

E-Rate



The 111th Congress will consider many things including 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. In the Senate, we are in a great position. Senator John Rockefeller (D-WV), the co-creator of the E-Rate, was recently named chairman of the Commerce Committee. This puts us in a great position to achieve our wish list of changes. Most notably, AESA will be asking Congress to remove the \$2.25 billion cap on E-Rate funding and rather 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, has enough money in the bank to fully pay funding commitments before it sends out the E-Rate commitment letters. Because Universal Service funding is collected from the telephone companies four times a year, they've never had – nor have they 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 a one-year waiver was approved by Congress. Since then we have been operating under a series of one year waivers. Without the certainty of E-Rate funding, school district budgets could get a lot tighter, making it difficult to keep up with newer technologies.

Therefore, we are asking for cosponsors. S 348, the Senate bill, would provide a permanent exemption from the ADA for the Universal Service Fund, including E-Rate. The House companion 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 get the needed waivers.

Finally, we need to support efforts to simplify the application process. The first proposal would be 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.