

**Before the  
Federal Communications Commission  
Washington, DC 20054**

**In the Matter of:**

<b>Universal Service Contribution</b>	)	
<b>Methodology</b>	)	<b>WC Docket No. 06-122</b>

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**Reply Comments of the  
Chief Officers of State Library Agencies (COSLA)**

The Chief Officers of State Library Agencies (COSLA) is an independent organization of the chief officers of state and territorial agencies designated as the state library administrative agency and responsible for statewide library development. We provide leadership on issues of common concern and national interest; to further state library agency relationships with federal government and national organizations; and to initiate cooperative action for the improvement of library services to the people of the United States.

We appreciate the opportunity to comment on the Commission's proceeding on the Universal Service Contribution Methodology. We have a vested interest in the Universal Service program.

In this proceeding our position is clear: We agree with the many organizations who filed comments stating there is no need for a cap on the Universal Service Fund (USF). For example, the American Library Association (ALA) comments that a funding cap likely threatens the ability of the Commission "to preserve and advance the Universal Service principles as directed by Congress."<sup>1</sup> From a specific statutory perspective, comments from the Schools, Health & Libraries Broadband (SHLB) Coalition note that section 254 of the Communications Act

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<sup>1</sup> American Library Association (ALA) comments submitted July 29, 2019. Page 2. (*ALA Comments.*)

requires that Universal Service funding be “specific, predictable and *sufficient*.”<sup>2</sup> (Emphasis added.) And as SHLB further states: “The statutory language – especially the mandate for ‘sufficient’ funding – does not contemplate a cap on USF spending.”<sup>3</sup> We also note that even many telecommunication providers oppose a fund cap. For example, NTCA, which represents over 800 community-based telecommunications companies, states that a plain reading of the statute “reveals that an overall cap on the USF is not consistent with either the language or intent of the law.”<sup>4</sup> We very much agree with these comments and think a funding cap clearly contradicts the statutory need for the Universal Service Fund to be “sufficient” to meet the needs of its four separate programs.

A critical question we have—and likely many others do also—is: What will happen when a funding cap is reached? Comments from the Education and Library Networks Coalition (EdLiNC) highlights this concern when they say that as “aggregate demand begins to creep close to that cap, most USF beneficiaries will not be certain whether they will be able to receive the level of USF support that they anticipated....”<sup>5</sup> Of course “USF beneficiaries” include thousands of our libraries who participate in the E-rate program. The possibility of reaching a fund cap is particularly disturbing because for many years the E-rate was underfunded. Fortunately, this was addressed by a major fund increase included in the 2014 E-rate Modernization Order.<sup>6</sup> As a result of this increase, all E-rate applicants are finally able to receive all the funding they apply for. The possibility that an overall USF cap will again threaten adequate E-rate funding is absolutely not something we want to see happen.

Another major concern we have is the Commission’s request for comments on combining the now separate E-Rate and the Rural Health Care funds into one fund.<sup>7</sup> Such a combined fund could again result in the E-rate being inadequately funded. We agree with ALA’s comment

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<sup>2</sup> Schools, Health & Libraries Broadband (SHLB) comments submitted July 29, 2019. Page 1. (*SHLB Comments*.)

<sup>3</sup> *Id.* Page 1.

<sup>4</sup> NTCA comments submitted July 29, 2019. Page 6. (*NTCA Comments*.)

<sup>5</sup> Education and Library Networks Coalition (EdLiNC) comments submitted July 23, 2019. Page 8. (*EdLiNC Comments*.)

<sup>6</sup> *Modernizing the E-rate Program for Schools and Libraries*, WC Docket No. 13-184. *Second Report and Order and Order on Reconsideration*. Released December 19, 2014. Para. 77.

<sup>7</sup> *Universal Service Contribution Methodology, Notice of Proposed Rulemaking*, WC Docket No. 06-122. Released May 31, 2019. Para 22. (*Notice*).

which urges the Commission “to refrain from any rule changes that once more jeopardize the E-rate community’s hard won battle to finally get the program adequately funded.”<sup>8</sup> And EdLiNC also recognized this concern when it stated, “Commission has recognized the distinctiveness of these two programs throughout their now more than twenty-year histories and never considered merging them or bringing them into competition with each other in any way.”<sup>9</sup> We very much support keeping the funding of these two programs separate.

In summary, COSLA agrees with the many comments filed by the library and education communities that a cap on the Universal Service Fund is not supported by statute and would be detrimental to ensuring adequate funding for the E-rate and the other Universal Service programs.

Thank you for reviewing our Reply Comments.

Sincerely,

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<sup>8</sup> *ALA Comments*. Page 4.

<sup>9</sup> *EdLiNC Comments*. Page 11.