



PUBLIC NOTICE

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WIRELINE COMPETITION BUREAU ANNOUNCES E-RATE INFLATION-BASED CAP FOR FUNDING YEAR 2018

CC Docket No. 02-6

Pursuant to section 54.507(a) of the Commission's rules,¹ the Wireline Competition Bureau (Bureau) announces that the E-rate program funding cap for funding year 2018 is \$4,062,030,726.² The new cap represents a 1.8 percent inflation-adjusted increase in the \$3,990,207,000 cap from funding year 2017.³ 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.⁴

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

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¹ 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).

² This represents a \$71,823,726 increase for the E-rate program funding cap as a whole, including a \$53,407,386 increase for the category one services funding level and a \$18,416,340 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 2018 funding year runs from July 1, 2018 to June 30, 2019. The E-rate program is more formally known as the Schools and Libraries universal service support program.

³ National Income and Product Accounts Table, Bureau of Economic Analysis, revised Jan. 26, 2018, Table 1.1.4, <https://www.bea.gov/iTable/iTable.cfm?reqid=19&step=2#reqid=19&step=3&isuri=1&1910=x&0=-99&1921=survey&1903=4&1904=2015&1905=2017&1906=a&1911=0> (GDP-CPI table; based on gross domestic product of 111.419 in 2016 and 113.427 in 2017, we calculate an increase of 1.8%). Note that the 2016 gross domestic product figure of 111.419 has been revised downward by BEA since the Bureau announced the E-rate program funding cap for funding year 2017 last year. *See Wireline Competition Bureau Announces E-rate Inflation-Based Cap for Funding Year 2017*, CC Docket No. 02-06, Public Notice, 32 FCC Rcd 1869, n.3 (WCB 2017).

⁴ *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).