



via FCC ECFS

April 22, 2013

Julie Veach
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 2013

Dear Ms. Veach:

USAC's estimate of demand for Schools and Libraries Universal Service Support Mechanism discounts for Funding Year (FY) 2013 (July 1, 2013 to June 30, 2014) is \$4.986 billion. This estimate is based on total funds requested in 45,189 FCC Form 471 applications received or postmarked on or before March 14, 2013, 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 FY 2013 of \$4.986 billion decreased approximately \$251 million (4.8 percent) from the estimated demand for FY 2012 of \$5.237 billion. Estimated demand for Priority One funding (telecommunications services and Internet access) is \$2.709 billion, an increase of 10.8 percent from last year's demand of \$2.444 billion. Estimated demand for Priority Two funding (internal connections other than basic maintenance and basic maintenance of internal connections) is \$2.277 billion, a decrease of 18.5 percent from last year's amount of \$2.793 billion.

Estimated demand for Priority 2 services at the 90 percent discount rate is \$1.760 billion; the demand for Priority 2 services at the 80-89 percent levels for FY 2013 of \$461million was 63 percent lower than last year's amount of \$1.238 billion. For FY 2013, 98.0 percent of timely applications were filed online, essentially the same as FY 2012. In addition, 80.5 percent of FCC Form 471 certifications were filed online, which was essentially the same as last year.

USAC's reviews will ultimately reduce the FY 2013 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 the

Julie Veach
Federal Communications Commission
April 22, 2013
Page 2

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 FY 2013 commitment process.

Sincerely,

//s// Mel Blackwell
Vice President

Attachment: FY2013 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, Associate Bureau Chief, FCC (via email only)
Patrick Halley, Policy Advisor, Office of the Bureau Chief, FCC (via e-mail only)
Lisa Hone, Deputy Division Chief E-rate, FCC (via e-mail only)
Gina Spade, Deputy Division Chief, FCC (via e-mail only)