

FCC CHAIRMAN WHEELER PROPOSES LANDMARK E-RATE MODERNIZATION TO BRING HIGH-SPEED WI-FI TO EVERY STUDENT AND LIBRARY

Today, Chairman Wheeler circulated an E-Rate Modernization proposal to his fellow Commissioners to revitalize the E-Rate program for the world of personalized learning. During the past 18 years, E-Rate has helped transform schools' and libraries' access to modern communications networks. But educational connectivity has changed: whereas once it was revolutionary to connect a computer lab down the hall to the Internet, harnessing the full value of digital learning today means enabling all students to go online from their desk or from any library workspace.

Modernizing E-Rate to deliver digital learning to more kids faster

Chairman Wheeler's proposed Order is the next major step in a comprehensive modernization of E-Rate, the first such effort since the program's creation 18 years ago. The draft Order is focused on the largest and most urgent need—closing the Wi-Fi gap—while ensuring E-Rate money is spent smartly and improving program administration. It is the next step in what will be an ongoing process to modernize the E-rate program. The draft proposal will:

Close the Wi-Fi Gap

- Commit at least \$1 billion in support to Wi-Fi next year to connect over 10 million students across the country in 2015, followed by another \$1 billion in 2016 with predictable support continuing in future years.
- Provide multi-year funding predictability to ensure widespread and equitable distribution of support, and stop cutting rural schools out of Wi-Fi funding.
- Begin a multi-year transition of all program funding to broadband, by gradually phasing down support for non-broadband services.
- Adopt clear broadband goals to measure overall program success, while maintaining local flexibility to determine the needs of individual schools and libraries.

Make E-Rate Dollars Go Farther:

- Set the maximum program match at 4 to 1 – which means for every dollar the poorest schools spend, the program will spend four – for Wi-Fi services to promote cost-effective decision-making.
- Speed consortium applications to drive down prices.
- Increase transparency on how E-rate dollars are spent and on prices charged for E-rate services.
- Leverage GSA pricing so schools can buy for less.

Deliver Faster, Simpler, More Efficient Applications and Other Processes

- Fast, simple process for multi-year applications.
- Expedited process for small dollar, cost-effective applications.
- Speed review of all applications.
- Move to electronic filing of all documents.
- Simplify discount calculations.
- Zero tolerance for fraud or abuse: toughen document retention and site inspection rules.

Action this summer would allow new rules to be in place for the 2015 Funding Year, which would support Wi-Fi upgrades across the country in time for the 2015-2016 school year. While this order is focused on closing the Wi-Fi gap, Chairman Wheeler remains committed to an ongoing E-rate modernization process to address other important connectivity issues faced by schools and libraries.

Building on Success

Today's proposed order would build on the top-to-bottom administrative review of E-rate that was the first stage of Chairman Wheeler's comprehensive, step-wise approach to modernization.

This administrative review is already delivering huge dividends

- More funds: The FCC identified \$2 billion that could be freed from existing reserve accounts and other sources over the next two years towards an initial down payment on broadband expansion. The \$1 billion for Wi-Fi next year under the Chairman's proposal would be the first portion of this down payment.
<http://www.fcc.gov/document/fcc-boost-investment-broadband-schools-libraries-2b>
- Faster processing: The FCC, working with the program administrator, USAC, has already doubled the pace with which E-Rate applications are being processed, compared to any previous year in E-Rate history.
<http://www.fcc.gov/blog/managing-e-rate-maximize-benefits-schools-libraries>

Bringing E-Rate into the 21st Century

The E-Rate program has played a vital role in connecting U.S. schools and libraries – but often those connections are to a few computers along the wall rather than each student having access at his or her desk.

- E-Rate was established in the 1996 Telecommunications Act and is the federal government's largest education technology program.
- When Congress passed the Telecommunications Act of 1996, only 14% of classrooms had Internet and most schools with Internet access (74%) used dial-up Internet access.
- By 2005, the E-Rate program had successfully connected 94% of U.S. classrooms to the Internet, and by 2006, nearly all public libraries were connected to the Internet (98%).

New digital learning technologies are opening new opportunities for students, teachers and library patrons.

- In schools, emerging educational technology allows an increasingly interactive and individualized learning environment and expands school boundaries through distance learning applications.
- In libraries, high-speed broadband access provides patrons the ability to apply for jobs; interact with federal, state, local, and Tribal government agencies; engage in life-long learning; and stay in touch with friends and family.
- The plummeting costs of tablets and netbooks, increasing Wi-Fi speeds, and innovative cloud-based software are allowing this technological transformation of learning, much of which would have been impossible five years ago.

But too many U.S. schools and libraries lack the infrastructure necessary to fully utilize today's learning technologies—particularly when it comes to Wi-Fi in the classroom.

- Three out of five schools in America lack the Wi-Fi needed to deploy 21st Century educational tools.
- Half of school buildings have older, slower internal wiring that won't carry data at today's broadband speeds.

E-Rate rules need to be updated to close the Wi-Fi gap.

- Despite the incredible Wi-Fi connectivity gap, no E-Rate money was available for Wi-Fi last year.
- Even when some Wi-Fi support was available in previous years, it reached just 5% of schools and 1% of libraries.
- From school CTOs, to state education leaders, to ed-tech innovators, an overwhelming majority of commenters have made clear that improving in-classroom Wi-Fi is one of -- if not the most -- important connectivity upgrade priority.