Summary of ALA Comments to the FCC on E-rate Reforms
(January 2014)

In July 2013 the Federal Communications Commission (FCC) initiated the most comprehensive E-rate reform process since the program started in 1997. This effort, known as a Notice of Proposed Rulemaking (NPRM), asks over 600 questions on how the program can be improved.¹ In this notice, the FCC challenges the library and school communities to consider both granular changes and major restructuring to the program. In response, the ALA’s Washington Office submitted two sets of comments to the Commission, each more than 50 pages. By necessity this summary offers just a high-level overview of ALA’s comments.²

The E-rate is the federal government’s largest education and library technology program. Its importance is reflected in this initial statement ALA made in its comments to the FCC:

The E-rate program is the engine powering much of the digital transformation underway in America’s 16,417 public library buildings. The potential of our internet-enabled economy to overcome barriers of geography and limited financial resources is vast, but libraries and schools—our most vital community institutions dedicated to education and learning inside and outside the classroom—are in danger of falling behind.

More than 60% of public libraries report they are the only providers of free access to computers and the Internet in their communities. Unfortunately, the average U.S. library has about the same bandwidth as the average U.S. home—while supporting multiples of public computers, patron WiFi-enabled devices and a growing range of digital content and internet-enabled services from ebooks to interactive homework help. Libraries need high-capacity connections to meet 21st century community needs, and the E-rate is a critical program to address this need.

As part of the E-rate reform process, the FCC proposes three goals for the program:

1. **Increase Broadband Capacity and Affordability.** The notice seeks comments on focusing E-rate funds to support high-capacity broadband including simplifying rules and prioritizing funding for fiber deployment, phasing out support for legacy services, and ensuring funding for high-speed Wi-Fi networks in our libraries and schools.

2. **Maximize Cost-Effective Purchasing.** The rulemaking seeks comments on increasing consortium purchasing and bulk buying opportunities and improving the competitive bidding process to lower prices for E-rate eligible services.

3. **Streamline Program Administration.** The notice seeks comments on speeding review of E-rate applications, streamlining the electronic filing system, simplifying the eligible services list, and adopting more efficient ways to disburse funds.

In support of the above goals, the ALA made the following recommendations to the FCC:

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²Interested parties are encouraged to review the association’s complete comments, which are linked at http://www.ala.org/offices/oitp/publications/officialfilings/officialfilings.
ALA recommendations on goal 1: Increase Broadband Capacity and Affordability.

- Increase E-rate funding to jumpstart and sustain high-capacity broadband connections. The current funding cap ($2.3 billion) consistently falls far short of meeting demand, and technology trends show broadband needs and costs are growing. To address this, ALA proposes a two-pronged approach: (1) Develop a new, temporary fund for the build-out of high-capacity broadband networks and provide more support for libraries with the lowest levels of broadband capacity; and (2) Make a permanent increase in the funding cap. An increase is clearly justified and is a sound investment for the country.
- Lower barriers to deploy dark and lit fiber and ownership of wide area networks when they are the most cost-effective ways to deliver high-capacity broadband. ALA affirms that libraries and schools should determine the most cost-effective broadband technology solution within a reasonable return on investment (ROI) timeframe. When cost effective, the Commission should encourage libraries and schools to participate in consortium broadband networks.
- In cooperation with the library and school communities, the FCC should develop scalable bandwidth targets and benchmarks for measuring the progress of this goal. ALA recommends looking to the newly developed Edge public access technology benchmarks and the National Broadband Plan to help develop broadband targets for libraries. We also suggest that any FCC broadband benchmarks must accommodate local differences, and thus we oppose “one size fits all” mandates or burdensome metrics that run counter to the streamlining goal.

ALA recommendations on goal 2: Maximize Cost-Effective Purchasing.

- Because some libraries rely on basic services, like voice telephone service, the elimination of any currently E-rate eligible services should be phased-in over several years.
- E-Rate related purchasing data should be made available to the public for analysis. Such data can offer purchasing guidance—like showing service provider rates—and will be especially useful in addressing cost effectiveness issues.
- The FCC should actively enforce its Lowest Corresponding Price (LCP) rule. For example, a LCP review should be made whenever a provider’s bid for broadband services is above a certain threshold.

ALA recommendations on goal 3: Streamline Administration of the E-rate Program.

- Speed the application review process. One of the most frustrating aspects of the E-rate program is that many applicants are not notified that their application has been funded (or not) by the start of the funding year. Ways to address this include replacing E-rate program procurement rules with those of the applicable locality or state and providing expedited review of applicants requesting modest funding (e.g., $5,000).
- Allow applicants to receive their E-rate funds directly from the program administrator. Currently the administrator pays the provider, who then pays the applicant. This convoluted process introduces needless complexity and problems.
- Do not add unnecessary complexity and reporting requirements as a result of the current NPRM. Unfortunately, the FCC has proposed some new rules and regulations that contradict its streamlining goal. The ALA opposes, for example, proposals to develop new requirements when applicants receive no bids from service providers, and to require applicants to use all of the functions in an E-rate supported service.

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The ALA comments on this FCC E-rate reform effort are part of a long-standing commitment the Washington Office has made to represent the interests of our nation’s public libraries in relation to this critical program. We will continue to advocate for E-rate reforms to benefit libraries and the communities they serve. E-rate related questions should be directed to Marijke Visser (mvisser@alawash.org), Assistant Director, ALA Office for Information Technology Policy.