STATEMENT OF
CHAIRMAN TOM WHEELER

Re: *Modernizing the E-rate Program for Schools and Libraries*, WC Docket No. 13-184.

When I stepped to the podium at the Library of Congress on Digital Learning Day earlier this year, I made one point very clear: E-Rate modernization is a BIG deal. The challenge has been clear to everybody: we needed to move from a program that was designed for the 20th century, towards a program that is gives our educators the ability to take advantage of 21st century technologies and learning strategies, and allows our libraries to better serve their patrons and communities.

Today is a watershed moment in the history of the program, because we take the critical next step in the E-rate modernization process. And we are doing it the right way. We are targeting already available funds to meet the greatest current needs, we are getting as much as we can out of every E-rate dollar, and we are formally and expeditiously investigating the appropriate funding level for this program, based upon the steps we take today. That is why this item is a win for students, it's a win for educators, and it's a win for ratepayers.

Today's item begins the process of closing the Wi-Fi gap. The digital teaching strategies that educators around the country want to employ require wireless connectivity directly to the student, allowing students to use their laptops for interactive and individualized learning. And library patrons need Wi-Fi connectivity to complete their education, jumpstart employment and entrepreneurship opportunities, and apply for government services, among other things. Unfortunately, in recent years, E-rate supported requests for Wi-Fi in less than five percent of schools and only 1 percent of libraries, and last year, no E-rate money at all was available for Wi-Fi services or other internal connections. In this regard, the program has let students, teachers and local communities down.

We're changing that by specifying a $1 billion annual funding target for Wi-Fi to meet the needs of all schools and libraries while continuing to ensure the availability of funding for broadband connectivity to the building. Importantly, we are doing so in a manner that is consistent with the bedrock principle of prioritizing funding for those who need it most while ensuring a much more equitable distribution of funding among all eligible applicants. This Order targets far more support for Wi-Fi in rural areas than has ever been available in the history of the program. Closing the Wi-Fi gap means that millions more library patrons and students across the country will have access to opportunities that were previously denied. That's a big deal.

Today's item begins a multi-year transition away from 20th century technologies to enable the support of 21st century connectivity. Doing so requires us to make some hard choices, but I am confident that we all win when we place a priority on high-capacity broadband in schools and libraries. Not broadband for the sake of broadband, but broadband for what it enables.

The Order takes a series of steps to maximize the cost-effectiveness of all E-rate spending through greater pricing transparency, encouraging consortia and bulk purchasing, and better enforcement of existing rules. The changes we adopt today will help the beneficiaries of this program—our nation's schools and libraries—by providing them with better information that will result in better prices. Every dollar saved for one applicant is another dollar made available for another applicant. That is a win for schools, libraries and the rate payors who make this program possible.

Finally, the Order streamlines the program, making it faster, simpler, and more efficient. For E-Rate to work, it has to be workable for schools and libraries.

To anyone paying attention—and there are many of you—there has been a rather spirited debate about this item. That debate doesn't end today. But we owe it to our schools and libraries to take the first step now so that billions in available Wi-Fi funds can begin to flow in the next funding year while we continue the discussion.

We all share a common desire to improve the learning opportunities for students and the lives of local citizens who depend on their library to access the Internet. But there are certainly some differences of opinion around the details. And that's good. It's healthy. Some have suggested we should not move forward with an order that does not include a substantial increase in E-rate cap. I have always said the responsible approach is to begin with administrative and structural reform and smarter use of the resources we have, while we continue our review of the long-term program needs. By doing that today, we're going to help 10 million kids next year alone. 10 million kids.

Others say we shouldn't do any such funding review at all, and would take any new funding off the table permanently. I fully understand and appreciate that we are stewards of the Universal Service Fund, and that we have a fiduciary obligation to those who pay into USF –consumers. That's why this Order includes such an emphasis on maximizing the cost-effectiveness of E-rate spending. But we also have a direct mandate from Congress to keep this program up to date. No responsible business would run on an IT budget last reviewed in 1998. Why should we treat the IT budgets of our schools and our libraries with any less concern? As I see it, we are abdicating our responsibility if we fail to engage on the budget question. I don't know the answer yet, but I reject the suggestion that we shouldn't even be asking the question.

The good news is that thanks to the efforts of Commission staff and many of you in the room and watching online who have worked so hard and so closely with us over the past months, we know a lot more today than we did when I started as Chairman. But we still have some work to do. That is why this item includes a Further Notice asking some additional questions that will enable us to tackle the question of sizing the long-term funding needs of the program. My preferred approach has always been to modernize the program, and then assess the long-term funding of the program. It would make no sense to simply add more money to a program that was still set in the 20th century. The changes we adopt today give us the foundation to thoroughly understand and analyze the long term funding needs of the program, and ensure that the program remains robust for years to come.

Technology has changed. The needs of students and library patrons have changed. And now, E-rate has changed. I thank all of you who have engaged with us to date and ask that you continue to work with us as we continue down the E-rate modernization path.