



PUBLIC NOTICE

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WIRELINE COMPETITION BUREAU ANNOUNCES E-RATE INFLATION-BASED CAP FOR FUNDING YEAR 2012

CC Docket No. 02-6

Pursuant to section 54.507(a) of the Commission's rules,¹ the Wireline Competition Bureau announces that the E-rate program funding cap for funding year 2012 is \$2,338,786,577.² Section 54.507(a)(1) of the Commission's rules requires an adjustment of the E-rate program's annual cap based on the gross domestic product chain-type price index (GPD-CPI) measure of inflation.³ The new cap represents a 2.1% inflation-adjusted increase from funding year 2011's \$2,290,682,250 cap.⁴ The Commission began indexing the annual funding cap to inflation in 2010 to allow the E-rate program to keep pace with the changing telecommunications needs of schools and libraries.⁵

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

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¹ 47 C.F.R. § 54.507(a).

² The 2012 funding year runs from July 1, 2012 to June 30, 2013. The E-rate program is more formally known as the schools and libraries universal service support program.

³ *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) (*Sixth Report and Order*).

⁴ *Id.* at 18781, 18783, paras. 36, 40; National Income and Product Accounts Table, Bureau of Economic Analysis, May 2012, Table 1.1.4, available at <http://www.bea.gov/National/nipaweb/TableView.asp?SelectedTable=4&ViewSeries=NO&Java=no&Request3Place=N&3Place=N&FromView=YES&Freq=Year&FirstYear=2008&LastYear=2012&3Place=N&Update=Update&JavaBox=no#Mid> (last visited May 8, 2012) (calculating the percentage difference of the gross domestic product of 111 in 2010 and 113.338 in 2011 and producing an increase of 2.1%).

⁵ *Sixth Report and Order*, 25 FCC Rcd at 18781, para. 36.