



FEDERAL COMMUNICATIONS COMMISSION

January 3, 2013

JULIUS GENACHOWSKI  
CHAIRMAN

The Honorable Alcee L. Hastings  
U.S. House of Representatives  
2353 Rayburn House Office Building  
Washington, D.C. 20515

Dear Congressman Hastings:

Thank you for your letter regarding the School District of Palm Beach County's application for 2012-2013 E-rate funding. I appreciate your interest in this matter and am pleased to provide the enclosed letter on this issue from the Chief of the Wireline Competition Bureau's Telecommunications Access Policy Division.

If you have any additional questions or need any further assistance, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Julius Genachowski", is written over a horizontal line.

Julius Genachowski

Enclosure



Federal Communications Commission  
Washington, D.C. 20554

January 3, 2013

The Honorable Alcee L. Hastings  
U.S. House of Representatives  
2353 Rayburn House Office Building  
Washington, DC 20515 - 0923

Dear Congressman Hastings:

Thank you for your letter on behalf of the School District of Palm Beach County and other recipients of funding under the schools and libraries universal service support mechanism, commonly referred to as the E-rate program. Specifically, you ask that we consider certain points as guidelines, including the distribution of "priority 2" funding for internal connections, as we determine how best to allocate E-rate funding.

Under the E-rate program, funds are allocated according to rules of priority, with first priority provided to requests for telecommunications services and Internet access (priority one services). The remaining available funds are allocated to requests for support for internal connections and basic maintenance of internal connections (priority two services). Requests for priority two services are allocated first to applicants whose applications are eligible for 90 percent discount levels, then to those eligible for 89 percent discount levels, and so on, until the available funds are exhausted. If the remaining funds are not sufficient to support all of the funding requests within a particular discount level, the Commission's rules provide that the total amount of remaining funds must be divided by the amount of funding requests within the particular discount level to produce a pro-rata factor. The support level for each applicant is then reduced within that discount level based on the pro-rata factor. The Commission's rules also require that, in the second quarter of each calendar year, all unused funds from prior years must be available for use in the next full funding year of the E-rate program.

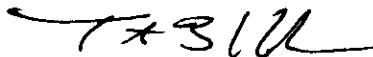
As technology evolves and the demand for funding increases, the Commission has continually sought comment on ways in which we can improve and reform the E-rate program. We will take your comments into consideration as we strive to balance the goal of providing the important benefits of the E-rate program to all eligible schools and

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libraries with the need to protect the integrity of the program and investigate potential waste, fraud and abuse.

Thank you for your support of the E-rate program.

Sincerely,

A handwritten signature in black ink, appearing to read 'T B Harkrader', with a stylized flourish at the end.

Trent B. Harkrader

Chief

Telecommunications Access Policy Division

Wireline Competition Bureau