



## E-Rate

The E-Rate Program provides important leveraging funds for education technology infrastructure to schools and libraries throughout the country. Technology is critical to our nation's efforts to remain competitive in a global economy. As such, AESA supports expanded funding for technology and the continued use of the combination of competitive grants and a formula for the distribution of funds.

The 111<sup>th</sup> Congress considered many things and was expected to consider the reauthorization of the Telecommunications Act. This is critical for schools because this will mean a reauthorization of the Universal Service Fund and E-Rate. At this time, it looks like Telecommunications Act Reauthorization will be punted to the 112<sup>th</sup> Congress. In the Senate, we are in a great position. Senator John Rockefeller, D-WV, co-creator of the E-Rate, was recently named chairman of the Commerce Committee. This puts us in a great position to achieve necessary changes. Most notably, AESA will be asking Congress to remove the \$2.25 billion cap on E-Rate funding and instead ensure that the E-Rate discounts meet demand. This will provide service agencies with greater ability to maximize their local dollars to meet their technology needs, especially with the increasing focus on broadband access.

The Anti-Deficiency Act (ADA) requires that the Universal Service Administrative Company (USAC), which oversees the E-Rate program, have enough money in the bank to fully pay all funding commitments before it sends out any E-Rate commitment letters. Because Universal Service funding is collected from the telephone companies four times a year, USAC has never had – nor has it ever needed – sufficient funds to pay all the outstanding funding commitments in the bank at any given time. When E-Rate was forced to comply with ADA almost five years ago, it froze operation of the program from August until December in 2004, when Congress approved a one-year waiver. Since then it has been operating under a series of one-year waivers. Without the certainty of discounts for E-Rate eligible services, school district budgets could get a lot tighter, making it difficult to keep up with newer technologies.

Therefore, we are asking for cosponsors of bills that will provide a permanent exemption from the ADA for the Universal Service Fund, including E-Rate. The Senate bill is S 348. The House bill is HR 2135. We need as many cosponsors as possible on this legislation. Unless the education community creates enough pressure, there is no guarantee that we will continue to get one-year waivers.

We need to support efforts to simplify the application process with two specific proposals. The first proposal is to create a shortened application for school districts applying only for Priority One services. This would hopefully ease the application crunch for the program that benefits the most school districts.

Secondly, there is a proposal under consideration that allows for a single 3-year application for recurring services. This would reduce paperwork for school districts applying for yearly telephone and Internet discounts.

**Talking Points:**

1. Talk to your Representatives and Senators about the importance of the E-Rate program and how much more you could accomplish if there was no longer a limitation on E-Rate funding to \$2.25 billion. Ask them to support any efforts to increase the E-Rate funding to meet the yearly demand.
2. Urge your Senators/Representatives to cosponsor S 348/HR 2135, which would permanently exempt the Universal Service Fund from the Anti-Deficiency Act. This exemption would provide the needed assurance to local school districts that E-Rate funding would not, once again, be disrupted.