



New E-Rate Rules out today!

July 11, 2014

Dear Member,

Here is the official announcement from the FCC on a ruling that was made this morning regarding changes to the E-Rate program.

FCC ADOPTS LANDMARK E-RATE MODERNIZATION ORDER TO BRING HIGH-SPEED WI-FI TO EVERY SCHOOL AND LIBRARY NATIONWIDE

Today, the Federal Communications Commission adopted an E-rate Modernization Order that will expand Wi-Fi networks in schools and libraries across America. The new rules are the next major step in a comprehensive modernization of E-rate, the first such effort since the program's creation 18 years ago. The program increases focus on the largest and most urgent need-closing the Wi-Fi gap-while transitioning support away from legacy technologies to 21st Century broadband connectivity, ensuring E-rate money is spent smartly, and improving program administration. The reform will expand Wi-Fi to more than 10 million students in 2015 alone. The Order and Further Notice of Proposed Rulemaking (FNPRM) adopted by the FCC accomplishes three major goals:

Closes the Wi-Fi Gap

- Sets an annual funding target of \$1 billion for Wi-Fi while ensuring support continues to be available for broadband connectivity to schools and libraries.
- Directs at least \$1 billion in support for Wi-Fi for Funding Years 2015 and 2016 to connect over 10 million students and thousands of libraries each year by establishing reasonable budgets for applicants.
- Allows support for Wi-Fi purchased as a managed service and caching servers through the new internal connections funding mechanism
- Continued use of new Wi-Fi funding methodology after Funding Year 2016 will be evaluated as part of a review of the long-term funding needs of the program.
- Increases support targeted for Wi-Fi in rural school districts substantially - a nearly 75 percent increase; and targets a nearly 60 percent increase in urban and suburban districts.

- Begins a multi-year transition of all program funding to broadband, by gradually phasing down support for non-broadband services.
- Adopts clear broadband goals to measure overall program success, while maintaining local flexibility to determine the needs of individual schools and libraries.

Maximizes E-rate Spending

- Incentivizes consortia and bulk purchasing.
- Increases transparency on how E-rate dollars are spent and on prices charged for E-rate services.

Makes the E-rate Administration and Application Processes Faster, Simpler, More Efficient

- Streamlines the process for multi-year applications.
- Expedites process for small dollar, cost-effective applications.
- Speeds review of all applications.
- Moves to electronic filing of all documents.
- Simplifies discount calculations.
- Strengthens efforts to combat waste, fraud and abuse by toughening document retention and site inspection rules.

By taking action today, the Commission has ensured that the new E-rate rules will be in place in time to support Wi-Fi upgrades across the country beginning in the 2015-2016 school year.

The FNPRM Seeks Comment on:

- Long-term program funding needs necessary to meet goals and funding targets established in the Order.
- Further steps to facilitate the use of cost-effective consortium-based purchasing.
- Alternative methodologies for allocating support for library Wi-Fi connectivity.

Building on Success

Today's Order builds on the top-to-bottom administrative review of the E-rate program that was the first stage of Chairman Wheeler's comprehensive 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 toward an initial down payment on broadband expansion. The \$2 billion for Wi-Fi over the next two years under today's Order comes from these reclaimed reserves. <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>

Brings E-rate into the 21st Century

- 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.