

**Levin Challenges Advocates of E-Rate Cap
To Acknowledge Which Children They Would Leave Behind**

Speaking today at the Connected Nation Education Summit in Reno, Nevada, Former National Broadband Plan Executive Director Blair Levin discussed the “biggest decision the FCC will make in its proceeding to upgrade the E-Rate program; whether all American school children will soon be able to take advantage of transformative digital education or whether that opportunity will only be available to some, with millions left behind for years to come.”

Levin began by discussing the three challenges the FCC faces in upgrading the E-Rate program. “First, the FCC has to reform and reprioritize the way it spends and accounts for E-Rate expenditures so that the dollars are focused on bandwidth and internal connections goals...The second task for the FCC is to establish rules so that competitive forces can enable schools to purchase assets and services at the lowest possible long-term cost. The record suggests....savings in the hundreds of millions is possible by adjusting those rules...but even after the savings from the first two decision sets, it may not be—in fact, it’s unlikely to be—enough.”

That leads to the third challenge: how to size the budget. Levin acknowledged that it is too early to size the budget now, as the size depends on the success of the FCC in addressing the first two challenges. But he took aim at those who have argued that the E-Rate program should be capped at current levels, citing two analytic flaws in the argument for capping the funds at current levels. First, it does not reflect a serious analysis, which Levin pointed out by asking, “can anyone point to any private sector company which caps its IT budget at the level it spend in 1997?” Levin asked those seeking the cap to “explain...why government executives should follow a rule that would cause private executives to be laughed out of office.”

Levin also suggested that those advocating the cap set forth the principle by which the FCC should prioritize the distribution of funds. “Who gets the gig now and who gets it in 2030? Which children do they wish to leave behind?”

Levin suggested the budget be set to assure all children have access to sufficient bandwidth within five years but prioritization principle should be, as it would be for a business, that for those schools that qualify as most needy, “prioritize to reach the biggest market in the shortest period of time at the lowest cost...First, you want as many kids as possible to have the benefit of the digital education as soon as possible...Second, we want the market for digital education to be as big as possible as quickly as possible, as that is more likely to lead to American leadership in what is going to be a market worth tens of billions of dollars.”

Levin closed his remarks by asking the audience to “make sure the FCC does not cap its ambitions with an artificial budget cap established in the dial-up age. And let’s make sure the FCC decision does not cap the future of millions of our children and thereby cap the future of our country.”