

April 20, 2012

VIA E-MAIL AND FIRST-CLASS MAIL

Sharon Gillett
Bureau Chief, Wireline Competition Bureau
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

RE: In the Matter of Schools and Libraries Universal Service Support Mechanism,
CC Docket No. 02-6, Estimate of Demand for Funding Year 2012

Dear Ms. Gillett:

USAC's estimate of demand for Schools and Libraries Universal Service Support Mechanism discounts for Funding Year 2012 (July 1, 2012 to June 30, 2013) is \$5.237 billion. This estimate is based on total funds requested in 46,838 FCC Form 471 applications received or postmarked on or before March 20, 2012, the close of the FCC Form 471 filing window. A table showing demand by service type and discount band is attached to this letter.

The total estimated demand for Funding Year 2012 (\$5.237 billion) increased approximately \$927 million (21.5 percent) from the estimated demand for Funding Year 2011 of \$4.310 billion. Estimated demand for Priority One funding (telecommunications services and Internet access) is \$2.444 billion, an increase of 12.5 percent from last year (\$2.173 billion), while estimated demand for Priority Two funding (internal connections other than basic maintenance and basic maintenance of internal connections) is \$2.793 billion, an increase of 30.7 percent from last year (\$2.137 billion). Estimated demand for Priority 2 services at the 90 percent discount rate is \$1.379 billion; the demand for Priority 2 services at the 80:89 percent levels for Funding Year 2012 (\$1.238 billion) was 13.9 percent higher than last year (\$1.087 billion). For Funding Year 2012, 98.0 percent of timely applications were filed online, essentially the same as Funding Year 2011. In addition, 81.4 percent of FCC Form 471 certifications were filed online, which was essentially the same as last year.

USAC's reviews will ultimately reduce the Funding Year 2012 demand from the estimated level set forth in this letter and the attachment. First, while USAC has made every effort to eliminate duplicate funding requests from this estimate, inevitably we will discover more duplication as we process these applications. Second, USAC's efforts to assure that funds are committed only for eligible services for use by eligible entities with

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the appropriate discount rate and otherwise consistent with program rules will further reduce the demand.

I would be happy to answer any questions you may have regarding this information. Thank you for your consideration as USAC prepares to launch the Funding Year 2012 commitment process.

Sincerely,



Mel Blackwell
Vice President

Attachment: FY2012 Demand Estimate

cc: Marlene H. Dortch, Secretary, FCC (via electronic filing)
David Robbins, Managing Director, FCC (via e-mail only)
Mark Stephens, Chief Financial Officer, FCC (via e-mail only)
Dana Shaffer, Deputy Managing Director, FCC (via e-mail only)
Trent Harkrader, Division Chief, TAPD, FCC (via email only)
Patrick Halley, Policy Advisor, Office of the Bureau Chief, FCC (via e-mail only)
Gina Spade, Deputy Division Chief, TAPD FCC (via e-mail only)