



May 3, 2019

Mr. Ryan Palmer and Ms. Elizabeth Drogula
Wireline Competition Bureau
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

RE: In the Matter of Rural Health Care Universal Service Support Mechanism,
WC Docket No. 02-06, Analysis of Funding Year 2018 Multi-Year and Upfront Requests

Dear Mr. Palmer and Ms. Drogula:

In response to a request from Wireline Competition Bureau (WCB) staff, the Universal Service Administrative Company (USAC) hereby provides this non-confidential analysis of Funding Year (FY) 2018 multi-year and upfront requests. As of March 31, 2019, demand for all Rural Health Care Program funding requests is \$648.1 million. Of that demand, \$237.1 million are requests for multi-year or upfront costs in the HCF Program. The amount of requested funding for single year requests in both the HCF and Telecom Programs totals \$411 million. USAC has begun issuing commitments fully funding qualified single year requests, but sought guidance from the FCC on how to proceed with issuing commitments for multi-year and upfront requests. Table 1 below shows more detailed information on the multi-year and upfront funding requests received.

Table 1. Multi-Year and Upfront Funding Requests in HCF Program

	Current Demand (as of 3/31/19)
Multi-Year Requests Total	\$166 million
<i>Costs incurred in FY18</i>	<i>\$78.2 million</i>
<i>Costs incurred in FY19-20</i>	<i>\$87.8 million</i>
Upfront Requests	\$71.2 million
Total	\$237.2 million

As requested by your office, USAC has analyzed the potential pro-rata factors for multi-year and upfront requests. According to current FCC rules for the Rural Health Care Universal Service Support



Mechanism, USAC must fund all qualified multi-year and upfront requests but funding is capped at \$150 million.¹ Based on this requirement, all qualified multi-year and upfront funding requests would have a pro-rata factor of 63.26%.²

I would be happy to answer any questions you may have regarding this information.

Sincerely,

//s// Mark Sweeney

Vice President, Rural Health Care and Shared Services

USAC

cc: Mark Stephens, Managing Director, FCC (via e-mail only)
Trent Harkrader, Deputy Bureau Chief, FCC (via e-mail only)

¹ 47 C.F.R. § 54.675(a)

² Calculated by dividing \$237.2 million originally requested total by \$150 million cap. This is based on current estimates as of March 31, 2019.