



June 29, 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 29, 2012, the following members of the Education and Libraries Networks Coalition (EdLiNC) met with Commissioner Rosenworcel and Priscilla Argeris 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, representing the International Society for Technology in Education and the Consortium for School Networking;
Marijke Visser of the American Library Association;
Lucy Gettman of the National School Boards 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.

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 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 also indicated a willingness to consider – along with a cap increase – various options to fortify the program in the short and long terms.

Finally, we discussed the need for more clarification from the Commission on the application of the Federal Gift Rules to the E-rate program, particularly as they pertain to sponsorships by E-rate providers of non-profit organizations of which E-rate applicant entities and their employees are members.

Sincerely,

Jon Bernstein
President
Bernstein Strategy Group