



June 22, 2012

Marlene Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: WC Docket No. 11-42, WC Docket No. 03-109, CC Docket No. 96-45, WC Docket No. 12-23

Dear Ms. Dortch:

On June 21, 2012, the following members of the Education and Libraries Networks Coalition (EdLiNC) met with Commissioner Pai and Nicholas Degani to discuss overarching issues relating to the composition and administration of the E-Rate program as well as the Digital Literacy pilot portion of the Lifeline Further Notice of Proposed Rulemaking (FNPRM):

Jon Bernstein and Whitney Silverman, representing the International Society for Technology in Education and the Consortium for School Networking;
Corey Williams of the American Library Association; and
Noelle Ellerson of the American Association of School Administrators.

EdLiNC expressed its support for the FCC making digital literacy a priority. However, we stated that we neither supported using E-Rate funds to support digital literacy training nor operating a digital literacy pilot through the E-Rate program nor using the statutory language that created the E-rate as authority for creating a digital literacy program. Regarding using E-Rate funding, we indicated that the E-Rate program is currently significantly oversubscribed and cannot afford to fund any other services no matter how meritorious. On the subject of using the E-rate to administer a digital literacy program, we drew attention to: the likely E-rate application and appeal processing delays that would result from USAC taking on a new program; the impossibility of auditing whether digital literacy grant funds had been used appropriately; and the negative precedent that would result from altering the E-rate's eligible services list to accommodate the non-telecommunications services that the digital literacy grants would need to cover.

EdLiNC indicated, though, that its number one concern was the E-rate program's oversubscription. We discussed the recent Program Year 2012 E-Rate demand letter from USAC, which stated overall demand at \$5.237 billion and calculated a 21.5% increase over last year. We noted that with a funding year 2012 cap of about \$2.34 billion and only approximately \$400 million in rollover funds available, the E-Rate program is in danger of not being able to fully fund Priority II requests at even the 90% discount level. We indicated that our number one priority was to increase the program's cap, which has remained largely stagnant for the past 14 years (with the exception of a recent change that allows for annual adjustments for inflation) as demand for bandwidth has skyrocketed. We also indicated a willingness to consider – along with a cap increase – various options to fortify the program.

Sincerely,

Jon Bernstein
President
Bernstein Strategy Group