

ALA American Library Association

**To: The Universal Service Fund Working Group
Senators Luján, Thune, Klobuchar, Capito, Peters, and Moran**

**Re: Responses of the American Library Association (ALA) to the
Universal Service Fund (USF) Working Group Request for Comment**

Honorable USF Working Group Senators,

The American Library Association (ALA) thanks you for inviting comments on the future of the USF. ALA is the foremost national organization providing resources to inspire library and information professionals to transform their communities through essential programs and services. For more than 140 years, ALA has been the trusted voice for academic, public, school, government, and special libraries, advocating for the profession and the library's role in enhancing learning and ensuring access to information for all.

Universal service “is the principle that all Americans should have access to communications services.” The Telecommunications Act of 1996 expanded service to include “increased access to both telecommunications and advanced services – such as high-speed Internet – for all consumers, including our libraries and K-12 schools, at just, reasonable and affordable rates.”¹ This principle aligns with ALA and library core values.

ALA believes broadband is a basic human right and actively advocates for policies and funding that enable libraries to help achieve universal broadband access and adoption.² Everyone should have access to affordable, reliable, high-speed internet access, the necessary devices, and the technology skills to thrive in the digital economy. The USF is one of the nation's most critical broadband connectivity programs and is instrumental in connecting rural communities, low-income families, libraries, schools, and rural health care facilities to the internet.

Despite progress over the past 25 years, the pandemic laid bare persistent digital divides. Congress rightly worked to address these gaps with additional needed programs to make major inroads in broadband access and inclusion. These programs include the U.S. Department of the Treasury Capital Projects Fund and the Infrastructure Investment and Jobs Act (IIJA), which includes \$65 billion to help ensure that every American has access to reliable, affordable, high-

¹ FCC Universal Service. <https://www.fcc.gov/general/universal-service>

² ALA. *Resolution in Support of Broadband as a Human Right*.

<https://www.ala.org/aboutala/sites/ala.org/aboutala/files/content/Resolution%20in%20Support%20of%20Broadband%20as%20a%20Human%20Right%20FINAL.pdf>

speed internet and programs to promote and support digital equity and inclusion. In addition, the Emergency Connectivity Fund (ECF) was a critical pandemic-related program to help libraries and schools address the broadband connectivity needs of patrons and students.

These programs have certainly increased internet access to unconnected and underconnected communities, but it is unlikely the temporary infusion of funding will bridge all connectivity gaps. Ensuring universal service will continue to be essential for American competitiveness, innovation, and equity. The USF will be an essential funding tool to ensure that the programs created to expand broadband infrastructure continues to provide essential broadband services in the future. Broadband networks do not run and maintain themselves. Ongoing support is required for people and equipment to upgrade, maintain, and protect the network to ensure that it is universally available and secure.

As the members of the USF Working Group explore the state of Universal Service, we first want to recognize the leadership and service provided by the Federal Communications Commission (FCC). Its Chairwoman, Commissioners, and staff work diligently to advance broadband access for all and address the will of Congress as expressed in the Telecommunications Act of 1996.

This work is not done. To be successful in the future, ALA recommends:

1. A sustainable funding model be created to ensure that the USF can continue to support its programmatic goals today and new programs to further its goals in the future.
2. That any reforms put in place to reduce inefficiencies, waste, fraud, and abuse do not add undue administrative burden on those organizations and individuals that need USF program support the most.
3. The Affordable Connectivity Program (ACP) is continuously supported as an FCC program enabling internet access for low-income Americans. Integrating it within the USF would provide stability and sustainable continuity to address a leading barrier to broadband access.
4. Specific E-rate enhancements be made to ensure libraries and schools can continue to serve their communities' needs through this program.
5. Leverage the USF to increase digital opportunity. Access is not enough. Support programs that reduce barriers and increase broadband adoption to enable true universal service for residents. Affordability and lack of digital skills, for instance, are key barriers to meaningful broadband access and sustainable adoption.
6. Congress and federal agencies must continue to look toward and plan for the future. Just as universal service has shifted from phone to broadband, we cannot predict the future of communications technologies. History tells us that whatever comes next will have a "long tail" separating a vanguard with the financial and technical resources to adopt early from those lagging furthest behind because of lower incomes, remote geography, less education or training, or other barriers.

1) How should Congress and the Commission evaluate the effectiveness of the existing USF programs in achieving universal service goals for broadband?

The Telecommunications Act of 1996 includes a set of principles “to guide universal service policy and achieve universal service goals: promote the availability of quality services at just, reasonable, and affordable rates for all consumers; increase nationwide access to advanced telecommunications services; advance the availability of such services to all consumers, including those in low income, rural, insular, and high-cost areas, at rates that are reasonably comparable to those charged in urban areas; increase access to telecommunications and advanced services in schools, libraries, and rural health care facilities; and provide equitable and non-discriminatory contributions from all providers of telecommunications services to the Universal Service Fund (USF), which supports universal service programs.”³

Importantly, the principles are timeless in how they speak to quality, reasonableness, advanced services, and equity. They do not preference specific technologies or sectors in ways that could limit flexibility or stymy innovation. Any evaluation should be built on and reflect these principles.

Of particular interest to ALA is E-rate; it has been instrumental in helping eligible schools and libraries provide essential broadband services to communities prioritized in the USF, including rural communities and low-income families. The level of benefit for E-Rate is based on the level of poverty and whether the school or library is in an urban or rural area.⁴ Processes are in place to ensure funding is prioritized “based on greatest need, as determined by poverty level.”⁵

Based on the goals of the Telecommunications Act of 1996, potential evaluation metrics for the E-rate program include:

1. To understand the reach and adoption of the program by eligible entities:
 - a. Compare the number of eligible entities vs. the number of entities who have applied for and received E-Rate funding. This should be done at the individual location level and not at the library system, school district, or consortium level. Measuring each physical location/campus on its own will ensure greater accuracy in identifying which specific locations are not meeting its broadband needs.
 - i. Overall
 - ii. Breakdown by libraries serving the following populations:
 1. Pop 100,000 or more
 2. Pop 50,000 – 99,999
 3. Pop 25,000 – 49,999
 4. Pop 5,000 – 24,999

³ Congressional Research Services. *The Future of the Universal Service Fund and Related Broadband Programs*. July 11, 2023, page ii. <https://crsreports.congress.gov/product/pdf/R/R47621>

⁴ Ibid. page 7.

⁵ FCC. E-Rate: *Universal Service Program for Schools and Libraries*.

<https://www.fcc.gov/consumers/guides/universal-service-program-schools-and-libraries-e-rate>

5. Pop under 5,000
- iii. Breakdown by libraries in the following location types:
 1. Urban
 2. Suburban
 3. Town
 4. Rural
2. To understand the costs of broadband services and equipment and their “reasonable comparability,” measure the cost of broadband access and equipment using data from the Universal Service Administrative Company (USAC) Open Data⁶ portal:
 - a. Overall
 - b. By population size
 - c. Breakdown by location types
3. To understand the extent to which the program is supporting high-speed internet access, track the connection types and available bandwidth.
 - a. Overall
 - b. By population size
 - c. Breakdown by location types
4. To measure the effectiveness of USAC’s management, identify points in the application process that are barriers to successfully completing a funding request, ensuring there is a base level of customer service care, tools, and processes following universal design principles, etc.
 - a. The number of eligible applicants who apply for E-rate but abandon the application process before it is completed. As an example, an applicant who received a funding commitment but did not submit an invoice.
 - i. Overall
 - ii. Breakdown by Category 1 and Category 2 applications
 - iii. At which point in the application process does the applicant cease to follow through?
 - b. Percentage of eligible applicants who applied year over year vs. eligible applicants who have applied in the previous year but not the current year.
 - c. Percentage of eligible applicants who are approved but do not invoice.
 - d. Average time for USAC to complete the review process by posting the Funding Commitment Decision Letter (FCDL)
 - e. Track the average time it takes for a customer question to be answered by phone and via the online portal.
 - f. Track the customer service questionnaire responses from the call center for customer satisfaction trends.

⁶ <https://opendata.usac.org/>

- g. Track customer inquiries with the portal to review USAC responses and ensure responses are consistently aligning with USAC best practices and procedures.

A summary of some, all, or other additional information should be published regularly so key stakeholders can track progress in USF programs.

While quantitative analysis is an important part of program evaluation, it should not be the only way the USF is evaluated. Qualitative analysis, including interviews, meetings, focus groups, surveys, requests for comments/rule making, etc., should also be tools that the FCC continues to use to assess the effectiveness of each program and explore ways in which the program can adapt to meet its goals.

When it comes to E-rate, the FCC and the USAC have reached out to local, state, and national stakeholders like E-rate coordinators, State Librarians, and other library representatives from organizations like ALA, Association of Tribal Archives Libraries and Museums (ATALM), Association of Rural and Small Libraries (ARSL), Chief Officers of State Library Agencies (COSLA), Urban Library Council, to name a few. The public record of this engagement is robust, and ALA deeply appreciates the collaboration and focus on improving communications access for all living in the United States.

2) To what extent have the existing USF programs been effective in carrying out section 254 of the Communications Act of 1994?

E-rate has played a pivotal role in helping eligible libraries and schools connect users to the internet since its inception in 1996. ALA knows this in part through decades of collaboration with library researchers and national field surveys of public libraries and the internet that continue in some form to this day. An excerpt from a 1997 report speaks to the changing nature of quality of access and universal service in a library context: "Existing policy definitions of universal service fail to differentiate between requirements for first providing access (connectivity), and then, determining what, if any, services should be made universally available. Furthermore, they often fail to recognize that providing access, say a 56kbps line to a local public library, may still not provide appropriate services from the public library if, in fact, that 56kbps line has 22 public access workstations on it. Furthermore, access to information resources is not provision of networked services. National goals related to "connectivity" alone may be short-sighted. NII⁷ goals to provide a range of government services (United States Advisory Council on the National Information Infrastructure, 1996) to the public will require better connectivity at public libraries than 28.8kbps modems."⁸

The 2020 Public Library Technology Survey tells us library internet download speeds are increasingly common at 100MBps or 1Gbps, but 17% of single-outlet libraries and 27% of

⁷ National Information Infrastructure

⁸ Bertot, John Carlo, Charles R. McClure and Patricia Diamond Fletcher. The 1997 National Survey of U.S. Public Libraries and the Internet: Final Report. (December 1997), page 13.

<https://ii.fsu.edu/sites/g/files/imported/storage/original/application/4fc15e159c5f528af012571eed5aa3e1.pdf>

multiple-outlet libraries reported having at least one library location with a subscribed download speed that does not meet the FCC household definition of broadband of 25MBps.⁹

We have come far from 28.8kbps to 1GBps, but progress remains unevenly distributed and falls short of what is needed in many communities. This also is consistent with research conducted by the University of Washington Information School that showed smaller libraries do not apply for E-rate at nearly the same rate as larger libraries. For example, the research indicated that 61% of libraries serving a population greater than 100,000 apply for the E-rate. However, this number steadily declines to the point that for libraries in communities with a population under 5,000, only 21% apply.¹⁰ That number is even lower for Tribal libraries.¹¹

Where rural and Tribal libraries successfully apply and receive E-rate funding, it has been transformative. For example, many of the 3,800 residents¹² served by the Pottsboro Library (TX) cannot afford home broadband and available Wi-Fi is often unreliable. The library provides a variety of programs and services where internet in the library is essential, including a public computer lab with specialty applications for residents to apply for jobs, connect with family and friends and learn new digital skills; online resources to support students completing their homework; and telehealth appointments using the library's dedicated rooms and high-speed internet access.¹³

While using E-rate funds to build community broadband networks may not be a simple or frequently used solution, it is sometimes the "most cost-effective option for small, rural, and remote communities that struggle with limited, expensive, or unavailable broadband access."¹⁴ One such example is six tribal libraries and two schools in New Mexico that joined together to form two separate consortia to build two tribally-owned and operated, 60-mile fiber-optic networks to their respective communities. Each consortium received 95 percent of its funding, roughly \$3.9 million of the \$4.2 million total costs, from the E-rate program. "State and tribal matches contributed the remaining amount. As a result of their network design, the consortia dramatically increased their internet access speeds (from 3 Mbps to 100 Mbps) and decreased costs (from \$106/Mbps to \$3/Mbps), with the ability to scale up to 10 Gbps." ¹⁵

⁹ Public Library Association. (2021) 2020 Public Library Technology Survey: Summary Report. Page 15.

<https://www.ala.org/pla/sites/ala.org.pla/files/content/data/PLA-2020-Technology-Survey-Summary-Report.pdf>

¹⁰ Using USAC's Open Data on FY23 data from the 471 open data form. April 11, 2023

¹¹ Comments of the ALA and ATALM on CC Docket No. 02-6, November 12, 2021 "Only 12% of Tribal libraries have ever applied for E-rate funding because the complexity of the process and E-rate application is daunting to many Tribal entities given their capacity and limited staff and resources."

¹² Pottsboro Area Public Library. *Local Fiscal Year 2021 Public Library Data*. <https://pottsborolibrary.com/wp-content/uploads/2023/01/Statistics.pdf>

¹³ Pottsboro Area Public Library. <https://pottsborolibrary.com/>

¹⁴ Batch, Kristen. ALA Policy Perspectives. Build by E-Rate: A Case Study of Two Tribally-Owned Fiber Networks and the Role of Libraries in Making it Happen. (August 2020), page 3.

<https://www.ala.org/advocacy/sites/ala.org.advocacy/files/content/telecom/erate/Built%20by%20E-Rate%20-%20A%20Case%20Study%20-%2008042020%20%281%29.pdf>

¹⁵ Ibid. Box 1. Consortia Network Maps.

In sum, ALA concludes that the E-rate program has been instrumental in the tremendous increase in broadband capacity in libraries in the past years. However, more should be done to make the program more accessible to smaller and rural libraries.

a) Has the Commission adequately evaluated the effectiveness of each program against concrete goals and metrics?

The FCC has been actively evaluating the effectiveness of the E-rate program. (We make several more specific recommendations in our answer to question #1 above.) From inception, E-rate has provided support to schools and libraries “across the nation to obtain affordable, high-speed broadband services and internal connections to connect today’s students and library patrons with next-generation learning opportunities and services.”¹⁶ Over the years, the Commission has filed Notices of Proposed Rulemaking, reviewed program data, participated in Ex Parte discussions with stakeholders, conducted site visits, participated in focus groups and listening sessions, etc., to ensure the program is fulfilling current requirements and adapts to address changing needs in the future. ALA looks forward to the continued collaboration with the FCC to achieve the USF program goals in the years to come.

A recent example of this is the Commission's focus on ensuring Tribal libraries are eligible for E-rate funding. Until recently, Tribal libraries have been unable to fully participate in the E-rate program. In January 2022, the Commission updated the definition of “library” to include Tribal libraries. This rule change came after gathering information from stakeholders through conversations with stakeholders, site visits, and more. They continue to seek feedback and consider program improvements to best reach and serve Tribal libraries and communities.¹⁷

As noted earlier, a regular summary report with relevant quantitative and qualitative data from impacted stakeholders would be welcome.

3) Is the FCC’s administration of the USF and its four programs sufficiently transparent and accountable? If not, what reforms are necessary and appropriate within the four existing USF programs to improve transparency, accountability, and cost-effectiveness, and does the Commission have the authority to make such reforms?

The FCC, either on its own or through USAC, publicly posts data sources online, such as USAC Open Data¹⁸ and the FCC Broadband Data Collection¹⁹, to name a few. The Open Data portal includes data from the four universal service programs and is accessible for free to the general public. Openly sharing this data increases transparency and allows anyone to analyze, study and evaluate.

¹⁶ 47 U.S.C. § 254(b)(6) (“Elementary and secondary schools and classrooms, health care providers, and libraries should have access to advanced telecommunications services as described in subsection (h).”); Federal-State Joint Board on Universal Service

¹⁷ CC Docket No. 02-6 II. 6. <https://docs.fcc.gov/public/attachments/FCC-22-8A1.pdf>

¹⁸ <https://opendata.usac.org/>

¹⁹ <https://www.fcc.gov/BroadbandData>

The Commission also has created the National Broadband Map²⁰ which provides a snapshot of broadband deployment in the US. While the online map is a useful tool, ALA requests the FCC to simplify the process of accessing the underlying data. Allowing more researchers and community anchor organizations access to the data will allow for more transparency and a greater understanding of the programmatic impacts of the USF. We also request there be more coordination between the national map and state and local mapping efforts.

a) High-Cost Support

b) Low-Income Support

c) Schools and Libraries Support

While the FCC makes data available through the Open Data portal, ALA would appreciate greater ability to disaggregate individual libraries from their consortia group. This would make it easier to determine at the local level which libraries are and are not receiving adequate broadband services for their community needs.

Applying for the E-rate process is cumbersome and time-consuming, especially for smaller entities. Many of these libraries serve some of the most underrepresented and underconnected communities in the country. The FCC has recognized these disparities and is actively working with stakeholders to address these concerns, including meeting with library and Tribal stakeholders, creating a pilot project to increase Tribal library E-rate participation²¹, and releasing a Notice of Proposed Rulemaking in February 2023²² to address the barriers Tribal and small libraries experience, to name a few. Issues include:

1. In comments ALA submitted to the Commission in April 2023,²³ we made several proposals to simplify the process. These included clarifying the Eligible Services List, reducing forms, enabling flexibility for competitive bidding for small dollar amounts, and providing guidance and structure for navigating the process for applicants. This would reduce the amount of time the applicant needs to successfully submit an E-rate request, but it would also reduce staff time in reviewing and approving E-rate applications.
2. Provide in-person training opportunities for E-rate administrators and new filers. Such training can help reduce mistakes filers make as they complete the application and speed up the approval process. We also believe in-person training may lead to more eligible libraries applying for the program by demystifying the process and empowering new filers to apply.
3. Replace E-rate program procurement rules with those of the applicable locality or state. The E-rate program is extremely proscriptive when it comes to procurement policies,

²⁰ <https://broadbandmap.fcc.gov/home>

²¹ FCC. FCC Announces Pilot Program To Help Tribal Libraries Sign Up For E-Rate Program. October 20, 2022. <https://www.fcc.gov/document/fcc-announces-pilot-help-tribal-libraries-sign-e-rate>

²² <https://docs.fcc.gov/public/attachments/FCC-23-10A1.pdf>

²³ Available at <https://www.fcc.gov/ecfs/document/10424105807214/1>.

which is unnecessary as libraries already have procurement rules guiding virtually all purchasing. These state and local requirements ensure applicants purchase cost-effective equipment and services, which should address any concerns about waste, fraud, and abuse.

Overall, we believe that transparency with the FCC is aided by the excellent outreach to library stakeholders. USAC frequently meets with state E-rate coordinators, so there is an established and effective conduit for forthcoming changes, questions, and problems. FCC Chairwoman Rosenworcel was a keynote presenter at recent ALA conferences, met with our E-rate Task Force, and has visited libraries across the country.

d) Rural Health Care Support

4) What reforms are necessary to address inefficiencies and waste, fraud, and abuse in each of the four programs and duplication with other government programs?

The USF programs provide essential broadband access to some of the most underrepresented and underconnected communities in the country. As the USF Working Group explores potential reforms, we ask that proposed actions not interfere with the goals of the USF. Hold fraudulent applicants accountable, but do not increase the administrative burden for the vast majority of diligent eligible applicants. Complexity is a leading barrier to program participation and disproportionately impacts the smaller, rural, and/or under-resourced community organizations like libraries, and, subsequently, undermines access to the communities they serve.

The FCC already gathers a plethora of information through the USF application processes, as well as other FCC programs. We commend the FCC for its transparency in making much of the data publicly available. Instead of proposing new processes and procedures, ALA recommends maximum use of existing data available through all the FCC programs to explore concerns and gain insights into the impact of the USF programs. In addition to analyzing existing data, we encourage conversations with stakeholders to identify how to address administrative inefficiencies with each of its programs.

Finally, ALA is aware of few instances of problems in the E-rate program, and even fewer among its library participants. Libraries and schools are audited regularly by USAC to ensure compliance.

5) What additional policies beyond existing programs are necessary for the preservation and advancement of universal service?

This is perhaps the most critical issue of all for Congress to consider, and we are pleased to offer specific near-term suggestions below. However, we can safely assume that communications technology will continue to advance and evolve over time, and the USF will need to evolve and adapt as well to keep pace with changes in the future. As Congress

contemplates potential legislation, we encourage this focus on the future beyond existing programs and current challenges.

Affordable Connectivity Program (ACP). More than 20 million households have access to broadband because of the Affordable Connectivity Program²⁴ and an additional 28 million are still eligible to apply.²⁵ The ACP is an essential tool for achieving digital equity for low-income households. However: “The ACP’s current rate of expenditure is roughly \$500 million per month. Based on this and projected growth, funding for the ACP could be exhausted by Q2 of next year, if not sooner.”²⁶ ACP requires adequate and sustained funding to ensure that the millions of vulnerable Americans will be able to continue to afford their internet service. While we believe that the USF should be the permanent home for funding the ACP, in the short term, we advocate for Congress to continue funding this program in the interim so that millions of households do not lose essential internet service.

This would be a significant increase to the USF but it closely aligns to the USF goals.²⁷ The ACP provides a benefit to those households who need it most, including those enrolled in specific government programs like Medicaid, NAP, WIC, etc., if a household is 200% or less than the Federal Poverty Guideline or if an individual lives on qualifying tribal lands.²⁸ This program is too important to let it sunset when current funding runs out. One of the goals of the Telecommunications Act of 1996 is to “advance the availability of such services to all consumers, including those in low-income, rural, insular, and high-cost areas, at rates that are reasonably comparable to those charged in urban areas.”²⁹ The ACP does exactly this and, as such, must be included as one of the USF programs.

Digital Equity. Federal funding, like USF, has helped millions access the internet over the last 25 years. The coronavirus pandemic highlighted that there was still more work to be done.

While access to reliable high-speed internet access is foundational to participating in the digital economy, it also is vital that people have the devices to access the internet and skills to achieve their digital goals online. Affordable internet access is not always enough to encourage households to pay for internet service at home. They also need to see how the internet can benefit them; having the digital skills to successfully navigate the online ecosystem is an important part of the household’s adoption of internet service in the home. Not all Americans are confident in their digital skills. In a 2021 Pew study, 26% say “they usually need someone

²⁴ FCC. *20+ Million Households Enroll in ACP*. <https://www.fcc.gov/document/20-million-households-enroll-accp>

²⁵ Friedman, Katherine and Christopher Wimer. *Understanding the Potential Reach of the Affordable Connectivity Program*. Center on Poverty and Social Policy. May 4, 2022. <https://static1.squarespace.com/static/610831a16c95260dbd68934a/t/62785ccb671629771cd1a60d/1652055243247/Broadband-Connectivity-Fact-Sheet-CPSP-2022.pdf>

²⁶ The Leadership Conference on Civil and Human Rights. *The Leadership Conference’s Letter in Support of the Affordable Connectivity Program*. May 10, 2023. <https://civilrights.org/resource/the-leadership-conferences-letter-in-support-of-the-affordable-connectivity-program/>

²⁷ FCC. Universal Service. <https://www.fcc.gov/general/universal-service>

²⁸ USAC. How Do I Qualify? <https://www.affordableconnectivity.gov/do-i-qualify/>

²⁹ FCC. Universal Service. <https://www.fcc.gov/general/universal-service>

else's help to set up or show them how to use a new computer, smartphone, or other electronic device. And one-in-ten report they have little to no confidence in their ability to use these types of devices to do the things they need to do online."³⁰

Libraries are essential digital literacy stakeholders. They work daily with individuals in the community to help them achieve their digital goals. Libraries have a proven track record of ensuring technology access for all and encourage adoption of digital and new technology, promote digital literacy support upskilling, and collaborate widely to connect everyone – job seekers, entrepreneurs, students, and seniors – to the support they need to achieve their goals and participate in their communities. This work needs to be recognized and sustainably supported in the long term.

Ongoing E-Rate Improvements. While E-rate is an existing program, it does need to adapt and evolve in order to continue to meet its programmatic goals. ALA proposes several enhancements to E-rate to increase its reach, improve support and protect its users, including:

Addressing cybersecurity threats to library networks. Many school districts and libraries are underequipped and lack needed funding to protect themselves from the increasingly sophisticated bad actors that disrupt learning and steal sensitive information about their community.³¹ “The FBI has recognized that school and library networks are among the most vulnerable public networks and are frequently subject to cyber-attacks that often cripple the networks and connectivity that the E-rate program supports.”³² David Leonard, president of Boston Public Library (BPL) and former IT chief technology officer, stated in a meeting with the FCC that he sees cybersecurity as essential to having a functional network. Despite having robust infrastructure, good protocols, and knowledgeable staff, BPL was a victim of ransomware attacks two summers ago. Without proper investments in cybersecurity infrastructure in the network, it will disrupt services that E-rate supports to keep people online.³³

We commend the FCC's proposed a pilot program that would include up to “\$200 million over three years to harden the cyber defenses and determine the most effective methods to protect our schools and libraries.”³⁴ While ALA is encouraged by this pilot project, we believe a long-term strategy is needed to assist libraries and school districts provide and maintain strong cybersecurity infrastructures to ensure our children's and

³⁰ McClain, Colleen, et al. *The Internet and The Pandemic*. Pew Research Center. September 1, 2021.

<https://www.pewresearch.org/internet/2021/09/01/the-internet-and-the-pandemic/>

³¹ Reply Comments of CoSN WC Docket No. 13-184. <https://www.cosn.org/wp-content/uploads/2022/10/CoSN-E-rate-ESL-2023-Comments-Final-as-Filed.pdf>

³² SHLB. *Ex Parte Filing: Modernizing the E-Rate Program for Schools and Libraries, Allowing Use of E-rate Funds for Advanced or Next Generation Firewalls and Other Network Security Services*, WC Docket No. 13-184.

<https://www.shlb.org/uploads/Policy/National%20BB%20Plan/SHLB%20CoSN%20ALA%20-%20Ex%20Parte%20WCB%20-%20Jun%2029%202023.pdf>

³³ Ibid.

³⁴ FCC. *FCC Chairwoman Rosenworcel Takes Steps to Protect Schools Against Cyber Attacks*. July 12, 2023.

<https://docs.fcc.gov/public/attachments/DOC-395069A1.pdf>

communities data is secure. In recent filings, ALA supported including cybersecurity tools as a Category 2 allowable expense and updating the definition of cybersecurity tools to address the fact that this technology is constantly evolving and changing.³⁵

Hotspots as an eligible expense. ALA supports Chairwoman Rosenworcel’s initiative “Learn Without Limits” request to allow “E-rate funding to support Wi-Fi support on school buses, and to support Wi-Fi hotspots so that libraries, school libraries, and schools can check them out to patrons or students in need.”³⁶ Library hotspot lending has helped people access the internet when and where they need it—even when the library building is closed to the public. For instance, Kentucky used Emergency Connectivity Funds (ECF) to purchase 2700 hotspots for 26 libraries and more than 400 laptops for patrons to check out.³⁷ Seattle Public Library has a hotspot lending program that loans devices through community partners to help connect people living in homeless encampments or low-income housing developments.³⁸ Because hotspots are not an E-rate eligible expense, libraries and schools have used other funds, like ECF or other local or state funds, to bridge digital divides.

Support internet access beyond the building walls. The ECF allowed schools and libraries to receive funding for commercially available broadband services that provide a fixed or mobile broadband connection for off-campus use by students, school staff, or library patrons.³⁹ This allowed schools and libraries to extend the Wi-Fi connection to their parking lots and other areas their primary community gathers that lacked internet access. While this service was supported using ECF, it is not an eligible E-rate service. Some libraries are surrounded by communities that lack access to the internet, and they have high-speed internet they could extend to communities in need with changes to E-rate rules.

For example, Charlotte Mecklenburg Library (NC) in partnership with Open Broadband, received funding from the [Institute of Museum and Library Services](#) (IMLS) and The Knight Foundation to bridge the digital divide. Grants funded a pilot program to bring free wireless internet service to over 800 homes in the West Boulevard corridor using their library card “where internet adoption lags behind the rest of the city of Charlotte

³⁵ *Comments of the American Library Association WC Docket No. 13-184. February 13, 2023.* <https://www.ala.org/advocacy/sites/ala.org.advocacy/files/content/ALA%20Comments%20on%20Network%20Security%20-%2002132023.pdf>

³⁶ FCC. *Chairwoman Rosenworcel Announces “Learn Without Limits” Initiative*. June 26, 2023. <https://docs.fcc.gov/public/attachments/DOC-394625A1.pdf>

³⁷ Niemeyer, Liam. “Hotspot Lending Programs at Rural Libraries Finding Success, High Demand Through First Year.” WKMS. September 2, 2022. <https://www.wkms.org/government-politics/2022-09-02/hotspot-lending-programs-at-rural-libraries-finding-success-high-demand-through-first-year>

³⁸ Seattle Public Library. Digital Equity. <https://www.spl.org/programs-and-services/social-justice/digital-equity>

³⁹ USAC. *Eligible Equipment and Services*. <https://www.emergencyconnectivityfund.org/eligible-equipment-and-services/>

by 50 percent.”⁴⁰ Charlotte Mecklenburg Library represents one of the many U.S. libraries using pandemic recovery and relief funding to extend the library's internet access to the communities who need it the most. Now that this funding is sunsetting, additional support is needed to sustain these interventions to ensure that these communities who once lagged in internet access and adoption continue to have access to both.

Looking to the Future

Looking ahead, it is instructive to look back. In the late 1980s into the early '90s, the focus for libraries and schools was access to computers. We saw the rise of computer labs but with no connectivity beyond the walls. With computers came basic computer literacy training and resources.

As the internet took off in the 1990s, and with the enactment of the Telecommunications Act of 1996, connectivity to the Internet became prominent on the policy agenda. At that time, the focus was on basic connectivity, with basic computer and communications literacy resources and training.

Stimulated by the great success of the USF, other federal initiatives, and non-governmental efforts, deployment of computer technology and internet access grew tremendously—though not in some communities and not for some Americans, for a variety of reasons. Recognition grew that the knowledge and ability to exploit computers and broadband access are integral to communications.

We expect the continuing advancement and evolution of communications technology, which will incorporate artificial intelligence more robustly and numerous other technologies we cannot imagine today. The USF will need to evolve, and allow for this evolution, in the future. In the 1990s, the USF supported phone calls and modem access over copper wires. Today, the USF routinely supports fiber build-out and the use of other sophisticated communications technologies. Who knows what new technologies tomorrow will bring, but the USF will need to accommodate them to fulfill the statutory language in section 254 of the Communications Act for universal service to be “evolving”.⁴¹

Along with new technologies, our skills will need to adapt, meaning digital literacy will continue to be an important tool to leverage new technologies. The technological evolution over the last few decades increasingly places more opportunity—or onus—on the user to make good use of the technology. Now, and definitely looking ahead, “communications” is much more than plopping down a piece of hardware or providing an account login. “Universal service” in the

⁴⁰ Charlotte Mecklenburg Library Brings Wi-Fi to West Boulevard. December 20, 2021.

<https://www.cmlibrary.org/blog/charlotte-mecklenburg-library-brings-wi-fi-west-boulevard>

⁴¹ The “evolving” nature of the universal service definition was recently confirmed by the 5th Circuit Court of Appeals decision in *Consumers’ Research v. FCC*, decided on March 24, 2023 (“Ultimately, § 254 reflects Congress’s understanding that telecommunications services are constantly evolving.”). See *Consumers’ Research, et al. v. FCC*, No. 22-60008, p.11 (5th Cir. 2023).

communications context will continually include the human agent being able to operate effectively.

6) Should Congress eliminate the requirement that a provider must be an “Eligible Telecommunications Carrier” to receive USF subsidies?

If Congress wants to continue the Eligible Telecommunications Carrier requirement, it should only apply to recipients of funding from the High-Cost program as is currently the case. There is no reason to apply it to any of the other USF programs, such as Lifeline, E-rate, or RHC.

7) Currently, telecommunications companies must pay a contribution factor to the Universal Service Fund proportional to interstate end-user revenues. What reforms are necessary to ensure that the contribution factor is sufficient to preserve and advance universal service?

The USF fee has grown substantially over the last two decades. Most of these fees are passed onto individual consumers, which means that users of telecommunications services are subsidizing broadband customers. This inequitable and regressive funding mechanism is difficult to enforce (based on the uncertainty of whether a service is “telecommunications” or “broadband”) and is unstable. (While the amount of the fee varies significantly from quarter to quarter, its general trend is upwards).

In addition, while telecommunications companies must pass-through a contribution factor to the Universal Service Fund proportional to interstate end-user revenues, they also are in most cases the ones benefiting from this funding. For instance, E-rate eligible services include “services that provide broadband to eligible locations including data links that connect multiple points, services used to connect eligible locations to the Internet, and services that provide basic conduit access to the Internet.” In most cases the telecommunications companies are the beneficiaries of the payment for this service because they provide both the underlying broadband connectivity and internet access.

The SHLB Coalition, of which ALA is a founding member, finds that a fairer and more stable approach is to add broadband services to the set of services that pay into the USF. SHLB, INCOMPAS and NTCA jointly commissioned a paper by USF expert Carol Matthey two years ago to examine the USF funding mechanism and to recommend a solution.⁴² Her report, called USForward, found that adding broadband services would be relatively easy to enforce because broadband providers report their broadband revenues to Wall Street, and that the USF fee would drop from 30% to less than 4%. While some observers maintain that imposing a fee on broadband services would add a burden on broadband consumers, other studies have found that the size of this fee would be negligible and would not affect broadband adoption, and that

⁴² Matthey, Carol. USForward: FCC Must Reform USF Contributions Now - An Analysis of the Options. (September 2021). <https://www.shlb.org/policy/research/USForward>

the fee would be significantly more fair for low-income consumers of telephone services than the current system.⁴³ ALA endorses this approach.

a) Some have advocated for assessing USF contributions on broadband service and edge providers. What would the impact of such reforms on ratepayers and the marketplace?

While ALA has not taken a position on whether edge providers should be subject to USF fees, we concur with SHLB's comments, which include the following considerations:

- Identifying who is an edge provider may be difficult, as there is no definite line between consumers and information providers. For instance, educational institutions or libraries that post content on their websites might be considered an "edge provider" subject to USF fees, which would be wholly contradictory to the purpose of the USF.
- Measuring the amount of revenue subject to USF assessment may also be difficult.
- The FCC does not currently have authority to assess edge providers and legislation may take several years. The USF funding regime is facing a crisis now that needs to be addressed.
- Congress should assess whether it's reasonable for edge providers that benefit from using the Internet to sell their products and services should pay into the USF.
- Congress should also consider that some edge providers already pay into the fund based on their telecommunications services.
- Congress should consider whether the revenue generated from spectrum auctions should be used to fund universal service rather than paid into the general treasury fund.

b) Some have advocated the funding for the USF to an appropriations model. What impact would that have the USF?

ALA does not endorse this model. USF programs provide the stable, reliable, and persistent funding needed to enable essential connectivity to rural communities, low-income families, libraries, schools, and rural health care facilities. The very fact that Congress has not provided additional funding for the soon-to-expire ACP program demonstrates that the Congressional appropriations model is unpredictable in funding ongoing programs.

8) What actions are necessary and appropriate to improve coordination between USF programs and other programs at the Federal Communications Commission, the National Telecommunications and Information Administration, USDA Rural Development, the Department of Treasury, and other federal agencies?

⁴³ Researchers at the Berkeley Research Group concluded that "modifying the USF contribution methodology to include both voice and broadband connections within the contribution base would not have a material impact on broadband adoption or retention." See https://www.ntca.org/sites/default/files/documents/2022-12/Williams-Zhao%20report_121322.pdf.

While there is always room for improvement when coordinating large-scale and essential services, we note these agencies, each on its own and in concert, are making meaningful contributions to advancing universal service. In particular, we commend the FCC and NTIA based on longstanding experience and engagement with both agencies and their committed staff. We also note that the Institute of Museum and Library Services is an important contributor to interagency coordination.

Like SHLB, ALA supports the increased level of collaboration between and among various federal agencies. For example, we believe it is important that the data concerning cyberattacks within vulnerable institutions like schools, libraries, and healthcare clinics should be analyzed and addressed by multiple facets of government, including the FCC (through E-rate funding), CISA, and the White House. As more agencies collaborate on broadband planning and buildout, however, transparency must follow. Public access to information about future buildouts, proposed broadband plans, and spending helps ensure that the myriad deployment efforts are harmonized and realized on a broad level. It also helps ensure that broadband planning is generated by all stakeholders, rather than by only a few.

Formal coordination already is in place among many of the agencies:

- The [American Broadband Initiative](#) (ABI) led by NTIA and USDA includes 25 federal agencies working together on strategies for increasing efficiency in government broadband programs.
- The FCC, RUS and NTIA “have had an interagency agreement to share data on locations of their funded broadband projects and meet regularly to share data and coordinate their programs.”⁴⁴
- The FCC and Institute of Museum and Library Services (IMLS) have an MOU in place that supports increased information sharing between the two agencies, improved communication and information sharing with stakeholders, increased partnerships on broadband-related outreach materials and events to help connect underserved communities to digital resources and sources.⁴⁵

In addition, the NTIA developed and continues to update the BroadbandUSA Federal Funding Guide to help potential applicants identify relevant federal broadband program.

9) Is the USF administrator, USAC, sufficiently accountable and transparent? Is USAC’s role in need of reform?

⁴⁴ Government Accountability Office. Report to Congressional Requesters. *Broadband: National Strategy Needed to Guide Federal Efforts to Reduce Digital Divide*. (May 2022), page 19. <https://www.gao.gov/assets/gao-22-104611.pdf>

⁴⁵ *Memorandum of Understanding Between the Federal Communications Commission and the Institute of Museum and Library Services*. June 24, 2022, Section 1. <https://docs.fcc.gov/public/attachments/DOC-384619A1.pdf>

USAC is a not-for-profit that has a 19-member Board of Directors representing the USF stakeholder community. While USAC nominates the board members based on a public call for nominations, the FCC chairs approve the nomination.⁴⁶

USAC and FCC communicate and coordinate regularly to ensure the E-rate and other Universal Service programs are managed in accordance with FCC's rules. For instance, from the E-rate perspective, every year USAC drafts the procedures it will use to review and approve each E-rate applicant's request for services. The proposed procedures are subject to FCC approval. This process ensures that USAC is following the current FCC rules to administer the E-rate program.

USAC is accountable to the FCC, and questions about USAC's accountability and transparency should be addressed through the FCC.

10) Is Congressional guidance needed to ensure future high-cost program rollouts, such as RDOF phase II, are improved? Would a thorough and upfront vetting process be more efficient for federal dollars and recipient ISPs?

As with any new program, there should be a formal review process to identify if the program is meeting the established goals. Based on the review, the Commission should report the efficacy of the program and outline future enhancements to ensure the program better aligns with the programmatic goals.

Conclusion

ALA thanks the Working Group for the opportunity to share our expertise and experience. The USF is a vital funding tool for creating and sustaining a digitally equitable future for all. Please contact us if you have any further questions or if we can provide additional information.

Respectfully submitted,

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⁴⁶ USAC, Board of Directors. <https://www.usac.org/about/leadership/board-of-directors/>