

United States Senate

WASHINGTON, DC 20510

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March 7, 2019

The Honorable Ajit Pai
Chairman
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Ms. Radha Sekar
Chief Executive Officer
Universal Service Administrative Co.
700 12th Street NW, Suite 900
Washington, DC 20005

Dear Chairman Pai and Ms. Sekar:

Since Congress created the E-Rate program in the Telecommunications Act of 1996, it has been successful in ensuring the nation's schools and libraries are connected to the internet. The internet has become a standard part of the learning experience for children all across America, and the E-Rate program has helped ensure that students in working-class and rural neighborhoods are afforded the same opportunities as students from more affluent communities. It is particularly essential in many areas in the country where schools and libraries may serve as the only source of free public internet access. For all these reasons and many more, E-Rate has enjoyed broad bipartisan support since its inception.

In October, the Universal Service Administrative Co. (USAC) selected a new vendor for the processing of E-Rate applications. We make no determination as to the merits of the procurement process; however, as USAC has changed vendors, it is imperative that kids, schools, and libraries are not negatively impacted by this decision. It is incumbent upon both USAC and the Federal Communications Commission (FCC) to ensure a smooth transition and to maintain the continuity of the program. We write to express our concerns about how this transition to a new vendor for reviewing applications may impact the success of this program.

This past year 95% of applications were processed by September 3, 2018.¹ To ensure there is no disruption in disbursing funds, this milestone should be met or exceeded by the incoming vendor. We respectfully request a response to the following question: Do you have a plan for ensuring a smooth transition to the new vendor? If so, please provide details. If not, do you foresee any challenges in reaching the processing of 95% of applications by the beginning of September 2019 for the next cycle?

¹ Mel Leonor, *Start of school met with teach unrest in the West Coast*, Politico Morning Education (Sept. 5, 2018), <https://www.politico.com/newsletters/morning-education/2018/09/05/start-of-school-met-with-teacher-unrest-in-the-west-coast-330464>.

Thank you to your attention to this important matter. We respectfully request a written response by March 28, 2019.

Sincerely,

Edward J. Markey
United States Senator

Dan Sullivan
United States Senator



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

March 28, 2019

The Honorable Dan Sullivan
United States Senate
302 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Sullivan:

Thank you for your letter regarding the Commission's E-Rate program, which helps millions of American students benefit from digital learning and is a key component of the Universal Service Fund. An effective E-Rate program—one that promotes better connectivity for students and library patrons alike—can be a powerful tool to help bridge the digital divide.

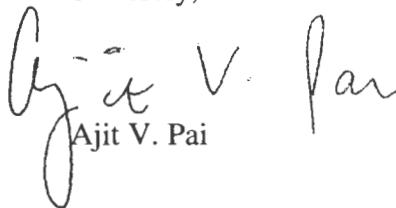
Soon after becoming Chairman in 2017, I directed the Universal Service Administrative Company to improve administration of the E-Rate program to make it easier for schools and libraries to apply for and receive funding without enduring unnecessary delays or denials. As a result, USAC issued funding commitments and disbursements at a faster pace that year than the previous. And last year, USAC processed 95% of timely filed and complete E-Rate applications by September 1, 2018 and committed significantly more funding at that time (\$1.68 billion) than it had committed at a similar point the previous year (\$964 million).

As you know, USAC recently migrated to a new Business Process Outsourcing vendor to perform certain administrative functions for the E-Rate program. To minimize disruption to schools and libraries and help ensure a smooth transition, the FCC's Wireline Competition Bureau and Office of the Managing Director staff have exercised close oversight of USAC's transition activities, including regular meetings with USAC staff to discuss and monitor the steps taken on operations, information technology, staffing, and stakeholder outreach.

FCC staff continues to closely monitor progress as USAC begins to process Funding Year 2019 applications. And I have directed staff and USAC to exceed last year's 95% target for processing E-Rate applications by September 1 of this year.

I appreciate your interest in this matter. Please let me know if I can be of further assistance.

Sincerely,


Ajit V. Pai



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

March 28, 2019

The Honorable Edward J. Markey
United States Senate
255 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Markey:

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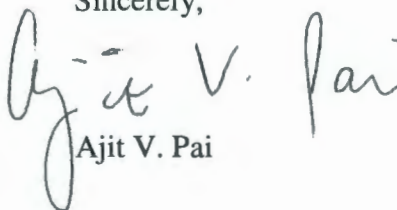
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Ajit V. Pai