

**FCC Local State Government Advisory Committee
Advisory Recommendation No. 16**

Universal Service for Schools and Libraries (e-rate)

At its May 7, 1999 meeting, the Local and State Government Advisory Committee "LSGAC" considered the status of the Universal Service program for schools and libraries, or the e-rate, program. This program provides discounts for schools and libraries to gain affordable access to the Internet.

During the 1998/99 funding cycle, the e-rate provided \$1.67 billion in funds to 25,785 schools and libraries. Currently, the FCC has received over 34,000 applications seeking \$2.435 billion for the 1999/2000 funding cycle. The Commission is determining how much money should be made available for funding the e-rate up to the established cap of \$2.25 billion.

Members of the LSGAC see firsthand the results of this program; it is clearly working in their communities. In urban, suburban and rural settings alike, schools and libraries are making good use of e-rate funds to provide service for students, faculty and the community at large. Like any new federal initiative, this program has experienced start-up delays, but it is working. Local and state government entities have partnered with the federal initiative in this effort, devoting staff and training time. Applicants have learned how to access the funds, and while the results at the local level after just the first round are impressive, more remains to be done. The program deserves the full support of the Commission.

We are concerned that the digital divide in this country is growing. The e-rate is making a very concrete difference in our communities. It should be supported and expanded.

RECOMMENDATIONS:

1. The Federal Communications Commission should fully fund the e-rate program up to the \$2.25 billion cap.
2. The Federal Communications Commission should explore strategies to assist with the \$215 million in funding requests that exceed the current cap.
3. The Commission should continue to prioritize funding, with those most in need receiving priority status.

Adopted by the LSGAC this 24th day of May, 1999.

Kenneth S. Fellman
Chairman