



PUBLIC NOTICE

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WIRELINE COMPETITION BUREAU DIRECTS USAC TO FULLY FUND ELIGIBLE CATEGORY ONE AND CATEGORY TWO E-RATE REQUESTS

CC Docket No. 02-6

In this notice, the Wireline Competition Bureau (Bureau) announces that there is sufficient funding available to fully meet the Universal Service Administrative Company's (USAC) estimated demand for category one and category two requests for E-Rate supported services for funding year 2018.¹

On April 17, 2018, USAC submitted a demand estimate for the E-Rate program for funding year 2018.² It estimates the total demand for funding year 2018 will be \$2.77 billion, which includes estimated demand for category one services of \$2.025 billion and of \$745 million for category two services.³

The Bureau announced that the E-Rate program funding cap for funding year 2018 is \$4.06 billion.⁴ Additionally, according to USAC projections, \$1.2 billion in unused funds is available for use in E-Rate funding year 2018.⁵

The Chief of the Bureau is delegated authority to determine the proportion of unused funds needed to meet category one demand and to direct USAC to use any remaining funds to provide category two support.⁶ In light of the current funding cap of \$4.06 billion and available carry forward funding of \$1.2 billion, there is sufficient funding to fully fund all category one and category two funding requests. We therefore direct USAC to fully fund eligible category one and category two requests, using \$1.2 billion in E-Rate funds unused from previous years, and any additional funds needed under the current cap to fully meet demand for such services.

For further information, please contact James Bachtell, Wireline Competition Bureau at (202) 418-7400 or TTY (202) 418-0484.

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¹ The 2018 funding year runs from July 1, 2018 to June 30, 2019. The E-Rate program is more formally known as the schools and libraries universal service support program.

² See Letter from Catriona Ayer, Acting Vice President, Schools and Libraries Division, USAC, to Kris Monteith, Chief, Wireline Competition Bureau, FCC, CC Docket No. 02-6, at Attach. (filed Apr. 17, 2018) (Funding Year 2018 E-Rate Demand Estimate Letter).

³ *Id.* The demand estimate for funding year 2018 has since been adjusted to \$2.715 billion. See USAC, Federal Universal Service Support Mechanisms Fund Size Projections for Fourth Quarter 2018 (Aug. 2, 2018), https://www.usac.org/about/tools/fcc/filings/2018/q4/USAC-4Q2018-Federal-Universal-Service-Mechanism-Quarterly-Demand-Filing_FINAL.pdf, at 70 (Fourth Quarter USF Size Projections).

⁴ See *Wireline Competition Bureau Announces E-rate Inflation-Based Cap for Funding Year 2018*, CC Docket No. 02-06, Public Notice, 33 FCC Rcd 1923 (WCB 2018); 47 CFR § 54.507(a)(3).

⁵ See Fourth Quarter USF Size Projections at 70.

⁶ 47 CFR § 54.507(a)(5). Category one services include telecommunications, telecommunications services and Internet access. Category two services include internal connections, basic maintenance of internal connections and managed internal broadband services.