

In the Matter of

Comprehensive Review of Universal Service Fund Management, Administration, and Oversight	WC Docket No. 05-195
Federal-State Joint Board on Universal Service	CC Docket No. 96-45
Schools and Libraries Universal Service Support Mechanism	CC Docket No. 02-6

**State Educational Technology Directors Association (SETDA)  
Response to the Federal Communication Commission's  
Notice of Proposed Rulemaking on the Universal Service Fund**

The State Educational Technology Directors Association (SETDA) is pleased to submit the following comments in response to the Comprehensive Review of Universal Service Fund: Management, Administration, and Oversight, Notice of Proposed Rulemaking on June 14, 2005.

Founded in the fall of 2001, the State Educational Technology Directors Association (SETDA) is the principal association representing the state directors for educational technology. SETDA's membership includes all fifty states, American Samoa and the District of Columbia. SETDA promotes national leadership in educational technology to support achievement in lifelong learning, provides professional development for state educational technology directors and builds partnerships to advance learning opportunities and improve student achievement through technology. **Our organization and its members wholly support and depend upon the Universal Service Fund, particularly the E-Rate program in its entirety. This critical program provides access and opportunities to hundreds of thousands of learners and teachers across the United States. It is an essential underpinning of education technology, education programs, and data reporting nationwide.**

We feel that it is critical that the following issues, as detailed below, are considered through this notice of proposed rulemaking:

- The E-Rate technology is helping schools improve student achievement and comply with the No Child Left Behind (NCLB) Act.
- The E-Rate is beginning to bring new learning opportunities to rural and special education students.
- The E-Rate is a building block of education. States and local districts would be adversely affected if they had to cover the costs of the critical services currently covered by E-Rate.
- The E-Rate is an important tool for economic empowerment in underserved communities. Allowing the discontinuation of the E-Rate

would mean widening the gap between economically disadvantaged and advantaged students.

- While the program administration and implementation may be under consideration for change, it is critical that the overall program be continued.

In responding to this notice, we have included comments which are general to the whole E-Rate program, as well as specific examples to support the critical need for this program. SETDA's goal in providing the comments is to provide input as a national organization with an understanding and expertise of the issues pertaining to the successful implementation of technology in education in order to improve teaching and learning.

The E-Rate program is critical to improving education for children across the United States. Providing informational resources that children need for learning is basic to enhancing learning opportunities. E-rate supports the superhighway to the libraries of the 21st century which can provide primary and secondary source material for all children across the country, not only those who are fortunate enough to live in resource rich urban settings. A report from Pew Internet & American Life Project, entitled The Digital Disconnect, has found that students use the Internet as a virtual textbook and reference library, a virtual tutor and study shortcut, a virtual study group, a virtual guidance counselor, and a virtual locker, backpack, and notebook. E-Rate funding allows all schools, rural or urban, rich or poor, to offer this wealth of support to their students.

The E-Rate technology is helping schools improve student achievement and comply with the No Child Left Behind (NCLB) Act.

Access to technology is a necessary, if not sufficient, condition of the NCLB goals of 1) increasing student achievement through technology; and 2) ensuring that all students will be technologically literate by the end of 8<sup>th</sup> grade. EdLinc's 2003 paper, *E-rate: A vision of opportunity and innovation*, concludes that "e-rate technology is helping schools improve student achievement and comply with NCLB." For example, in Pennsylvania, more than 60 percent of public schools indicate that they use E-rate discounted services to assist in the compliance with NCLB requirements, through distance learning, online data reporting and improved parent-teacher communications.

Moreover, the NCLB has imposed specific accountability and reporting requirements on states and on local schools which cannot be realistically accomplished without access to high speed data and communication networks. In these challenging budget times, the E-rate is a critical

component allowing schools and libraries to be connected to the Internet. Any reduction of the E-rate program is likely to be harmful to the effectiveness of NCLB. Even with E-Rate funding, schools are struggling to find the extensive funding necessary to meet the many challenges of quality access, implementation of data systems and instructional uses of technology. As a result, in many school systems the focus on instructional technology has decreased as a result of the critical need for updating and maintaining infrastructure as well as for building data systems.

Other sections of NCLB have goals that will require technology to accomplish, the accountability and reporting requirements, for example. Also the "Quality Teacher" section (Title II, Part A) would be difficult to envision without technology.

The E-Rate is a building block of education. States and local districts would be adversely affected if they had to cover the costs of the critical services currently covered by E-Rate. It is also an important tool for economic empowerment in underserved communities. Allowing the discontinuation of the E-Rate would mean widening the gap between economically disadvantaged and advantaged students.

The E-Rate has had a significant and lasting effect in many of America's underserved communities and schools. For many, the E-Rate opened the door to telecommunications services and learning opportunities that had otherwise been unavailable because they are cost prohibitive for poorer districts and schools. For America's neediest students, often those in the most underserved communities, the E-Rate has allowed these students to have new learning opportunities through the connections that the E-Rate made possible.

In the state of Washington, which had a number of connectivity challenges due to its geography, the E-Rate has been a key component of the equitable and affordable access to high-speed Internet resources that Washington's K-20 Network brings to 294 public school districts across the state. The E-Rate has helped Washington ensure that schools in rural and remote areas pay no more than those in urban areas, and that the connectivity fees are affordable for all schools. Because of this, the State has seen curricular and administrative traffic grow by an average of 30-40% annually, and it has helped to "level the playing field" for schools regardless of their geography or socioeconomic status.

The E-Rate is beginning to bring new learning opportunities to rural and special education students.

The E-Rate has made a significant impact on technology survival in America's schools, as well as providing an opportunity for some growth. In addition to basic telecommunications and long distance reimbursements, it has provided an affordable means to meet bandwidth requirements. Most American schools could not afford these bandwidth levels without E-Rate funding and would likely not have migrated to high capacity services. When the program started many schools were still using fractional T1's and some were even connecting through dial-up modems, as compared to the DS1/DS3/OC12/Gigabit Ethernet world we are now moving into. Oregon's Hermiston School District for example utilizes 7-8 times the bandwidth in peak times as they did 3-4 years ago.

The increase in bandwidth has also allowed schools to venture into a wide variety of virtual learning opportunities that would otherwise not have been possible. One example is the Frontier Learning Network, which offers a variety of classes for students and professional development for educators in rural Oregon. This is made possible through partnerships with the Oregon Museum of Science and Industry, Eastern Oregon University, the Confederated Tribes of Warm Springs, the National Park Service, the Paleo Project and Hola, a Spanish language distance education program.

In 1998, 77 percent of Pennsylvania's schools had bandwidth at less than T1 speeds (with 41 percent having dial-up connectivity or none at all). In 2005, 50 percent of all Pennsylvania's schools have connectivity at T1 speeds, and 38 percent of schools having greater than T1 connectivity. More than 80 percent of schools attribute this increase in bandwidth directly to E-rate funding. More than 65 percent of schools indicate they will need to increase their bandwidth even more in the next 1-3 years (26 percent will need more bandwidth in the next 4-10 years) and of those schools, 72 percent reported that it will not be possible without E-rate funding.

In Northport, Washington, an extremely remote rural district situated along the Canadian border, installation of a backbone for their computer network to access the Internet was recently completed. This could not have been accomplished without E-rate funds. Northport is a small (192 students) district with a grade school and high school on the same campus, and has a 71.8% free and reduced-price meals rate, AND made Adequate Yearly Progress (AYP) in all areas this past year.

While the program administration and implementation may be under consideration for change, it is critical that the overall program be continued.

The Commission has proposed significant changes to the administration and implementation of the program, and while we may not fully support all of the

proposed new policies, we are in full agreement that the program must be simplified. The current deadlines, program rules, guidelines and administration that have developed over eight years have become increasingly difficult to manage and follow. Many schools have outsourced their E-rate applications to E-rate consultants, similar to tax consultants, because they are either fearful that they may use a wrong word or miss one of the many deadlines, or they simply do not have time to follow the ever-changing rules and file the myriad of applications required to receive their discounts. We do not believe this is what Congress or the Commission intended when Section 254 was enacted, or when the May 8, 1997 Order was adopted. Therefore we support the Commission's efforts to simplify and streamline the program, and we look forward to reviewing and commenting on the detailed proposals that are being submitted by other interested parties in this proceeding.

We should emphasize that program simplification does not mean discontinuing the program or revising the program so that it slowly disappears. Scaling back the program or continuing only certain aspects of the eligible services is not an option, as so many schools are reliant on E-rate discount to supplement their technology budgets. E-rate is the single largest source of technology funding for both public and private schools, and is absolutely vital to quality education and access to quality education in this country.