STATEMENT OF
COMMISSIONER JESSICA ROSENWORCEL
APPROVING IN PART, CONCURRING IN PART

Re: *Modernizing the E-Rate Program for Schools and Libraries*, WC Docket No. 13-184.

Today we start the process of rebooting, reinvigorating, and recharging the E-Rate program. E-Rate is the nation's largest education technology program. It has a proud history and if we do our part here at the Commission, I think it can have an even brighter future.

But before heading boldly into the future, let me take a moment to look back. I want to talk about back when I was in school.

When I went to school, there was only the blackboard. This was our common medium, our shared platform for knowledge. Introducing new ideas involved no graphics, gameification, or video. Just the swipe of an eraser and some dusty chalk.

There was also the mimeograph or ditto machine. Tests and math sets were printed out in blotchy purple ink. That ink had a smell that even today I would recognize in an instant.

There was also the great heft of biology textbooks and the stubby guides covering grammar. They weighed down your backpack and cluttered your locker. And beyond books, multimedia just meant grainy filmstrips with history reenactments that had really lousy production values.

So fast forward to the here and now. Clapping together erasers is a lost art that my school-aged children—blissfully—will never know. That purple ink has been replaced by the infinite capacity of digital distribution. And texts are being remade and rethought as tablets change the ways we access all forms of media and information—in schools, in libraries, and beyond.

In short, broadband and connected devices are changing every aspect of our lives. Because we live in an age of always-on connectivity. Increased broadband capacity and decreased costs of cloud computing are changing the ways we access and create content. So many of our social spaces are now virtual. And mobility means we can take the content with us wherever we go.

We are kidding ourselves if we believe that all of this change stops at the school doors. It does not. So if we are smart, we will let it in and wrestle with its real potential—and do good things. Because doing anything else will not prepare our students for the world they live in. Already 50 percent of jobs today require some digital skills. By the end of the decade, that number is going to be 77 percent. We do our students no favors when we strand schools, classrooms, and libraries in the industrial era. After all, we live in the digital age.

So we need an E-Rate program designed for the digital age. We need E-Rate 2.0.

The E-Rate program was launched 18 years ago. It was the brainchild of Senator Jay Rockefeller, Senator Olympia Snowe, and then Congressman, now Senator Ed Markey. Their work was visionary. Because at a time when Internet access meant no more than dial-up, they saw the future. They sought to connect all of our schools and libraries to the Internet. They understood that every student, no matter who they are or where they go to school, should have access to the bounty of the information age. They dreamed up the E-Rate and in the Telecommunications Act of 1996 they made it the law of the land.

Thanks to their good work, we now have more than 95 percent of classrooms in this country connected to the Internet. But the challenge is no longer connection, it's capacity. Because too many of our schools and libraries that rely on E-Rate—often in low-income and rural communities—access the Internet at speeds as low as 3 Megabits. That is lower than the broadband speed of the average American home, but with 200 times as many users! Think about what that means. It means too many schools do not have the capacity to offer high-definition streaming video. It means too many schools are unable to take advantage of the most innovative digital teaching tools. It means too many students are unable to develop the science, technology, engineering, and math—STEM—skills that are so essential to compete.

So how do we fix this? A year and a half ago I decided to get out of Washington and ask those on the frontlines in our nation's schools and libraries. I spoke with teachers, librarians, superintendents, school administrators, mayors, and state leaders from across the country—from Alaska to Arkansas, from Colorado to California, and countless places in between. Lots of different places, lots of different ways of doing things. But from every encounter the same message: E-Rate is essential. It can be the foundation for digital age opportunity, but needs a reboot for 21st century success. We need E-Rate 2.0.

To get there, I think we need to do three things. So here are the S's of E-Rate reform: speed, simplify, and spending smart. These are the criteria—and here are my thoughts on what we do today.

First, speed. If you are a school and want to run the most up-to-date educational software, you need high-speed, high-capacity broadband. To do this, we need goals. So today, I am pleased that we put them in place. In the near term, we want to have 100 Megabits per 1000 students to all of our schools. In the long term, we want to have 1 Gigabit per 1000 students to all of our schools. We also set targets for libraries that are on par with these goals.

I call these goals dream likely and then dream big. I think we can do it. And more than that, I think that if we adopt these capacity goals we will send a strong signal to educational markets. Because by making more bandwidth available at nationwide scale we can foster new opportunities for creative content, services, teaching tools, and devices—everywhere.

Plus, the spillover effect from bringing broadband to anchor institutions like schools and libraries is huge. Because simply bringing these kinds of speeds to schools makes it incrementally less expensive to deploy higher-speed broadband to the homes and businesses nearby.

Our Order today recognizes that to meet these goals, we are going to have to do things differently. That means that the Commission needs to collect better data from each of our applicants about what capacity they have and what capacity they need. That way we can fine tune our efforts over time to achieve our goals.

Today we also recognize that we have moved from a world where a connected computer lab down the hall is nice-to-have to a world where high-speed broadband to the classroom is need-to-have. As a result—and thanks to the Chairman—a centerpiece of our effort here involves Wi-Fi. Over the next two years, we will test out a new way to distribute funding for internal connections to support Wi-Fi connectivity in classrooms and libraries. This will support more individual device usage and help set our schools up for a new era of possibilities with one-to-one device learning. So bringing more Wi-Fi to schools and libraries is a good thing. However, I am mindful that any efforts to make Wi-Fi more broadly available cannot come at the expense of E-Rate funding that keeps schools and libraries connected to basic broadband. So I thank my colleagues for agreeing with me that all requests for connectivity to schools and libraries under Priority 1 or Category 1 will be honored before Wi-Fi funding is made available. This is important.

Second, simplify. The E-Rate program is too complicated. This is a program that can be about blazing a path for broadband in the digital age. So why does it have such a long and messy paper trail? It has become too difficult and expensive for schools and libraries to navigate our process, especially in the low-income and rural communities that are most in need. That is just not right.

But today we do something about it. We take steps to reduce the bureaucracy associated with E-Rate. We put in place a streamlined application process for multiyear contracts, we speed review of consortia applications, and we eliminate unnecessary requirements. This is good.

The last S—or two—is spending smart. We need to spend our limited E-Rate dollars intelligently. We do that today by increasing transparency so that applicants can make better purchasing decisions. We also take steps to encourage cost-effective purchasing through consortia and bulk buying. In addition, we cut and phase-out support for outdated services like paging in order to refocus the program on broadband.

But spending smart needs to go beyond these steps. We need to raise the E-Rate cap. At a minimum, we need to own up to the fact that inflation has cut the purchasing power of this program. The

E-Rate program was sized at $2.25 billion in annual support sixteen years ago. That was when less than one percent of American households had Internet access at any speed above dial-up. That was when gas was a dollar a gallon. It was a long time ago. All across the government, we index important programs to inflation—from Social Security to Medicare to Veterans Educational Assistance. There is nothing radical about this. We do it because it makes good sense to keep inflation from arbitrarily cutting the purchasing power of programs that matter. We should do it for E-Rate, too—because between when the cap was put in place and some adjustments were made in 2010, that is roughly $1 billion in missing support every year.

I would have preferred to fix this gap here and now, instead of leaving it for a Further Notice of Proposed Rulemaking. So on this aspect of today's decision, I concur.

I hope that going forward we will have the courage to fix this. I hope going forward we will be bold. Because this is not just a matter of getting schools and libraries connected—it's a matter of our global competitiveness. The world is flat. Knowledge, jobs, and capital will migrate to places where workers have digital age skills, especially those in STEM fields. We can't expect to compete if we educate the next generation with a support system frozen in the age of dial-up.

The rest of the world recognizes this—and other nations are leading the way when it comes to bringing broadband to schools. In South Korea, 100 percent of schools are wired with high-speed broadband. In fact, with so much capacity, an effort is underway in South Korea to transition all students from traditional textbooks to digital readers by 2016. In Estonia, all schools are connected and there is a nationwide effort to teach students as young as seven years old how to write code. In Uruguay, nearly all primary and secondary schools have been connected and every primary student has access to a free laptop. In Thailand, the government has established a one tablet per child policy in an effort to reduce the education gap between the nation's urban and rural children. By the end of next year, the government will have distributed devices to 13 million school children. Kazakhstan, too, is exploring how broadband can bring educational opportunities to its most rural villages. Meanwhile, the governments of China and India are exploring ways to bring one-to-one device learning to students through large scale purchasing at low cost. The list goes on.

Of course, we can suggest that these countries are different than the United States. They have different cultures. They have different education systems. But we can still take from these examples that improving broadband capacity must be a national priority.

So we are at a crossroads. We can let other nations outspend us, out educate us, and out achieve us. Or we can be courageous and do something about it. We can choose a future where all American students have the ability to gain the digital age skills they need to compete, no matter who they are, where they live, or where they go to school. As a policymaker—and a parent—I believe that is a future worth fighting for.

But back to today. We have taken a first step. We have done good things. Thank you to the work of so many in the education and library community for your commitment to the E-Rate program and your contribution to this proceeding. Thank you also to the Chairman for his laser-like focus on the power of Wi-Fi in our schools and libraries. We have more work ahead for E-Rate 2.0, but this is a terrific start.