



OFFICE OF  
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

August 11, 2014

The Honorable Bob Goodlatte  
U.S. House of Representatives  
2309 Rayburn House Office Building  
Washington, D.C. 20515

Dear Congressman Goodlatte:

Thank you for your letter expressing concerns about modernizing the E-rate program. In your letter, you urge the Commission to continue funding web hosting as a priority one service within the E-rate program and raise concerns that adopting a single flat rate of E-rate funding per student or per square foot may disadvantage rural school and libraries. Your views are very important and will be included in the record of the proceeding and considered as part of the Commission's review.

Schools need broadband connectivity to take advantage of digital learning technologies, and libraries need to provide their patrons with high-speed access to the Internet. The E-rate program is critical to ensure that our nation's schools and libraries can meet their connectivity needs. I recognize the E-rate program has previously supported a variety of services, such as web hosting. However, I firmly believe that, in order to meet educational needs, the E-rate program must place a priority on ensuring that every school in America has a high-speed broadband connection and high-speed Wi-Fi in every classroom. Unfortunately, meeting that goal has meant redirecting funds previously spent on other activities, such as web hosting.

The *E-Rate Modernization Order* adopted by the Commission at our July Open Meeting takes significant steps to address the Wi-Fi gap in America's schools today. Given that 40 percent of classrooms are not currently Wi-Fi-enabled, and nearly two-thirds of schools indicate that they do not have sufficient Wi-Fi capacity to meet their digital learning needs, it is critically important that we focus our limited program resources on connectivity, not just to the school or library, but to the student or library patron. The *Order* funds this support for Wi-Fi through the combination of funds already available for this purpose and by utilizing savings associated with transitioning support from non-broadband services to broadband.

With respect to your concerns on per-student funding, the *Order* establishes a multi-year budget for internal connections services, such as Wi-Fi, that will serve our goal of ensuring affordable access to high-speed broadband for schools and libraries as we continue to evaluate long-term program needs. Over the next two funding years, schools will be eligible for E-rate funding on purchases of up to \$150 (pre-discount) per student. Similarly, libraries may request E-rate support of up to \$2.30 (pre-discount) per square foot for internal connections services over a five-year period, consistent with a recommendation by the American Library Association and data submitted by numerous individual library systems. To ensure these budgets are sufficient to

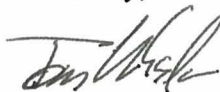
meet the minimum demand that certain schools and libraries might have regardless of size, the *Order* establishes a pre-discount funding floor of \$9,200 for each school or library. These figures were based on the best available data to the Commission and will continue to be assessed over time. The accompanying *Further Notice of Proposed Rulemaking* seeks further comment on the per-square foot and per-student budgets for support of internal connections.

I understand fully your concern and agree that web hosting services can be a valuable tool for school districts. The issue we face is how best to prioritize E-rate dollars so that all schools have the underlying broadband connectivity necessary for students and teachers to take advantage of the growing universe of available digital learning tools, as well as so libraries can serve their communities. Simply put, if broadband is the priority, then too many funds were being spent on non-broadband activities.

E-rate modernization is one of the most important issues before the Commission today. We have an opportunity to make a real, positive difference in the lives of millions of students. I look forward to working with you and your colleagues toward our mutual goal of increased access to high-speed broadband in our nation's schools.

Thank you again for your interest in this important matter. Please do not hesitate to contact me if you have any further concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Wheeler", written in a cursive style.

Tom Wheeler