WIRELINE COMPETITION BUREAU ANNOUNCES E-RATE INFLATION-BASED CAP FOR FUNDING YEAR 2016

CC Docket No. 02-6

Pursuant to section 54.507(a) of the Commission’s rules, the Wireline Competition Bureau (Bureau) announces that the E-rate program funding cap for funding year 2016 is $3,939,000,000. This figure is based on changes the Commission made in the Second E-rate Modernization Order to ensure sufficient funding is available to meet E-rate program goals and connectivity targets. In that order, the Commission adjusted the E-rate cap to $3.9 billion and continued to require that the funding cap reflect any annual inflationary changes. The new cap represents a 1 percent inflation-adjusted increase in the $3.9 billion cap from funding year 2015. The Commission began indexing the funding cap to inflation in 2010 to ensure that E-rate program funding keeps pace with the changing broadband and telecommunications needs of schools and libraries.

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1 47 CFR § 54.507(a).
2 This represents a $39,000,000 increase for the E-rate program funding cap as a whole and a $29,000,000 increase for the category one services funding level and a $10,000,000 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 2016 funding year runs from July 1, 2016 to June 30, 2017. The E-rate program is more formally known as the Schools and Libraries universal service support program.
5 National Income and Product Accounts Table, Bureau of Economic Analysis, revised April 28, 2016, Table 1.1.4, http://www.bea.gov/iTable/itable.cfm?ReqID=9&step=1#reqid=9&step=3&isuri=1&904=1&904=2013&903=4&906=a&905=1000&910=x&911=0 (GDP-CPI table; based on gross domestic product of 108.694 in 2014 and 109.782 in 2015, we calculate an increase of 1 percent).
6 E-rate Sixth Report and Order, 25 FCC Rcd at 18781, para. 36. The Commission did not increase the funding cap in funding year 2015 pursuant to section 54.507(a)(1) of the Commission’s rules. 47 CFR § 54.507(a)(1).