



July 12, 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 11, 2012, the following members of the Education and Libraries Networks Coalition (EdLiNC) met with Trent Harkrader, Lisa Hone and Regina Brown of the Wireline Bureau to discuss issues relating to the E-Rate program:

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;
Lucy Gettman of the National School Boards Association;
Noelle Ellerson of the American Association of School Administrators; and
Hilary Goldmann of the International Society for Technology in Education.

During the meeting, EdLiNC discussed short and long term strategies to deal with the funding crunch impacting the E-Rate program. In the short term, it appears that the Universal Service Administrative Company has found sufficient funds in its reserve accounts that, when added to existing funds, will allow 90% eligible applicants to receive support for their internal connections requests this year, without resorting to pro rating. EdLiNC was pleased with this apparent resolution to this year's funding crisis.

In terms of subsequent years, EdLiNC expressed deep concerns that demand on the fund would continue to escalate based on past demand trends and escalating bandwidth needs engendered by the exploding growth in the use of mobile and wireless devices and services in classes and libraries. EdLiNC indicated that the very same funding crunch that impacted the program this year would likely reoccur next year and in succeeding years and that steps must be taken to ensure that the Commission and USAC are prepared to meet that demand.

EdLiNC stated that, because of the continuing demand pressures on the program, its 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) even as demand for bandwidth has skyrocketed. While some cost savings could be realized through eliminating particular services, changing the discount matrix or in other ways, any major structural changes to the program will fall far short of freeing up enough funds to meet current and expected demand. Therefore, while EdLiNC indicated a willingness to consider program changes, it stated clearly that increasing the E-Rate's cap was a critical change that the Commission must consider.

EdLiNC also discussed the status of the Digital Literacy program in the Lifeline proceeding. EdLiNC continues to view digital literacy as important but cannot support any proposals to establish a digital literacy program that uses E-Rate funds, that is operated through E-Rate, or whose authority is premised on statutory language that established E-Rate.

Finally, EdLiNC expressed concern about the recent revelations in the media regarding the alleged failure of certain telecommunications vendors to provide applicants with the lowest corresponding price, as required by the E-Rate program's rules.

Sincerely,

Jon Bernstein
President
Bernstein Strategy Group