

American Library Association
Office of Government Relations
National Library Legislative Day
May 1 and 2, 2006

TELECOMMUNICATIONS ISSUE BRIEF
E-rate, Universal Service and Net Neutrality

Telecommunications—the current congressional atmosphere

The current legislative battle is over the soul of the Internet and who will control it and benefit from the build-out of advanced broadband services. In 2005 Congressional leaders announced that the Telecom. Act of 1996, including the universal service & E-rate sections, would be reformed during this current congressional session. At first proponents wanted a fast paced, comprehensive & bipartisan process. Such expectations have now been drastically rolled back after bipartisan discussions broke down in the House Commerce & Energy Committee. Now many new bills have been introduced in piecemeal fashion in the House & the Senate and the reform process could take several congressional sessions.

The principle of equitable access to affordable telecommunications services for all communities and types of libraries guides ALA's positions on telecommunications legislation. ALA analyzes any proposal on how it may affect libraries' access to universal and affordable advanced telecommunications services and promotes the national goal of broadband deployment for all.

At this time there are over two dozen telecommunications bills in the House and Senate and additional telecom proposals are being introduced almost every week.

E-rate and Universal Service

Background: The E-rate telecommunications discounts and the entire universal service fund (USF) program remain under scrutiny with troubling legislative and political threats. The E-rate has helped thousands of needy schools and libraries bring essential telecommunications services to students and communities—and these schools and libraries are still in need of e-rate funds to sustain and improve telecommunications services. The Universal Service Fund must be modernized to bring in new telecommunications service providers as contributors. [Note: since the E-rate program is capped at \$2.25 billion annually, there is no increased demand on USF participants.]

The E-rate continues to serve communities but the program's long-term stability must be assured by passing a permanent exemption from compliance with government accounting rules under the Anti-Deficiency Act (ADA). These requirements forced a freeze on the distribution of E-rate funds for several months in 2004. In 2005, for the second year in a row, Congress passed a one-year exemption from ADA.

Congressional Message: Thank you for maintaining the E-rate and other USF programs. Bring stability to the USF by passing S. 241 and H.R. 2533 now. These bills provide a permanent exemption from the ADA requirements and assure that e-rate funding is not further disrupted causing cash flow problems for libraries and schools and creating the lack of certainty for local long term technology planning and budgeting.

Without the E-rate, public and school libraries could not afford advanced telecommunications services to meet the demands of library users in all types of communities. These discounts have provided well over \$500 million to public libraries over the eight-year life of the program. A total of over \$16.8 billion in discounts have been committed to libraries and public and private schools, including school library media centers.

For those who do not have computers at home, work or school, public libraries are the number one source for Internet access. Without the e-rate, public libraries that cannot afford the ongoing costs of telecommunications connectivity will be unable to provide communities with public access to the Internet and other digital information. Today's need for increased bandwidth to provide access to the needed resources makes the E-rate program even more critical to users today than when the program was first introduced.

Those who allege that the E-rate program is not necessary should visit America's public libraries and see for themselves the benefits of the program and the significant benefit to communities the E-rate provides. Abuse of the E-rate program --by a very small percentage of schools--should be vigorously investigated and prosecuted.

SENATORS: Please cosponsor and pass S. 241.

REPRESENTATIVES: Pass H.R. 2533 to provide a permanent ADA exemption to the E-rate program. Cosponsor and support H.R. 5072, the Universal Service Reform Act of 2006, sponsored by Reps. Terry and Boucher.

Network Neutrality

Background: The Internet developed as a network of wide-open spaces with little regulation and so libraries can easily access and provide digital information, traditional library materials, web sites, and other digital tools to better serve library users. Thus far, 'net neutrality' has prevented ISP-gatekeepers from blocking or discriminating against smaller, less popular or less lucrative providers. ALA asks for this neutrality to be maintained. Diverse sources of Internet content should not be marginalized by allowing ISPs to create a tiered system.

The Issue: ALA supports the concept of net neutrality that keeps an open and unregulated Internet where all information providers have equal access to distribute their products via the Internet. Net neutrality should NOT allow ISPs to charge more to some information providers for the same pipes while putting "lesser" providers in slower lanes

of the Internet. While subscribers pay different rates for DSL vs. T-1 lines, all are able to access the Internet equally without ISPs serving as gatekeepers for the content going out to the Internet.

If the nation's largest telephone and cable companies are allowed to limit the fastest services to those who can pay their higher tolls, the rest of us — libraries, schools, colleges, non-profit groups, small businesses, information providers, independent publications and bloggers --could be blocked from digital-age benefits and innovations.

The Message: Network neutrality legislation is civil rights for the Internet. ISPs should not be able to create fast lanes for wealthy or preferred content providers while others are put in slower lanes. Some content providers could receive preferential access to consumers and library users while denying or slowing down access to other sources of information, especially for public, school and academic library services or other educational and nonprofit uses. We must assure that all providers and users of information on the Internet have equal access.

SENATE: Support and cosponsor bill S. 2360, the “Internet Non-Discrimination Act of 2006”, introduced by Senator Ron Wyden, (D-OR.) Senators Olympia Snowe (R-ME) and Byron Dorgan (D-ND) have also introduced a net neutrality bill although there is no bill number at this writing.

HOUSE: Ask representatives to champion network neutrality in House telecommunications reform legislation. Proposals, such as one recently offered as an amendment sponsored by Reps. Ed Markey (D-MA), Rick Boucher (D-VA), Anna Eshoo (D-CA) and Jay Inslee (D-WA) to the “C.O.P.E.” bill should be included in final legislation.

Communications Opportunity, Promotion, and Enhancement Act of 2006

At this writing, there is no bill number for the Communications Opportunity, Promotion, and Enhancement Act of 2006. The “C.O.P.E.” proposal, authored by House Energy and Commerce Committee Chairman Joe Barton, R-Texas, and U.S. Rep. Bobby Rush, D-Ill., proposes fines of up to \$500,000 per incident to discourage broadband Internet providers from trying to get a leg up on their competition by blocking lawful Internet content or applications. However, ALA continues to press for stronger net neutrality legislation.