

Background

The Schools and Libraries program, also known as the E-rate program, makes telecommunications and information services more affordable for schools and libraries in America. Congress mandated in 1996 that the Federal Communications Commission (FCC) use the federal Universal Service Fund (USF) to provide discounted eligible telecommunications, Internet access, and internal connections to eligible schools and libraries. Here are some frequently asked questions about the Schools and Libraries program.

What Benefits Are Available Under the Schools and Libraries Program?

- Eligible schools and libraries receive discounts on eligible telecommunication services, Internet access, and internal connections (for example, network wiring).
- The discounts range from 20 to 90 percent, depending on the household income level of students in the community, and whether the school or library is located in an urban or rural area.

How Does the Schools and Libraries Program Work?

- A school or library must develop a technology plan that explains how the technology for which it seeks support will be used to achieve educational goals, specific curriculum reforms, or library service improvements.
- The school or library then provides notice that it seeks services. Notice must be provided in accordance with specific FCC rules and state and local procurement laws.

How Does the Schools and Libraries Program Work? (cont'd.)

- Vendors bid to provide the desired services to the school or library. After the school or library selects a vendor, it files an application with the Universal Service Administrative Company (USAC) for approval of its request for discounted services. The FCC administers the USF with the help of USAC.
- After USAC approves the school's or library's application, the vendor provides the eligible services to the school or library at discounted prices. Generally, the vendor is then reimbursed the amount of the discount from the USF.

Who Pays for the Schools and Libraries Program?

- All telecommunications service providers and certain other providers of telecommunications must contribute to the federal USF based on a percentage of their interstate and international end-user telecommunications revenues. These companies include wireline phone companies, wireless phone companies, paging service companies, and certain Voice over Internet Protocol (VoIP) providers.

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Who Pays for the Schools and Libraries Program? (cont'd.)

Some consumers may notice a "Universal Service" line item on their telephone bills. This line item appears when a company chooses to recover its USF contributions directly from its customers by billing them this charge. The FCC does not require this charge to be passed on to customers. Each company makes a business decision about whether and how to assess charges to recover its Universal Service costs. These charges usually appear as a percentage of the consumer's phone bill. Companies that choose to collect Universal Service fees from their customers cannot collect an amount that exceeds their contribution to the USF. They also cannot collect any fees from a Lifeline program participant.

Does the FCC's Schools and Libraries Program Duplicate State and Local Efforts?

The FCC's plan complements the efforts of states and localities to bring advanced telecommunications to America's classrooms and libraries. Universal Service support provides discounts only for telecommunications services, Internet access, and internal connections. Largely because of the FCC's Schools and Libraries program, more than 99 percent of public schools were connected to the Internet by the end of 2002, up from 65 percent in 1996.

How Can I Find Out How Schools and Libraries in My Area Are Benefiting from the Schools and Libraries Program?

You can visit USAC's Web site to find Schools and Libraries funding specific to your state. Go to www.universalservice.org/si/ and follow the prompts to "Funding Commitments."

For More Information

For information about other telecommunications issues, visit the FCC's Consumer & Governmental Affairs Bureau Web site at www.fcc.gov/cgb, or contact the FCC's Consumer Center by e-mailing fccinfo@fcc.gov; calling 1-888-CALL-FCC (1-888-225-5322) voice or 1-888-TELL-FCC (1-888-835-5322) TTY; faxing 1-866-418-0232; or writing to:

Federal Communications Commission
Consumer & Governmental Affairs Bureau
Consumer Inquiries and Complaints Division
445 12th Street, SW
Washington, DC 20554.

You can also view fact sheets on other FCC Universal Service programs on the FCC Web site at:

www.fcc.gov/cgb/consumerfacts/universalservice.html

www.fcc.gov/cgb/consumerfacts/llu.html

www.fcc.gov/cgb/consumerfacts/usp_RuralHealthcare.html

www.fcc.gov/cgb/consumerfacts/tribalfactsheet.html.

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