

F.C.C. to Change Program That Connects Schools to High-Speed Internet Service

Updated: Details explaining the F.C.C.'s plans has been added to this post. |

WASHINGTON — The Federal Communications Commission will complete changes this spring in the federal program to connect schools and libraries to high-speed Internet service and separately will consider increasing the tax paid by consumers or phone companies to finance the effort, the agency's chairman, Tom Wheeler, said Wednesday.

In an address as part of Digital Learning Day, a national program focused on online education, Mr. Wheeler said that any increase in the tax would be preceded by a restructuring of how the current \$2.4 billion annual program spends its money.

Only about half of the program, known as E-rate, currently pays for broadband connections; some of it pays for outdated technologies like pagers and dial-up connections.

“We have identified opportunities for greater productivity within the program, including significant improvements to the way funds are deployed,” Mr. Wheeler said at an event at the Library of Congress. Following the restructuring, he added: “Should it be necessary to increase the permanent funding levels for the E-rate program, we will do what is appropriate.”

The Obama administration has set the goal of connecting 99 percent of all students to high-speed broadband — of at least 100 megabits per second, more than five times the speed of the average home broadband connection — within the next five years.

As [previously reported](#), the F.C.C. will double, to \$2 billion, the spending on high-speed Internet connections in schools and libraries in each of the next two years. That increase will come primarily from the use of funds collected in previous years but not yet spent.

E-rate is part of the Universal Service Fund, a program that pays to connect rural areas, low-income people and schools and libraries to advanced telecommunications services. It is financed by an approximately 15 percent tax on a portion of consumers' home and wireless phone bills.

The tax applies only to a small slice of phone charges, so the tax totals a few dollars per month for most consumers.

“The current E-rate program is burdensome, slow and not always focused on the right goals,” Mr. Wheeler said. “As managers of the program, the F.C.C. must improve the speed and effectiveness with which E-rate is run.”