

SCHOOLS AND LIBRARIES PROGRAM

NEWS BRIEF

December 12, 2014

Please continue to check the [E-rate Modernization Order web page](#) for links to additional information.

TIP OF THE WEEK: If your invoice deadline has passed and you need more time to prepare and submit your invoices, we strongly suggest that you [request an invoice deadline extension](#) before **December 18**. This applies to both invoice forms: the FCC Form 472, Billed Entity Applicant Reimbursement (BEAR) Form, and the FCC Form 474, Service Provider Invoice (SPI) Form.

Commitments for Funding Years 2014 and 2013

Funding Year 2014. USAC will release Funding Year (FY) 2014 Wave 32 Funding Commitment Decision Letters (FCDLs) on December 17. This wave includes commitments for approved Priority 1 (Telecommunications Services and Internet Access) requests at all discount levels. As of December 12, FY2014 commitments total over \$2.10 billion.

Funding Year 2013. USAC will release FY2013 Wave 77 FCDLs on December 18. This wave includes commitments for approved Priority 1 requests at all discount levels. As of December 12, FY2013 commitments total over \$2.13 billion.

On the day the FCDLs are mailed, you can check to see if you have a commitment by using USAC's [Automated Search of Commitments](#) tool.

FCC Approves Further Modernization of E-rate Program with Second Order

Yesterday the Federal Communications Commission (FCC) adopted a Second E-rate Modernization Order (Order) making more funding available for libraries and schools to purchase broadband connectivity capable of delivering gigabit service over the next five years. The Order also provides schools and libraries additional flexibility and options for purchasing broadband services to enable schools and libraries to meet their Internet capacity needs in the most cost-effective way possible.

The Order builds on action taken by the FCC in July to meet another critical need: robust Wi-Fi networks inside libraries and schools capable of supporting individualized learning. The July Order freed up funds for Wi-Fi through improved fiscal management and by ending or phasing out legacy services like paging and phone service. The July Order also increased program fairness by ensuring that all schools and libraries have equitable access to funding for Wi-Fi. And it strengthened the hand of educators in negotiations with service providers by requiring that prices and terms for E-rate subsidized services nationwide be posted transparently on the Internet.

The FCC's actions close the connectivity gap through continued efforts to lower the prices schools and libraries pay for connectivity, and by increasing the amount of support available for connections to the Internet, known as category one of the program. Based on a comprehensive record, the Order raises the spending cap on the E-rate program from the current \$2.4 billion to \$3.9 billion – the first reset of the cap since it was initially set at \$2.25 billion in 1997, an amount that wasn't adjusted for inflation until 2010.

By providing certainty about the future of E-rate funding, raising the cap enables schools and libraries to plan how best to upgrade their networks and at what pace. The Order also takes further steps to

improve the overall administration of the program and maximizes the options schools and libraries have for purchasing affordable high-speed broadband connectivity by:

- Suspending the requirement that applicants seek funding for large up front construction costs over several years, and allowing applicants to pay their share of one-time, up-front construction costs over multiple years.
- Equalizing the treatment of schools and libraries seeking support for dark fiber with those seeking support for lit fiber. Dark fiber leases allow the purchase of capacity without the service of transmitting data – lighting the fiber. Dark fiber can be an especially cost-effective option for smaller, rural districts.
- Allowing schools and libraries to build high-speed broadband facilities themselves when that is the most cost-effective option, subject to a number of safeguards.
- Providing an incentive for state support of last-mile broadband facilities through a match from E-rate of up to 10 percent of the cost of construction, with special consideration for Tribal schools.
- Requiring carriers that receive subsidies from the universal service program for rural areas – called the High Cost program – to offer high-speed broadband to schools and libraries located in geographic areas receiving those subsidies at rates reasonably comparable to similar services in urban areas.
- Increasing the certainty and predictability of funding for Wi-Fi by expanding the five-year budget approach to providing more equitable support for internal connections – known as category two – through funding year 2019.

For more information, please refer to the [full text of the News Release](#).

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