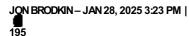


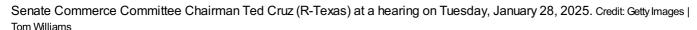


TED CRUZ VS. WI-FI HOTSPOTS

# Senator Ted Cruz is trying to block Wi-Fi hotspots for

Cruz: Hotspot lending could "censor kids' exposure to conservative viewpoints."









#### TEXT SETTINGS

US Senator Ted Cruz (R-Texas) is trying to block a plan to distribute Wi-Fi hotspots to schoolchildren, claiming it will lead to unsupervised Internet usage, endanger kids, and possibly restrict kids' exposure to conservative viewpoints. "The government shouldn't be complicit in harming students or impeding parents' ability to decide what their kids see by subsidizing unsupervised access to inappropriate content," Cruz said.

Cruz, chairman of the Commerce Committee, yesterday announced a Congressional Review Act (CRA) resolution that would nullify the hotspot rule issued by the Federal Communications Commission. The FCC voted to adopt the rule in July 2024 under then-Chairwoman Jessica Rosenworcel, saying it was needed to help kids without reliable Internet access complete their homework.

Cruz's press release said the FCC action "violates federal law, creates major risks for kids' online safety, [and] harms parental rights." While Rosenworcel said last year that the hotspot lending could be implemented under the Universal Service Fund's existing budget, Cruz alleged that it "will increase taxes on working families."

"As adopted, the Biden administration's Wi-Fi Hotspot Order unlawfully expanded the Universal Service Fund (USF) to subsidize Wi-Fi hotspots for off-campus use by schoolchildren, despite the Communications Act clearly limiting the Commission's USF authority to 'classrooms,'" Cruz's announcement said. "This partisan order, strongly opposed by then-Commissioner Brendan Carr and Commissioner Nathan Simington, represents an overreach of the FCC's mandate and poses serious risk to children's online safety and parental rights."

Cruz's press release said that "unlike in a classroom or study hall, off-premises hotspot use is not typically supervised, inviting exposure to inappropriate content, including social media." Cruz's office alleged that the FCC program shifts control of Internet access from parents to schools and thus "heightens the risk of censoring kids' exposure to conservative viewpoints."

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Deb Fischer (R-Neb.), Jerry Moran (R-Kan.), Marsha Blackburn (R-Tenn.), Todd Young (R-Ind.), Ted Budd (R-N.C.), Eric Schmitt (R-Mo.), John Curtis (R-Utah), Tim Sheehy (R-Mont.), Shelley Moore Capito (R-W.Va.), and Cynthia Lummis (R-Wyo.).

## The FCC's plan

Under the CRA, Congress can reverse recent agency actions. The exact deadline isn't always clear, but the Congressional Research Service estimated "that Biden Administration rules submitted to the House or Senate on or after August 1, 2024" are likely to be subject to the CRA during the first few months of 2025. The FCC hotspot rule was submitted to Congress in August.

The FCC rule expands E-Rate, a Universal Service Fund program that helps schools and libraries obtain affordable broadband. The hotspot order would let schools and libraries use E-Rate funding for "lending programs to loan Wi-Fi hotspots and services that can be used off-premises to the students, school staff, and library patrons with the greatest need," the FCC says.

The FCC's hotspot order said "technology has become an integral part of the modern classroom," and that "neither Congress nor the Commission has defined the term 'classroom' or placed any explicit location restrictions on schools or libraries."

"We conclude that funding Wi-Fi hotspots and services for off-premises use will help enhance access for school classrooms and libraries to the broadband connectivity necessary to facilitate digital learning for students and school staff, as well as library services for library patrons who lack broadband access when they are away from school or library premises," the FCC order said.

Off-premises use can help "the student who has no way of accessing their homework to prepare for the next day's classroom lesson, or the school staff member who is unable to engage in parent-teacher meetings or professional trainings that take place after the school day ends, or the library patron who needs to attend a virtual job interview or perform bona fide research after their library's operating hours," the FCC said.

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## The FCC order continued:

Thus, we conclude that by permitting support for the purchase of Wi-Fi hotspots and Internet wireless services that can be used off-premises and by allowing schools and libraries to use this technology to connect the individuals with the greatest need to the resources required to fully participate in classroom assignments and in accessing library services, we will thereby extend the digital reach of schools and libraries for educational purposes and allow schools, teachers, and libraries to adopt and use technology-based tools and supports that require Internet access at home. For these reasons, we conclude that the action adopted today is within the scope of our statutory directive under section 254(h)(2)(A) of the Communications Act to enhance access to advanced telecommunications and information services for school classrooms and libraries.

The FCC order said it would be up to schools and libraries "to make determinations about acceptable use in their communities." Schools and libraries seeking funding would be "subject to the requirements under the Children's Internet Protection Act, which requires local educational agencies and libraries to establish specific technical protections before allowing network access," the FCC said. They also must certify on an FCC form that they have updated and publicly posted acceptable use policies and may be required to provide the policies and evidence of where they are posted to the

# Hotspots were distributed during pandemic

The FCC previously distributed Wi-Fi hotspots and other Internet access technology through the \$7.171 billion Emergency Connectivity Fund (ECF), which was authorized by Congress in the American Rescue Plan Act of 2021. But Congress rescinded the program's remaining funding of \$1.768 billion last year.

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The Rosenworcel FCC responded by adapting E-Rate to include hotspot lending. Overall E-Rate funding is based on demand and capped at \$4.94 billion per year. Actual spending for E-Rate in 2023 was \$2.48 billion. E-Rate and other Universal Service Fund programs are paid for through fees imposed on phone companies, which generally pass that cost on to consumers with a "Universal Service" charge on telephone bills.

Carr, who is now FCC chairman, said in his July 2024 dissent that only Congress can decide whether to revive the hotspot lending. "Now that the ECF program has expired, its future is up to Congress," he said. "The legislative branch retains the power to decide whether to continue funding this Wi-Fi loaner program—or not. But Congress has made clear that the FCC's authority to fund this initiative is over."

With the previous temporary program, Congress ensured that Universal Service Fund money wouldn't be spent on the Wi-Fi hotspots and that "the program would sunset when the COVID-19 emergency ended," Carr said. But the replacement program doesn't have the "guardrails" imposed by Congress, he argued.

"The FCC includes no limit on the amount of ratepayer dollars that can be expended in aggregate over the course of years, no limit on the locations at which the hotpots can be used, no sunset date on the program, and no protection against this program increasing consumers' monthly bills," Carr said.

Even if Congress doesn't act on Cruz's resolution, Carr could start a new FCC proceeding to reverse the previous decision. Carr has said he plans to take actions "to reverse the last administration's costly regulatory overreach."

# Ex-chair said plan didn't require budget increase

Rosenworcel said the temporary program "demonstrated what a modern library and school can do to help a community learn without limits and keep connected."

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"Today we have a choice," she said at the time. "We can go back to those days when people sat in parking lots to get a signal to get online and students struggling with the homework gap hung around fast food places just to get the Internet access they needed to do their schoolwork. Or we can go forward and build a digital future that works for everyone."

She argued that the FCC has authority because the law "directs the agency to update the definition of universal service, which includes E-Rate, so that it evolves over time," and "Congress specifically directed the Commission to designate additional services in this program as needed for schools and libraries."

Cruz's press release said the FCC "order imposes no overall limit on the amount of federal dollars that can be expended on the hotspots, lacks mean-testing to target children who may not have Internet at home, and allows for duplication of service in areas where the federal government is already subsidizing broadband. As a result, the order could strain the USF while increasing the risk of waste, fraud, and abuse."

However, Rosenworcel said the program would work "within the existing E-Rate budget" and thus "does not require new universal service funds nor does it come at the cost of the support E-Rate provides to connectivity in schools and libraries." Addressing the budget, the FCC order pointed out that E-Rate demand has fallen short of the program's funding cap for many years.

While there wouldn't be mandatory mean-testing, the FCC program would rely on schools and libraries to determine who should be given access to hotspots. "In establishing a budgeted approach to the lending program mechanism, we expect that the limited number of available Wi-Fi hotspots will more naturally be targeted to students, school staff, or library patrons with the most need," the FCC order said.



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