



# PUBLIC NOTICE

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## WIRELINE COMPETITION BUREAU ANNOUNCES E-RATE INFLATION-BASED CAP FOR FUNDING YEAR 2017

### CC Docket No. 02-6

Pursuant to section 54.507(a) of the Commission's rules,<sup>1</sup> the Wireline Competition Bureau (Bureau) announces that the E-rate program funding cap for funding year 2017 is \$3,990,207,000.<sup>2</sup> The new cap represents a 1.3 percent inflation-adjusted increase in the \$3,939,000,000 billion cap from funding year 2016.<sup>3</sup> 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.<sup>4</sup>

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

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<sup>1</sup> 47 CFR § 54.507(a). Sections 54.507(a)(1) and (2) of the Commission's rules require an adjustment of the E-rate program's annual cap 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*); 47 CFR §§ 54.507(a)(1), (2).

<sup>2</sup> This represents a \$51,207,000 increase for the E-rate program funding cap as a whole, including a \$38,077,000 increase for the category one services funding level and a \$13,130,000 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 2017 funding year runs from July 1, 2017 to June 30, 2018. The E-rate program is more formally known as the Schools and Libraries universal service support program.

<sup>3</sup> National Income and Product Accounts Table, Bureau of Economic Analysis, revised Jan. 27, 2016, Table 1.1.4, <https://www.bea.gov/iTable/iTable.cfm?ReqID=9&step=1#reqid=9&step=3&isuri=1&904=2012&903=4&906=a&905=1000&910=x&911=0> (GDP-CPI table; based on gross domestic product of 109.999 in 2015 and 111.452 in 2016, we calculate an increase of 1.3 percent).

<sup>4</sup> *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).