



# NEWS

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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. Cir. 1974).

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## **REACTION TO COMMISSIONER AJIT PAI'S PROPOSAL FOR A STUDENT-CENTERED E-RATE PROGRAM**

In his speech today at the American Enterprise Institute, Commissioner Ajit Pai of the Federal Communications Commission proposed to establish a student-centered E-Rate program. E-Rate is a component of the Universal Service Fund that disburses about two billion dollars each year to help schools and libraries purchase telecommunications services. Commissioner Pai offered five ways to improve E-Rate: (1) simplify the program; (2) distribute funds more fairly; (3) refocus the program towards broadband for students; (4) add transparency and accountability; and (5) bring fiscal responsibility to the program. Commissioner Pai believes a revamped E-Rate program could help bring all of our students into the digital age without increasing the program's budget.

The following is a sample of some of the positive feedback the reform proposal has generated:

### **U.S. Senator Roy Blunt:**

“When it comes to educating our children, the people closest to our students at the local level know best. I applaud Commissioner Pai's calls to reform the federal E-Rate program, as well as his efforts to eliminate its inefficiencies and return spending control to local schools. I hope the FCC will embrace local flexibility and avoid heavy-handed federal mandates moving forward.”

### **U.S. Congressman John Shimkus:**

“I commend Commissioner Pai for offering a fiscally responsible plan for reforming the E-Rate program. By cutting red tape and focusing funds directly on students, we can expand digital learning opportunities without increasing the program's budget or taking more money from the wallets of American consumers. I agree with Commissioner Pai that this is where our focus needs to be: spending the money that we are already collecting more wisely.”

### **Former FCC Commissioner Deborah Taylor Tate:**

“I applaud Commissioner Pai's call for a student-centered E-Rate program. Like Commissioner Pai, I believe that we need to simplify the application process and cut the red tape so that more money reaches more kids more expeditiously. I also share Commissioner Pai's belief that we must resist the urge to impose a one-size-fits-all mandate from Washington. Different schools have different needs, and we need to provide local school boards and principals the flexibility to do what's best for their students' educational needs balanced with the fiscal pressures of their own budgets.

I am proud that my home state of Tennessee was the first in the nation to connect all public schools to the Internet, and with help from a student-centered E-Rate program, the Volunteer State will continue to lead the way in digital learning.”

**Former FCC Chief Economist Michelle Connolly:**

“I applaud Commissioner Ajit Pai’s efforts to push for reform within the E-rate program. There has been a great deal of inefficiency, waste, and outright fraud in the current E-rate program. As Commissioner Pai suggests, the time to be funding stand-alone telephone service is past. Schools and districts should not be wasting time (and E-rate funding) going through the current intricate and restricting application process that skews applications towards larger schools and districts. Schools should be given greater autonomy to decide the best manner in which to use E-rate funds with the goal of providing the broadband link to the world that American students deserve. With the larger matching requirement suggested by Commissioner Pai, schools will have stronger incentives to choose optimally. Making school expenditures and choices visible to the stakeholders of the community will greatly increase accountability.

Commissioner Pai’s proposals to simplify and streamline the application process will greatly reduce the economic costs of the application process for schools and will make it feasible for smaller schools and districts to participate in the program. Removing uncertainty for schools and districts as to the amount of funding they are eligible to receive will increase the speed and efficiency of investment and maintenance of broadband technologies for student education.

Commissioner Pai’s recommendations address an amazing number of problems with the current E-rate program. The overarching theme of these recommendations is to streamline and simplify the program. Simple is good. Simple will significantly improve the effectiveness of each dollar used for the E-rate program. Simple will allow more students to benefit from the program. Simple will reduce pressure to increase the program’s budget and the taxes that pay for it.

Much more discussion will need to take place before such a major overhaul of this \$2.25 billion program can occur. This is an excellent first step and now is the time to move.”

**Grover Norquist, Americans for Tax Reform:**

“Taxpayers commend Commissioner Pai for his reform proposals that will reduce costs and promote transparency and efficiency in what has been a wasteful government program.”

**Berin Szoka, President, TechFreedom:**

“Commissioner Pai’s reforms will make the E-Rate program more efficient by reducing the regulatory burdens on schools, and introducing more local responsibility, accountability and transparency. The result will be a more fiscally responsible E-Rate program that directs funding where it is most needed — without increasing Americans' telephone bills.”