United States Senate
WASHINGTON, DC 20510

December 10, 2014

1277

The Honorable Thomas Wheeler
Chairman
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Dear Chairman Wheeler:

We write to encourage the Commission to approve the proposal to increase investment in the Universal Service Schools and Libraries Program, known as E-Rate. This proposal will help ensure students and education programs across Minnesota and the United States can benefit from high-speed broadband connection in our schools and libraries.

Since its establishment in 1997, the E-Rate program has helped schools and libraries make great strides in improving Internet connectivity. The percentage of classrooms connected to the Internet nationwide has grown from 14 percent when the program was first started to nearly 100 percent today.

However, with increased emphasis on the integration of education and technology, the demand for high-speed Internet connections in schools and libraries is higher than ever before and is expected to grow. Nearly seven out of ten school districts across the nation report that not a single school in their district can currently meet high-speed Internet connectivity targets.

The digital divide is particularly glaring when it comes to rural areas. This is a problem not just at schools, but in rural areas more generally. In Minnesota, nearly 30 percent of rural residents do not have access to broadband Internet, compared to less than one percent without broadband access in non-rural areas. While progress has been made to bridge this broadband access gap, one important step we can take is to remedy this problem at the many rural schools and libraries in need of high-speed broadband connections.

The E-Rate program is not keeping up with the demand for its services and is in need of reform. In Funding Year 2013-2014, schools and libraries applied for E-Rate funding in excess of $4.9 billion despite only $2.5 billion being available. By increasing investment in the E-Rate program, numerous schools and libraries in remote areas will be able to improve connectivity and provide new technological resources for their communities.

The availability of modern technologies in our classrooms and libraries is crucial to our success as a nation in the 21st century and beyond. Therefore, we support the proposal to increase the funding cap for the E-Rate program and urge the Commission to adopt this proposal. Thank you for your continued leadership on this important matter.

Sincerely,

Amy Klobuchar
United States Senate

Al Franken
United States Senate

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

January 23, 2015

The Honorable Amy Klobuchar
United States Senate
302 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Klobuchar:

Thank you for your letter supporting increased funding for the E-rate program. I wholeheartedly agree with your views that increased investment in the E-rate program will provide increased educational opportunities for students throughout the United States, including for students in Minnesota.

I consider modernization of the E-rate program among the most important tasks currently facing this Commission. This past July, the Commission approved the first major modification in the E-rate program's 18-year history. The *E-Rate Modernization Order* took significant steps towards addressing the Wi-Fi gap in America's schools and libraries. We established an annual funding target of $1 billion for Wi-Fi, as well as a fairer method for distributing funds so that all schools and libraries can benefit, including far more rural schools and libraries than in the past. Based on Commission analysis, Minnesota, in particular, could benefit from up to $68 million in new Wi-Fi funding to impact over 900,000 students in approximately 2,700 schools and 360 libraries.

However, American schools and libraries still face a connectivity gap. Two-thirds of schools and libraries do not subscribe to sufficient high-speed connectivity. In addition, nearly one-third of all schools and three-fourths of all libraries cannot get a high-speed connection because the infrastructure simply is not available. This gap is worst in rural America. But, it isnot just rural communities that are being disproportionately left behind. Low-income schools in both rural and urban communities significantly lag affluent schools. Nearly 40 percent of affluent schools have high-speed access versus less than 15 percent of lower-income urban and rural schools.

Closing this connectivity gap requires raising the E-rate spending cap. Our December *Modernization Order* makes more funding available for schools and libraries to purchase broadband connectivity capable of delivering speeds up to 1 Gbps over the next five years. We have looked long-term to forecast the funding needs going forward and based the new $3.9 billion spending cap on those forecasts. This increase is the first reset of the cap since it was initially set at $2.25 billion in 1997, an amount that was not adjusted for inflation until 2010.

What will actually be spent – and the rate that Americans will be asked to contribute – will vary from year-to-year. E-rate is funded by fees on consumers' phone bills. As you note, the increase may over time require Americans to contribute approximately 16 cents a month for a telephone line – annually about the cost of a cup of coffee at Dunkin'Dunkin Donuts.

I can assure you that I take the fiduciary responsibility over the investment of America's contributions very seriously. That's why we have placed an emphasis on improving cost-effectiveness of the program. The December *Order* makes further changes to the E-rate program rules to ensure more competition for E-rate dollars and to maximize the cost-effectiveness of E-rate supported purchases.

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

Sincerely,

Tom Wheeler

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WASHINGTON

OFFICE OF
THE CHAIRMAN

January 23, 2015

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United States Senate
309 Hart Senate Office Building
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