

**STATEMENT OF
COMMISSIONER ROBERT M. McDOWELL**

Re: Schools and Libraries Universal Service Support Mechanism, CC Docket No. 02-6, A National Broadband Plan for Our Future, GN Docket No. 09-51

First, I commend the Chairman for his commitment to comprehensive universal service reform. It is an understatement to say that responsible reform is badly needed. Review of the E-Rate program is an important component to any reform endeavor. Today's Notice of Proposed Rulemaking (NPRM) highlights many areas where the E-Rate program could be improved to ensure that the program continues to be successful in supplementing our nation's educational system.

Additionally, I thank the staff for their diligence on this NPRM. In particular, I appreciate the clarification that the proposed change to the definition of "rural area" was not intended to put rural America at a disadvantage compared to urban areas. Rather, the change in the definition was proposed to explore whether there is a better way to ensure that the E-Rate funds are targeted appropriately in rural parts of the country. It is important to note that many rural students do not have the luxury of traveling down the road for their educational needs which may be lacking in their schools. In fact, some rural schools are not even connected to the outside world by a road system at all.

In closing, I have a couple overall thoughts regarding universal service reform, in general, and in particular regarding this NPRM. In the context of any reform measures, we should always look to find ways to stem waste, fraud and abuse. As managers of this fund, we must conduct reform in a way to ensure that we collect only what we need, and spend what we collect, in the most efficient and effective manner possible. Finally, I note that this NPRM seeks comment as to whether the existing cap on the E-Rate program should be indexed for inflation. I will be interested to review comments on that proposal and note that any final changes that we make to any one part of the system should be made in the context of comprehensive reform so that we do not inadvertently expand the growth of the overall fund.

There are a lot ideas packed into this NPRM. I look forward to reviewing the record and working with all of my colleagues and stakeholders on a transparent and fair process in pursuit of fiscally prudent reforms.

**STATEMENT OF
COMMISSIONER MIGNON L. CLYBURN**

Re: Schools and Libraries Universal Service Support Mechanism, CC Docket No. 02-6, A National Broadband Plan for Our Future, GN Docket No. 09-51

Many of the millions of Americans who do not have broadband rely on their local schools and libraries – our nation’s critical community anchor institutions – for basic broadband access. Such access has been made possible by the incomparable E-rate program. Without it, our Nation would be lagging even further behind in terms of broadband adoption.

For us to continue to support broadband adoption in our local communities, we must update the E-rate program to meet our current needs. Today’s Further Notice proposes a number of ways in which we can maximize our use of E-rate funds in order to better prepare our students and citizens to succeed. For example, increased flexibility for recipients to choose the most cost-effective and educationally useful broadband services may enable recipients to better leverage and stretch their E-rate dollars. In addition, by streamlining the application process, we can likely reduce the cost of participating in the program, potentially making it more accessible to schools and libraries that have not previously participated. We also may want to index the E-rate funding cap to inflation in order to protect the purchasing power of recipients, thereby allowing them to acquire critical broadband elements they need to serve and educate.

These are all constructive ideas as we look to modernize the program and ensure that we are making the most of what it has to offer.

**STATEMENT OF
COMMISSIONER MEREDITH A. BAKER**

Re: Schools and Libraries Universal Service Support Mechanism, CC Docket No. 02-6, A National Broadband Plan for Our Future, GN Docket No. 09-51

I am pleased to support this Notice. The E-rate program has been instrumental in bringing broadband to communities across the country through their schools and libraries. In the wake of the National Broadband Plan, it makes sense to launch a proceeding to examine how the E-rate mechanism is working well now and how it could be improved to more efficiently and effectively help achieve the important goal of ensuring broadband access by all people of the United States.

As we consider changes to the E-rate going forward, I continue to have concerns that our efforts to modernize the various components of the Universal Service Fund should not result in further growth in the overall size of the Fund. It is also critical that all future changes to the program include adequate safeguards against waste, fraud and abuse. It is our obligation to ensure that money is spent wisely to achieve the goals set out by Congress.

Thanks to the bureau for all your work on this.