



PUBLIC NOTICE

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WIRELINE COMPETITION BUREAU ANNOUNCES CARRY-FORWARD OF UNUSED SCHOOLS AND LIBRARIES UNIVERSAL SERVICE FUNDS FOR FUNDING YEAR 2014

CC Docket No. 02-6

Pursuant to section 54.709(a)(3) of the Commission's rules,¹ on January 31, 2014, the Universal Service Administrative Company (USAC) submitted projections of demand and administrative expenses for the federal universal service fund for the second quarter of 2014.² According to USAC's projections, \$600 million in unused funds from previous funding years is available to carry forward to increase disbursements to schools and libraries via the E-rate program, more formally known as the schools and libraries universal service program.³ Section 54.507(a)(3) of the Commission's rules states that "[a]ll funds collected that are unused shall be carried forward into subsequent funding years for use in the [E-rate program] in accordance with the public interest and notwithstanding the annual cap."⁴

On March 28, 2014, pursuant to section 54.507(a) of the Commission's rules,⁵ the Wireline Competition Bureau announced that the E-rate program funding cap for Funding Year 2014 is \$2,413,817,693.⁶

On April 17, 2014, USAC submitted an estimate of demand for the E-rate program for Funding Year 2014 (July 1, 2014 to June 30, 2015) of \$4.825 billion, which includes estimated demand for priority one services (telecommunications, telecommunications services and Internet access) of \$2.630 billion.⁷

USAC's initial demand estimate is always higher than the commitments ultimately made by USAC because some applicants withdraw requests for funding and other requests are adjusted downward

¹ 47 C.F.R. § 54.709(a)(3).

² See USAC, Federal Universal Service Support Mechanisms Fund Size Projections for Second Quarter 2014, <http://www.usac.org/about/tools/fcc/filings/2014/Q2/USAC%202Q2014%20Federal%20Universal%20Service%20Mechanism%20Quarterly%20Demand%20Filing.pdf> (last visited May 2, 2014).

³ *Id.* at 42.

⁴ 47 C.F.R. § 54.507(a)(3).

⁵ 47 C.F.R. § 54.507(a).

⁶ See *Wireline Competition Bureau Announces E-rate Inflation-Based Cap for Funding Year 2014*, CC Docket No. 02-06, Public Notice, DA 14-426 (Wireline Comp. Bur. rel. Mar. 28, 2014).

⁷ See USAC, Estimate of Demand for Schools and Libraries Universal Service Support Mechanism for Funding Year 2014, CC Docket No. 02-6 (filed Apr. 17, 2014), *available at* http://www.usac.org/_res/documents/sl/pdf/tools/news/fy2014-demand-estimate.pdf (last visited May 2, 2014).

after review. USAC estimates that to fully fund priority one services it will need \$200 million more than the Funding Year 2014 cap. Therefore, consistent with the Commission's rules, the Wireline Competition Bureau announces that \$200 million in unused funds will be carried forward to ensure funding is available for all eligible priority one funding requests received from schools and libraries in Funding Year 2014 in excess of the annual cap.

For further information, please contact James Bachtell, Wireline Competition Bureau at (202) 418-7400 or TTY (202) 418-0484.

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