

**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

This is great. Today we take another important step forward to implement the National Broadband Plan, and we do it by expanding the horizons of my favorite program of all—E-Rate. In four months, the Chairman has shepherded through this Commission a Notice of Proposed Rulemaking and, with today's action, an Order that truly move us forward in getting broadband out to those who need it. And who can benefit more from it than our kids? E-Rate has already done so much for so many of them, helping students, and the communities in which they live, to access the digital tools they need to learn, to compete, to find opportunity and to prosper. The good news is E-rate can now do even more. This is a program rife with potential, constrained not by its promise but only by the resources committed to it. Today we begin breathing new life into this awesome program.

I particularly welcome the basic reforms and upgrades in today's Order that will improve and modernize E-Rate, including streamlining the application process and expanding the reach of broadband to the classroom. Lots of E-Rate applicants are going to rejoice in these rule changes. I hope that E-rate recipients will also take advantage of the now permanent opportunity to make E-Rate supported services available to the general public outside of regular school hours. The Commission approved this on an interim basis in February 2010, and I am glad that we are moving quickly forward to make this permanent. There is no reason why such services should go underutilized, provided schools can support the additional use and the E-Rate funding is used for statutorily-intended purposes.

I am also pleased that this item takes on other issues which, while perhaps controversial for some, directly address the National Broadband Plan's goal of promoting further connectivity of broadband to schools and libraries via increased flexibility in the program. Today we finally straighten out the Commission's policy on dark fiber. In 2003, over my opposition, the Commission removed dark fiber from the Eligible Services List. That was a mistake. We repair the mistake in today's item so applicants can lease dark fiber where available and cost-effective. Dark fiber is back on the list and E-Rate applicants will be able to select from a broader range of options as they seek out the best, lowest-cost broadband and telecommunications services to get the job done.

I cautiously support the Order's proposal for a limited pilot program for off-campus wireless connectivity for portable learning devices. I am well aware that existing educational programs incorporating portable devices have seen real and measurable success. And I do believe that E-Rate deserves to be empowered so it can keep up with the latest technologies and with all the new educational tools that are coming online. But while those constraints that I talked about earlier continue to exist, we have to remember that the basic task of this program is to get high speed, high capacity broadband out to schools and libraries—and, until met, that challenge needs to take precedence over other meritorious ideas which could, and will, bring added luster to E-Rate. So I think the pilot program is the way to go, allowing us to design the controls we will need to make sure any expanded general program operates with proper controls and as free as possible from any abuses.

Finally, I have been in favor of indexing the E-Rate cap to inflation for some time. Despite its great success, E-Rate is a capped fund for which demand has consistently surpassed supply. While the Commission annually commits funds to the extent currently permitted by our rules, the demand always exceeds supply, and the program must keep pace with these needs. In addition, since inception of the program, inflation has driven costs up 30 percent, but E-Rate funding has remained constant at the capped amount. That's equivalent to a loss of \$675 million in purchasing power. I would be in favor of

reconsidering that cap, but I recognize that now—prior to full-scale reform of the entire Universal Service Fund—is not the time to make a change that could affect all programs. However, indexing the cap to inflation right now is a modest adjustment that was recommended in the National Broadband Plan. I also want to note that the *Corr Wireless Order*, approved unanimously by this Commission earlier this month, explicitly directed USAC to reserve surrendered CETC support for indexing the E-Rate cap to inflation. I issued a statement with the *Corr Wireless Order* expressing my interest in making sure the surrendered funds were put to good use as quickly as possible, and using that funding to index the cap on E-Rate to inflation certainly accomplishes that. I recognize that the surrendered support in the *Corr Wireless Order* will go only so far, and at some point funding from contributions may be required. I have no problem with this—E-Rate is the only oversubscribed capped program, and yet it is the most successful of the Universal Service Fund. I can't think of a better purpose for Universal Service than to give our kids—and grandkids—the technology they need for a good education, give library patrons the access they need to find and apply for jobs, and give communities the high-speed broadband service necessary to promote the civic dialogue of the 21st century.

I thank the Chairman for his focus and follow-through concerning both the National Broadband Plan and the E-Rate program. What we do today makes a good program even better, and I hope that my colleagues will continue to work to strengthen the program. And, of course, I want to express my gratitude to the Bureau for its hard and creative work on this item.