



# PUBLIC NOTICE

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## WIRELINE COMPETITION BUREAU ANNOUNCES E-RATE AND RHC PROGRAMS' INFLATION-BASED CAPS FOR FUNDING YEAR 2019

CC Docket No. 02-6  
WC Docket No. 02-60

Pursuant to sections 54.507(a) and 54.675(a) of the Commission's rules,<sup>1</sup> the Wireline Competition Bureau (Bureau) announces the E-Rate and Rural Health Care (RHC) programs' funding caps for funding year 2019.<sup>2</sup> The new caps represent a 2.2% inflation-adjusted increase in each program cap from funding year 2018.<sup>3</sup>

**E-Rate Program:** The E-Rate program funding cap for funding year 2019 is \$4,151,395,402.<sup>4</sup> The new cap represents a 2.2% inflation-adjusted increase in the \$4,062,030,726 cap from funding year 2018.<sup>5</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>6</sup>

**RHC Program:** The RHC Program funding cap for funding year 2019 is \$593,782,000.<sup>7</sup> The

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<sup>1</sup> 47 CFR §§ 54.507(a), 54.675(a).

<sup>2</sup> The Commission's rules require an adjustment of the E-Rate and RHC programs' annual caps 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*); *Promoting Telehealth In Rural America*, WC Docket No. 02-60, Order, 33 FCC Rcd 6574, 6580, para. 13 (2018) (*RHC Program Funding Cap Order*); 47 CFR §§ 54.507(a)(1)-(2), 54.675(a)(1)-(2). 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 Feb. 28, 2019, Table 1.1.4, <https://apps.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 107.932 in 2017 and 110.337 in 2018, we calculate an increase of 2.2%). Note that the 2017 gross domestic product figure has been revised downward by BEA since the Bureau announced the E-Rate and RHC program funding caps for funding year 2018. *See Wireline Competition Bureau Announces E-rate Inflation-Based Cap for Funding Year 2018*, CC Docket No. 02-06, Public Notice, 33 FCC Rcd 1923, n.3 (WCB 2018) (*2018 Inflation Funding Cap PN*) (using a gross domestic product figure of 113.427 for 2017 to determine E-Rate program funding cap for funding year 2018); *RHC Program Funding Cap Order*, 33 FCC Rcd at 6584, n.75 (using a gross domestic product figure of 113.425 for 2017 to determine RHC program funding cap for funding year 2018).

<sup>4</sup> This represents a \$89,364,676 increase for the E-Rate program funding cap as a whole, including a \$66,450,160 increase for the category one services funding level and a \$22,914,516 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

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new cap represents a 2.2% inflation-adjusted increase in the \$581,000,000 cap from funding year 2018.<sup>8</sup> The Commission began indexing the funding cap to inflation in 2018 to ensure that RHC Program funding keeps pace with the changing broadband and telecommunications needs of rural healthcare providers.<sup>9</sup>

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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 2019 funding year runs from July 1, 2019 to June 30, 2020.

<sup>5</sup> See *supra* note 3; *2018 Inflation Funding Cap PN*.

<sup>6</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).

<sup>7</sup> This represents a \$12,782,000 increase for the RHC program funding cap. The 2019 funding year runs from July 1, 2019 to June 30, 2020.

<sup>8</sup> See *supra* note 3; *RHC Program Funding Cap Order*, 33 FCC Rcd at 6584, para. 23.

<sup>9</sup> *RHC Program Funding Cap Order*, 33 FCC Rcd at 6583, para. 21.