

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005**

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**HOUSE RESOLUTION 1366**

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Sponsors: Representatives Hilton, Tolson, Miller, Johnson (Primary Sponsors); Clary, Cleveland, Folwell, Frye, Glazier, Jones, Justice, Lewis, Starnes, and Yongue.

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Referred to: Rules, Calendar, and Operations of the House.

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April 21, 2005

1 A HOUSE RESOLUTION URGING CONGRESS TO ENACT LEGISLATION TO  
2 PROVIDE THAT FUNDS RECEIVED AS UNIVERSAL SERVICE  
3 CONTRIBUTIONS AND THE UNIVERSAL SERVICE SUPPORTS PROGRAMS  
4 ARE NOT SUBJECT TO CERTAIN ACCOUNTING RULES.

5       Whereas, since its creation in 1996, the E-Rate has had overwhelming  
6 success in connecting our nation's schools and classrooms to the Internet; and

7       Whereas, the program continues to be a vital source of assistance in  
8 maintaining connectivity and enhancing learning; and

9       Whereas, prior to the program's inception, only 3% of the nation's classrooms  
10 were connected to the Internet, but today, 93% of classrooms are connected; and

11       Whereas, the Universal Service Administration Corporation (USAC), the  
12 entity that administers the E-Rate, estimates that 82% of public schools and 61% of  
13 public libraries receive E-Rate funds; and

14       Whereas, despite the program's remarkable success, schools and libraries still  
15 have considerable technology gaps and a continuing need for E-Rate assistance. Each  
16 year, applications for E-Rate funds far exceed the amount available for disbursement;  
17 and

18       Whereas, for the 2004 funding year alone, the Federal Communications  
19 Commission received more than 39,000 applications totaling \$4.3 billion in requests to  
20 help pay for telecommunications services and Internet services, which was \$2 billion  
21 more than available funding; and

22       Whereas, the E-Rate program has provided schools with \$10.3 billion since  
23 its creation and annually provides \$2.25 billion, making it the fourth largest source of  
24 non-State/nonlocal federal funding to schools; and

25       Whereas, North Carolina has received over \$231 million in E-Rate funds as  
26 of October 2004; and

1           Whereas, in 2004, the Federal Communications Commission began  
2     subjecting the E-Rate program to accounting rules that effectively stopped the flow of  
3     funds to schools and libraries; and

4           Whereas, at the end of 2004, Congress passed a one-year exemption from  
5     these rules for the E-Rate program; and

6           Whereas, a bill (S. 241) has been introduced in the United States Senate to  
7     create a permanent exemption for the E-Rate program; Now, therefore,  
8     Be it resolved by the House of Representatives:

9           **SECTION 1.** The House of Representatives urges Congress to enact Senate  
10    Bill 241 to ensure that students and schools have the technology and connectivity  
11    necessary to succeed academically and to prepare tomorrow's workers.

12           **SECTION 2.** The Principal Clerk shall transmit a certified copy of this  
13    resolution to each member of North Carolina's congressional delegation.

14           **SECTION 3.** This resolution is effective upon adoption.