

July 15, 2019

Honorable Ajit Pai
Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Honorable Michael O'Reilly
Commissioner
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Honorable Brendan Carr
Commissioner
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Honorable Jessica Rosenworcel
Commissioner
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Honorable Geoffrey Starks
Commissioner
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Dear Chairman Pai, Commissioner O'Reilly, Commissioner Carr, Commissioner Rosenworcel and Commissioner Starks:

On behalf of the 333 school districts in the state of Minnesota, I am writing to express concerns with the proposed rule, "Universal Service Contribution Methodology." I urge you not to establish an overall cap for the Universal Service Fund (USF) or combine the cap of any USF programs, consistent with the recent unanimous vote in the House of Representatives.

The Federal Communications Commission (FCC) is charged with advancing access to voice and broadband services. Federal law requires the FCC to ensure "consumers in all regions of the nation including low-income consumers and those in rural, insular, and high cost areas [...] have access to telecommunications and information services" and to ensure that schools and health care providers have access to advanced telecommunications services. To that end, the FCC established the four USF programs: the Connect America Fund; the Low Income Support Program (also known as Lifeline); the Rural Health Care Support Program; and the Schools and Libraries Program (also known as E-Rate). Each serves a distinct and critical purpose.

I am concerned these actions could potentially damage these important programs, and especially E-Rate. The [E-Rate program](#) is a highly successful program that plays a vital role in aiding schools and libraries to connect to high-speed broadband that is important for learning in today's modern world. Eligible schools and libraries may receive discounts on telecommunications, telecommunications services and Internet access, as well as internal connections, managed internal broadband services and basic maintenance of internal connections. These E-Rate discounts help schools and libraries in Minnesota obtain affordable telecommunications services and Internet access. E-Rate is an especially invaluable tool for many under-served areas ranging from small rural school districts to low-income urban areas. Discounts range from 20 to 90 percent, with higher discounts for higher poverty and rural schools and libraries. Imposing an overall cap on the USF would cut funding to the USF programs.

We believe it is detrimental to the goal of universal service to put the various USF programs in direct competition for USF funds. The proposed rulemaking states that you seek to "promote a robust debate on the relative effectiveness of the programs." Their "relative effectiveness" cannot be easily compared because each program serves its own purpose and group of consumers. The USF programs were not intended to compete against each

other for funding and is contrary to the intent of Congress. The legislative goal was to provide four distinct programs, each with specific funding, not one funding pool where the four programs had to fight for funding if an overall cap was reached. Competing against each other for funding does nothing to advance the goal of achieving universal service.

Each of the four programs, including E-Rate, already have their own caps in place to ensure funds are being utilized in an efficient manner. Furthermore, if each program stays within its individual cap there is no reason for an overall cap, even if it was not against the intent of the legislation.

If a cap is enacted, the four programs will be uncertain each year how much support they can rely on from USF. USF programs are an on-demand program. This means there may be times when the programs come in under their caps while other years they may be come in over. Placing an overall cap on the full program would limit access to those saved funds if demand rises and the program would come in over budget. Presently, E-Rate is operating far under its cap. Intentionally placing uncertainty each year on the stability of the E-Rate program makes it difficult for school districts to plan their budgets.

E-Rate has made a tremendous difference in helping students connect to broadband when they are in schools or libraries. However, rural areas continue to lag behind other areas in connectivity and there are still enormous broadband gaps when students are out of school. The Institute of Education Sciences (IES) released a report in 2018 noting major gaps in connectivity and internet access for many students when they were out of school and/or not at library. The gaps varied depending on their racial and ethnic background, economic status, and where they lived. Instead of proposing new rules that could limit broadband access in schools and in libraries, leading the nation backwards, the FCC should be exploring ways to strengthen E-Rate and expand other opportunities for students to connect to high-speed broadband out of school to help close the digital divide in education which is commonly called the Homework Gap.

On behalf of the 333 school boards in Minnesota I urge you not to place any USF programs under a shared cap.

Thank you for your attention in this matter.

Sincerely,



Kirk Schneidawind
Executive Director

copy:

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