



PUBLIC NOTICE

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WIRELINE COMPETITION BUREAU ANNOUNCES E-RATE AND RHC PROGRAMS' INFLATION-BASED CAPS FOR FUNDING YEAR 2022

CC Docket No. 02-6
WC Docket No. 02-60

Pursuant to sections 54.507(a) and 54.619(a) of the Commission's rules,¹ the Wireline Competition Bureau (Bureau) announces the E-Rate and Rural Health Care (RHC) programs' funding caps for funding year 2022.² The new caps represent a 4.2% inflation-adjusted increase in each program cap from funding year 2021.³

E-Rate Program: The E-Rate program funding cap for funding year 2022 is \$4,456,460,992.⁴ The new cap represents a 4.2% inflation-adjusted increase in the \$4,276,833,965 cap from funding year 2021.⁵ The Commission began adjusting the funding cap based on the GDP-CPI inflation index in 2010

¹ 47 CFR §§ 54.507(a), 54.619(a).

² The Commission's rules require an adjustment of the E-Rate and RHC programs' annual funding caps 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*); *Promoting Telehealth In Rural America*, WC Docket No. 17-310, Report and Order, 33 FCC Rcd 6574, 6580, para. 13 (2018) (*RHC Program Funding Cap Order*); *Promoting Telehealth in Rural America*, WC Docket No. 17-310, Report and Order, 34 FCC Rcd 7335, 7400-02, paras. 138-140 (2019) (*2019 Promoting Telehealth Report and Order*); 47 CFR §§ 54.507(a)(1)-(2), 54.619(a)(1)-(2). The E-Rate program is formally known as the schools and libraries universal service support program.

³ National Income and Product Accounts Table, Bureau of Economic Analysis, revised Feb. 24, 2022, Table 1.1.4, <https://apps.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 average across four quarters of 113.740 in 2020 and 118.490 in 2021, we calculate an increase of 4.2%). Note that the 2020 gross domestic product figure has been revised upward by the Bureau of Economic Analysis (BEA) since the Bureau announced the E-Rate and RHC program funding caps for funding year 2020. *See Wireline Competition Bureau Announces E-Rate and RHC Programs' Inflation-Based Caps for Funding Year 2021*, CC Docket No. 02-06, WC Docket No. 02-60, Public Notice, 36 FCC Rcd 5670, n.3 (WCB 2021) (*FY 2021 Inflation Funding Cap Public Notice*) (using a gross domestic product figure of 113.630 for 2020 to determine E-Rate and RHC programs' funding caps for funding year 2021).

⁴ This represents a \$179,627,027 increase for the E-Rate program funding cap as a whole, including a \$134,383,203 increase for the category one services funding level and a \$45,243,823 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 E-Rate program's funding year 2022 runs from July 1, 2022 to June 30, 2023.

⁵ *See supra* note 3; *FY 2021 Inflation Funding Cap Public Notice*.

to ensure that E-Rate program funding keeps pace with the changing broadband and telecommunications needs of schools and libraries.⁶

RHC Program: The RHC program funding cap for funding year 2022 is \$637,721,108.⁷ The internal cap for upfront payments and multi-year commitments in the Healthcare Connect Fund program is \$161,022,761.⁸ These new funding caps represent a 4.2% inflation-adjusted increase to the \$612,016,418 RHC program funding cap and the \$154,532,400 internal cap for the Healthcare Connect Fund program's multi-year commitments and upfront payments from funding year 2021.⁹ The Commission began indexing the RHC program funding cap to inflation in 2018 to ensure that the RHC program funding keeps pace with the changing broadband and telecommunications needs of rural health care providers.¹⁰ In 2020, the Commission also began indexing the internal cap on multi-year commitments and upfront payments to inflation to prevent inflation from eroding the purchasing power of health care providers requesting multi-year commitments and upfront payments through the Healthcare Connect Fund Program.¹¹

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⁶ *E-Rate Sixth Report and Order*, 25 FCC Rcd at 18781, para. 36. The Commission did not increase the funding cap for funding year 2015 pursuant to section 54.507(a)(1) of the Commission's rules. 47 CFR § 54.507(a)(1).

⁷ This represents a \$25,704,690 increase for the RHC program funding cap. The RHC program's funding year 2022 runs from July 1, 2022 to June 30, 2023.

⁸ This represents a \$6,490,361 increase for the internal cap on multi-year commitments and upfront payments under the Healthcare Connect Fund Program.

⁹ See *RHC Program Funding Cap Order*, 33 FCC Rcd at 6584, para. 23; *2019 Promoting Telehealth Report and Order*, 34 FCC Rcd at 7401, para. 139; *FY 2021 Inflation Funding Cap Public Notice*, 36 FCC Rcd at 5671.

¹⁰ *RHC Program Funding Cap Order*, 33 FCC Rcd at 6583, para. 21; 47 CFR § 54.619(a)(1)-(2).

¹¹ *2019 Promoting Telehealth Report and Order*, 34 FCC Rcd at 7401, para. 139; 47 CFR § 54.619(a)(1)-(2).