

June 21, 2019

Chairman Ajit Pai
Federal Communications Commission
445 12th Street, SW
Washington, DC 20054

Re: Notice of Proposed Rulemaking on Universal Service Contribution Methodology (WC Docket No. 06-122)

Dear Chairman Pai:

The Education and Library Networks Coalition (EdLiNC), which represents the public and private school and the public library beneficiaries of the E-rate Program, write to express deep concerns with the Federal Communications Commission's proposals to establish an overall cap on the Universal Service Fund (USF) and a sub-cap on the E-rate and Rural Health Care programs. EdLiNC believes the proposals will hurt schools and libraries and those who depend upon them for high-speed broadband access and recommends the Commission not move forward with this proceeding.

The E-rate is a program that works. Since 1998, the E-rate program has been an invaluable resource and enjoys bipartisan support. Designed to address need in underserved communities and rural America in an equitable way, the program has been successful in connecting nearly 100 percent of schools and libraries to the internet in every Congressional district in this country. Today the E-rate ensures those same schools and libraries stay connected with sufficient high-speed broadband to support 21st century teaching and learning and provide unfettered access to information and services.

The Commission's proposal to impose an overall cap on the USF will inevitably, if not immediately, lead to its programs competing for funds.¹ Conflict will arise when demand exceeds the collective USF cap and the Commission is forced to decide which programs merit funding. The Commission acknowledges in the Notice of Proposed Rulemaking (NPRM) itself that this is its intent – to “consider the consequences and tradeoffs of spending decisions for the overall fund...” We believe the Commission's adoption of such a rule change would prove disastrous; it would hamstring and pit against one another programs that are designed to provide broadband to rural schools and libraries, to rural hospitals and clinics, and to rural homes. This should not and cannot happen.

EdLiNC also strongly believes the Commission's proposal to merge the E-rate and Rural Health Care (RHC) programs by sub-capping their funds directly conflicts with the legislative intent of each program as established by the Telecommunications Act of 1996. Specifically, [Section](#)

¹ The four programs established as part of Universal Service to ensure that all Americans should have access to communications services include: 1) Connect America Fund (formerly known as High-Cost Support) for rural areas; 2) Lifeline for low-income consumers, including initiatives to expand service to residents of Tribal lands; 3) E-rate for schools and libraries; and, 4) Rural Health Care.

[254\(h\)](#) articulates two distinct programs for services – one for schools and libraries and another for health care for rural areas. Combining these two programs under a single spending cap *de facto* merges the programs financially, which will become abundantly clear when the funds hit the merged cap.² A plain reading of the statute clearly articulates that the bipartisan Congressional authors specifically intended for these two programs to exist separately. The Commission’s request for comment on “prioritizing the funding among the four universal service programs” flies in the face of the Congress’s legislative intent. Further, the Commission’s call for “prioritizations” and “tradeoffs” will not make funding decisions more “specific and predictable.” In fact, it would do the opposite.

EdLiNC has serious concerns that capping the USF and sub-capping the E-rate and Rural Health Care will sow confusion and create uncertainty for America’s schools, libraries and rural health care providers and discourage many of them from applying for support. While this will likely lead to providers paying a lower contribution factor or, as the Commission refers to it a “contribution burden,” the real burden of these proposed changes will be borne by students in our classrooms and patrons in our libraries who will lose access to the internet when E-rate support is no longer available. Many local service providers in our rural communities will also feel the burden of these proposed changes when they lose business because their schools and libraries can no longer afford broadband without their E-rate discounts.

Broadband and access to the internet are necessities in order to participate meaningfully in today’s 21st century global economy and to engage in a democratic society. The E-rate program has proven to be an invaluable resource to our schools and public libraries. Sub-capping the E-rate and Rural Health Care programs and universally capping the USF will hurt the very students and communities who depend upon it most and lead to a widening of the digital divide. EdLiNC strongly opposes the Commission’s universal service cap NPRM and urges the Commission to suspend consideration of the harmful proposals articulated within it.

Sincerely,
AASA, The School Superintendents Association
American Federation of Teachers
American Library Association
Association of Educational Service Agencies
Association of Latino Administrators and Superintendents
Association of School Business Officials International
Consortium for School Networking
International Society for Technology in Education
National Association of Elementary School Principals
National Association of Secondary School Principals
National Catholic Educational Association
National Education Association

² Universal Service funds are collected based on demand from applicants (i.e. need), not automatically to a cap. In FY2018, the E-rate cap was \$4.06 billion and demand was \$2.77 billion. RHC’s demand has “steadily increase(d)” since 2012 and is close to its recently adjusted cap of \$571 million; and the Connect America Fund demand is above its \$4.5 billion budget.

National Rural Education Association
National Rural Education Advocacy Consortium
National School Boards Association
State Educational Technology Directors Association
United States Conference of Catholic Bishops

cc: Commissioner Rosenworcel
Commissioner O'Rielly
Commissioner Carr
Commissioner Starks