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Federal Communications Commission
445 12th St., S.W.
Washington, D.C. 20554

News Media Information 202 / 418-0500
Fax-On-Demand 202 / 418-2830
TTY 202 / 418-2555
Internet: <http://www.fcc.gov>
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WIRELINE COMPETITION BUREAU ANNOUNCES CARRY-FORWARD OF UNUSED SCHOOLS AND LIBRARIES UNIVERSAL SERVICE FUNDS FOR FUNDING YEAR 2012

CC Docket No. 02-6

Pursuant to section 54.709(a)(3) of the Commission's rules,¹ on April 26, 2012, the Universal Service Administrative Company (USAC) submitted projections of demand and administrative expenses for the federal Universal Service Fund for the third quarter of 2012.² According to USAC's projections, \$400 million in unused funds from funding years 2003-2010 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 In addition, while preparing projections of demand and administrative expenses for the federal Universal Service Fund for the fourth quarter of 2012, USAC identified another \$650 million available to be carried forward, for a total of \$1.050 billion in funding available for funding year 2012.⁴ 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."⁵

Consistent with the Commission's rules, the Wireline Competition Bureau announces that \$1.050 billion in unused funds will be carried forward to increase disbursements to schools and libraries in funding year 2012 in excess of the annual cap.⁶

¹ 47 C.F.R. § 54.709(a)(3).

² See Federal Universal Service Support Mechanisms Fund Size Projections for Third Quarter 2012, available at <http://www.usac.org/about/tools/fcc/filings/2012/Q3/USAC%203Q2012%20Federal%20Universal%20Service%20Mechanism%20Quarterly%20Demand%20Filing.pdf>.

³ *Id.* at 38.

⁴ Letter from Richard A. Belden, Chief Operating Officer, USAC, to Julie Veach, Chief, Wireline Competition Bureau, FCC (dated July 10, 2012), available at <http://apps.fcc.gov/ecfs/document/view?id=7021985425>. USAC's Universal Service Support Mechanism Fund Size Projections for the Fourth Quarter 2012 is due to be submitted to the Commission Aug. 2, 2012. *Id.*

⁵ 47 C.F.R. § 54.507(a)(3). See also *Schools and Libraries Universal Service Support Mechanism*, CC Docket No. 02-6, Third Report and Order and Second Further Notice of Proposed Rulemaking, 18 FCC Rcd 26912, 26933-35, paras. 52-57 (2003) (amending section 54.507(a) of the Commission's rules).

⁶ The 2012 funding year for purposes of the schools and libraries cap is July 1, 2012 to June 30, 2013. See 47 C.F.R. § 54.507(b).

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

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