactive, individualized and bandwidth-intensive. The Federal Communications Commission shares the President's commitment to seizing the opportunities of digital learning, which is why we've already launched an effort to modernize our successful E-Rate program – the nation's largest education technology program. By applying business-like management practices to E-Rate, we can take steps this year that will make existing funds go farther to significantly increase our investment in high-speed broadband connectivity for schools and libraries for the benefit of our students and teachers. Together, with my fellow Commissioners, Congress, educators and other stakeholders, we can ensure that all of America's students get a 21st-century education."

http://www.fcc.gov/document/chairman-wheeler-statement-sotu-address-and-fccs-e-rate-program

While I don't yet have details about where the additional funding is coming from or how it will be used, I believe the Commission may be considering the rollout of a separate broadband initiative dedicated to K-12 schools and libraries for this year. The remarks highlighted above suggest that the funding will not come from the \$2.25 billion E-rate cap and the established E-rate program would remain intact. The FCC would likely release an order later this year to spell-out what future reforms will be made to that program (which likely would impact Funding Year 2015 at the earliest).

When will the FCC release details of what they intend to do with the additional funding this year? Chairman Wheeler is slated to issue his first speech on E-rate on February 5 as part of Digital Learning Day. His remarks will be webcast beginning at 11:00 a.m. EST and we believe will contain significant details about his plans for E-rate. To watch the webcast live, register at http://www.digitallearningday.org. I will send a summary of his remarks and any additional information I've received later that day.

In the meantime, if you have any questions, please don't hesitate to contact me at itschell@comcast.net.

-- Julie

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