

January 2008 E-Rate Update

The biggest E-Rate news of the past month is the enactment of a one-year extension to the E-Rate program's and all of universal service's exemption from the Anti Deficiency Act (ADA). Congress passed the exemption extension, which will now last until December 31st, 2008, as part of the Omnibus Appropriations bill, and the President approved it just five days before the current exemption was scheduled to expire. As a result of this extension, E-Rate applicants need not worry about enduring the kind of funding disruptions that occurred in 2004, when the E-Rate was forced to shutdown for three months after its administrator applied provisions of the ADA to the program.

While the extension is certainly good news for schools, it still does not represent a permanent solution to the ADA problem. Two pieces of legislation – S. 609 on the Senate side and HR 278 in the House – were introduced last year to establish a permanent exemption for E-Rate and all of universal service. S. 609, sponsored by Senator Jay Rockefeller (D-WV), has attracted 31 cosponsors. HR 278, sponsored by Rep. Barbara Cubin (R-WY), has 47 cosponsors. Prospects for a permanent exemption becoming law remain uncertain.

Meanwhile, over at the Universal Service Administrative Company (USAC), which administers the E-Rate, the countdown to the closing of the Program Year 2008 application window is on. The application window officially closes at 11:59 PM EST on February 7th, with the deadline for posting online Form 470s for bid having passed on January 10th.