

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Modernizing the E-Rate Program for Schools and)	WC Docket No. 13-184
Libraries)	

DECLARATORY RULING

Adopted: September 30, 2025

Released: September 30, 2025

By the Commission: Chairman Carr and Commissioner Trusty issuing separate statements; Commissioner Gomez dissenting and issuing a statement.

I. INTRODUCTION

1. In this Declaratory Ruling, we take the opportunity to better align E-Rate eligibility with section 254 of the Communications Act of 1934, as amended (Communications Act), and clarify that the provision of Wi-Fi, or other similar access point technologies, including the equipment needed to provide such service, on school buses is ineligible for E-Rate funding. As discussed further below, contrary to the Federal Communications Commission’s (FCC or Commission) prior interpretation in the *2023 School Bus Wi-Fi Declaratory Ruling*, we find that the best reading of section 254 of the Communications Act is that the use and provision of such services on school buses does not serve an “educational purpose” as defined by E-Rate program rules and conflicts with the statute’s direction to enhance access to E-Rate-eligible services for classrooms.¹ Indeed, we determine here that extending E-Rate to school bus Wi-Fi was not the best reading of the Communications Act.

2. Therefore, we clarify that the provision of Wi-Fi on school buses is no longer eligible for E-Rate support beginning in funding year (FY) 2025, and we direct the Universal Service Administrative Company (USAC), the administrator of the E-Rate program, to deny as ineligible all pending requests for funding for school bus Wi-Fi in FY 2025 and subsequent funding years.² In so doing, we align our

¹ See *Loper Bright Enterprises v. Raimondo*, 603 U.S. 369 (2024) (*Loper Bright*) (holding that only the “best reading” of a statute is permissible, and overruling the *Chevron* doctrine, which required courts to defer to an agency’s reasonable interpretation of an ambiguous statute); 47 U.S.C. § 254(h)(1)(B) (authorizing E-Rate discounts for certain services provided to eligible schools and libraries for “educational purposes”); *id.* § 254(h)(2)(A) (directing the Commission to promulgate rules “to enhance, to the extent technically feasible and economically reasonable, access to advanced telecommunications and information services for all public and nonprofit elementary and secondary school classrooms . . . and libraries”); see also *Modernizing the E-Rate Program for Schools and Libraries*, WC Docket No. 13-184, Declaratory Ruling, 38 FCC Rcd 9943 (2023) (*2023 School Bus Wi-Fi Declaratory Ruling*).

² While we direct USAC to deny requests for funding for school bus Wi-Fi in FY 2025 and subsequent funding years based on the Commission’s determination herein, we do not intend to apply it retroactively to previously requested and granted funding requests for FY 2024, which relied upon the Commission’s prior interpretation of section 254 of the Communications Act when it issued the *2023 School Bus Wi-Fi Declaratory Ruling*. Due to pending litigation, as described further in paragraph 7 below, USAC has not processed any FY 2025 funding requests for Wi-Fi on school buses. To the extent applicants signed multi-year contracts for the provision of school bus Wi-Fi and can now no longer receive funding for such services for FY 2025 based on our ruling today, we note that the Commission has long made clear that while the use of multi-year contracts in the E-Rate program is permissible, there is no guarantee of funding, and the Commission does not make multi-year, E-Rate commitments. See, e.g., *Modernizing the E-Rate Program for Schools and Libraries*, WC Docket No. 13-184, Report and Order and Further Notice of Proposed Rulemaking, 29 FCC Rcd 8870, 8919, 8947, paras. 125, 196 (2014) (*First 2014 E-*

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interpretation of section 254 of the Communications Act as it applies to school bus Wi-Fi with the best reading of the statute.

II. BACKGROUND

3. *E-Rate Program.* The E-Rate program was authorized by Congress in 1996, and created by the Commission in 1997 to, enhance, to the extent technically feasible and economically reasonable, access to advanced telecommunications and information services for all public and nonprofit elementary and secondary school classrooms and libraries, among other things.³ The E-Rate program allows eligible schools, libraries, and consortia comprised of eligible schools and libraries to request universal service support for what are called “category one” services (which provide connectivity, including broadband connectivity, to eligible school and library locations) and “category two” services (which provide connectivity *within* eligible school and library locations).⁴

4. Section 254(h)(1)(B) of the Communications Act requires telecommunications carriers to provide services to schools and libraries for “educational purposes” at discounted rates.⁵ As a result, our E-Rate rules require schools and libraries to use E-Rate-supported services “primarily for educational purposes.”⁶ In the case of schools, the Commission has defined “educational purposes” as “activities that

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Rate Order); *Modernizing the E-Rate Program for Schools and Libraries*; *Connect America Fund*, WC Docket Nos. 13-184, 10-90, Second Report and Order and Order on Reconsideration, 29 FCC Rcd 15538, 15599-600, paras. 152-55 (2014) (*Second 2014 E-Rate Order*) (explaining that obligating funds in advance of their availability would be detrimental to the program, and it is in the best interest of the universal service fund to obligate funds one funding year at a time); *see also* *Petition for Waiver by the South Bay Union School District*; *Schools and Libraries Universal Support Mechanism*, CC Docket No. 02-6, 27 FCC Rcd 4176, 4177-78, para. 4 (WCB 2017) (“While applicants may enter into multi-year contracts, the E-Rate program is funded on a year-to-year basis. A multi-year contract does not insulate applicants and service providers from changes in program rules ... and an applicant has no guarantee that a multi-year contract will be funded for the duration of the contract.”).

We also reject arguments that changes should be delayed until FY 2026. *See* Letter from Joseph Wender, Executive Director, Schools, Health & Libraries Broadband (SHLB) Coalition, et al. to the Honorable Brendan Carr, Chairman, FCC, et al., WC Docket Nos. 21-31 and 13-184 (filed Sept. 23, 2025) (arguing applicants and service providers relied on the inclusion of school bus Wi-Fi equipment and service in the FY 2025 eligible services list and asking that the action be delayed until FY 2026). Inclusion of a service in the annual eligible services list does not guarantee that an applicant will receive a funding commitment for that service. Because the E-Rate program is subject to an annual cap, longstanding program rules have made it clear that not all funding requests for eligible services will receive a commitment. *See* 47 CFR § 54.507. We further note that E-Rate applicants have the ability to enter into contracts for services that are contingent on the availability of funding. *See, e.g.,* E-Rate Central, News of the Week (January 6, 2025), available at <https://e-ratecentral.com/Resources/Newsletters/News-of-the-Week/ArticleID/8268/January-6-2025> (“Applicants applying for hotspots (or bus Wi-Fi) services for FY 2025 should make sure that related contracts are made contingent on E-Rate eligibility.”).

³ *See* Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56 (codified at 47 U.S.C. § 151 *et seq.*) (1996 Act); *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, 12 FCC Rcd 8776, 9002-92, paras. 424-607 (1997) (*First Universal Service Report and Order*).

⁴ 47 CFR §§ 54.501, 54.502. Category one services generally include telecommunication services, telecommunications, and Internet access services, while category two services include internal connections (e.g., Wi-Fi, routers, switches), managed internal broadband services (e.g., managed Wi-Fi), and basic maintenance of internal connections. 47 CFR § 54.502(a)(1)-(2).

⁵ 47 U.S.C. § 254(h)(1)(B).

⁶ *Schools and Libraries Universal Service Support Mechanism, A National Broadband Plan For Our Future*, WC Docket No. 02-6, GN Docket No. 09-51, Sixth Report and Order, 25 FCC Rcd 18762, 18774, para. 22 (2010) (*Schools and Libraries Sixth Report and Order*) (amending E-Rate program rules to require that services be used *primarily* for educational purposes and explaining that “[t]o primarily use services supported by E-rate, E-rate recipients must ensure that students always get first priority in use of the schools’ resources”). In amending the rules, the Commission permitted schools to allow the general public to access E-Rate-funded services when classes

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are integral, immediate, and proximate to the education of students.”⁷ Recognizing that the technology needs of E-Rate program participants are complex and unique to each participant, the Commission established a presumption that activities that occur in a classroom or on school property serve an educational purpose, and therefore, services used there are eligible for E-Rate funding.⁸

5. Section 254(h)(2)(A) of the Communications Act directs the Commission to promulgate rules “to enhance, to the extent technically feasible and economically reasonable, access to advanced telecommunications and information services for all public and nonprofit elementary and secondary school classrooms . . . and libraries.”⁹ Generally, the E-Rate program does not provide support for most off-campus services, and E-Rate applicants are, therefore, typically required to cost-allocate out of their funding requests any portion of eligible equipment or services that are used off-campus.¹⁰

6. *2023 School Bus Wi-Fi Declaratory Ruling.* In October 2023, the Commission adopted a declaratory ruling, clarifying that the use of Wi-Fi, or other similar access point technologies, on school buses is an educational purpose, and the provision of such service, including the equipment needed to provide such service, was eligible for E-Rate funding beginning in FY 2024.¹¹ The Commission based its ruling, in large part, on section 254(h)(1)(B) of the Communications Act, which authorizes the Commission to support the provision of communications services, including broadband, to schools and libraries for educational purposes and does not specifically refer to the term “classrooms.”¹² The Commission asserted that the use of such services on school buses primarily serves an educational purpose consistent with the Commission’s rules and section 254 of the Communications Act.¹³ Separate

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are not in session subject to certain conditions: (1) they may not request more funding than is necessary to serve their current student population; (2) any community use of E-Rate-funded services at a school facility must be limited to non-operating hours of the school and to community members who access the Internet while on the school’s campus; and (3) they may not charge for the use of these E-Rate-funded services. *Id.* at 18775-76, paras. 24-26.

⁷ *Schools and Libraries Universal Service Support Mechanism*, CC Docket No. 02-6, Second Report and Order and Further Notice of Proposed Rulemaking, 18 FCC Rcd 9202, 9208, para. 17 (2003) (*Schools and Libraries Second Report and Order*) (clarifying the meaning of “educational purposes”); 47 CFR § 54.500 (defining “educational purposes”).

⁸ *Schools and Libraries Second Report and Order*, 18 FCC Rcd at 9208, para. 17.

⁹ 47 U.S.C. § 254(h)(2)(A).

¹⁰ See *Modernizing the E-Rate Program for Schools and Libraries*, WC Docket No. 13-184, Order, 39 FCC Rcd 11639, 11649 (WCB 2024) (*FY 2025 Eligible Services List Order*) (adopting the eligible services list for funding year 2025, which requires that off-campus use be cost-allocated from a funding request, among other things); 47 CFR § 54.504(e) (detailing the requirement to cost-allocate ineligible services from E-Rate funding requests). *But see, e.g., Schools and Libraries Second Report and Order*, 18 FCC Rcd 9202, 9208-09 & n.28 (finding that “in certain limited instances, the use of telecommunications services offsite would also be integral, immediate, and proximate to the education of students . . . and thus would be considered to be an educational purpose” eligible for E-Rate funding, and listing the following as “examples”: “a school bus driver’s use of wireless telecommunications services while delivering children to and from school, a library staff person’s use of wireless telecommunications service on a library’s mobile library unit van, and the use by teachers or other school staff of wireless telecommunications service while accompanying students on a field trip or sporting event”); *Schools and Libraries Sixth Report and Order*, 25 FCC Rcd at 18778-79, paras. 31-32 (allowing E-Rate support for eligible services serving the residential areas of schools that serve unique populations—including schools on Tribal lands and schools designed to serve students with medical needs, among others—because such services are used primarily, if not exclusively, for educational purposes).

¹¹ See generally *2023 School Bus Wi-Fi Declaratory Ruling*.

¹² *Id.* at 9948, para. 9 & n.32.

¹³ *Id.* at 9948, para. 9.

and apart from the authority granted under section 254(h)(1)(B), the Commission determined that section 254(h)(2)(A) of the Communications Act provided an independent basis for its ruling, noting that Congress declined to define the term “classrooms” in the Communications Act and that term may be interpreted more broadly as evidenced by the fact that teaching and learning often occur today outside the brick and mortar school building.¹⁴

7. *Molak v. FCC*. On December 20, 2023, Maurine and Matthew Molak filed a petition for review of the *2023 School Bus Wi-Fi Declaratory Ruling* in the U.S. Court of Appeals for the Fifth Circuit.¹⁵ In their petition, the Molaks argue that the Commission exceeded its statutory authority under section 254 of the Communications Act when making Wi-Fi on school buses eligible for E-Rate funding.¹⁶ The court heard oral argument on November 4, 2024, and its review in the matter remains pending. In light of this pending appeal, USAC has not processed any FY 2025 funding requests for Wi-Fi on school buses.¹⁷

8. *Congressional Efforts*. On July 31, 2023, Senator Ted Cruz and Representative Cathy McMorris Rodgers wrote to Chairwoman Rosenworcel strongly opposing a proposal to extend the E-Rate program to include Wi-Fi support on school buses and Wi-Fi hotspots for schools and libraries.¹⁸ The letter explained that the Commission’s authority is “explicitly confined to classrooms and libraries,”¹⁹ and that although Congress had previously considered extending the E-Rate program to include school buses and student homes, it instead created a temporary, COVID-era program, the Emergency Connectivity Fund (ECF), to support these locations.²⁰ Specifically, Senator Cruz and Representative McMorris Rodgers said the proposed actions exceeded the Commission’s authority, improperly funded consumer devices, duplicated other taxpayer-funded programs, and created opportunities for wasteful, subsidized overbuilding.²¹

9. After the adoption of the *2023 School Bus Wi-Fi Declaratory Ruling*, Senator Cruz, along with six other senators, filed an Amici Brief in support of the Petitioners in the *Molak v. FCC* case.²² The senators reiterated that the Commission “is authorized to use E-Rate funds only ‘to enhance . . . access to

¹⁴ *Id.* at 9948, n.32 (“[W]e clarify that the use of Wi-Fi in one particular location—the school bus—satisfies the ‘educational purposes’ test in section 245(h)(1)(B) and independently satisfies the ‘classroom’ test in section 254(h)(2)(A).”).

¹⁵ See generally *Molak v. FCC*, No. 23-60641 (5th Cir. Dec. 20, 2023).

¹⁶ *Id.*

¹⁷ The parties recently asked the court to stay the case while the Commission reevaluates the *2023 School Bus Wi-Fi Declaratory Ruling*. The court stayed the case on July 10, 2025, pending the Commission’s internal review. Motion for Abeyance, *Molak v. FCC*, No. 23-60641 (5th Cir. July 9, 2025). FY 2025 runs from July 1, 2025 to June 30, 2026 and generally covers the 2025-2026 school year. The deadline to submit requests for funding for FY 2025 was March 26, 2025 (i.e., the close of the FCC Form 471 application filing window for FY 2025).

¹⁸ See Letter from Senator Ted Cruz, Ranking Member, Senate Committee on Commerce, Science, and Transportation and Representative Cathy McMorris Rodgers, Chair, House Committee on Energy and Commerce, to Chairwoman Jessica Rosenworcel, FCC (July 31, 2023) (citing to *Chairwoman Rosenworcel Announces ‘Learn Without Limits’ Initiative*, FCC Press Release (June 26, 2023)); see also Letter from Senator Ted Cruz, Ranking Member, Senate Committee on Commerce, Science, and Transportation and Representative Cathy McMorris Rodgers, Chair, House Committee on Energy and Commerce, to Commissioner Anna Gomez, FCC (Sept. 26, 2023) (same).

¹⁹ *Id.* at 1.

²⁰ *Id.* at 1-2 (noting that the law creating the ECF did not amend the Communications Act or the E-Rate program).

²¹ *Id.* at 2-3.

²² Brief of U.S. Senators as Amici Curiae in Support of the Petitioners, *Molak v. FCC*, No. 23-60641 (5th Cir. Apr. 9, 2024) (U.S. Senators Amici Brief).

advanced telecommunications and information services for . . . school classrooms . . . and libraries.”²³ The senators explained that “school buses are neither ‘classrooms’ nor ‘libraries’ within the meaning of [s]ection 254, making the FCC’s decision to fund Wi-Fi on school buses contrary to law,” and urged the court to vacate the Commission’s *2023 School Bus Wi-Fi Declaratory Ruling*.²⁴

III. DISCUSSION

10. We find that the best reading of section 254 of the Communications Act is that it does not authorize E-Rate support for school bus Wi-Fi. Specifically, contrary to the Commission’s 2023 interpretation, we find that the best reading of section 254 of the Communications Act is that the use and provision of Wi-Fi on school buses satisfies neither the “educational purpose” test in section 254(h)(1)(B), nor the “classroom” test under section 254(h)(2)(A).

11. First, our reading of section 254(h)(1)(B) of the Communications Act as applied to school bus Wi-Fi is faithful to longstanding Commission precedent and rules applying and implementing the statute, which make it clear that activities that occur outside a classroom or school property, and more specifically on school buses, are subject to a heightened standard in order to qualify as “educational purposes” under section 254(h)(1)(B).²⁵ Prior to the *2023 School Bus Wi-Fi Declaratory Ruling*, the Commission had not generally approved the use of E-Rate-funded services by students outside of a classroom or school property to access the Internet.²⁶ Even when allowing E-Rate support for services provided on school property, the Commission has treaded carefully and in a targeted manner if there might be questions about whether the services might be used for non-educational purposes.²⁷ The *2023 School Bus Wi-Fi Declaratory Ruling* cited no record evidence that schools had the ability to limit students’ use of Wi-Fi services on school buses, technically or otherwise, and the *Declaratory Ruling*’s assertions that the lack of a reliable broadband connection at students’ homes and the need for connectivity to complete homework and other assignments before and after school hours, at best, merely show that school bus Wi-Fi *might* be used by some students for educational purposes.²⁸ These sparse

²³ *Id.* at 2, 4 (citing 47 U.S.C. § 254(h)(2)(A)).

²⁴ *Id.* at 2-3, 6, 9.

²⁵ See *Schools and Libraries Second Report and Order*, 18 FCC Rcd 9202, 9208, paras. 17, 19, n.28 (explaining that to qualify as an “educational purpose,” activities must be “integral, immediate, and proximate to the education of students,” that activities that occur outside of a classroom or school property will not be afforded a presumption of being “integral, immediate, and proximate to the education of students,” and that school buses are “offsite” rather than being on “school property”); see also 47 CFR § 54.500 (defining “educational purposes”).

²⁶ See *Schools and Libraries Sixth Report and Order*, 25 FCC Rcd at 18785-86, para. 46 (setting up a limited pilot program for off-campus uses of E-Rate-supported services, but noting expectation that most proposals “will not provide broad access to the Internet, but will provide connectivity for limited purposes, for example downloading digital textbooks”). The limited instances in which the Commission approved the use of E-Rate-funded services offsite by school employees, see *supra* note 10, are easily distinguishable since schools, like other employers, presumably expect and have policies to ensure that employer-provided services and equipment are used for purposes that are within the scope of employment.

²⁷ See *Schools and Libraries Sixth Report and Order*, 25 FCC Rcd at 18778-79, paras. 31-32 (allowing residential schools that serve unique populations (e.g., Tribal lands, students with medical needs or disabilities, 35 percent or more of students eligible for national school lunch program, or juvenile justice facilities) to receive E-Rate funding for the residential areas of those residential schools, based on a record showing that the schools serve students whose educational needs may not be otherwise met without attending such a residential school, and declining to expand eligibility to *any* school with a residential facility on its grounds).

²⁸ See *2023 School Bus Wi-Fi Declaratory Ruling*, 38 FCC Rcd at 9948, para. 9. In addition, we note that section 254(h)(1)(B) of the Communications Act does not authorize the Commission to support any service that is deemed to serve an “educational purpose.” 47 U.S.C. § 254(h)(1)(B). Rather, and importantly, this section of the Communications Act requires that the offering serve “elementary schools” or “secondary schools,” in addition to finding that it serves an “educational purpose.” *Id.*

assertions are insufficient to satisfy the rigorous approach that the Commission has used in the past to ensure that E-Rate-supported services satisfy section 254(h)(1)(B)'s "educational purpose" requirement.²⁹

12. Second, with respect to the statute's direction in section 254(h)(2)(A) of the Communications Act that E-Rate-funded services enhance access "for classrooms," we believe that enhancing access to E-Rate-eligible services for classrooms cannot mean that the funding of E-Rate-eligible services to any mobile location where learning may or may not take place supports effective classroom instruction. Rather, consistent with the Commission's well-established precedent, we find that—when taken together with the statute's direction in section 254(h)(1)(B) of the Communications Act that the services be provided *to* elementary and secondary schools—the best reading of the statute is that E-Rate support is limited to the school's network.³⁰ That is, the services must be part of or for the network providing services that ultimately reach the school classroom in order to be eligible for E-Rate funding. As noted by a commenter, "school buses are not schools, libraries, or classrooms."³¹ We agree, and thus, conclude that the best reading of section 254(h)(2)(A) of the Communications Act does not allow the FCC to find that a school bus, as relevant to the FCC's *2023 School Bus Wi-Fi Declaratory Ruling*, is a classroom. As such, the provision of such services is not eligible for E-Rate funding. \

13. Furthermore, we find that our interpretation of the best reading of section 254 of the Communications Act is consistent with and reinforced by Congress's decisions regarding the ECF program. In creating the temporary, COVID-era program, Congress authorized the Commission to provide funding to schools to purchase eligible equipment and services "for use by . . . students and staff of the school at locations that include locations *other* than at the school."³² Unlike section 7402 of the American Rescue Plan Act, section 254(h) of the Communications Act authorizes the Commission to provide funding only to "elementary schools, secondary schools, and libraries" and "for . . . classrooms."³³ This contrast in language reinforces our conclusion that the prior decision was not based on the best reading of section 254 of the Communications Act.

14. Finally, we find that expanding the E-Rate program to include school bus Wi-Fi services was not the right decision as a matter of policy or based on an adequate record. First, the prior Commission did not follow its standard notice and comment rulemaking process to seek public comment on adding school bus Wi-Fi service as an eligible E-Rate service.³⁴ Instead, the Commission acted to

²⁹ See *2023 School Bus Wi-Fi Declaratory Ruling*, 38 FCC Rcd at 9954 (dissenting statement of Comm'r Carr) (noting that "the FCC has provided over \$60 million in ECF funds to provide Wi-Fi on school buses so far, but we lack an accounting of the number of students that have been connected or the ways in which these connections have been used. We apparently do not have any studies that measure the efficacy of this funding in terms of improved academic outcomes or that recommend ways that the initiative could be improved. It also appears that [the Department of Education] does not track any useful metrics for the billions of dollars it has already sent out the door—not on the number of Wi-Fi-enabled school buses funded, not on the number of children connected, and not on the impact of all of those funds").

³⁰ See *Federal-State Joint Board on Universal Service; Changes to the Board of Directors of the National Exchange Carrier Association, Inc.*, CC Docket No. 97-21 et al., Fourth Order on Reconsideration and Report and Order, 13 FCC Rcd 5318, 5440-41, paras. 209-10 (1997) (*Fourth Order on Reconsideration*) (emphasizing that "a given service is eligible for support as a component of the institution's internal connections only if it is necessary to transport information all the way to individual classrooms") (quoting *First Universal Service Report and Order*, 12 FCC Rcd at 9021); 47 CFR § 54.502(d)(6).

³¹ See, e.g., Reply Comments of the Free State Foundation, GN Docket No. 25-133, at 7 (rec. Apr. 28, 2025) (noting that the 2023 decision was not likely the best reading of the statute and the requirements of *Loper Bright*).

³² American Rescue Plan Act, 2021, H.R. 1319, Pub. L. No. 117-2, 117th Cong., tit. VII, § 7402(a)(1)-(2) (2021) (emphasis added) (American Rescue Plan Act).

³³ 47 U.S.C. §§ 254(h)(1)(B), (h)(2)(A).

³⁴ See U.S. Senators Amici Brief at 8.

extend the E-Rate program without initiating a rulemaking to ensure an adequate record was developed. Second, the Commission did not conduct a thorough cost and benefit analysis before expanding the E-Rate program to include these new services.³⁵ It is longstanding practice for the Commission to seek public input and collect information, including whether there are other sources of funding available, and consider the impact on the Universal Service Fund (USF) before deciding to add new eligible services to the E-Rate program.³⁶ For example, the prior Commission did not adequately justify its decision to expend E-Rate funding for this purpose in light of other spending programs that also covered the same or similar purposes.³⁷ The Commission, as a responsible, prudent steward, must conduct this analysis before expanding a universal service program, like the E-Rate program.³⁸ We find that the prior Commission actions are based on an insufficient record and analysis, and resulted in an interpretation that was not the best reading of section 254 of the Communications Act.

15. Accordingly, we clarify that the provision of Wi-Fi on school buses is no longer eligible for E-Rate support beginning in FY 2025, and we direct USAC to deny as ineligible all pending requests for funding in FY 2025 and subsequent funding years.³⁹ In addition, we direct the Wireline Competition Bureau to release an amended version of the FY 2025 eligible services list consistent with our action and, with the assistance of USAC, to modify any forms, procedures, and outreach materials as needed to remove references to the eligibility of these services.

IV. ORDERING CLAUSES

16. IT IS ORDERED that, pursuant to sections 1-4, and 254 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151-154 and 254, this Declaratory Ruling IS ADOPTED.

³⁵ See generally *2023 School Bus Wi-Fi Declaratory Ruling; Wireline Competition Bureau Seeks Additional Comment on Adding Wi-Fi on Schools Buses to Proposed Eligible Services List for the E-Rate Program*, WC Docket No. 13-184, Public Notice, 38 FCC Rcd 9697, 9698 (WCB 2023) (*Oct. 2023 ESL Notice*) (seeking comment on the prior Commission's "belief that 'any potential impact of [its] action on the E-Rate program budget and the Universal Service Fund would be nominal compared to the substantial benefits reaped by students'"). We find this cursory cost-benefit analysis insufficient to justify expanding the E-Rate program to include Wi-Fi on school bus services.

³⁶ See, e.g., *First 2014 E-Rate Order*, 29 FCC Rcd at 8896-97, para. 71 ("[W]e have a responsibility to be prudent stewards of universal service funds, knowing that these funds are ultimately paid for by consumers. Because the amount of available E-Rate funding is finite, we must make thoughtful decisions about what services are not just permissible to support, but are the most essential to support for schools and libraries."); *Schools and Libraries Sixth Report and Order*, 25 FCC Rcd at 18805, para. 99 ("We recognize that E-rate may not be available to fund every service that potentially serves an educational purpose, and for that reason we need to evaluate [the] potential impact of adding additional service to the [E-Rate] eligible services list. . . . In deciding whether to extend E-rate support to a particular service, the Commission must keep in mind that the support ultimately is paid for by consumers. This balancing bears on each decision about whether to designate a service as eligible or ineligible for E-rate support.").

³⁷ See generally *2023 School Bus Wi-Fi Declaratory Ruling; Oct. 2023 ESL Notice*, 38 FCC Rcd at 9698.

³⁸ See generally *2023 School Bus Wi-Fi Declaratory Ruling*.

³⁹ See *supra* note 2. We emphasize the limited nature of this Declaratory Ruling and limit our determination to the use and provision of Wi-Fi on school buses only.

17. IT IS FURTHER ORDERED that this Declaratory Ruling SHALL BE EFFECTIVE upon release.

FEDERAL COMMUNICATIONS COMMISSION

Marlene H. Dortch
Secretary

**STATEMENT OF
CHAIRMAN BRENDAN CARR**

Re: *Modernizing the E-Rate Program for Schools and Libraries*, WC Docket No. 13-184, Declaratory Ruling (Sept. 30, 2025).

During the COVID-19 pandemic, Congress took decisive action to keep students connected by authorizing the FCC to use the newly created Emergency Connectivity Fund to support eligible equipment and services at locations other than the school. At the time, I supported the agency's rules implementing that program, including funding for Wi-Fi connectivity on school buses.

But when the emergency ended and the ECF program expired, the FCC went a step further. It sought to permanently expand the E-Rate program—despite clear statutory limits—by including funding for Wi-Fi on school buses. I raised objections then and called for a full accounting of ECF spending, to help us understand what worked and what didn't. Unfortunately, those calls went unanswered.

Today's decision corrects course. It restores the FCC's commitment to following the law as written and respecting the intent of Congress. Section 254 of the Communications Act is clear: E-Rate funding is meant to enhance access to telecommunications services in classrooms and libraries. A school bus is neither. We cannot simply reinterpret "classrooms" to mean any place where learning might occur. That's not how statutory interpretation works, and it's not how responsible policymaking should work either.

Moreover, giving kids unrestricted access to the internet while riding the school bus is bad policy. Children are among the most impressionable members of our society. Parents have a right to decide when—and how—their kids access the internet. Wi-Fi on school buses removes both the supervision that helps keep kids safe and the parental control that protects them from harmful or inappropriate content.

Today's decision puts an end to the unlawful use of E-Rate funds for Wi-Fi on school buses. It ensures we are acting within the bounds of the law and serving as good stewards of federal dollars—just as Congress intended.

For their great work on this item, I'd like to thank Allison Baker, Sarah Citrin, Bradley Craigmyle, Kate Dumouchel, Gabby Gross, Andrea Kelly, David Konczal, Richard Mallen, Molly O'Connor, Nick Page, Christopher Santini, Johnnay Schrieber, Derek Yeo, and Chin Yoo.

**DISSENTING STATEMENT OF
COMMISSIONER ANNA M. GOMEZ**

Re: *Modernizing the E-Rate Program for Schools and Libraries*, WC Docket No. 13-184, Declaratory Ruling (September 30, 2025).

First, I want to address process. Participation, transparency, and accountability are critical to the Commission’s process. As the item before us today says “[i]t is longstanding practice for the Commission to seek public input and collect information” before making decisions with regard to the E-Rate program’s eligible services list.⁴⁰ That is why the process failure before us is so concerning.

The Commission generally releases copies of draft items scheduled for the monthly open meeting to the public 3 weeks before such meeting⁴¹ in order to allow stakeholders and interested parties to read the item and voice any concerns they may have. This process was implemented during former Chairman Pai’s administration serving the goal of transparency.⁴² Instead of following this well-functioning, longstanding practice, the Order on Reconsideration regarding Wi-Fi hotspots and the Declaratory Ruling regarding Wi-Fi on school buses were added to the September meeting agenda without releasing public drafts and just hours before the Sunshine notice, the deadline after which parties can no longer meet with Commissioners’ offices. As a result, stakeholders and interested parties were not afforded the chance to read the items impacting their constituencies and were not afforded the chance to weigh in on the substantive details in each item.

Public input is integral to the Commission’s decision-making process—as it should be. That input is all the more critical when dealing with items that propose to strip funding from services on which schools and libraries currently rely. Removing E-Rate funding for hotspots and Wi-Fi on school buses will force cutbacks in service and undoubtedly impact the way that schools and libraries are providing educational support to students. Decisions of this magnitude—decisions that take resources away from people across the country—should never be made in the dark, behind closed doors. The Commission is supposed to serve the public, not sideline it. When we shut out the very communities our decisions affect, we fail in that responsibility.

Now, I want to turn to the policy and the law. Broadband is the infrastructure of opportunity. Across the political spectrum, lawmakers have acknowledged the existence of the digital divide—the gap between those who have access to affordable, reliable broadband and those who do not.⁴³

For more than 25 years, the FCC’s E-Rate Program has helped us narrow the digital divide by making telecommunications and information services more affordable for schools and libraries.⁴⁴ It has connected library patrons, empowered teachers, and equipped students with digital skills.

Specifically, Section 254(h)(1)(B) of the Communications Act tasks the Commission with providing E-Rate support “to elementary schools, secondary schools, and libraries for educational

⁴⁰ *Modernizing the E-Rate Program for Schools and Libraries*, WC Docket No. 13-184, Declaratory Ruling, FCC 25-63, para. 14, (adopted Sept. 30, 2025) (*2025 School Bus Wi-Fi Declaratory Ruling*).

⁴¹ Press Release, FCC Chairman Ajit Pai, Announces Pilot Program to Release Commission Documents to the Public (Feb. 2, 2017), https://transition.fcc.gov/Daily_Releases/Daily_Business/2017/db0202/DOC-343303A1.pdf.

⁴² *Id.* at 3.

⁴³ *Addressing the Homework Gap through the E-Rate Program*, WC Docket No. 21-31, Report and Order and Further Notice of Proposed Rulemaking, 39 FCC Rcd 8989 (2024) (*Hotspots Order*).

⁴⁴ *Id.*

purposes.”⁴⁵ Schools and libraries understand best what their students and patrons need and how to reach them. Teachers, librarians, and parents alike understand that education is not confined to the four walls of a classroom or a library. The pandemic made this painfully clear. It showed us that learning occurs in all kinds of places – from the parking lot of a McDonald’s to the steps outside of a public library. It would be incredibly naïve for us to think that in our post-pandemic world learning has returned to solely in-person and on-paper instruction. The era of homework by quill and candlelight is long gone and will never return.

Technology and telecommunications services change year after year. And that’s why Congress expressly authorized the Commission to update the E-Rate program over time by “designat[ing] additional services for support.”⁴⁶ In doing so, Congress gave the FCC permission to expand the applications of E-Rate funding as the technologies used to educate children evolve. When the E-Rate program was implemented, dial up Internet was the standard,⁴⁷ and today, September 30th, 2025, AOL is discontinuing dial up service.⁴⁸ It is safe to say the landscape of communications technology has changed dramatically throughout the life of the E-Rate program. As underscored during my visit to the High School for Environmental Studies in New York a couple of weeks ago, students are now using Chromebooks in classrooms on a regular basis, and they are expected to submit homework assignments online using platforms like Google classroom. These changes are made possible with support from E-Rate funding.

The Commission has long recognized this reality and expanded E-Rate funding to cover new services, including those that provided off-site connectivity. For example, as early as 2003 the Commission expanded E-Rate support to cover internet access for bookmobiles.⁴⁹ It also clarified that E-Rate funding could cover a school bus driver’s use of wireless services while transporting students, a librarian’s use of wireless services on a library’s mobile library unit van, and teachers’ use of wireless services while accompanying students on a field trip.⁵⁰ Expanding E-Rate support to cover hotspots and Wi-Fi on school buses was consistent with that precedent.

These services matter most for students who would otherwise be left behind, such as students in rural areas who spend more time on school buses than most.⁵¹ For example, in the state of Arkansas, the longest school bus commute is 2 hours and 47 minutes each way, and the average school bus commute is nearly 50 minutes each way.⁵² Moreover, as of 2023, one in three rural students still had inadequate

⁴⁵ 47 U.S.C. § 254(h)(1)(B).

⁴⁶ 47 U.S.C. §§ 254(c)(3), 254(h)(1)(B).

⁴⁷ John Wells & Laurie Lewis, *Internet Access in U.S. Public Schools and Classrooms: 1994-2005*, U.S. Dept. of Ed., Nat’l Center for Ed. Stats., at 4–5 (Nov. 2006); *id.* at 14, 18.

⁴⁸ AOL, *Dial-up Internet to be discontinued*, <https://help.aol.com/articles/dial-up-internet-to-be-discontinued> (last visited Sept. 29, 2025).

⁴⁹ *Request for Review of the Decision of the Universal Service Administrator by Montgomery County-Norristown Public Library, Norristown, PA et al.*, Order, 18 FCC Rcd 1775 (WCB 2003).

⁵⁰ *Schools and Libraries Second Report and Order*, 18 FCC Rcd at 9208–09, para. 19 n.28

⁵¹ See, e.g., Beth Spence, *Long School Bus Rides: Their Effect on School Budgets, Family Life, and Student Achievement*, Rural Educ. Dig. (2000), <https://files.eric.ed.gov/fulltext/ED448955.pdf>; Sarah A. Cordes, et al., *Do Long Bus Rides Drive Down Academic Outcomes?*, Annenberg Brown Univ., EdWorking Paper No. 21-504, at 2 (Dec. 2021), <https://files.eric.ed.gov/fulltext/ED616857.pdf> (“Cordes”).

⁵² Memorandum from Richard Wilson, Assistant Dir. for Rsch. Servs., Ark. Bureau of Legis. Rsch. (Aug. 12, 2014) (reporting on K-12 Student Transportation Survey per Act 1288 of 2013).

internet access at home.⁵³ For these students, having access to hotspots at home or Wi-Fi on school buses can mean the difference between completing their homework and falling behind.

Importantly, the characterization of these uses of funding as unsupervised screen time fails to acknowledge that the E-Rate program has guardrails to ensure childrens' safety when using both hotspots and Wi-Fi on school buses.⁵⁴ Those who receive E-Rate funding are subject to the Children's Internet Protection Act which requires that they employ technology protection measures to block or filter obscene and otherwise harmful content online.⁵⁵ These are protection measures that are not even guaranteed for children using a home Wi-Fi connection paid for by their family. Similarly, schools and libraries provide hotspot recipients with an acceptable use policy (AUP) that makes clear that hotspots must be used for primarily educational purposes under the Commission's definitions.⁵⁶

Let's zoom out and look at the big picture. Across the political spectrum, policymakers have identified global leadership on artificial intelligence as a national priority.⁵⁷ But we cannot expect to lead if we fail to equip today's students, who will be tomorrow's innovators and technologists, with the digital skills they need to succeed. Without support for connectivity, that pipeline dries up—and in the long run, we—and the communities--lose out.

We learned the same lesson from the Affordable Connectivity Program. It was the most successful tool our country has ever had to address the digital divide. When funding for the program lapsed last year, millions of households lost support.⁵⁸ And without it, the struggle to afford reliable, high-speed broadband continues to loom large. I strongly believe that Congress should establish another affordability program. If the Commission votes to take away funding for hotspots today, the need for a new affordability program will only become more urgent.

The Commission's move to roll back federal funding for hotspots and Wi-Fi on school buses ignores our nation's educational landscape today and the need to equip students with digital skills for the future. Let me be clear, these decisions benefit no one. Funding for hotspots and Wi-Fi on school buses comes from the existing E-Rate budget.⁵⁹ It will however make it harder for students to learn, harder for libraries to serve their community, and harder for us to close the digital divide. Because I cannot support turning the digital divide into a digital chasm, I dissent.

I do, however, want to acknowledge the hard work and dedication of the Wireline Competition Bureau.

⁵³ Keith N. Hampton et al., *Broadband and Student Performance Gaps After the COVID-19 Pandemic*, Quello Center, Mich. State Univ., at 6 (2023), <https://quello.msu.edu/wp-content/uploads/2023/08/Broadband-and-Student-Performance-Gaps-After-the-COVID-19-Pandemic.pdf>.

⁵⁴ See 47 U.S.C. § 254(h)(5).

⁵⁵ *Hotspots Order*, para. 97.

⁵⁶ Universal Serv. Admin. Co., *Off-Premises Wi-Fi Hotspots Overview*, <https://www.usac.org/e-rate/applicant-process/before-you-begin/off-premises-wi-fi-hotspots-summary-overview/> (last visited Sept. 29, 2025).

⁵⁷ See, e.g., Sorelle Friedler & Andrew D. Selbst, *5 points of bipartisan agreement on how to regulate AI* (Aug. 15, 2025), <https://www.brookings.edu/articles/five-points-of-bipartisan-agreement-on-how-to-regulate-ai/>.

⁵⁸ *Hotspots Order*, para. 15.

⁵⁹ *Hotspots Order*, para. 5.

**STATEMENT OF
COMMISSIONER OLIVIA TRUSTY**

Re: *Modernizing the E-Rate Program for Schools and Libraries*, WC Docket No. 13-184, Declaratory Ruling; *Addressing the Homework Gap through the E-Rate Program*, WC Docket No. 21-31, Order on Reconsideration.

Ensuring that all Americans can access the benefits of advanced communications is one of my highest priorities. The issues raised by the *School Bus Wi-Fi Order* and the *E-Rate Hotspots Order* are significant. We need only look at Congress’s decision to establish the Emergency Connectivity Fund, a temporary program to provide broadband devices and services offsite from schools and libraries, to see how important these issues are.

With the Emergency Connectivity Fund now ended, the Commission must determine how to proceed. My support for both Orders today rests on my commitment to apply what I see as the best interpretation and application of the law.

As the Supreme Court has reminded us, “an agency literally has no power to act . . . unless and until Congress confers power upon it.”⁶⁰ And after *Loper Bright*, the Commission cannot approach statutory interpretation with a thumb on the scale in its own favor. Our role is to apply the law using the same ordinary tools that a court would.⁶¹

That doesn’t mean everyone will agree on what a statute requires. But in this position, I am bound to follow the law in each decision I make. In my judgment, the interpretation reflected in these orders best reflects the statutory text, its context, and the broader legal and regulatory framework. I recognize that some of my predecessors among others see the law differently. I respect their views and do not question their good faith. But I must act in good faith myself, based on what I believe is the best understanding of Congress’s direction.

The Commission has a special responsibility to adhere to the limits Congress has set when spending public money through the universal service fund. Under our constitution, Congress’s “power of the purse” is central to the system of checks and balances.⁶² For us that means two things: first, that we must never exceed the limits Congress has placed on universal service support,⁶³ and second, that we must carefully evaluate the financial consequences of our decisions to ensure they are consistent with our statutory authority. In this way, we respect Congress’s constitutional role while fulfilling our own.

The Supreme Court’s recent decision upholding the constitutionality of the universal service fund reinforces my approach. Every universal service dollar ultimately comes from consumers, and the challengers in that case argued that Congress had failed to place sufficient limits on how the FCC spends those dollars. The majority disagreed, concluding that “[t]he policy” expressed in section 254 “is clear and limiting,” and any discretion exercised by the FCC must be “tethered to legislative judgments.”⁶⁴ Justice Gorsuch, in dissent, pointed to the very *Hotspots Order* before us as an example of unbounded

⁶⁰ *Louisiana Pub. Serv. Comm’n v. FCC*, 476 U.S. 355, 374 (1986).

⁶¹ *Loper Bright Ent. v. Raimondo*, 144 S. Ct. 2244, 2273 (2024).

⁶² See, e.g., GAO, *Principles of Federal Appropriations Law*, 4th ed., 2016 rev., ch. 1, GAO-16-463SP, at p. 1-6, available at <https://www.gao.gov/assets/2019-11/675699.pdf>.

⁶³ See *id.* at pp. 1-23 - 1.24.

⁶⁴ *FCC v. Consumers’ Research*, 145 S. Ct. 2482, 2508 (2025).

FCC discretion.⁶⁵ My takeaway: staying firmly within the heartland of our authority both honors the majority’s reasoning and avoids the concerns that led the dissenters to a different conclusion.

This approach reflects not only my legal commitments but also my background working on Capitol Hill. Congress creates agencies like the FCC and defines their mandates. For government to work well, agencies must abide by those laws. In my view, the Commission risks missed opportunities when it attempts to go it alone rather than working collaboratively with Congress.

When the FCC goes it alone, it risks narrowing its focus. We have seen this before, as the Commission has sought to do more and more through universal service, even as the contribution base shrinks. Collaboration with Congress may not produce identical outcomes on identical timelines, but it could support modernized, more sustainable programs. It could also open the door to valuable dialog. For example, when Congress enacted the Emergency Connectivity Fund, it provided limited funding for a limited time.⁶⁶ And in 2024, Congress rescinded nearly \$1.8 million in remaining funds.⁶⁷ Congress clearly recognized the value of offsite support, but just as clearly chose to bring the program to an end. By proceeding alone, the Commission missed the chance to better understand Congress’s reasoning, insights that could have informed our statutory framework and program oversight.

Closing the digital divide requires an “all hands on deck” approach that also includes private industry. By working with the private sector, the Commission can broaden its thinking, learn from real-world experience, and pursue creative solutions beyond regulation alone, whether through infrastructure deployment of wired or wireless facilities, affordability initiatives, or digital literacy efforts. This kind of collaboration complements, rather than substitutes for federal programs like universal service.

I understand that not everyone will be satisfied with today’s outcome. But I want to be clear: I remain fully committed to addressing the digital divide and ensuring that all Americans share in the benefits of broadband connectivity. I thank the Wireline Competition Bureau for its hard work on these items, and I look forward to working with the Chairman and other Commission staff, with Congress, and with other public and private stakeholders in the collective effort this mission demands.

* * *

In this written statement, I also want to take the opportunity to elaborate on a few of my views regarding the interpretation of section 254(h). As explained in the *Hotspots Reconsideration Order*, the best reading of the statutory text and context of section 254(h)(1)(B) limits support to services provided to eligible locations—namely elementary schools, secondary schools, and libraries. The *Hotspots Reconsideration Order* and *School Bus Wi-Fi Declaratory Ruling* also explain why the best interpretation of section 254(h)(2)(A) does not authorize the 2023 and 2024 decisions at issue here. In my view, today’s interpretations are further reinforced by the Commission’s historical approach to E-Rate, which has consistently focused on the location being served.⁶⁸

⁶⁵ *Id.* at 2531 (Gorsuch, J., dissenting).

⁶⁶ American Rescue Plan Act of 2021, Pub. L. No. 117-2, § 7402 (2021).

⁶⁷ Further Consolidated Appropriations Act, 2024, Pub. L. No. 118-47, § 639 (2024).

⁶⁸ See, e.g., *Schools and Libraries Universal Service Support Mechanism*, Second Report and Order and Further Notice of Proposed Rulemaking, 18 FCC Rcd 9202, 9209, para. 20 (2003) (*Schools and Libraries Second Report and Order*) (emphasizing that the clarification of the “educational purpose” standard remained “consistent with statutory mandates”—including section 254(h)(1)(B)—“that the purpose for which support is provided be for educational purposes in a place of instruction”); *Request For Review of the Decision of the Universal Service Administrator By Rockwood School District R 6 Eureka, Missouri, et al.*, 16 FCC Rcd 5277, 5278-79, para. 4 (CCB 2001) (using a location-focused approach in early decisions that cellular service would be eligible for discounts only

(continued....)

By contrast, decisions sometimes cited as precedent for extending E-Rate support to offsite locations do not, in my view, establish that authority. For example, some of those orders do not directly address the interplay between the precedent being set and the statutory language in section 254(h) that is central to our analysis here.⁶⁹ Other precedent did not involve any additional E-Rate support for services to offsite locations.⁷⁰ And still another example appears to be limited to the location of the school itself.⁷¹

In sum, I believe the interpretation of section 254 reflected in these orders is the one most consistent with the statutory text, its context, and the broader legal and regulatory framework.

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when “1) provided for use at a place of instruction, and 2) used for an educational purpose,” and citing section 254(h)(1)(B)).

⁶⁹ See, e.g., *Schools and Libraries Second Report and Order*, 18 FCC Rcd at 9208-09, para. 19 & n.28 (stating that “reasonable requests for any supported service - over any technology platform - to be used by any school or library staff while in a library, classroom, or on school or library property, shall be eligible for discounts,” and going on to clarify that certain “offsite” uses of services nonetheless could fit the “educational purpose” standard, but without addressing the distinct criteria about whether and to what extent a “place of learning” must be involved – primarily, even if not exclusively); *Schools and Libraries Universal Service Support Mechanism, A National Broadband Plan For Our Future*, WC Docket No. 02-6, GN Docket No. 09-51, Sixth Report and Order, 25 FCC Rcd 18762, 18784-87, paras. 41-50 (2010) (*Schools and Libraries Sixth Report and Order*) (adopting a temporary pilot program without analysis demonstrating why the action was justified under the text of section 254(h)).

⁷⁰ *Federal-State Joint Board on Universal Service, Petition of the State of Alaska for Waiver for the Utilization of Schools and Libraries Internet Point-of-Presence in Rural Remote Alaska Villages Where No Local Access Exists and Request for Declaratory Ruling*, CC Docket No. 96-45, Order, 16 FCC Rcd 21511 (2001) (*Alaska Waiver Order*) (granting the state of Alaska a limited waiver to allow members of rural remote Alaskan communities to use E-Rate-funded satellite telecommunications and Internet services, when not being used by the schools, offsite where, among other things, the school or library has not requested more services than are necessary for educational purposes and no additional costs will be incurred).

⁷¹ *Schools and Libraries Sixth Report and Order*, 25 FCC Rcd at 18778-79, paras. 31-32 (finding that it served an educational purpose to let residential schools that serve unique populations use E-Rate-funded services in the residential areas of those schools after hours).