

June 11, 2013

The Honorable Mignon Clyburn
Acting Chairwoman
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Dear Acting Chairwoman Clyburn:

President Obama's announcement last week of a plan to connect all American schools to the digital age is an important and worthy goal that I strongly encourage the Federal Communications Commission to act expeditiously to implement. The plan, known as the ConnectED initiative, calls for connecting 99 percent of America's students to the Internet through high-speed broadband in schools and libraries over the next five years. While other federal agencies will undoubtedly have a role to play in making this initiative a reality, the bulk of the responsibility for funding this endeavor will likely fall to the FCC because of the flexibility provided by the Universal Service Fund (USF).

I fully support the President's objective, and I urge the Commission to utilize potential savings from other USF-funded programs to achieve it. Specifically, I urge the Commission to eliminate the USF-funded Lifeline program and redirect the savings realized toward expanding the existing E-Rate program in order to fund the ConnectED initiative.

Lifeline, which provides a discount on phone service for qualifying low-income consumers, cost \$2.2 billion in 2012. The program currently accounts for approximately 25 percent of total USF disbursements. Redirecting those funds to the ConnectED initiative could provide approximately \$10 billion over the next five years to bring virtually every American school and library into the 21st century. Combined with any additional savings that can be realized through further reforms to the High-Cost Fund, the Commission can provide real results for students, teachers and communities across the country, while placing little if any additional cost on the American public.

The Commission's efforts, through the 2012 Lifeline reform order, to address some of the problems identified with the Lifeline program are commendable but I remain concerned with the waste, fraud, and abuse still occurring in the program; the ability of the Commission to ever adequately address those problems; and expansion of the program to include a wireless broadband pilot program. Most importantly, I have serious questions about the continued need for a federal program to subsidize basic phone service at a time when wireless and wireline service are more affordable than ever.

Meanwhile, current annual demand from schools and libraries for the E-Rate program is double current available resources. E-Rate, which since 1997 has provided USF support for Internet connections in schools and libraries, is the most likely source of funding for the new ConnectED initiative.

In evaluating our nation's telecommunications priorities, putting high-speed Internet in every American school has to be at the top of the list. Our students and our economy compete best when our classrooms are equipped with the tools required to produce graduates trained for the jobs of today and tomorrow. Technological literacy is just as important for today's students and their future success as reading, writing and math.

Too often Washington is quick to create programs but then fails to reevaluate those programs in future years to ensure they remain needed. Lifeline served an important purpose in helping to ensure that in the uncertainty of deregulation of the telecommunications industry in the 1980s, low-income Americans would have reliable access to basic telecommunications services. Today, with robust competition in the telecommunications market, it's time to reevaluate the need for a subsidy for low-income Americans to access phone service. I urge the Commission to do just that, and believe the Commission will conclude that the subsidy is no longer appropriate, thereby allowing the Commission to redirect the resources of the Lifeline program to E-Rate in order to fund the ConnectED initiative, a program that makes sense for the telecommunications needs of today.

Sincerely,



Claire McCaskill
United States Senator

Cc: The Honorable Jessica Rosenworcel, Commissioner
The Honorable Ajit Pai, Commissioner