

Congress of the United States
Washington, DC 20515

104

January 30, 2014

The Honorable Tom Wheeler
Chairman
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Dear Chairman Wheeler:

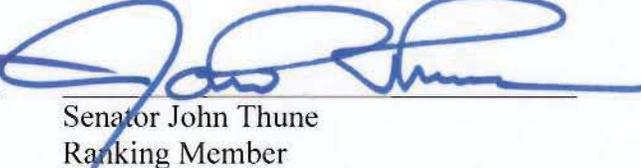
The Universal Service Fund, administered by the Universal Service Administrative Company with Federal Communications Commission (FCC) oversight, provides support through four mechanisms: High Cost, Low Income, Rural Health Care, and Schools and Libraries. In the past several months, there have been multiple proposals for reforms to the Schools and Libraries program, also known as E-rate, from members of Congress, the Administration, and the FCC itself. Many of these proposals could increase the size and cost of the E-rate program, and even the overall Universal Service Fund, which is ultimately paid for by Americans via their telephone bills. The contribution factor for the overall fund has already jumped from 9.5 percent in the first quarter of 2009 to 16.4 percent in the first quarter of 2014, an increase that is passed along to consumers. This growth is indicative of the need for a thorough and critical examination of any proposals that have the potential to further increase the bill for American families.

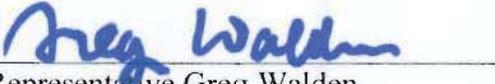
In these fiscal times, it is more important than ever to ensure that money is spent wisely and that these funds are allocated appropriately and effectively. This is why we urge you to refer evaluation of any E-rate expansion proposals to the Federal-State Joint Board on Universal Service. The Joint Board was established in 1996 to make recommendations to implement the universal service provisions of the Telecommunications Act of 1996. The Board, composed of FCC Commissioners, State Utility Commissioners, and a consumer advocate, is a mechanism to coordinate federal and state policies, and should be used as a tool for the Commission to ensure any changes to the fund achieve the statutory goals in an effective and appropriately tailored way. The recent Lifeline reform order reflecting the recommendations of the Joint Board demonstrates the contemplated use of the board.

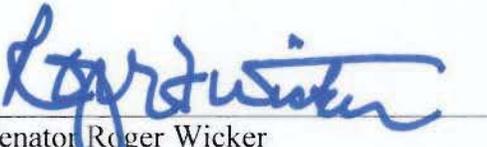
If you have any questions regarding this request, please have your staff contact David Redl with the House Energy & Commerce Committee staff at (202) 225-2927 or David Quinalty with the Senate Commerce Committee staff at (202) 224-0827.

Sincerely,


Representative Fred Upton
Chairman
Committee on Energy and Commerce


Senator John Thune
Ranking Member
Committee on Commerce, Science, and
Transportation


Representative Greg Walden
Chairman
Subcommittee on Communications and
Technology


Senator Roger Wicker
Ranking Member
Subcommittee on Communications, Technology,
and the Internet

cc: The Honorable John D. Rockefeller, Chairman
Senate Committee on Commerce, Science, and Transportation

The Honorable Henry A. Waxman, Ranking Member
House Committee on Energy and Commerce

The Honorable Mark Pryor, Chairman
Subcommittee on Communications, Technology, and the Internet

The Honorable Anna Eshoo, Ranking Member
Subcommittee on Communications and Technology

The Honorable Mignon Clyburn, Commissioner
Federal Communications Commission

The Honorable Jessica Rosenworcel, Commissioner
Federal Communications Commission

The Honorable Ajit Pai, Commissioner
Federal Communications Commission

The Honorable Michael O'Rielly, Commissioner
Federal Communications Commission



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

April 22, 2014

The Honorable Fred Upton
Chairman
Committee on Energy and Commerce
U.S. House of Representatives
2125 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Upton:

Thank you for your letter recommending the Commission refer evaluation of proposals to expand the Schools and Libraries universal service support mechanism – also known as the E-rate program – to the Federal-State Joint Board on Universal Service (Joint Board). Modernization of the E-rate program is among the most important tasks currently facing the Commission. It is critical to America's future to ensure that our schools and libraries have affordable access to modern high-capacity broadband technologies.

With respect to your specific recommendation, the Commission sought comment in the *E-rate Modernization Notice of Proposed Rulemaking* (NPRM) on seeking the advice and guidance of the Joint Board on any temporary, long-term or permanent approach to providing additional funding for the E-rate program, including the necessity and the amount of any increase. Commission staff is reviewing the record that has been developed in response to the NPRM, and meeting with stakeholders to ensure that we have robust input from all interested parties, including state public utilities commissions. Should it be clear that aspects of the E-rate modernization process, or other issues before the Commission, can be improved through a referral to the Joint Board, I will carefully consider taking such action.

With respect to E-rate, as I recently stated, I have often found the biggest immediate opportunities are unlocked by first looking carefully at how to do better with what you already have. Should it be necessary to increase the permanent funding levels for the E-Rate program, we will do what is appropriate. Prudently, however, any program funding change must include an assessment of the use of current funds along with a fact-based analysis of the needs of the program to meet the goals to which we all ascribe. The Office of Managing Director of the FCC, led by Jon Wilkins, is currently working on this assessment.

I appreciate your interest in this matter. We will include your letter in the record of the proceeding for Commission consideration as we proceed with modernization reform of this important program. Please let me know if I can be of any further assistance.

Sincerely,

Tom Wheeler



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OFFICE OF
THE CHAIRMAN

April 22, 2014

The Honorable Greg Walden
Chairman
Subcommittee on Communications and Technology
Committee on Energy and Commerce
U.S. House of Representatives
2125 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Walden:

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April 22, 2014

The Honorable Roger Wicker
Ranking Member
Subcommittee on Communications, Technology, and the Internet
Committee on Commerce, Science, and Transportation
United States Senate
512 Dirksen Senate Office Building
Washington, DC 20510

Dear Senator Wicker:

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Committee on Commerce, Science, and Transportation
United States Senate
624 Dirksen Senate Office Building
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