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**M E M O R A N D U M**

**DATE:** November 18, 2005  
**TO:** TechMIS Subscribers  
**FROM:** Charles Blaschke  
**SUBJ:** E-rate Update and FY 2006 Appropriations

Only hours before this memorandum and enclosures were sent, the House voted not to accept the conference report to which it “agreed” earlier thereby postponing passage of the FY 2006 appropriations. One reason for the diminished support was the deletion of most, if not all, pork barrel earmarks which upset many House members. A Continuing Resolution through December 17 will likely pass.

The “agreed-to version” would have cut the E<sup>2</sup>T<sup>2</sup> Title II D program from almost \$500 million this year to \$275 million while increasing Title I and IDEA by \$100 million each. If the House sticks to the budget resolution cap and includes pork barrel earmarks in the next version, further cuts in other education programs are likely. However, if the House goes along with the Senate version, which is \$3 billion more, then opportunities for increasing certain education program funding levels is more likely.

Enclosed is a Special Report on a number of E-rate related developments. The E-rate is “safe” for another year as it will be exempt from the Anti-Deficiency Act restrictions; however if the FCC does not make some regulatory changes quickly to reduce fraud, waste, and abuse and streamline the process, then Congress is likely to make changes legislatively early next year which some say could endanger support for the entire program, particularly from telecommunication carriers. Please call if you have any questions.