

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

In the Matter of)	
)	
Modernizing the E-rate Program for)	WC Docket No. 13-184
Schools and Libraries)	

**REPLY COMMENTS OF THE BILL AND MELINDA GATES FOUNDATION
DISCUSSION DRAFT**

The Bill and Melinda Gates Foundation (the “Gates Foundation”) hereby submits these Reply Comments to the Wireline Competition Bureau’s notice of proposed rulemaking regarding modernization of the schools and libraries universal support mechanism (the “E-rate program” or “E-rate”). Guided by the belief that every life has equal value, the Gates Foundation works to help all people lead healthy, productive lives. This aspiration includes efforts to ensure that all Americans, especially those with the fewest resources, have access to the opportunities they need to succeed in school and life. Robust broadband services and dynamic new technologies are vitally important to our work, because they offer powerful tools for improving the lives of countless people across the nation, through, among other things, (i) helping to prepare all students for college, career and life success; (ii) helping library patrons in a vast array of ways, as further described below, and (iii) ensuring equitable access to online resources, services, and tools for students and library patrons. Given technology’s promise to help Americans throughout the country achieve their full potential, including by supporting, at scale, effective teaching and learning at schools and libraries and numerous other critical activities supported by these institutions, as well as ensuring less-resourced and less-skilled individuals have equal access to such opportunities, we commend the Federal Communications Commission (the “Commission”) for leading this important effort to improve schools’ and libraries’ broadband infrastructure. Given the time-sensitive needs of schools and libraries in this area, the Commission should move swiftly to strengthen the E-rate program and invest additional resources to continue and build on the program’s impressive record of success.

As the American Library Association (“ALA”) and many other parties described in their initial comments in this proceeding, libraries provide invaluable services to our citizens. As an initial matter, libraries greatly support students (both those who attend school and others) with their schoolwork and education. In this respect, they are the other critical

community link to our students' success. In addition, libraries support Americans throughout the nation with respect to, among other things, lifelong learning, retraining and uncovering opportunities that can make a life-altering difference for individuals who are seeking employment, access to technology and digital content, literacy of all types (including learning to read and write, digital literacy and literacy in specialized areas), innovation, access to important (and often critical) government resources and services, and access to health and wellness information.

The past success of the E-rate program for both schools and libraries makes it clear that if the program is strategically updated and improved, it can greatly help schools and libraries obtain the broadband capacity they need. As leading education and library groups noted in their initial comments in this proceeding, the E-rate program to date has had a profound impact on schools and libraries across the United States by connecting them to basic Internet access and other telecommunications services at affordable rates. The program represents one of the nation's most significant telecommunications policy success stories, enabling countless Americans to have access to tools that are no longer optional, but are now necessary in today's modern economy.

Therefore, we strongly support the Commission's decision to explore greater investments in E-rate and other aligned improvements to the program designed to ensure that it continues to open virtual doors to real life outcomes for students, teachers, and a diverse array of library users across the country. Specifically, we urge you to consider the following recommendations for strengthening the E-rate program for the next 20 years:

- 1. The Commission should strategically align the E-rate program's eligible services list with a clearly stated national goal of delivering affordable, high-capacity broadband access to the nation's schools and libraries.** Education Superhighway estimates that 40 million elementary and secondary students lack access to sufficient broadband capacity. This condition prevents students – particularly students in the communities that need the most help – from benefiting from important education reforms with the potential to transform their lives. Unfortunately, too many of the nation's public libraries struggle with a similar technology gap. In the United States, about a third of people age 14 and older – roughly 77 million people – use a public library computer or wireless network to access the Internet each year. According to ALA, the growing number of patrons using bandwidth heavy applications on the libraries' public access computers and Wi-Fi services creates a significant virtual bottleneck. In small and rural communities (ALA states that 57 percent of America's libraries serve fewer than 10,000 residents), these library services are essential, as they

are more likely to be the only source of free access to computers and the Internet in their communities. In fact, in approximately 82 percent of libraries with wireless access, the workstations and the wireless access share the same connection. Simply put, schools and libraries do not have what they need. As a survey performed by the Commission a couple of years ago found, “[n]early 80% of all [schools and libraries in the E-rate program] say their broadband connections do not fully meet their current needs.”¹

With these and numerous other troubling examples in mind, we respectfully urge the Commission to make the delivery of affordable, high capacity broadband to all classrooms and libraries the E-rate program’s primary objective. On a related note, we agree with the Commission’s proposal to phase out some legacy E-rate services over time to focus greater resources on high capacity broadband delivery, but urge the Commission to provide sufficient time and notice for current program recipients to plan and adjust their budgets to recognize such changes. Echoing ALA’s comments, we believe applicants should be notified about such changes at least one full funding year prior to the beginning of the phase out.

- 2. The Commission should substantially and permanently raise the E-rate’s annual funding cap.** Re-aligning E-rate’s goals and eligible services to focus on high capacity broadband deployment is a critical step in the right direction, but implemented alone, such changes will not achieve the levels of broadband connectivity needed by our schools and libraries. Likewise proposed efforts to reduce E-rate costs and promote greater program efficiency, while needed and valuable, will not generate sufficient savings to support the level of investment needed to achieve the program’s new goals or to meet the need of our library users and students. E-Rate funding has increased only modestly since the program’s creation in 1996 and schools and libraries unmet broadband needs are simply too large to be addressed without government leadership and additional investments.

Thus, we respectfully echo comments of the Alliance for Excellent Education, the Education and Libraries Networks Coalition, and other educators, education, and library leaders from across the country calling on the Commission to significantly raise the annual funding cap in order to develop the broadband infrastructure needed now by our public schools and libraries. We also urge the Commission to leave a higher cap

¹ 2010 E-Rate Program and Broadband Usage Survey: Report, Federal Communications Commission, Wireline Competition Bureau, DA 10-2414, released Jan. 6, 2011, available at www.fcc.gov.

in place over time to build additional capacity over time. As other commenters have suggested, the investment needed to connect all libraries and classrooms to high capacity broadband will only be met if the Commission raises the cap, and as described above, this important government investment will pay steep dividends over time by incenting and enabling greater private investment in effective tools and practices that depend on the availability of significant broadband capacity. Any other result should be unacceptable. We simply cannot afford to leave our students and our library patrons (which include students and adults alike) behind.

3. **The Commission should establish broadband capacity targets to guide and drive program implementation.** We agree with education and library leaders, including the National Association of State Boards of Education and the Education and Libraries Networks Coalition, urging the Commission to define the broadband capacity needed to support digital learning and identify appropriate connectivity benchmarks for libraries. Clear, ambitious, and achievable connectivity goals will facilitate the program's implementation, by providing a roadmap and system for measuring the program's progress toward established goals, which will in turn help inform future decision making about how to achieve them. Thus, we urge the Commission to adopt clear connectivity targets, including carefully weighing the proposed connection speeds identified by the State Educational Technology Directors Association, the objectives of the National Broadband Plan, and the public access technology benchmarks endorsed by ALA. The Commission should, however, avoid rigid mandates that impose a one size fits all approach on all the diverse array of communities that benefit from this far reaching program.

4. **The Commission should encourage coordinated state and local planning and provide incentives for consortium and bulk purchasing.** Meeting the high capacity broadband needs of all schools and libraries on a swift timeline will require careful strategic planning by state and local leaders. The Commission should design the new program to encourage such collaboration, including promoting long term partnerships among state and local stakeholders, which should be designed to sustain and build on the program's success. This coordinated planning should include a careful examination of consortium and bulk purchasing opportunities. To this end, we agree with the comments of the Council of Chief State School Officers and the organization's joint-filers that the Commission should use incentives to encourage (not require) consortium purchasing, when appropriate, to help schools and libraries realize volume and other pricing discounts linked to the acquisition of bundled telecommunications services.

5. The Commission should identify opportunities for streamlining the E-rate application process and reduce administrative burdens on program participants.

We agree with the array of comments calling on the Commission to simplify the application process, including exploring multi-year applications, and identifying strategies for minimizing administrative burdens on applicants. The current application process places an undue burden on schools and libraries, often requiring the use of outside experts and countless hours of staff time that could be dedicated to other educational or community purposes. Poor communities are particularly impacted by this problem. Such administrative changes could include developing an improved online application process, eliminating unnecessary forms and questions, and providing additional technical support through the Universal Service Administrative Company to help applicants successfully navigate the application process. It is also important, as ALA and many other commenters noted, that the Commission take steps in this proceeding to provide for a more timely application review process.

Thank you for providing this opportunity to offer recommendations for strengthening and expanding the E-rate program. We are grateful for your leadership on this important issue. Technology has transformed nearly every aspect of modern life, but the United States has not yet fully harnessed technology's potential to transform education and expand all of the vital information and other services provided by schools and public libraries. This rulemaking presents an important opportunity to address that shortcoming, and we respectfully urge you to adopt an ambitious broadband vision and strategy for the nation's schools and libraries consistent with the recommendations described above.

Sincerely,



Allan Golston

President