



Via FCC Electronic Comments Filing System

December 23, 2014

Marlene H. Dortch, Esq.
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: Submission for the Record – WC Docket 13-184, CC Docket 02-6, Information on Schools and Support Mechanism Funds Available for Carry-Forward

Dear Ms. Dortch:

On December 15, 2014, the Federal Communications Commission (FCC or Commission) Managing Director provided guidance (*see* DA 14-1820) to the Universal Service Administrative Company (USAC) concerning maintenance of cash reserves for meeting funding commitments for the Schools and Libraries Support Mechanism. Consistent with this guidance, USAC has determined that a projected \$1,575.05 million is available to carry-forward from prior Schools and Libraries Support Mechanism funding years (FY) as follows: 1998: \$4.99 million, 1999: \$8.44 million, 2000: \$7.70 million, 2001: \$27.69 million, 2002: \$15.20 million, 2003: \$43.83 million, 2004: \$20.95 million, 2005: \$18.61 million, 2006: \$31.78 million, 2007: \$19.48 million, 2008: \$18.46 million, 2009: \$70.72 million, 2010: \$377.04 million, 2011: \$600.28 million, 2012: \$291.88 million and 2013: \$18.00 million.

Appendix A to this correspondence provides information regarding the use of funds for each FY, including adjustments made by the Commission and projections of unused funds as required by Commission rules.

Sincerely,

//s// Chris Henderson
Chief Executive Officer
USAC

Enclosures: Appendix A

Appendix A

FY 1998 True-Up

As of November 30, 2014, \$1,399.06 million of FY 1998 support has been authorized for disbursement. In a guidance letter to USAC, the Commission directed USAC to move outstanding contingency funds to subsequent years in an effort to utilize unused funds. In response to this direction, USAC's projection of remaining FY 1998 funds does not include a contingency reserve to pay pending appeals or to disburse funds for pending uncommitted requests, as the reserves in the three most recent funding years are sufficient to cover any subsequent expenditures. Pursuant to the *Second Report and Order* issued on April 30, 2003 and in consultation with the Commission, \$3 million of needed funds for successful appeals were transferred from available funds in FY 2008.¹ Given these requirements, USAC estimates that \$4.99 million of FY 1998 funds are available to carry-forward. The estimated FY 1998 balance is based on the following:

FY 1998	Amounts in Millions
Amount Authorized and Actually Collected	\$1,925.00
Amount Authorized for Disbursement	(1,399.06)
Administrative Expenses (21 months)	(41.79)
Amount Applied to Adjust 2000, 2001, and 2002 Collections	(477.16)
Amount Carried-forward to FY 2012	(5.00)
Amount Carried Back to Fund Retroactive Appeals	3.00
Potential Additional Disbursements on Committed FRNs	(0.00)
Contingency Amount for Pending Appeals	(0.00)
Estimated Remaining Balance	\$4.99

FY 1999 True-Up

As of November 30, 2014, \$1,650.15 million of FY 1999 support had been authorized for disbursement. In a guidance letter to USAC, the Commission directed USAC to move outstanding contingency funds to subsequent years in an effort to utilize unused funds. In response to this direction, USAC's projection of remaining FY 1999 funds does not include a contingency reserve to pay pending appeals or to disburse funds for pending uncommitted requests, as the reserves in the three most recent funding years are sufficient to cover any subsequent expenditures. Given these requirements, USAC estimates that \$8.44 million of FY 1999 funds are available to carry-forward. The estimated remaining FY 1999 balance is based on the following:

¹ *Schools and Libraries Universal Service Support Mechanism, CC Docket No. 02-6, Second Report and Order and Further Notice of Proposed Rulemaking, FCC 03-101 (rel. Apr. 30, 2003) (Second Report and Order).*

FY 1999	Amounts in Millions
Amount Authorized and Actually Collected	\$2,250.00
Amount Authorized for Disbursement	(1,650.15)
Administrative Expenses	(32.32)
Amount Applied to Adjust Third Quarter 2002 Collections	(256.16)
Amount Applied to Adjust Fourth Quarter 2002 Collections	(212.93)
Amount Carried-forward to FY 2003	(50.00)
Amount Carried-forward to FY 2009	(25.00)
Amount Carried-forward to FY 2012	(15.00)
Potential Additional Disbursements on Committed FRNs	(0.00)
Contingency Amount for Pending Appeals	(0.00)
Estimated Remaining Balance	\$8.44

FY 2000 True-Up

As of November 30, 2014, \$1,647.03 million of FY 2000 support had been authorized for disbursement. In a guidance letter to USAC, the Commission directed USAC to move outstanding contingency funds to subsequent years in an effort to utilize unused funds. In response to this direction, USAC's projection of remaining FY 1999 funds does not include a contingency reserve to pay pending appeals or to disburse funds for pending uncommitted requests, as the reserves in the three most recent funding years are sufficient to cover any subsequent expenditures. Given these requirements, USAC estimates \$7.70 million of FY 2000 funds are available to carry-forward. The estimated remaining FY 2000 balance is based on the following:

FY 2000	Amounts in Millions
Amount Authorized and Actually Collected	\$2,250.00
Amount Authorized for Disbursement	(1,647.03)
Administrative Expenses	(32.24)
Amount Applied to Adjust Fourth Quarter 2002 Collections	(136.85)
Amount Applied to Adjust First Quarter 2003 Collections	(246.18)
Amount Carried-forward to FY 2003	(160.00)
Amount Carried-forward to FY 2012	(20.00)
Potential Additional Disbursements on Committed FRNs	(0.00)
Contingency Amount for Pending Appeals	(0.00)
Estimated Remaining Balance	\$7.70

FY 2001 True-Up

As of November 30, 2014, \$1,695.68 million of FY 2001 support had been authorized for disbursement. In a guidance letter to USAC, the Commission directed USAC to move outstanding contingency funds to subsequent years in an effort to utilize unused funds. In response to this direction, USAC's projection of remaining FY 2001 funds includes estimates of funds needed to pay additional disbursements on committed funding

requests. It does not include a contingency reserve to pay pending appeals or to disburse funds for pending uncommitted requests, as the reserves in the three most recent funding years are sufficient to cover any subsequent expenditures. Given these requirements, USAC estimates that \$27.69 million of FY 2001 funds are available to carry-forward. The estimated remaining FY 2001 balance is based on the following:

FY 2001	Amounts in Millions
Amount Authorized and Actually Collected	\$2,250.00
Amount Authorized for Disbursement	(1,695.68)
Administrative Expenses	(30.56)
Amount Carried-forward to FY 2003	(210.00)
Amount Carried-forward to FY 2004	(150.00)
Amount Carried-forward to FY 2007	(50.00)
Amount Carried-forward to FY 2009	(60.00)
Amount Carried-forward to FY 2012	(25.00)
Potential Additional Disbursements on Committed FRNs	(1.07)
Remaining Uncommitted Requests	(0.00)
Contingency Amount for Pending Appeals	(0.00)
Estimated Remaining Balance	\$27.69

FY 2002 True-Up

As of November 30, 2014, \$1,598.21 million of FY 2002 support had been authorized for disbursement. In a guidance letter to USAC, the Commission directed USAC to move outstanding contingency funds to subsequent years in an effort to utilize unused funds. In response to this direction, USAC’s projection of remaining FY 2002 funds includes estimates of funds needed to pay additional disbursements on committed funding requests. It does not include a contingency reserve to pay pending appeals or to disburse funds for pending uncommitted requests, as the reserves in the three most recent funding years are sufficient to cover any subsequent expenditures. Given these requirements, USAC estimates that \$15.20 million of FY 2002 funds are available to carry-forward. The estimated remaining FY 2002 balance is based on the following:

FY 2002	Amounts in Millions
Amount Authorized and Actually Collected	\$2,250.00
Amount Authorized for Disbursement	(1,598.21)
Administrative Expenses	(38.53)
Amount Carried-forward to FY 2007	(300.00)
Amount Carried-forward to FY 2008	(150.00)
Amount Carried-forward to FY 2009	(60.00)
Amount Carried-forward to FY 2010	(25.00)
Amount Carried-forward to FY 2012	(15.00)

FY 2002	Amounts in Millions
Amount Carried-forward to FY 2014	(40.00)
Potential Additional Disbursements on Committed FRNs	(8.06)
Remaining Uncommitted Requests	(0.00)
Contingency Amount for Pending Appeals	(0.00)
Estimated Remaining Balance	\$15.20

FY 2003 True-Up

As of November 30, 2014, \$1,940.18 million of FY 2003 support had been authorized for disbursement. In a guidance letter to USAC, the Commission directed USAC to move outstanding contingency funds to subsequent years in an effort to utilize unused funds. In response to this direction, USAC's projection of remaining FY 2003 funds includes estimates of funds needed to pay additional disbursements on committed funding requests. It does not include a contingency reserve to pay pending appeals or to disburse funds for pending uncommitted requests, as the reserves in the three most recent funding years are sufficient to cover any subsequent expenditures. Given these requirements, USAC estimates that \$43.83 million of FY 2003 funds are available to carry-forward. The estimated remaining FY 2003 balance is based on the following:

FY 2003	Amounts in Millions
Amount Authorized and Actually Collected	\$2,250.00
Amount Authorized for Disbursement	(1,940.18)
Amount Carried-forward from FY 1999, 2000 and 2001	420.00
Amount Carried-forward to FY 2007	(150.00)
Amount Carried-forward to FY 2008	(200.00)
Amount Carried-forward to FY 2009	(210.00)
Amount Carried-forward to FY 2011	(20.00)
Amount Carried-forward to FY 2012	(55.00)
Administrative Expenses	(44.19)
Potential Additional Disbursements on Committed FRNs	(6.80)
Remaining Uncommitted Requests	(0.00)
Contingency Amount for Pending Appeals	(0.00)
Estimated Remaining Balance	\$43.83

FY 2004 True-Up

As of November 30, 2014, \$1,536.38 million of FY 2004 support had been authorized for disbursement. In a guidance letter to USAC, the Commission directed USAC to move outstanding contingency funds to subsequent years in an effort to utilize unused funds. In response to this direction, USAC's projection of remaining FY 2004 funds includes estimates of funds needed to pay additional disbursements on committed funding requests. It does not include a contingency reserve to pay pending appeals or to disburse funds for pending uncommitted requests, as the reserves in the three most recent funding years are sufficient to cover any subsequent expenditures. Given these requirements,

USAC estimates that \$20.95 million of FY 2004 funds are available to carry-forward. The estimated remaining FY 2004 balance is based on the following:

FY 2004	Amounts in Millions
Amount Authorized and Actually Collected	\$2,250.00
Amount Authorized for Disbursement	(1,536.38)
Amount Carried-forward from FY 2001	150.00
Amount Carried-forward to FY 2007	(150.00)
Amount Carried-forward to FY 2008	(250.00)
Amount Carried-forward to FY 2009	(275.00)
Amount Carried-forward to FY 2011	(50.00)
Amount Carried-forward to FY 2012	(60.00)
Amount Applied to Adjust Collections	(550.00)
Adjustment for Reduction in Collections	550.00
Administrative Expenses	(55.75)
Potential Additional Disbursements on Committed FRNs	(1.92)
Remaining Uncommitted Requests	(0.00)
Contingency Amount for Pending Appeals	(0.00)
Estimated Remaining Balance	\$20.95

FY 2005 True-Up

As of November 30, 2014, \$1,621.98 million of FY 2005 support had been authorized for disbursement. In a guidance letter to USAC, the Commission directed USAC to move outstanding contingency funds to subsequent years in an effort to utilize unused funds. In response to this direction, USAC's projection of remaining FY 2005 funds includes estimates of funds needed to pay additional disbursements on committed funding requests. It does not include a contingency reserve to pay pending appeals or to disburse funds for pending uncommitted requests, as the reserves in the three most recent funding years are sufficient to cover any subsequent expenditures. Given these requirements, USAC estimates that \$18.61 million of FY 2005 funds are available to carry-forward. The estimated remaining FY 2005 balance is based on the following:

FY 2005	Amounts in Millions
Amount Authorized and Actually Collected	\$2,250.00
Amount Authorized for Disbursement	(1,621.98)
Amount Carried-forward to FY 2009	(200.00)
Amount Carried forward to FY 2010	(100.00)
Amount Carried forward to FY 2011	(120.00)
Amount Carried-forward to FY 2012	(120.00)
Administrative Expenses	(64.99)
Potential Additional Disbursements on Committed FRNs	(4.42)
Remaining Uncommitted Requests	(0.00)

FY 2005	Amounts in Millions
Contingency Amount for Pending Appeals	(0.00)
Estimated Remaining Balance	\$18.61

FY 2006 True-Up

As of November 30, 2014, \$1,566.98 million of FY 2006 support had been authorized for disbursement. In a guidance letter to USAC, the Commission directed USAC to move outstanding contingency funds to subsequent years in an effort to utilize unused funds. In response to this direction, USAC's projection of remaining FY 2006 funds includes estimates of funds needed to pay additional disbursements on committed funding requests. It does not include a contingency reserve to pay pending appeals or to disburse funds for pending uncommitted requests, as the reserves in the three most recent funding years are sufficient to cover any subsequent expenditures. Given these requirements, USAC estimates that \$31.78 million of FY 2006 funds are available to carry-forward. The estimated remaining FY 2006 balance is based on the following:

FY 2006	Amounts in Millions
Amount Authorized and Actually Collected	\$2,250.00
Amount Authorized for Disbursement	(1,566.98)
Amount Carried-forward to FY 2009	(70.00)
Amount Carried-forward to FY 2010	(300.00)
Amount Carried-forward to FY 2011	(115.00)
Amount Carried-forward to FY 2012	(80.00)
Administrative Expenses	(80.74)
Potential Additional Disbursements on Committed FRNs	(5.50)
Remaining Uncommitted Requests	(0.00)
Contingency Amount for Pending Appeals	(0.00)
Estimated Remaining Balance	\$31.78

FY 2007 True-Up

As of November 30, 2014, \$1,950.64 million of FY 2007 support had been authorized for disbursement. In a guidance letter to USAC, the Commission directed USAC to move outstanding contingency funds to subsequent years in an effort to utilize unused funds. In response to this direction, USAC's projection of remaining FY 2007 funds includes estimates of funds needed to pay additional disbursements on committed funding requests. It does not include a contingency reserve to pay pending appeals or to disburse funds for pending uncommitted requests, as the reserves in the three most recent funding years are sufficient to cover any subsequent expenditures. Given these requirements, USAC estimates that \$19.48 million of FY 2007 funds are available to carry-forward. The estimated remaining FY 2007 balance is based on the following:

FY 2007	Amounts in Millions
Amount Authorized and Actually Collected	\$2,250.00
Amount Authorized for Disbursement	(1,950.64)
Amount Carried-forward from FY 2001, 2002, 2003 and 2004	650.00
Amount Carried-forward to FY 2010	(375.00)
Amount Carried-forward to FY 2011	(275.00)
Amount Carried-forward to FY 2012	(140.00)
Amount Carried-forward to FY 2013	(20.00)
Amount Carried-forward to FY 2014	(30.00)
Administrative Expenses	(81.24)
Potential Additional Disbursements on Committed FRNs	(8.64)
Remaining Uncommitted Requests	(0.00)
Contingency Amount for Pending Appeals	(0.00)
Estimated Remaining Balance	\$19.48

FY 2008 True-Up

As of November 30, 2014, \$1,911.14 million of FY 2008 support had been authorized for disbursement. In a guidance letter to USAC, the Commission directed USAC to move outstanding contingency funds to subsequent years in an effort to utilize unused funds. In response to this direction, USAC's projection of remaining FY 2008 funds includes estimates of funds needed to pay additional disbursements on committed funding requests. It does not include a contingency reserve to pay pending appeals or to disburse funds for pending uncommitted requests, as the reserves in the three most recent funding years are sufficient to cover any subsequent expenditures. Given these requirements, USAC estimates that \$18.46 million of FY 2008 funds are available to carry-forward. The estimated remaining FY 2008 balance is based on the following:

FY 2008	Amounts in Millions
Amount Authorized and Actually Collected	\$2,250.00
Amount Authorized for Disbursement	(1,911.14)
Amount Carried-forward from FY 2002, 2003, and 2004	600.00
Amount Carried-forward to FY 2010	(350.00)
Amount Carried-forward to FY 2011	(140.00)
Amount Carried-forward to FY 2012	(115.00)
Amount Carried-forward to FY 2013	(150.00)
Amount Carried Back to FY 1998 to Fund Appeals	(3.00)
Administrative Expenses	(125.59)
Potential Additional Disbursements on Committed FRNs	(36.81)
Remaining Uncommitted Requests	(0.00)
Contingency Amount for Pending Appeals	(0.00)
Estimated Remaining Balance	\$18.46

FY 2009 True-Up

As of November 30, 2014, \$2,275.78 million of FY 2009 support had been authorized for disbursement. In a guidance letter to USAC, the Commission directed USAC to move outstanding contingency funds to subsequent years in an effort to utilize unused funds. In response to this direction, USAC's projection of remaining FY 2009 funds includes estimates of funds needed to pay additional disbursements on committed funding requests. It does not include a contingency reserve to pay pending appeals or to disburse funds for pending uncommitted requests, as the reserves in the three most recent funding years are sufficient to cover any subsequent expenditures. Given these requirements, USAC estimates that \$70.72 million of FY 2009 funds are available to carry-forward. The estimated remaining FY 2009 balance is based on the following:

FY 2009	Amounts in Millions
Amount Authorized and Actually Collected	\$2,250.00
Amount Authorized for Disbursement	(2,275.78)
Amount Carried-forward from FY 1999, 2001, 2002, 2003, 2004, 2005, and 2006	900.00
Amount Carried-forward to FY 2011	(130.00)
Amount Carried-forward to FY 2012	(300.00)
Amount Carried-forward to FY 2013	(150.00)
Amount Carried-forward to FY 2014	(70.00)
Administrative Expenses	(81.27)
Potential Additional Disbursements on Committed FRNs	(73.23)
Remaining Uncommitted Requests	(0.00)
Contingency Amount for Pending Appeals	(0.00)
Estimated Remaining Balance	\$70.72

FY 2010 True-Up

As of November 30, 2014, \$2,392.84 million of FY 2010 support had been authorized for disbursement. In a guidance letter to USAC, the Commission directed USAC to move outstanding contingency funds to subsequent years in an effort to utilize unused funds. In response to this direction, USAC's projection of remaining FY 2010 funds includes estimates of funds needed to pay additional disbursements on committed funding requests. It does not include a contingency reserve to pay pending appeals or to disburse funds for pending uncommitted requests, as the reserves in the three most recent funding years are sufficient to cover any subsequent expenditures. Given these requirements, USAC estimates that \$377.04 million of FY 2010 funds are available to carry-forward. The estimated remaining FY 2010 balance is based on the following:

FY 2010	Amounts in Millions
Amount Authorized and Actually Collected	\$2,250.00
Amount Authorized for Disbursement	(2,392.84)
Amount Carried-forward from FY 2002, 2005, 2006, 2007,	1,150.00

FY 2010	Amounts in Millions
and 2008	
Amount Carried-forward to FY 2012	(100.00)
Amount Carried-forward to FY 2013	(130.00)
Amount Carried-forward to FY 2014	(60.00)
Amount Applied to Adjust collections FY2004	(140.00)
Amount Authorized by FCC Inflation Increment	20.25
Administrative Expenses	(75.33)
Potential Additional Disbursements on Committed FRNs	(145.04)
Remaining Uncommitted Requests	(0.00)
Contingency Amount for Pending Appeals	(0.00)
Estimated Remaining Balance	\$377.04

FY 2011 True-Up

As of November 30, 2014, \$2,066.94 million of FY 2011 support had been authorized for disbursement. In a guidance letter to USAC, the Commission directed USAC to move outstanding contingency funds to subsequent years in an effort to utilize unused funds. In response to this direction, USAC's projection of remaining FY 2011 funds includes estimates of funds needed to pay additional disbursements on committed funding requests. It does not include a contingency reserve to pay pending appeals or to disburse funds for pending uncommitted requests, as the reserves in the three most recent funding years are sufficient to cover any subsequent expenditures. Given these requirements, USAC estimates that \$600.28 million of FY 2011 funds are available to carry-forward. The estimated remaining FY 2011 balance is based on the following:

FY 2011	Amounts in Millions
Amount Authorized and Actually Collected	\$2,250.00
Amount Authorized for Disbursement	(2,066.94)
Amount Carried-forward from FY 2003, 2004, 2005, 2006, 2007, 2008, and 2009	850.00
Amount Applied to Adjust Collections FY2004	(250.00)
Amount Authorized by FCC Inflation Increment	40.68
Administrative Expenses	(85.00)
Potential Additional Disbursements on Committed FRNs	(138.46)
Remaining Uncommitted Requests	(0.00)
Contingency Amount for Pending Appeals	(0.00)
Estimated Remaining Balance	\$600.28

FY 2012 True-Up

As of November 30, 2014, \$2,098.96 million of FY 2012 support had been authorized for disbursement. In a guidance letter to USAC, the Commission directed USAC to move outstanding contingency funds to subsequent years in an effort to utilize unused funds. In response to this direction, USAC's projection of remaining FY 2012 funds includes

estimates of funds needed to pay additional disbursements on committed funding requests, disbursements on requests that have not yet received funding commitments, and funding for pending appeals. Given these requirements and to preserve the contingency amount, USAC estimates that \$291.88 million of FY 2012 funds are available to carry-forward. The estimated remaining FY 2012 balance is based on the following:

FY 2012	Amounts in Millions
Amount Authorized and Actually Collected	\$2,250.00
Amount Authorized for Disbursement	(2,098.96)
Amount Carried-forward from FY 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009 and 2010	1,050.00
Amount Applied to Adjust Collections FY2004	(40.00)
Amount Authorized by FCC Inflation Increment	88.79
Administrative Expenses	(70.00)
Potential Additional Disbursements on Committed FRNs	(382.29)
Remaining Uncommitted Requests and Contingency Amount for Pending Appeals	(505.66)
Estimated Remaining Balance	\$291.88

FY 2013 True-Up

As of November 30, 2014, \$1,493.64 million of FY 2013 support had been authorized for disbursement. In a guidance letter to USAC, the Commission directed USAC to move outstanding contingency funds to subsequent years in an effort to utilize unused funds. In response to this direction, USAC's projection of remaining FY 2013 funds includes estimates of funds needed to pay additional disbursements on committed funding requests, disbursements on requests that have not yet received funding commitments, and funding for pending appeals. Given these requirements and to preserve the contingency amount, USAC estimates that \$18 million of FY 2013 funds are available to carry-forward. The estimated remaining FY 2013 balance is based on the following:

FY 2013	Amounts in Millions
Amount Authorized and Actually Collected	\$2,250.00
Amount Authorized for Disbursement	(1,493.64)
Amount Carried-forward from FY 2007, 2008, 2009 and 2010	450.00
Amount Applied to Adjust Collections FY2004	(120.00)
Amount Authorized by FCC Inflation Increment	130.31
Administrative Expenses	(70.00)
Potential Additional Disbursements on Committed FRNs	(296.90)
Remaining Uncommitted Requests and Contingency Amount for Pending Appeals	(831.77)
Estimated Remaining Balance	\$18.00

FY 2014 True-Up

As of November 30, 2014, \$149.73 million of FY 2013 support had been authorized for disbursement. USAC's projection of remaining FY 2014 funds includes estimates of funds needed to pay additional disbursements on committed funding requests and disbursements on requests that have not yet received funding commitments, as well as a contingency reserve to pay pending appeals and to make disbursements on funding requests that may be granted invoice deadline extensions. Given these requirements and to preserve the contingency amount, USAC estimates that no FY 2014 funds are available to carry-forward. The estimated remaining FY 2014 balance is based on the following:

FY 2014	Amounts in Millions
Amount Authorized and Actually Collected	\$2,250.00
Amount Authorized for Disbursement	(149.73)
Amount Carried-forward from FY 2002, 2007, 2009 and 2010	200.00
Amount Authorized by FCC Inflation Increment	163.82
Administrative Expenses	(70.00)
Potential Additional Disbursements on Committed FRNs	(1,946.59)
Remaining Uncommitted Requests and Contingency Amount for Pending Appeals	(447.50)
Estimated Remaining Balance	\$0.00