

## **FCC ADOPTS LANDMARK E-RATE MODERNIZATION ORDER TO BRING HIGH-SPEED WI-FI TO EVERY SCHOOL AND LIBRARY NATIONWIDE**

Today, the Federal Communications Commission adopted an E-rate Modernization Order that will expand Wi-Fi networks in schools and libraries across America. The new rules are the next major step in a comprehensive modernization of E-rate, the first such effort since the program's creation 18 years ago. The program increases focus on the largest and most urgent need—closing the Wi-Fi gap—while transitioning support away from legacy technologies to 21<sup>st</sup> Century broadband connectivity, ensuring E-rate money is spent smartly, and improving program administration. The reform will expand Wi-Fi to more than 10 million students in 2015 alone.

The Order and Further Notice of Proposed Rulemaking (FNPRM) adopted by the FCC accomplishes three major goals:

### **Closes the Wi-Fi Gap**

- Sets an annual funding target of \$1 billion for Wi-Fi while ensuring support continues to be available for broadband connectivity to schools and libraries.
- Directs at least \$1 billion in support for Wi-Fi for Funding Years 2015 and 2016 to connect over 10 million students and thousands of libraries each year by establishing reasonable budgets for applicants.
- Allows support for Wi-Fi purchased as a managed service and caching servers through the new internal connections funding mechanism
- Continued use of new Wi-Fi funding methodology after Funding Year 2016 will be evaluated as part of a review of the long-term funding needs of the program.
- Increases support targeted for Wi-Fi in rural school districts substantially – a nearly 75 percent increase; and targets a nearly 60 percent increase in urban and suburban districts.
- Begins a multi-year transition of all program funding to broadband, by gradually phasing down support for non-broadband services.
- Adopts clear broadband goals to measure overall program success, while maintaining local flexibility to determine the needs of individual schools and libraries.

### **Maximizes E-rate Spending**

- Incentivizes consortia and bulk purchasing.
- Increases transparency on how E-rate dollars are spent and on prices charged for E-rate services.

### **Makes the E-rate Administration and Application Processes Faster, Simpler, More Efficient**

- Streamlines the process for multi-year applications.
- Expedites process for small dollar, cost-effective applications.
- Speeds review of all applications.
- Moves to electronic filing of all documents.
- Simplifies discount calculations.
- Strengthens efforts to combat waste, fraud and abuse by toughening document retention and site inspection rules.

By taking action today, the Commission has ensured that the new E-rate rules will be in place in time to support Wi-Fi upgrades across the country beginning in the 2015-2016 school year.

### **The FNPRM Seeks Comment on:**

- Long-term program funding needs necessary to meet goals and funding targets established in the Order.
- Further steps to facilitate the use of cost-effective consortium-based purchasing.
- Alternative methodologies for allocating support for library Wi-Fi connectivity.

### **Building on Success**

Today's Order builds on the top-to-bottom administrative review of the E-rate program that was the first stage of Chairman Wheeler's comprehensive approach to modernization.

#### **This administrative review is already delivering huge dividends**

- More funds: The FCC identified \$2 billion that could be freed from existing reserve accounts and other sources over the next two years toward an initial down payment on broadband expansion. The \$2 billion for Wi-Fi over the next two years under today's Order comes from these reclaimed reserves.  
<http://www.fcc.gov/document/fcc-boost-investment-broadband-schools-libraries-2b>
- Faster processing: The FCC, working with the program administrator, USAC, has already doubled the pace with which E-rate applications are being processed, compared to any previous year in E-rate history.  
<http://www.fcc.gov/blog/managing-e-rate-maximize-benefits-schools-libraries>

### **Brings E-rate into the 21<sup>st</sup> Century**

**New digital learning technologies are opening new opportunities for students, teachers and library patrons.**

- In schools, emerging educational technology allows an increasingly interactive and individualized learning environment and expands school boundaries through distance learning applications.
- In libraries, high-speed broadband access provides patrons the ability to apply for jobs; interact with federal, state, local, and Tribal government agencies; engage in life-long learning; and stay in touch with friends and family.
- The plummeting costs of tablets and netbooks, increasing Wi-Fi speeds, and innovative cloud-based software are allowing this technological transformation of learning, much of which would have been impossible five years ago.

**But too many U.S. schools and libraries lack the infrastructure necessary to fully utilize today's learning technologies—particularly when it comes to Wi-Fi in the classroom.**

- Three out of five schools in America lack the Wi-Fi needed to deploy 21<sup>st</sup> Century educational tools.
- Half of school buildings have older, slower internal wiring that won't carry data at today's broadband speeds.