

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Lifeline and Link Up Reform)	WC Docket No. 11-42
And Modernization)	
)	
Lifeline and Link Up)	WC Docket No. 03-109
)	
Federal-State Joint Board on Universal Service)	CC Docket No. 96-45
)	
Advancing Broadband Availability Through)	WC Docket No. 12-23
Digital Literacy Training)	

**E-RATE CENTRAL REPLY COMMENTS IN RESPONSE TO THE
FEBRUARY 6, 2012 FURTHER NOTICE OF PROPOSED RULEMAKING
REQUESTING COMMENTS ON DIGITAL LITERACY TRAINING**

Tel/Logic Inc., d.b.a. E-Rate Central, submits these Reply Comments in response to the FCC’s Report and Order and Further Notice of Proposed Rulemaking released February 6, 2012 designated DA 10-1248, in part seeking comment on a proposal to establish a digital literacy training program.

E-Rate Central is an independent firm providing E-rate application and consulting services to schools and libraries nationwide. It also provides E-rate support services for several states and is an active member of the State E-Rate Coordinators’ Alliance (“SECA”) and the E-Rate Management Professionals Association, Inc. (“E-mpa”).

Introduction:

E-Rate Central notes that the major school and library associations — EdLiNC, ALA, AASA, AESA, etc. — generally support the Commission’s proposal to establish a digital literacy

training program funded through the Lifeline program. These organizations, however, strongly object to the Commission's proposal to administer the training initiative through the E-rate program. ISTE, in correspondence to its members, summarizes these positions as follows:

- “While ISTE does support a Federal role to develop digital literacy skills for all citizens, we oppose using E-Rate’s limited funds and administrative structure to establish and operate a new initiative.”
- “In particular, we are concerned that implementing this initiative through the E-Rate [program] will cause delays in E-Rate application and appeal processing, create insurmountable auditing problems, and establish problematic precedents for E-Rate eligible services.”

E-Rate Central concurs with the concerns expressed regarding the administration of a digital literacy program through the E-rate program. More broadly, however, E-Rate Central is deeply concerned about the financial condition of the Universal Service Fund as a whole. We question whether or not the Fund should support any new initiative at this time.

The Universal Service Fund is in Transition Mode:

The Commission is currently in the midst of a major overhaul and modernization of the Universal Service Fund addressing both the uses and sources of USF funding. In particular:

- While the Commission has capped the High Cost program, it is in the process of transitioning the program’s traditional support of rural telephone service to the broadband service needs of the Connect America program. Were additional funds available, this transition could be accelerated.
- The Lifeline program is also being reformed. While it is hoped that some of the reforms will result in program savings, increased low-income support for broadband services may limit any net savings.
- Last week’s release of preliminary E-rate demand estimates for FY 2012 indicate that funding for Priority 2 services is in serious jeopardy. There is simply not enough funding for E-rate as currently configured.
- The Commission has just initiated a major new effort to reform how USF funding is collected. Since the contribution factor is now over 17% — and we remember not too long ago when 10% was considered sacrosanct — this reform is critical.

The basic USF mechanism has a long successful history in support of national telecommunications goals, and is expected to play an equally important role in making

broadband more widely available and affordable. USF cannot, however, be all things to all people. Focus is important. “Mission creep” is a threat.

Digital Literacy Training is a Distraction:

Few would argue that digital literacy is not important. The threshold question in this inquiry is whether or not digital literacy training is a USF mandate. E-Rate Central argues that it is not and that it may be dangerous to make it so. In particular:

- Schools, libraries, and other community organizations are already providing a wide range of affordable, easily accessible, digital literacy programs. Additional funding was available from BTOP. Most importantly, it should be noted that the Commission is already making a major contribution to digital literacy through the E-rate program which has been providing advanced digital training to students of all income levels for more than half a generation.
- The Commission’s argument that “Training on how to use information services also enhances access to those services...,” expands the definition of universal service “access.” This form of “mission creep” sets a dangerous precedent. If training enhances “access,” so too, for example, would computers and other Internet access devices.

If the Commission wishes to do more than it has already done through the E-rate program to support digital literacy, E-Rate Central would encourage it to use prospective Lifeline savings to strengthen existing USF programs by helping fund FY 2012 Priority 2 E-rate funding requests or by helping constrain increases in the contribution factor.

Respectfully submitted by:



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