



June 30, 2014

Alexandria, VA – The Federal Communications Commission’s (FCC) recent announcement detailing its proposed plans to modernize the E-Rate program is a disappointment. We feel the announcement falls far short of expectation and potential, especially as it relates to providing telecommunications access to the nation’s rural schools and libraries and most importantly, the students they serve.

In addition to our initial response—as part of a [joint letter](#) signed by more than a dozen national education organizations representing E-Rate program beneficiaries—we issue the following statement expressing our deep concern with the proposal and urge the Commission to make significant changes to the proposal before further consideration:

“Rural educators are frustrated to find that after more than a decade of suggesting improvements to the E-Rate program, including proposals to expand teleconnectivity access to the nation’s rural communities and to streamline the application process, the FCC’s proposal is largely focused on cost-savings and efficiencies. We feel it needs to focus more on program equitability and sustainability while bolstering efforts to ensure rural communities have access to levels of connectivity comparable (in terms of both bandwidth and cost) to those in urban and suburban communities.

“As recently as one year ago, we were optimistic for comprehensive E-Rate modernization and what it could mean for our rural communities: With both the White House and the FCC focused on E-Rate modernization, surely the President’s goal of connecting 99 percent of the nation’s students in five years would reflect the unique considerations required to expand sustainable broadband to rural communities—areas that have historically and disproportionately been underserved in the E-Rate program.

“We oppose the proposed shift to a per-pupil allocation as it fails to recognize the variance in costs and purchasing power that exist in our rural schools and communities. Beyond being “directly opposed” to one of the E-Rate program’s core tenets—distributing funding based on need—the proposal completely dismisses the reality of connectivity in rural communities, focusing on a ‘one-size-fits-all’ model regardless of a school’s enrollment or geographic location. We are strongly opposed to any effort to shift away from a needs-based formula to a per-pupil allocation. Our opposition to per-pupil allocations in E-Rate is well documented and can be found in E-Rate-related filings reaching back as far as 2005.

“We are also opposed to shifting the program’s poverty calculation from school-based to district-based. We represent rural schools that may find themselves within larger school districts with varying poverty rates. The proposed change sets up potential windfalls for the wealthiest schools within relatively poor districts by raising their discount rates and hurts the poorer schools within districts by lowering their discount rates.

“Any effort to modernize the E-Rate program must include the infusion of new, sustained funding. Our nation’s rural schools and libraries struggle to meet today’s broadband demand using 1998 dollars and

current demand for the E-Rate program more than doubles the available funding. This funding shortfall is compounded by variations in costs and purchasing power for our rural communities.

“Lastly, but perhaps most importantly, we reiterate our long-standing commitment to E-Rate modernization and affirm our willingness to work with the FCC to improve this proposal. We urge the Commission to work with the beneficiary community—the very people the program was designed to serve—on a two-pronged approach that relies on both programmatic changes and the infusion of new, long-term funding. We stand ready to update the E-Rate program as it approaches its 20-year birthday and to do so in a manner that ensures it is around for at least 20 more.”

Sincerely,

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