



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 2020.¹

On May 1, 2020, USAC submitted a demand estimate for the E-Rate program for funding year 2020.² It estimates the total demand for funding year 2020 will be \$2.91 billion, which includes estimated demand for category one services of \$1.74 billion and of \$1.17 billion for category two services.³

The Bureau announced that the E-Rate program funding cap for funding year 2020 is \$4.23 billion.⁴ Additionally, according to USAC projections, \$500 million in unused funds from previous years is available for use in E-Rate funding year 2020.⁵

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 \$4.23 billion and available carry forward funding of \$500 million, 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 the \$500 million in E-Rate funds unused from previous years, and any additional funds needed under the current cap to fully meet demand for such services.

¹ The 2020 funding year runs from July 1, 2020 to June 30, 2021. The E-Rate program is more formally known as the schools and libraries universal service support program. 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.

² See Letter from Craig Davis, Vice President, Schools and Libraries Division, USAC, to Kris Monteith, Chief, Wireline Competition Bureau, FCC, CC Docket No. 02-6, at Attach. (May 1, 2020).

³ *Id.* The demand estimate for funding year 2020 was reflected as \$2.636 billion in the Third Quarter USF Size Projections. See USAC, Federal Universal Service Support Mechanisms Fund Size Projections for Third Quarter 2020 (May 1, 2020), https://www.usac.org/wp-content/uploads/about/documents/fcc-filings/2020/third-quarter/financials/USAC-3Q2020-Federal-Universal-Service-Mechanism-Quarterly-Demand-Filing_Final.pdf at 59 (Third Quarter USF Size Projections).

⁴ See *Wireline Competition Bureau Announces E-Rate and RHC Programs' Inflation-Based Caps for Funding Year 2020*, CC Docket No. 02-6, Public Notice, 35 FCC Rcd 2062 (WCB 2020); 47 CFR § 54.507(a)(3).

⁵ See Third Quarter USF Size Projections at 59.

⁶ 47 CFR § 54.507(a)(5).

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