



State of Wisconsin Department of Public Instruction

Elizabeth Burmaster, State Superintendent

October 15, 2004

Michael K. Powell
Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20554

Dear Chairman Powell:

I am writing you to express the Wisconsin Department of Public Instruction's strong support for the E-rate program. This program has been instrumental in helping our schools and libraries obtain networked, high-speed access to the Internet. It is because of this support, and the reliance our schools and libraries place in the E-rate program, that I am concerned over the August 3, 2004, suspension of E-rate funding. I understand that E-rate funding commitments are temporarily halted because of issues related to compliance with federal government accounting standards. While I recognize the need for fiscal accountability, it is our schools and libraries that are paying the price for this delay. As of the August funding moratorium, only about 40 percent of our annual \$25 million in E-rate discounts had been committed to our schools and libraries. This funding year started July 1, and each week that passes with no resumption in funding places more budget strain on our schools and libraries.

The resumption of 2004 funding commitments is obviously our most immediate concern. However, I should also express our longer term concern for how future funding commitments will be issued. With the E-rate's adherence to federal accounting rules, it appears there is a definite possibility that, when funding resumes, the commitments to our school and libraries will be made very gradually throughout the funding year. This means that some applicants may not find out until March or even later that their application has been approved, retroactive to the previous July 1. It will be extremely difficult for our applicants to plan and budget under such circumstances and it directly contradicts the program's intent: That all applicants will be notified of their funding by the July 1 start date so that the program operates on a true discount basis.

I understand that one reason to implement the new accounting standards is to address issues of waste, fraud, and abuse in the E-rate program. I agree that any misuse of program funds should not be tolerated. However, one of the best ways to combat this is to provide a modest amount of funding for state education and library agencies to conduct workshops and other outreach activities to applicants. The E-rate has a long and complex application process, which sometimes causes unintentional waste in the program. I think a prudent investment by the FCC to fund state outreach activities will result in a decrease in program waste and abuse.

I appreciate your listening to my concerns, and I hope these issues will be resolved to the benefit of our schools and libraries.

Sincerely,

Elizabeth Burmaster
Superintendent of Public Instruction

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CC: Members of the Commission