



OFFICE OF  
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

August 11, 2014

The Honorable Carl Levin  
United States Senate  
269 Russell Senate Office Building  
Washington, D.C. 20510

Dear Senator Levin:

Thank you for your letter expressing concerns about modernizing the E-rate program. I am deeply committed to ensuring that the E-rate program continues to serve the purpose for which it was established and remains strong and sustainable well into the future. Your views are very important and will be included in the record of the proceeding and considered as part of the Commission's review.

In your letter, you urge the Commission to take into account the concerns raised by national education organizations and organizations representing rural schools, as well as a recent letter submitted by Senators Rockefeller and Markey. In addition, your letter expresses concerns that modifying the E-rate distribution mechanism to one that provides funding based on a per-student or per-square foot calculation for Wi-Fi would disadvantage rural schools and libraries.

The *E-rate Order* adopted at the July Open Meeting is based upon comments received in response to the 2013 *E-rate Modernization Notice of Proposed Rulemaking*. I can assure you the views of these stakeholders were given full consideration, as were the suggestions of Senators Rockefeller and Markey. In addition, we will continue to work with these organizations to meet our mutual goal of increased access to high-speed broadband in our nation's schools and libraries.

The *Order* takes significant steps to address the Wi-Fi gap in America's schools and libraries, setting an annual funding target of \$1 billion for Wi-Fi and establishing a fairer method for distributing funds so that ALL schools and libraries can benefit, including far more rural schools than in the past. This is an important step, given that 40 percent of classrooms are not currently Wi-Fi-enabled, and nearly two-thirds of schools indicate that they do not have sufficient Wi-Fi capacity to meet their digital learning needs. Prior to the July *Order*, E-rate was able to support Wi-Fi funding requests for less than five percent of schools and one percent of libraries. Over the next two years, the Commission's July *Order* will help up to 20 million students and thousands of libraries gain access to Wi-Fi. At the same time, recognizing your concerns, the *Order* ensures that adequate funding will be available for broadband connectivity to schools and libraries before funding is made available for Wi-Fi. Also, the new Wi-Fi support methodology has been established for the next two E-rate funding years as we continue to evaluate the long-term funding needs of the program.

With respect to your concerns on per-student funding, the *Order* establishes a multi-year budget for internal connections services, such as Wi-Fi, that will serve our goal of ensuring affordable access to high-speed broadband for schools and libraries as we continue to evaluate long term program needs. Over the next two funding years, schools will be eligible for E-rate funding on purchases of up to \$150 (pre-discount) per student. Similarly, libraries may request E-rate support of up to \$2.30 (pre-discount) per square foot for internal connections services over a five-year period, consistent with a recommendation by the American Library Association and data submitted by numerous individual library systems. To ensure these budgets are sufficient to meet the minimum demand that certain schools and libraries might have regardless of size, the *Order* establishes a pre-discount funding floor of \$9,200 for each school or library. These figures are based on the best available data to the Commission and will continue to be assessed over time. The accompanying *Further Notice* seeks further comment on the per-square foot and per-student budgets for support of internal connections.

The *Order* is a critical next step in the E-rate modernization process. And we have started this process in a responsible manner. 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 have taken to improve the structure and administration of the program. While the *Order* does not raise E-rate's funding cap, the item does contain a *Further Notice of Proposed Rulemaking* that specifically asks for comment about long-term program funding needs to meet the goals and funding targets established in the *Order*.

E-rate modernization is one of the most important issues before the Commission today. We have an opportunity to make a real, positive difference in the lives of millions of students. However, as the *Order* recognizes, more remains to be done in order to secure a sustainable future for E-rate. As always, I look forward to working with you as we continue to modernize this vital program.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Wheeler", with a stylized, cursive script.

Tom Wheeler





OFFICE OF  
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

August 11, 2014

The Honorable Debbie Stabenow  
United States Senate  
133 Hart Senate Office Building  
Washington, D.C. 20510

Dear Senator Stabenow:

Thank you for your letter expressing concerns about modernizing the E-rate program. I am deeply committed to ensure that the E-rate program continues to serve the purpose for which it was established and remains strong and sustainable well into the future. Your views are very important, and will be included in the record of the proceeding and considered as part of the Commission's review.

In your letter, you urge the Commission to take into account the concerns raised by national education organizations and organizations representing rural schools, as well as a recent letter submitted by Senators Rockefeller and Markey. In addition, your letter expresses concerns that modifying the E-Rate distribution mechanism to one that provides funding based on a per-student or per-square foot calculation for Wi-Fi would disadvantage rural school and libraries.

The *E-rate Order* adopted at the July Open Meeting is based upon comments received in response to the 2013 *E-rate Modernization Notice of Proposed Rulemaking*. I can assure you the views of these stakeholders were given full consideration, as were the suggestions of Senators Rockefeller and Markey. In addition, we will continue to work with these organizations to meet our mutual goal of increased access to high-speed broadband in our nation's schools and libraries.

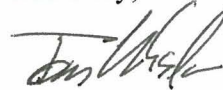
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