**DA 18-163**

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**WIRELINE COMPETITION BUREAU ANNOUNCES E-RATE INFLATION-BASED**

**CAP FOR FUNDING YEAR 2018**

**CC Docket No. 02-6**

Pursuant to section 54.507(a) of the Commission’s rules,[[1]](#footnote-3) the Wireline Competition Bureau (Bureau) announces that the E-rate program funding cap for funding year 2018 is $4,062,030,726.[[2]](#footnote-4) The new cap represents a 1.8 percent inflation-adjusted increase in the $3,990,207,000 cap from funding year 2017.[[3]](#footnote-5) The Commission began indexing the funding cap to inflation in 2010 to ensure that E-rate program funding keeps pace with the changing broadband and telecommunications needs of schools and libraries.[[4]](#footnote-6)

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1. 47 CFR § 54.507(a). Sections 54.507(a)(1) and (2) of the Commission’s rules require an adjustment of the E-rate program’s annual cap based on the gross domestic product chain-type price index (GDP-CPI) measure of inflation. *See Schools And Libraries Universal Service Support Mechanism; A National Broadband Plan For Our Future*, CC Docket No. 02-6, GN Docket No. 09-51, Order, 25 FCC Rcd 18762, 18782, para. 39 (2010) (*E-rate Sixth Report and Order*); 47 CFR §§ 54.507(a)(1), (2). [↑](#footnote-ref-3)
2. This represents a $71,823,726 increase for the E-rate program funding cap as a whole, including a $53,407,386 increase for the category one services funding level and a $18,416,340 increase for the category two services funding level. *See* 47 CFR § 54.507(a)(3) (noting that the Bureau will release a public notice “announcing any increase of the annual funding cap including any increase to the $1 billion funding level available for category two services based on the rate of inflation”). 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. [↑](#footnote-ref-4)
3. National Income and Product Accounts Table, Bureau of Economic Analysis, revised Jan. 26, 2018, Table 1.1.4, https://www.bea.gov/iTable/iTable.cfm?reqid=19&step=2#reqid=19&step=3&isuri=1&1910=x&0=-99&1921=survey&1903=4&1904=2015&1905=2017&1906=a&1911=0 (GDP-CPI table; based on gross domestic product of 111.419 in 2016 and 113.427in 2017, we calculate an increase of 1.8%). Note that the 2016 gross domestic product figure of 111.419 has been revised downward by BEA since the Bureau announced the E-rate program funding cap for funding year 2017 last year. *See Wireline Competition Bureau Announces E-rate Inflation-Based Cap for Funding Year 2017*, CC Docket No. 02-06, Public Notice, 32 FCC Rcd 1869, n.3 (WCB 2017). [↑](#footnote-ref-5)
4. *E-rate Sixth Report and Order*, 25 FCC Rcd at 18781, para. 36. The Commission did not increase the funding cap in funding year 2015 pursuant to section 54.507(a)(1) of the Commission’s rules. 47 CFR § 54.507(a)(1). [↑](#footnote-ref-6)