



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 2022.¹

On March 23, 2022, USAC submitted a demand estimate for the E-Rate program for funding year 2022.² USAC estimates the total demand for funding year 2022 will be \$3.15 billion, which includes estimated demand for category one services of \$1.64 billion and of \$1.51 billion for category two services.³

The Bureau announced that the E-Rate program funding cap for funding year 2022 is \$4.46 billion.⁴ Additionally, according to USAC projections, \$500 million in unused funds from prior funding years is available for use in E-Rate funding year 2022.⁵

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 \$4.46 billion and available carry forward funding of \$500 million, there is sufficient funding to fully fund all category one and category two funding requests for funding year 2022. We therefore direct USAC to fully fund eligible category one and category two requests, using the \$500 million in E-Rate funds unused from prior years, and any additional funds needed under the current funding cap to fully meet demand for such services.

¹ The 2022 funding year runs from July 1, 2022 to June 30, 2023. The E-Rate program is more formally known as the schools and libraries universal service support mechanism. 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 Trent Harkrader, Chief, Wireline Competition Bureau, FCC, CC Docket No. 02-6, at Attach. (Mar. 23, 2022).

³ *Id.* The demand estimate for funding year 2022 was reflected as \$2.873 billion in the Fourth Quarter USF Size Projections. See USAC, Federal Universal Service Support Mechanisms Fund Size Projections for Fourth Quarter 2022 (Aug. 2, 2022) https://www.usac.org/wp-content/uploads/about/documents/fcc-filings/2022/fourth-quarter/financials/USAC-4Q2022-Federal-Universal-Service-Mechanism-Quarterly-Demand-Filing_Final.pdf at 54 (Fourth Quarter 2022 USF Size Projections).

⁴ See *Wireline Competition Bureau Announces E-Rate and RHC Programs' Inflation-Based Caps for Funding Year 2022*, CC Docket No. 02-6, Public Notice, DA 22-271 (WCB Mar. 14, 2022); 47 CFR § 54.507(a)(3).

⁵ See Fourth Quarter 2022 USF Size Projections at 54.

⁶ 47 CFR § 54.507(a)(5).

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

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