



NEWS

Federal Communications Commission
445 12th Street, S.W.
Washington, D. C. 20554

News Media Information 202 / 418-0500
Internet: <http://www.fcc.gov>
TTY: 1-888-835-5322

This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action.
See MCI v. FCC, 515 F.2d 385 (D.C. Circ 1974).

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NEWS MEDIA CONTACT:
Mark Wigfield, 202-418-0253
Email: mark.wigfield@fcc.gov

NEW BROADBAND-ENABLED LEARNING OPPORTUNITIES ENVISIONED IN PROPOSED E-RATE UPDATES

Proposals Pursue National Broadband Plan Goals

Washington, D.C. – The Federal Communications Commission today took further steps toward ensuring universal access to affordable, high-quality broadband by proposing updates to the highly successful “E-rate” universal service program. The proposals further the FCC’s National Broadband Plan goal of connecting schools and libraries to world-leading broadband by modernizing and improving the Universal Service Fund.

E-rate has been instrumental in expanding opportunities for schoolchildren and communities across the country. Through the E-rate program, 97 percent of American schools now have Internet access. But the National Broadband Plan found that many schools will need significant upgrades to meet future broadband speed and capacity demands, and that many E-rate policies are out-of-date.

In the Notice of Proposed Rulemaking adopted today, the FCC explores ways the E-rate program can become a more effective educational tool for teachers, parents, and students. Broadband connectivity in the classroom and at home will enable educational advances, economic growth, government delivery of services, and civic engagement.

The Notice seeks comment on proposed reforms in E-rate that include:

- Cutting red tape by eliminating FCC rules that overlap with state and local contracting and technology planning requirements, while at the same time maintaining appropriate safeguards to mitigate potential waste, fraud, and abuse;
- Enhancing the FCC’s ability to stop waste, fraud and abuse by codifying competitive bidding requirements;
- Reducing the administrative burden on applicants by conforming the E-rate definition of “rural” to the Department of Education’s definition and simplifying the way schools calculate their discounts;
- Supporting online learning 24 hours a day, seven days a week, by allowing use of wireless Internet access service away from school premises;
- Providing schools and libraries with more flexibility to choose the most cost-effective bandwidth solutions by allowing the leasing of unused capacity from municipalities and other entities;
- Expanding access to broadband in residential schools that serve populations facing unique challenges, such as Tribal schools or schools for children with physical, cognitive, or behavioral disabilities;
- Offering more schools and libraries the opportunity to use the most technologically advanced applications -- including video streaming to the classroom and computer kiosks -- by creating a new, predictable funding mechanism for Internet connections;

- Indexing the current \$2.25 billion cap on E-rate disbursements to inflation to maintain the purchasing power of the current program and enable continued support for high-speed broadband and internal connections in the future;
- Creating a process for schools and libraries to dispose of obsolete equipment without running afoul of the prohibition on reselling equipment and services purchased using E-rate funds.

The proposals could be implemented in funding year 2011, which begins on July 1, 2011.

Action by the Commission May 20, 2010 by: Notice of Proposed Rulemaking (FCC 10-83). Chairman Genachowski, Commissioners Copps, McDowell, Clyburn and Baker. Chairman Genachowski, Commissioners Copps, McDowell, Clyburn and Baker issuing separate statements.

Docket Nos.: CC Docket No. 02-6 and GN Docket No. 09-51

Wireline Competition Bureau Staff Contacts: Regina Brown at 202-418-0797; James Bachtell at 202-418-2694

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