

September 15, 2025

To: The Universal Service Fund Working Group (Working Group)

Senators Deb Fischer, Ben Ray Luján, Shelley Moore Capito, Amy Klobuchar, Jerry Moran, Gary Peters, Dan Sullivan, and Jackie Rosen; and Representatives Richard Hudson and Doris Matsui

Re: Response of the American Library Association to the Universal Service Fund Working Group Request for Comment

Dear Honorable USF Working Group Senators,

The American Library Association (ALA)¹ appreciates the opportunity to comment on the future of the USF. Drawing on our decades of engagement with the E-Rate program since its inception, ALA is uniquely positioned to provide insights into the impacts, challenges, and opportunities of the E-Rate program and the need to ensure a sustainable and sufficient USF for the future of this program and the other three USF programs, too.

The Supreme Court of the United States recently affirmed the constitutionality of the Universal Service Fund writing “the work of Congress and the Commission in establishing universal-service programs has led to a more fully connected country ... while leaving fully intact the separation of powers integral to our Constitution.”² With the decision settled, it is paramount to address reform opportunities to advance the goals of this important program.

Introduction

Universal service “is the principle that all Americans should have access to communications services.” The Telecommunications Act of 1996 expanded service to

¹ ALA is the foremost national organization providing resources to inspire library and information professionals to transform their communities through essential programs and services. For 149 years, ALA has been the trusted voice for academic, public, school, government, tribal, and special libraries, advocating for the profession and the library's role in enhancing learning and ensuring access to information for all. Representing the nation's 123,000 libraries of all types, ALA engages decision makers in Congress, the Executive Branch, federal judiciary and beyond to ensure libraries are integrated as vital stakeholders in federal policy and program initiatives.

² Supreme Court of the United States. *FCC et al. v Consumers' Research*.
https://www.supremecourt.gov/opinions/24pdf/24-354_0861.pdf

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.”³ This principle aligns with ALA and library core values. ALA believes broadband is a basic human right. Everyone should have access to affordable, reliable, high-speed internet access, the necessary devices, and the technology skills to thrive in the digital economy. Without universal access across the country, it is virtually impossible to thrive in the digital economy and build connections to work, community, and opportunity both for individuals and collectively as a nation. ALA actively advocates for policies and funding that enable libraries to help achieve universal broadband access and adoption.⁴ The four programs funded via the USF are the nation's most critical broadband connectivity programs and are instrumental in connecting rural communities, low-income families, libraries, schools, and rural health care facilities to the internet. Of particular interest to libraries is the E-Rate program which provides “discounts on telecommunications, telecommunications services, and Internet access, as well as internal connections, managed internal broadband services, and basic maintenance of internal connections.”⁵ In simple terms, schools and libraries depend on the USF for internet access; the equipment to run the network, including routers, switches, and wireless controller systems; support for basic maintenance and technical support for eligible internal connections; and more. E-Rate has transformed the landscape of public library services and opportunities for library patrons in all communities, including the most rural and remote areas, with broadband speed and ongoing and reliable connectivity.

Despite progress over the past 30 years, the pandemic laid bare persistent digital divides. Congress rightly worked to address these gaps temporarily with additional, time-bound programs to make major inroads in broadband access and adoption. However, a robust and enduring USF is essential for American competitiveness and innovation in the long run. Because broadband networks do not run and maintain themselves, and monthly subscription costs continue even when infrastructure has been deployed, the USF will remain an essential funding tool to ensure that our efforts to build out broadband infrastructure and increase adoption will continue to pay dividends well into

³ FCC. *Universal Service*. <https://www.fcc.gov/general/universal-service>

⁴ 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>

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>

the future. Ongoing support is required to upgrade, maintain, and protect the networks established through USF investments to date and to ensure that they continue to be universally available and secure. For these reasons, ALA endorses a long-term, reliable, and sustainable funding model for the USF.

Libraries are vital public infrastructure and key stakeholders in engaging communities across the country and ensuring digital opportunities. Libraries provide broadband, computer workstations, digital literacy and skills trainings, and one-on-one support to increase adoption, ensure safe use of the internet, and promote access to information for all Americans. As new technologies like artificial intelligence are more widely deployed, library literacy resources become even more important. A sustainable E-Rate program will position libraries to continue this role and champion access for un- and underserved communities.

As the members of the USF Working Group explore the state of Universal Service, we want to recognize the leadership and service provided by the Federal Communications Commission (FCC). The 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.

Core Recommendations

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

1. A sustainable funding model is essential to ensure that the USF can continue to support its programmatic goals today and to further its goals in the future. We call for a sustainable, predictable, and long-term funding mechanism that ensures all USF recipients can fulfill their vital missions and advance the USF's goals and is not dependent on annual appropriations.
2. Aside from the need to provide a stable, long-term funding mechanism, the E-rate program works well. The program provides essential funding that allows libraries and schools to upgrade their broadband service to adapt to the changing technology needs of their communities; the program uses a competitive bidding process to find the lowest-cost provider of service; the improper payments rate has declined to a very low level; and the FCC and USAC have administered almost all of the GAO and OIG recommendations to improve the program. While there is room for improvement, the E-rate program is not in need of substantial overhaul.

3. Any reforms put in place to reduce inefficiencies and safeguard program integrity, must not add undue administrative burden on those organizations and individuals that rely on the USF program support the most, (e.g., small, rural, tribal, and under-resourced libraries).
4. Specific E-Rate enhancements should be made to ensure libraries and schools can continue to serve their communities' needs through this program. Congress should ensure that Wi-Fi hotspot lending is supported by the E-Rate program. Additionally, we support careful investments in cybersecurity tools so that libraries and schools can protect their sensitive data⁶. The active FCC cybersecurity pilot will be informative in funding vital network security tools through E-Rate or a separate USF program.
5. The current Lifeline program, or a new program, should provide adequate funding to ensure access to all who need it. It is not enough to have an internet connection. For many, the subscription cost for internet access is out of reach, making it harder to fully connect and engage with the digital economy. Affordability is important to furthering access and adoption for millions of Americans. The USF Working Group can look at the Affordable Connectivity Program (ACP) created by Congress as a worthy model for building an affordable broadband access program.
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. USF must accommodate evolving and emerging technologies so that it can continue to fulfill its original goal and intention.

Working Group Questions

ALA further answers the Working Group's questions below.

⁶ See comments from CoSN et. al in WC Docket No. 23-234. https://assets.noviams.com/novi-file-uploads/shlbc/PDFs_and_Documents/E-rate_and_ecf/CoSN_Et_al_K-12_Cybersecurity_Comments_FILED_Jan_29_24-e28a5fdc.pdf

1) How should Congress evaluate the effectiveness of each USF program in achieving their respective missions to uphold universal service?

Congress should largely recognize the immense success of its handiwork in crafting the 1996 Telecommunications Act. The 1996 Act 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.”⁷

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

Of particular interest to ALA is E-Rate: it has been instrumental in providing essential broadband services to eligible libraries and schools. Support provided by the E-Rate program is based on the poverty level and whether the library or school is in an urban or rural area.⁸ This ensures that funding is prioritized “based on greatest need, as determined by poverty level.”⁹

ALA recommends Congress direct the FCC to conduct a detailed evaluation that analyzes the following data to include action items, timelines, and recommendations for Congress to respond to any problems identified in the report. Regular publication of such a report will be valuable in allowing key stakeholders to track the progress of the E-Rate program. It is important to note that currently the FCC does not conduct such an evaluation.

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

⁷ 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>

⁸ FCC. *E-Rate: Universal Service Program for Schools and Libraries*.

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

⁹ Congressional Research Services. *The Future of the Universal Service Fund and Related Broadband Programs*. July 11, 2023, page 7. <https://crsreports.congress.gov/product/pdf/R/R47621>

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
 - (5) Pop under 5,000
 - iii) Breakdown by libraries in the following location types:
 - (1) Urban
 - (2) Suburban
 - (3) Town
 - (4) Rural
 - (5) Tribal
- 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 Data¹⁰ portal:
- a) Overall
 - b) By population size
 - c) Breakdown by location types
 - d) Over long time periods, such as 5- and 10-year intervals
- 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

¹⁰ <https://opendata.usac.org/>

- 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?
 - iv) Breakdown by location type
 - 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.
 - g) Track customer inquiries with the portal to review USAC responses and ensure responses are consistently aligned with USAC best practices and procedures.

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

To this end, from an E-Rate perspective ALA regularly files comments on FCC proceedings and notices on the program. These comments are often made with input from other library groups

like the Association of Tribal Archives Libraries and Museums (ATALM), the Association of Rural and Small Libraries (ARSL), the Chief Officers of State Library Agencies (COSLA), and the Urban Libraries Council (ULC), to name a few. The public record of this engagement is robust. For example, ALA along with the Schools, Health and Libraries Broadband Coalition, very recently filed comments on the FCC's 706 report¹¹ that requires the Commission to determine if advanced telecommunications are being deployed to all Americans in a timely manner. ALA appreciates the opportunity to comment on the E-Rate and other Commission programs and actions that impact library broadband connectivity.

2) How well has each USF program fulfilled Section 254 of the Communications Act of 1996?

E-Rate is extremely successful but further changes are needed to better serve rural and tribal libraries

E-Rate has played a pivotal role in helping eligible libraries and schools connect users to the internet since 1996. ALA knows this in part through decades of collaboration with library researchers and national field surveys of public libraries and their use of the internet that continue in some form to this day. An excerpt from a 1997 report highlights 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. NII¹² 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.”¹³

¹¹ See *ALA and SHLB Comments GN 25-223*. <https://www.fcc.gov/ecfs/search/search-filings/filing/1090883078959>

¹² National Information Infrastructure

¹³ 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>

The 2023 Public Library Technology Survey tells us that library internet download speeds are increasingly common at 100Mbps or 1Gbps¹⁴, but still 28.4% of libraries overall and 35.4% of town/rural libraries reported subscribing to internet connections that do not meet the 2024 federal definition of broadband (100 Mbps download and 20 Mbps upload).¹⁵ Progress remains uneven and falls short of what is needed, especially in smaller libraries and those in rural communities. This inconsistency is also documented by 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 E-Rate. However, this number steadily declines to the point that for libraries in communities with a population under 5,000, only 21% apply.¹⁶ That number is even lower for Tribal libraries.¹⁷ E-Rate remains a complex program, and many small, rural, and tribal libraries do not have the staff or expertise to navigate the application process. These are the same libraries that would most benefit from E-Rate support.

Where rural and tribal libraries successfully apply and receive E-Rate funding, it has been transformative. For example, many of the 3,800 residents¹⁸ 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, 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.¹⁹

E-Rate does and should support solutions targeted to library needs

One of the great benefits of the E-Rate program is that it allows funding for community broadband networks when it is cost-effective. 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,

¹⁴ This is significant progress since the inception of E-Rate. In 1998, only 23.7% of libraries offered public internet access at speeds greater than 56Kbps. U.S. National Commission on Libraries and Information Science. *Moving Toward More Effective Public Internet Access: The 1998 National Survey of Public Library Outlet Internet Connectivity*. 1998. p. 7

¹⁵ Public Library Association. (2024) *2023 Public Library Technology Survey: Summary Report*

https://www.ala.org/sites/default/files/2024-07/PLA_Tech_Survey_Report_2024.pdf

¹⁶ *Using USAC's Open Data on FY23 data from the 471 open data form*. April 11, 2023

¹⁷ 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.”

¹⁸ Pottsboro Area Public Library. *Local Fiscal Year 2021 Public Library Data*. <https://pottsborolibrary.com/wp-content/uploads/2023/01/Statistics.pdf>

¹⁹ Pottsboro Area Public Library. <https://pottsborolibrary.com/>

expensive, or unavailable broadband access.”²⁰ 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.”²¹

Further, Section 254’s language “advanced telecommunications services” includes Wi-Fi hotspots and cybersecurity tools. The law recognizes that technology needs will evolve and emerging solutions will be suitable to address these needs. In 2023, the FCC announced new eligible E-Rate and USF programs: hotspot lending was added to the E-Rate eligible services list in 2024, and a cybersecurity pilot program was introduced in the same year. These programs respond to the urgent needs of 21st century technology use and the program rules have been carefully developed in accordance with the statute. In the case of Wi-Fi hotspots, libraries lend hotspots with great success across the country in response to a large demand from patrons in their communities. Patrons check out hotspots to complete schoolwork after the library or school has closed, to use during times of emergency or transition, to pay bills, enroll in social services, apply for jobs, and attend telehealth appointments. E-Rate provides sustainable funding for these programs. Regrettably, the Commission is poised to reverse the Wi-Fi hotspots program and turn off access for many students, educators, and library patrons. We call on the USF Working Group to incorporate into its reform legislation language that allows E-Rate to again be used to provide students, educators, and library patrons with flexible connectivity and access to library programs and services through hotspot lending.

In sum, ALA concludes that the E-Rate program has been instrumental in the tremendous increase in broadband capacity in libraries— and thus the public’s access to broadband—since the program’s inception. However, more should be done to make the program more accessible, especially to smaller, rural, and tribal libraries, and to respond to evolving technology needs of libraries and their patrons.

3) *Has the FCC adequately assessed each USF program against consistent metrics for performance and advancement of universal service?*

²⁰ 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>

²¹ Ibid. Box 1. Consortia Network Maps.

The FCC has been actively evaluating the effectiveness of the E-Rate program. We make several specific recommendations in our answer to question #1 above that both Congress and the FCC could leverage. In addition, we suggest that the FCC monitor applicant uptake as a measure of program success. By evaluating whether more libraries and schools are applying for the program, the FCC can better understand what program rules and changes are beneficial to the applicant community and advance the goal of closing the digital divide.

From inception, E-Rate has provided support to libraries and schools “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.”²² 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 is one of the many stakeholders who have participated in these opportunities to communicate and share information with the Commission to improve the E-Rate program for the communities our libraries serve.

An example is the Commission's focus on ensuring that tribal libraries are eligible for E-Rate funding. 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, site visits, and more. They continue to seek feedback and consider program improvements to best reach and serve tribal libraries and communities.²³ Many libraries share that a reason they do not take advantage of E-Rate funding is the application complexity and burden. To that end, ALA has provided comments to simplify and streamline various program rules with the intent to increase the number of library E-Rate applicants.²⁴

ALA and other stakeholders have long valued the comment process and opportunity for engaging with the FCC. Along with many other public interest groups, we recently filed with the FCC regarding our stakeholder engagement process and the need for adequate time for comment and clear understanding of rules being changed and removed.²⁵ ALA looks forward to continued collaboration with Congress and the FCC to achieve the USF program goals.

²² 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

²³ CC Docket No. 02-6 II. 6. <https://docs.fcc.gov/public/attachments/FCC-22-8A1.pdf>

²⁴ See Comments of the American Library Association (ALA), *Delete, Delete, Delete*, GN Docket No. 25-133, *Schools and Libraries Universal Service Support Mechanism*, CC Docket Nos. 02-06, 96-45, 97-21, *Modernizing the E-Rate program for Schools and Libraries*, WC Docket No. 13-184.

²⁵ <https://www.fcc.gov/ecfs/document/10814609126689/1>

As noted earlier, a regular summary report with relevant quantitative and qualitative data from impacted stakeholders would be welcome. We recommend Congress direct the FCC to conduct these reports and provide a commitment to appropriate funding to cover costs as needed.

4) What reforms within the four existing USF programs would most improve their: Transparency; Accountability; Cost-effectiveness; Administration; and Role supporting universal service?

The following few current practices and reforms will maintain and improve transparency, accountability, cost-effectiveness, administration, and role supporting universal service specific to our work with the E-Rate program.

The FCC, either on its own or through USAC, publicly posts data sources online, such as USAC Open Data²⁶ and the FCC Broadband Data Collection²⁷, 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. Unfortunately, the E-Rate data sets are not always easy to use and developing a common interface would be helpful.

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 and regional level which libraries are, and are not, receiving adequate broadband services to meet their needs.

The Commission also has created the National Broadband Map²⁸ which provides a snapshot of broadband deployment in the US. While the online map is a useful tool for accountability and transparency, ALA requests that the FCC 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. Finally, we call for libraries and other anchor institutions to be included in the National Broadband Map. The current map is focused on homes; understanding coverage and access through community anchors would be beneficial to policymakers and other stakeholders.

Regarding program administration, cost-effectiveness, and role supporting universal service: applying for E-Rate is cumbersome and time-consuming, especially for smaller entities. Many of these libraries serve some of the most underrepresented and underconnected communities in

²⁶ <https://opendata.usac.org/>

²⁷ <https://www.fcc.gov/BroadbandData>

²⁸ <https://broadbandmap.fcc.gov/home>

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 participation²⁹, and issuing a Report and Order in July 2023³⁰ 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 and September 2023,³¹ we made several proposals to simplify the process. We reiterated our key points in the 2025 Delete, Delete, Delete proceeding and in meetings with the Wireline Bureau.³² 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, reduce administrative errors, and also reduce USAC's time reviewing and approving E-Rate applications.
2. Provide in-person training opportunities for state E-Rate coordinators and new filers. Such training can help reduce filers' mistakes 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. We recommend that USAC continue the practice of in-person trainings and increase these opportunities.
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, 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 program integrity. In addition, as public entities, libraries are audited on a regular basis.

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. In addition, the USAC

²⁹ 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>

³⁰ <https://docs.fcc.gov/public/attachments/FCC-23-56A1.pdf>

³¹ Available at <https://www.fcc.gov/ecfs/document/10424105807214/1>;

<https://www.fcc.gov/ecfs/search/search-filings/filing/1092575330312>.

³² Available at <https://www.fcc.gov/ecfs/search/search-filings/filing/10411336522445>; ex parte available at <https://www.fcc.gov/ecfs/document/10828165897399/1>

Board includes a library representative and a School and Libraries Subcommittee.³³ We value these opportunities for outreach, engagement, and transparency and encourage future actions in this vein.

5) *What reforms would ensure that the USF contribution factor is sufficient to preserve universal service?*

The current structure of funding the USF through contributions is sound and vastly preferable to other methods, such as Congressional appropriations, in ensuring that our nation's communications needs are met. To ensure the country will continue to be the leader in technology innovation, the contribution factor should continue to reliably support and meet the needs of universal service. The importance of universal access to broadband and advanced technologies has grown and so has the need to address that challenge. The USF contribution factor reached 36 percent for the third quarter of 2025 and will only continue to grow given the shrinking contribution base. The contribution factor is a high percentage only because it applies to such a small portion of consumers' bills. ALA seeks a solution that would broaden the contribution base and create stability and predictability for the fund and its applicant communities. ALA believes further consideration of a wide range of providers is warranted from broadband internet access service (BIAS) providers to edge providers. No matter what Congress chooses, a broader base will mean a lower contribution factor, imposing the smallest possible burden on consumers and providers alike. ALA opposes any solution that would burden the lowest income households. Further, Congress should ensure that whatever category is included in the base, that it is clear and easy to enforce and not subject to manipulation by providers. ALA encourages the Working Group to explore these options in more detail and stands ready to engage as these matters are discussed.

Regardless of what other sources of USF revenue are considered, ALA is strongly opposed to making the USF an annual Congressional appropriation. Doing this would generate a yearly cycle of uncertainty and delays, jeopardizing the goals of the program, and threatening the whole concept of universal service. For E-Rate alone, libraries and schools would not have reliable, sustainable funding which would result in chronic budget uncertainty. The USF structure is built on similar fee structures where the burdens of a particular outlay is born by those who benefit directly.

Overall, the Working Group should keep "predictable and sustainable funding" as its guiding principle when reviewing the menu of options to modernize and expand the contribution base,

³³ FCC. *School & Libraries Subcommittee*. <https://www.usac.org/about/leadership/schools-libraries-committee/>

so that the libraries and schools that rely on E-Rate funding have the resources they need to serve their communities on an ongoing basis.

Beyond the contribution factor, we share several other areas for reform:

Ongoing E-Rate Improvements. While E-rate is a permanent 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 libraries (and also school districts) are underequipped and lack needed funding to protect themselves from the increasingly sophisticated bad actors that disrupt learning and steal sensitive data about their community.³⁴ “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.”³⁵ 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 in 2021, which paused access to public computers and public printing services, Wi-Fi, as well as some online resources and digital collections, while the library took steps to isolate the problem and safely and securely restore access to library systems.³⁶ Without proper investments in cybersecurity infrastructure in the network, it will disrupt services that E-rate supports to keep people online.³⁷

We commend the FCC’s proposed 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.”³⁸ While ALA is encouraged by this pilot project, we

³⁴ 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>

³⁵ 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>

³⁶ Boston Public Library. *Statement from the Boston Public Library: Technical Outage.* August 27, 2021. <https://www.bpl.org/news/statement-technical-outage/>.

³⁷ 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>

³⁸ FCC Chairwoman Rosenworcel Takes Steps to Protect Schools Against Cyber Attacks. July 12, 2023. <https://docs.fcc.gov/public/attachments/DOC-395069A1.pdf>

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 communities’ data is secure. In recent filings, ALA supported including cybersecurity tools as a Category 2 allowable expense, which would address concerns the Commission had about the cost of such services to the USF. We think there is a need to regularly update the definition of cybersecurity tools to recognize that this technology is constantly evolving and changing.³⁹

Hotspots as an eligible expense. ALA supports the FCC’s initiative allowing E-Rate funding to support the purchase of off-site Wi-Fi hotspots so that libraries and schools can check them out to patrons or students in need.⁴⁰ Libraries have demonstrated enormous impact with hotspot lending programs,⁴¹ hotspot lending has helped people access the internet when and where they need it—even when the library building is closed. 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.⁴² 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.⁴³ Because hotspots were not previously an E-Rate eligible expense, some libraries and schools used other funds when they were available, such as local or state funds, to bridge digital divides. In other instances, libraries that did not have access to alternative funding were not able to offer this valuable service to patrons in need. Now, over 800 library and school applicants await their E-Rate hotspot funding after applying in the first year of the program. Congress is considering a Congressional Review Act resolution to end the program, a move that 80+ public interest groups, schools, libraries, and other organizations oppose.⁴⁴ Regrettably, the FCC also introduced proposals to repeal the program. We know that hotspots are an essential resource for many households and families.

³⁹ 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-%202002132023.pdf>

⁴⁰ FCC. *FCC Approves Rules to Support Wi-Fi Hotspots through E-Rate Program*. July 29, 2024.

<https://www.fcc.gov/document/fcc-approves-rules-support-wi-fi-hotspots-through-e-rate-program-0>

⁴¹ ALA. *Libraries = Learning Without Limits*. February 2025. https://www.ala.org/sites/default/files/2025-02/Libraries%20%3D%20Learning%20Without%20Limits_hotspots%20Jan2025.pdf

⁴² 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>

⁴³ Seattle Public Library. *Digital Equity*. <https://www.spl.org/programs-and-services/social-justice/digital-equity>

⁴⁴ https://assets.noviams.com/novi-file-uploads/shlbc/PDFs_and_Documents/Hotspots/House_Letter_Against_HJ_Res_33_and_SJ_Res_7_1_.pdf

6) What reforms would reduce waste, fraud, and abuse in each of the four USF 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, tribal, 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. As referenced in question 4, 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.

7) What actions would improve coordination and efficiency among USF programs and other FCC programs, as well as broadband programs housed at other federal agencies?

Overall the federal government has done a good job coordinating among services. At the same time there is always room for improvement when coordinating large-scale and essential services. 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.

We also note that the Institute of Museum and Library Services (IMLS) is of vital importance and a key collaborator in many FCC programs, including E-Rate. In 2022, the IMLS and the FCC signed a Memorandum of Understanding to advance their coordination, collaboration, and alignment on goals related to broadband connectivity and access. The IMLS publishes The Public Libraries Survey (PLS) which examines “when, where, and how library services are changing to meet the needs of the public.”⁴⁵ The survey includes information that helps illustrate how libraries are leveraging technology in their libraries to support their community's internet and technology needs including, number of computers, computer use, Wi-Fi sessions, and more.⁴⁶ The IMLS has also supported projects that assist libraries in supporting their community's technology needs. One such example is Toward Gigabit Libraries Toolkit, which helps libraries improve their IT and broadband infrastructure. These important resources and toolkits support libraries utilization of the E-Rate program.⁴⁷

8) For any recommendations on reforms, does the Commission currently have the feasibility and authority to make such changes?

For most of the recommendations here, such as further assessment, the FCC has authority to act. ALA wishes to offer two recommendations. First, to the degree that there is a dispute as to whether the current statutory language permits the FCC to fund Wi-Fi hotspots in the E-Rate program, ALA encourages Congress to both clarify and direct the FCC to fund that program. Second, to the degree necessary, Congress should ensure all of the delegations of authority in Section 254 are impervious to attack. ALA was gratified, as were almost all stakeholders, when the U.S. Supreme Court upheld the USF as fully constitutional.⁴⁸ At this time, however, an isolated party appears to be arguing, based on Justice Gorsuch’s dissent, that questions remain as to the constitutionality of Section 254’s provisions related to E-Rate, specifically subsections (c)(3) and (h)(2). ALA strongly disputes these contentions but urges Congress to ensure that E-Rate continues successfully as it has and stands ready to work with the Working Group to do so.

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

⁴⁵ IMLS. *Public Libraries Survey (PLS)*. <https://www.imls.gov/research-evaluation/surveys/public-libraries-survey-pls>.

⁴⁶ Ibid

⁴⁷ *Toward Gigabit Libraries Toolkit*. <https://internet2.edu/wp-content/uploads/2024/03/Toward-Gigabit-Libraries-Toolkit-IMLS-grant-RE-246219-OLS-20.pdf>

⁴⁸ Supreme Court of the United States. *FCC et al. v Consumers’ Research*. https://www.supremecourt.gov/opinions/24pdf/24-354_0861.pdf

USAC performs its functions well. It is a not-for-profit⁴⁹ 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 chair approves the nomination.⁵⁰

USAC and the 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. Additionally, the FCC continues to implement measures to safeguard program integrity. In response to the Inspector General's (OIG) Top Management and Performance Challenges for Fiscal Year (FY) 2025 (Management Challenges Report), the FCC took steps "to improve program controls in the E-Rate program"⁵¹ over several years to lower the improper payment rate. The effort proved successful. In FY 2024, it "dropped from 1.59% to 1.27%. As this error rate is below the statutorily defined improper payment threshold of 1.5%, the E-Rate program is no longer considered to be susceptible to a significant risk of improper payments."⁵² The GAO Report on the administration of the USF by FCC and USAC says that the FCC and USAC have addressed the vast majority of recommendations. Of those that remain, very few have to do with E-Rate.

"[The GAO] found FCC had taken action to fully implement 127 recommendations from [GAO] and FCC's OIG concerning USF programs. As of April 30, 2024, FCC had not yet taken actions to fully implement 30 USF-related recommendations." Of the 30 recommendations that the FCC had not yet fully implemented, only three involved the E-Rate program.⁵³

In June 2025, the Supreme Court ruled 6-3 that the Universal Service Fund is constitutional and that no non-delegation or double delegation issues exist. They found that the relationship between the FCC and USAC is legal and that the FCC retains sufficient authority and oversight over the USF programs.⁵⁴ USAC is accountable to the FCC, and questions about USAC's accountability and transparency should be addressed through the FCC.

⁴⁹ USAC. *About USAC*. <https://www.usac.org/about/>

⁵⁰ USAC, Board of Directors. <https://www.usac.org/about/leadership/board-of-directors/>

⁵¹ Stephens, Mark, Managing Director, FCC, Inspector General's Top Management and Performance Challenges for FY 2025 for the Federal Communications Commission. October 29, 2024. https://www.fcc.gov/sites/default/files/fy25_fcc_tmptc_mngt-response_10292024.pdf

⁵² Ibid

⁵³ GAO Report, *Administration of Universal Service Programs Is Consistent with Selected FCC Requirements*, GAO-24-106967, p. 24.

⁵⁴ Supreme Court of the United States. *FCC et al. v Consumers' Research*. https://www.supremecourt.gov/opinions/24pdf/24-354_0861.pdf

Conclusion

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. 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 communications context will continually require the human agent being able to operate effectively. Libraries stand ready to provide this critical support and advance our shared goals of closing the digital divide.

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 universal access and opportunity for all. Please contact us if you have any further questions or if we can provide additional information.

Respectfully submitted,

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