

**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554**

In the Matter of:

Addressing the Homework Gap through
the E-Rate Program

WC Docket No. 21-31
FCC-25-62

Modernizing the E-Rate Program for
Schools and Libraries

WC Docket No. 13-184
FCC-25-63

**PETITION FOR RECONSIDERATION
OF THE PEOPLE OF THE STATE OF CALIFORNIA AND
THE CALIFORNIA PUBLIC UTILITIES COMMISSION**

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I. INTRODUCTION

Pursuant to guidance from the Federal Communication Commission (Commission) regarding the extension of filing deadlines, this petition for reconsideration originally due on October 30, 2025, is filed today.¹ The People of the State of California and the California Public Utilities Commission (California or CPUC) submit a Petition for Reconsideration in accordance with Title 47, Section 1.429 of the Code of Federal Regulations. This petition addresses the Federal Communication Commission's (Commission) order related to the Homework Gap through the E-Rate program (*2025 Hotspots Order*)² and the Commission's declaratory ruling aimed at modernizing the E-Rate program for schools and libraries (*2025 School Bus Wi-Fi Declaratory Ruling*),³ where the Commission rescinded its E-rate support for off-premises use of Wi-Fi hotspots and associated wireless Internet services, and for Wi-Fi hotspots on school buses. Further, on September 30, 2025, the Commission issued *Wireline Competition Bureau Releases Amended Funding Year 2025 Eligible Services List for the E-Rate Program*, Public Notice DA 25-920, WC Docket No. 13-184, where it announced the modifications.

E-Rate works in tandem with the CPUC's California Teleconnect Fund (CTF) program to provide discounts on broadband and telecommunications services to

¹ Commission Public Notice, Additional Guidance Ahead of Resumption of Operations and Extension of Filing Deadlines, dated Nov. 13, 2025 (DA 25-937).

² *Addressing the Homework Gap through the E-Rate Program*, WC Docket No. 21-31, Order on Reconsideration, adopted Sept. 30, 2025 (FCC 25-62).

³ *Modernizing the E-Rate Program for Schools and Libraries*, WC Docket No. 13-184, Declaratory Ruling, adopted Sept. 30, 2025 (FCC 25-63).

eligible schools and libraries.⁴ Although there are differences in eligible services and discount rates, both programs aim to bridge the digital divide by offering participating schools and libraries significant savings on broadband and telecommunications costs when utilizing both E-Rate and CTF discounts.

The CPUC asks the Commission to reconsider these orders because they harm the public interest, particularly students in rural and urban areas. They also exacerbate the Homework Gap and digital divide. As will be demonstrated below, these orders are also based on a faulty premise, that Section 254(h)(1)(B) of the Communications Act does not allow for support of off-premises educational purposes.

II. BACKGROUND

On July 18, 2024, the Commission adopted FCC 23-76 (*2024 Hotspots Order*), an order to modernize the E-Rate program to enable schools and libraries to provide off-premises Wi-Fi hotspots, addressing the digital divide and Homework Gap.⁵

Recognizing the growing importance of digital learning due to technological advancements and pandemic-related changes, the order permitted E-Rate support for these hotspots while setting budget limits and prioritizing on-premises needs.

Libraries, especially those serving disadvantaged communities, have seen high

⁴ The CTF program was established by [Decision \(D.\) 96-10-066](#) and is governed by Pub. Util. Code §§ [280](#) and [884](#).

⁵ *Addressing the Homework Gap through the E-Rate Program*, WC Docket No. 21-31, Report and Order and Further Notice of Proposed Rulemaking, 39 FCC Rcd 8989 (2024) (*2024 Hotspots Order*) at ¶ 17.

demand for hotspot lending programs, highlighting their critical role in providing internet access to communities.

In the same order, the Commission adopted definitions allowing Wi-Fi hotspots and mobile wireless Internet services for off-premises use to be eligible for E-Rate support, following the Emergency Connectivity Fund (ECF) program's guidelines.⁶ Definitions for “Wi-Fi” and “Wi-Fi hotspot” were established in that order, limiting E-Rate support to portable, sole-function devices used with commercially available mobile wireless Internet services. Multi-functional devices like smartphones or laptops were excluded from support.⁷ The Commission restricted E-Rate support to sole-function Wi-Fi hotspots, excluding multi-functional devices like smartphones and laptops to manage costs. The order also reaffirmed that the Children’s Internet Protection Act applies to all E-Rate-supported services.⁸

On July 31, 2024, the Commission sought comments on the proposed Eligible Services List (ESL) for the E-Rate program (schools and libraries) for funding year 2025.⁹ The CPUC supported the Commission’s proposal to modernize the E-Rate program to enable schools and libraries provide off-premises Wi-Fi hotspots, addressing the digital divide and Homework Gap.

⁶ *Id.* at ¶¶ 22, 23.

⁷ *Id.* at ¶ 24.

⁸ *Id.* at ¶ 97.

⁹ Commission Public Notice, Wireline Competition Bureau Seeks Comments On Proposed Eligible Services List for The E-Rate Program, dated July 31, 2024 [WC Docket No. 13-184]. (<https://docs.fcc.gov/public/attachments/DA-24-743A1.pdf>)

On September 30, 2025, the Commission revisited its e-rate Wi-Fi hotspot and services rules and rescinded the rules adopted in the *2024 Hotspots Order* and issued the *2025 Hotspots Order* (FCC 25-62) and the *2025 School Bus Wi-Fi Declaratory Ruling* (FCC 25-63). The *2025 Hotspots Order* granted the petition for reconsideration filed by Maurine and Matthew Molak¹⁰ and found that the best reading of section 254 of the Communications Act of 1934, as amended, is that it does not permit funding of off-premises use of Wi-Fi hotspots and the associated wireless Internet services with E-Rate program support.¹¹

The Commission stated that, while section 254(h)(1)(B) of the Communications Act mandates that telecommunications carriers offer universal service, as defined under subsection (c)(3), to elementary schools, secondary schools, and libraries at discounted rates for educational purposes, the use of Wi-Fi hotspots outside these entities' locations does not meet this educational purpose requirement.¹² The Commission clarified that, while schools and libraries may purchase Wi-Fi services, the connectivity provided to students and patrons at home does not count as being delivered to the eligible locations, as services must be provided directly to schools and libraries to be eligible for support through the E-Rate program.¹³ The Commission also cited the expiration of Congress's temporary ECF program. This

¹⁰ Maurine and Matthew Molak Petition for Reconsideration, WC Docket No. 21-31 (filed July 31, 2024), <https://www.fcc.gov/ecfs/filing/10731704227591> (*Molak Petition*).

¹¹ 47 U.S.C. § 254.

¹² *2025 Hotspots Order*, ¶ 9.

¹³ *Id.*

program was established during the COVID-19 emergency to fund Wi-Fi hotspots for students learning remotely but included a sunset provision for its expiration upon the end of the COVID-19 emergency.¹⁴ Thus, both because of the Commission’s reading of the statutory language, and because of the expiration of express funding, the Commission rescinded the 2024 rules.

In the *2025 School Bus Wi-Fi Declaratory Ruling*, the Commission canceled its *2023 School Bus Wi-Fi Declaratory Ruling* that allowed funding for Wi-Fi on school buses.¹⁵ Starting in funding year 2025, Wi-Fi services on school buses will not be eligible for support through the E-Rate program, and the Commission directed the Universal Service Administrative Company (USAC) to deny all pending requests as ineligible for E-Rate support.¹⁶ The Commission explained that to qualify for E-Rate, services must have a clear educational purpose and help students learn. According to the Commission, since Wi-Fi on school buses is off school property and cannot be monitored for educational use, it does not meet this requirement.

The Commission also stated that school buses are not classrooms, and funding is meant for services that support learning in classrooms.¹⁷ Additionally, the Commission pointed out that Congress set up the ECF to support internet access outside of school, thus indicating by negative inference that E-Rate is meant for

¹⁴ *Id.*, ¶ 13-14.

¹⁵ *2025 School Bus Wi-Fi Declaratory Ruling*, p. 6.

¹⁶ *Id.*, p. 7.

¹⁷ *Id.*, p. 4.

services on school grounds only. The Commission finally asserted that the 2023 ruling did not follow proper procedures and lacked proof that bus Wi-Fi was effective for education.

III. DISCUSSION AND RECOMMENDATIONS

The Commission’s abrupt and unfounded reversal of its previous orders and rulings regarding off-premises and school buses Wi-Fi hotspots harms the public interest due to its negative impact on students in low-income, rural, and urban disadvantaged communities. The Commission’s actions do not meet the changing needs of the educational system. This reversal also does not follow a full and proper rulemaking process and disregards public comments. Additionally, it contradicts the Communications Act’s principle of universal service, which holds that “all Americans should have access to a baseline level of telecommunications service and further the public interest of keeping all Americans connected,”¹⁸ Finally, the Commission based its reversals on a faulty premise, that Section 254(h)(1)(B) of the Communications Act does not allow for support of off-premises locations. Such actions will exacerbate the digital divide, fail to provide sufficient support for 21st century learning technologies, and will lead to operational inefficiencies and increased financial burdens.

A. Section 254(h)(1)(B) of the Communications Act Allows for Support of Off-Premises Locations.

In the *2025 Hotspots Order*, the Commission interprets Section 254(h)(1)(B) of the Communications Act to preclude support for off-premises educational purposes.

¹⁸ [Universal Service - Universal Service Administrative Company](#)

The Commission interprets the phrase “services to elementary schools, secondary schools, and libraries for educational purposes” to mean that legally, the Commission may only provide for support to only the physical locations of schools and libraries.¹⁹ Thus, according to the 2025 Hotspots Order, the Commission contravenes section 254 of the Communications Act if it provides aid to off-premises locations.

The *2025 Hotspots Order* cites Congress’ enactment of the ECF as support for its view that section 254(h)(1)(B) authorizes funding for connectivity that is physically limited to elementary schools, secondary schools, and libraries.²⁰ Congress created the ECF as part of the American Rescue Plan, as a means to provide funding for the E-Rate’s purposes. The plain language of Congress in enacting the ECF demonstrates that E-Rate funding may extend to off-premises locations. In creating the ECF, Congress directed the Commission to support connectivity to “locations other than the

¹⁹ *2025 Hotspots Order*, ¶¶ 10-11, 15. Section 254(h)(1)(B) reads:

All telecommunications carriers serving a geographic area shall, upon a bona fide request for any of its services that are within the definition of universal service under subsection (c)(3), provide such services to elementary schools, secondary schools, and libraries for educational purposes at rates less than the amounts charged for similar services to other parties. The discount shall be an amount that the Commission, with respect to interstate services, and the States, with respect to intrastate services, determine is appropriate and necessary to ensure affordable access to and use of such services by such entities. A telecommunications carrier providing service under this paragraph shall—

- (i) have an amount equal to the amount of the discount treated as an offset to its obligation to contribute to the mechanisms to preserve and advance universal service, or
- (ii) notwithstanding the provisions of subsection (e) of this section, receive reimbursement utilizing the support mechanisms to preserve and advance universal service.

²⁰ *2025 Hotspots Order*, ¶ 13.

school [and] locations other than the library” pursuant to authority “under paragraphs (1)(B) and (2) of section 254(h) of the Communications Act.”²¹ Thus, Congress found that, relying only on the existing authority of Section 254(h), the Commission could authorize support for connectivity to “locations other than the school [and] locations other than the library.”

The *2025 Hotspots Order* incorrectly characterizes Section 7402 of the American Rescue Plan as “a necessary expansion to section 254(h) in order to fund service for off-premises locations.”²² However, nowhere in Section 7402 does Congress characterize the ECF or its enabling legislation as an expansion of previous authority. Rather, in Section 7402, Congress relied on the *existing authority* of Section 254(h)(1)(B), and the existing E-Rate program, to provide connectivity to off-premises educational purposes. This is further demonstrated by the title of Section 7402: “Funding for E-Rate support for emergency educational connections and

²¹ American Rescue Plan Act, 2021, H.R. 1319, Pub. L. No. 117-2, 117th Cong., tit. VII, § 7402(a) (2021), which states:

Regulations Required.—Not later than 60 days after the date of the enactment of this Act, the Commission shall promulgate regulations providing for the provision, from amounts made available from the Emergency Connectivity Fund, of support under paragraphs (1)(B) and (2) of section 254(h) of the Communications Act of 1934 (47 U.S.C. 254(h)) to an eligible school or library, for the purchase during a COVID–19 emergency period of eligible equipment or advanced telecommunications and information services (or both), for use by— (1) in the case of a school, students and staff of the school at locations that include locations other than the school; and (2) in the case of a library, patrons of the library at locations that include locations other than the library.

²² *2025 Hotspots Order*, ¶ 13.

devices.” Congress did not change the E-Rate program with the ECF; rather Congress merely provided emergency connectivity funding to the existing E-Rate program.

As part of the American Rescue Plan, Congress authorized temporary increased funding, in the form of the ECF, “during a COVID-19 emergency period” to support this off-premises connectivity.²³ This temporary increased funding has lapsed, as has the COVID-19 emergency. The *2025 Hotspots Order* states that “Congress can and does address support off-premises from schools and libraries where it wants to do so.”²⁴ Thus, the *2025 Hotspots Order* reasons, the ECF was the program to provide connectivity to off-premises locations, and once it sunset, such connectivity should end too.

However, nowhere in Section 7402 did Congress state that the Commission should end support for off-premises locations once the ECF, or the COVID-19 emergency, ended. In Section 7402, Congress has already stated that the E-Rate program could be used for off-premises educational purposes and provided increased funding to do so. Congress did not replace or expand Section 254(h) with the ECF, it merely provided temporary additional funding. Thus, pursuant to statute, the Commission may continue to support off-premises locations.

Thus, the decision to continue support for such connectivity is a policy decision, it is not statutorily proscribed. As the CPUC demonstrates in Sections III.B,

²³ American Rescue Plan Act, 2021, H.R. 1319, Pub. L. No. 117-2, 117th Cong., tit. VII, § 7402(a) (2021).

²⁴ *2025 Hotspots Order*, ¶ 13.

C, D and E below, although the COVID-19 emergency has ended, the methods and needs of educational institutions continue to change. Connectivity to off-premises locations is increasingly needed to support the changing needs of education. As a policy decision, the Commission should continue support for this connectivity.

B. These Orders Will Undermine the Intent and Purpose of the Universal Service Fund and Commission Modernization Efforts

The Universal Service Fund was established pursuant to the Communications Act Section 254(b) to ensure that all Americans, including those in rural and low-income urban areas, have access to advanced telecommunications and information services at reasonable rates.²⁵ The Commission's decision to rescind off-premises Wi-Fi hotspot and school buses Wi-Fi hotspot eligibility does not align with this mandate.

The Commission has a long history of modernizing its E-Rate program: most recently, in 2014, it issued two E-Rate modernization orders. The first one focused on expanding funding for Wi-Fi networks in schools and libraries while phasing out support for outdated technologies to free up funds for broadband. The second order approved a budget increase that set aside \$1 billion for Wi-Fi funding to ensure wireless connectivity in all schools and libraries.²⁶ Instead of scaling back its modernization efforts by rescinding E-Rate support for off-premises and school bus Wi-Fi hotspots, the Commission should have looked for ways to further assist students

²⁵ [Universal Service - Universal Service Administrative Company](#)

²⁶ [Summary of the Second E-Rate Modernization Order | Federal Communications Commission](#)

and their families, as it did in 2014, to protect the public interest, especially for those in rural and low-income urban areas.

C. These Orders Will Exacerbate the Digital Divide

The Commission's reversal of its rules supporting off-premises and school bus Wi-Fi hotspots disproportionately affects students and families in low-income, rural, urban, and Tribal areas, who rely on mobile Wi-Fi hotspots as their primary means of internet access. This action will exacerbate the digital divide and Homework Gap, making it even more difficult for vulnerable populations to engage in remote learning. For instance, a 2021 All4Ed study highlighted that California has 1.6 million children living in homes without access to high-speed internet, and over 750,000 of these children lack devices to connect online.²⁷ In rural areas specifically, more than 27% of families do not have high-speed internet, impacting approximately 80,000 children, compared to just 18% in urban areas.²⁸

To further illustrate the scale of the issue, as of October 2025, the California Department of Education identified that there are currently 5.8 million K-12 students in California, with 3.6 million qualifying for free or reduced-price meals based on their family income status.²⁹ This statistic highlights that 62.8% of California K-12 students belong to families that may struggle to afford broadband services, including Wi-Fi

²⁷ https://all4ed.org/press_release/california-students-caught-in-the-homework-gap/

²⁸ https://all4ed.org/press_release/california-students-caught-in-the-homework-gap/

²⁹ <https://dq.cde.ca.gov/dataquest/Cbeds1.asp?FreeLunch=on&cChoice=StatProf1&cYear=2024-25&cLevel=State&cTopic=FRPM&myTimeFrame=S&submit1=Submit>

hotspots. The trend from 2021 to 2025 indicates a growing need for accessible internet services for these students.

Data from the USAC funding year 2025 for California reveals a strong demand for off-premises connectivity solutions for students. Specific requests in California include approximately 137,000 monthly Wi-Fi hotspot units and 3,600 one-time units, along with around 303 monthly Wi-Fi hotspot devices and over 119,000 one-time devices checked out by students. Additionally, approximately 2,637 monthly school bus internet service units along with 127 one-time unit school bus internet services were requested.³⁰ This information highlights the critical need for continued digital access for students beyond school grounds.

In the *2025 Hotspots Order*, the Commission interprets Section 254(h)(1)(B) of the Communications Act to preclude E-Rate support for off-premises educational purposes.³¹ By restricting E-Rate support to on-premises services, the Commission

³⁰ https://opendata.usac.org/E-Rate/E-Rate-Request-for-Discount-on-Services-FRN-Line-I/hbj5-2bpj/about_data

³¹ *2025 Hotspots Order*, ¶¶ 10-11, 15. Section 254(h)(1)(B) reads:

All telecommunications carriers serving a geographic area shall, upon a bona fide request for any of its services that are within the definition of universal service under subsection (c)(3), provide such services to elementary schools, secondary schools, and libraries for educational purposes at rates less than the amounts charged for similar services to other parties. The discount shall be an amount that the Commission, with respect to interstate services, and the States, with respect to intrastate services, determine is appropriate and necessary to ensure affordable access to and use of such services by such entities. A telecommunications carrier providing service under this paragraph shall—

- (i) have an amount equal to the amount of the discount treated as an offset to its obligation to contribute to the mechanisms to preserve and advance universal service, or

effectively separates ‘school’ from ‘home,’ disregarding the reality that consistent internet access is often essential for students to complete their homework outside school. During and after the COVID-19 pandemic, school hotspot lending programs and library Wi-Fi checkout systems became essential in bridging these gaps. Schools also allow students and staff to remotely access school resources from outside the physical campus and may also require remote school access during emergency situations. Consequently, removing funding for these resources will reverse years of progress toward achieving digital equity and universal broadband.

D. These Orders Provide Insufficient Support for 21st Century Learning Technologies

As more school classes, school materials, and textbooks become available online and over the cloud in the 21st century, the education experience shifts from traditional face-to-face interactions to flexible, technology-driven learning experiences that accommodate students’ diverse needs. Higher education has seen substantial growth in online learning. For example, more than 40% of community college classes remain online in California for 2025, with a much higher rate of remote education at the state’s four-year universities.³² While most K-12 classes are in-person, the shift is in some school districts where they offer hybrid learning for students, with some

(ii) notwithstanding the provisions of subsection (e) of this section, receive reimbursement utilizing the support mechanisms to preserve and advance universal service.

³² [At Community Colleges, Online Classes Remain Popular in Post-2020 Shift](#)

classes offered online. These shifts indicate that modern educational delivery is no longer confined to physical classrooms.

The Commission's decision to rescind its E-Rate support for off-premises and school buses' Wi-Fi hotspots disregards the shift in the 21st century learning technologies and limits schools' ability to fulfill their educational mission under the "educational purpose" standard and confines it to physical locations. Students in rural and urban areas who do not have access to Wi-Fi hotspots at home or have an unreliable broadband service will be left with insufficient resources to succeed in their education, leading to an even bigger Homework Gap.

E. Operational Inefficiencies and Financial Burden

The E-Rate program, which works alongside the CPUC's CTF program, helps provide essential discounts on broadband and telecommunications services to eligible schools.³³ However, the Commission's sudden decision to end E-Rate support for off-premises and school bus Wi-Fi hotspots will cost California schools approximately \$27.6 million,³⁴ and would also require the CTF program to annually cover approximately \$8.8 million in unplanned costs.³⁵

³³ The CTF program was established by [Decision \(D.\) 96-10-066](#) and is governed by Pub. Util. Code §§ [280](#) and [884](#).

³⁴ https://opendata.usac.org/E-Rate/E-Rate-Request-for-Discount-on-Services-FRN-Line-I/hbj5-2bpj/about_data

³⁵ https://opendata.usac.org/E-Rate/E-Rate-Request-for-Discount-on-Services-FRN-Line-I/hbj5-2bpj/about_data. CTF can cover up to 50% discount on Wi-Fi hotspots services:
~\$17,430,747.81*50%

This abrupt change not only affects CTF finances but also puts significant strain on many government agencies, schools, and libraries that rely on E-Rate support for mobile hotspots and bus Wi-Fi programs. These programs were already incorporated into school district technology budgets and digital equity plans based on the Commission’s previous guidance. Abruptly rescinding eligibility creates administrative confusion, wasted procurement efforts, and financial losses for both applicants and service providers.

Additionally, the Commission’s order for USAC to deny all pending Fiscal Year 2025 funding requests for hotspots further complicates the situation. This forces applicants to revise their budgets and risk losing previously authorized state matching funds. This uncertainty contradicts the Commission’s stated commitment to predictability and transparency in universal service administration. Not only is the Commission failing its predictability commitment, but it is also violating its statutory requirement under 47 U.S. Code Section 254(b)(5), which mandates that “There should be specific, predictable and sufficient Federal and State mechanisms to preserve and advance universal service.”³⁶

F. Recommendations

The CPUC recommends that the Commission:

- (1) Reconsider its interpretation of section 254 of the Communications Act, particularly regarding off-premises support for Wi-Fi hotspots.

³⁶ [47 U.S. Code § 254 - Universal service | U.S. Code | US Law | LII / Legal Information Institute](#)

- 1) Broaden its definitions and support the use of off-premises and school buses' use of Wi-Fi hotspots.
- 2) Align the Commission with the evolving needs of students and libraries in digital learning.

IV. CONCLUSION

This Petition for Reconsideration focuses on the public interest, especially students' need for necessary broadband access to Wi-Fi hotspots in rural and urban areas. Rather than ending support for off-premises Wi-Fi hotspots, the Commission should bridge the Homework Gap and digital divide in education by extending the support to off-premises locations. This action would follow the authority of Section 254(h)(1)(B) of the Communications Act and would further the principle of universal service. As technology plays a bigger role in learning during the 21st century, it is crucial that the Commission reassess the E-Rate program to ensure equitable access to digital resources, especially for disadvantaged communities.

Respectfully submitted,

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