



Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C.

UNIVERSAL SERVICE ADMINISTRATIVE COMPANY

Federal Universal Service Support Mechanisms Fund Size
Projections for First Quarter 2024

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**Universal Service Administrative Company 1Q2024 Fund Size
Projections**

**BEFORE THE FEDERAL, COMMUNICATIONS COMMISSION
WASHINGTON, D.C.**

**FEDERAL UNIVERSAL SERVICE SUPPORT MECHANISMS FUND
SIZE PROJECTIONS FOR FIRST QUARTER 2024**

INTRODUCTION

The Universal Service Administrative Company (USAC) hereby submits the federal Universal Service Support Mechanisms fund size and administrative cost projections for the first quarter of calendar year 2024 (1Q2024), in accordance with Section 54.709 of the Federal Communications Commission’s (FCC or Commission) rules.¹

USAC is the not-for-profit corporation responsible for administering the federal Universal Service Fund (USF) and the following Universal Service Support Mechanisms (also referred to as “Support Mechanisms” or “Programs”): High Cost, Low Income, Rural Health Care, Schools and Libraries, and Connected Care Pilot.² USAC also performs the billing, collection, and disbursement functions for the Support Mechanisms.³

Upon approval of the quarterly funding requirements for the Support Mechanisms, the projected administrative expenses, and the submission of the contribution base amount, the Commission will establish a quarterly contribution factor. USAC will bill USF contributors monthly for their individual obligations based on the approved contribution factor, collect amounts owed from contributors, and distribute funds to eligible recipients based on the schedules filed herein.⁴

¹ 47 C.F.R. § 54.709(a)(3).

² 47 C.F.R. § 54.701.

³ 47 C.F.R. § 54.702(b)

⁴ See 47 C.F.R. §§ 54.709(a)(3), 54.201, 54.203, 54.301-54.307, 54.407, 54.413, 54.515.

**Universal Service Administrative Company 1Q2024 Fund Size
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***ADMINISTRATIVE EXPENSES AND INTEREST INCOME
PROJECTION***

ADMINISTRATIVE EXPENSES

Section 54.709(a)(3) of the Commission's rules requires USAC to submit its projected quarterly budget at least 60 days prior to the start of the quarter.⁵ USAC includes any costs that can be directly attributed to the High Cost, Low Income, Rural Health Care, and Schools and Libraries Support Mechanisms, as well as the Connected Care Pilot Program, in the projected administrative expenditures of each mechanism. USAC's remaining joint and common costs, including costs associated with the billing, collection, and disbursement of funds, are included in the projected administrative expenditures of the respective support mechanisms based on USAC's methodology for allocating costs submitted to the Commission.⁶

USAC projects a consolidated budget of \$71.54 million for 1Q2024. Direct costs for all support mechanisms total \$34.19 million and are listed for each mechanism in the chart provided below. Joint and common costs (including billing, collection, and disbursement activities) total \$37.35 million and are listed in the chart below based on the allocation methodology on file with the Commission.

⁵ 47 C.F.R. § 54.709(a)(3).

⁶ On January 1, 2006, USAC implemented a revised methodology for allocating joint and common costs that was filed with the Commission on October 3, 2005. *See* Letter from D. Scott Barash, USAC, to Marlene Dortch, FCC, CC Docket Nos. 97-21 *et al.* (Oct. 3, 2005) (explaining revisions to USAC's method for allocating joint and common administrative costs among the four Universal Service Support Mechanisms). On January 1, 2021, USAC applied this methodology to the Connected Care Pilot Program. *See* Letter from Charles Salvator, USAC, to Marlene Dortch, FCC, CC Docket Nos. 97-21 *et al.* (Dec. 21, 2020) (confirming the method for allocating USAC common costs among the four universal service support mechanisms and the Connected Care Pilot Program).

**Universal Service Administrative Company 1Q2024 Fund Size
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1Q2024 Administrative Expenses (in millions) – Budgeted

USF Mechanism	Direct Costs	USAC Common Costs	Total
High Cost	\$6.34	\$13.18	\$19.52
Low Income	\$13.96	\$9.22	\$23.18
Rural Health Care	\$4.56	\$3.11	\$7.67
Schools & Libraries	\$9.33	\$11.84	\$21.17
Connected Care Pilot	\$0.00	\$0.00	\$0.00
Total	\$34.19	\$37.35	\$71.54

Appendix M01 provides USAC’s administrative expenditures budget for 1Q2024.

FUND ACTIVITY

Appendix M02 provides the fund size projections for 1Q2024. Appendices M03 and M04 provide 2023 year-to-date statements of fund activity on a cash and accrual basis, respectively.

EFFORTS TO PREVENT AND REDUCE IMPROPER PAYMENTS

USAC has established a foundation of processes, systems, procedures, and outreach activities to prevent or reduce “improper” payments as defined by the Improper Payments Information Act of 2002 (Pub. L. No. 107-300).⁷ USAC initiated efforts, consistent with its February 28, 2008 letter to the Commission, to identify additional measures to prevent or reduce potential improper payments and to allocate the additional resources needed to implement such measures.⁸ Commission staff directed USAC to report its progress in implementing proposed actions to prevent or reduce improper payments and to project the anticipated administrative costs of such actions on a quarterly basis.⁹

⁷ See Improper Payments Information Act of 2002, Pub. L. No. 107-300, 116 Stat 2350 (2002).

⁸ See Letter from D. Scott Barash, Acting Chief Executive Officer, USAC, to Anthony Dale, FCC Managing Director (Feb. 28, 2008) (concerning suggested additional steps to reduce or prevent improper payments).

⁹ See Letter from Anthony Dale, FCC Managing Director, to D. Scott Barash, Acting Chief Executive Officer, USAC (Aug. 18, 2008).

Universal Service Administrative Company 1Q2024 Fund Size Projections

The steps initiated by USAC include additional oversight and managerial controls, strengthened audit and investigative techniques, improved information technology tools, and more effective use of outreach resources. In 1Q2024, USAC will continue efforts identified and initiated during the previous years. These efforts include, but are not limited to the following:

1. *Assessing and strengthening USAC's internal controls*

USAC's Finance Division Internal Controls Team is responsible for testing key controls of USAC's processes. USAC's Audit and Assurance Division (AAD) has a Strategic Audit function that is responsible for assessing business operations. USAC's Office of the Chief Administrative Officer (OCAO) tracks the completion of the remediation activities and corrective action plans for all control deficiencies developed in response to internal and external testing results. OCAO established a framework for an Enterprise Risk Management (ERM) program at USAC. The Finance, OCAO, and AAD groups meet with USAC Leadership quarterly through the Risk Management Council to report on risk-related functions in the enterprise.

2. *Strengthening audit and investigative techniques*

The FCC's Office of Managing Director (OMD) directed USAC to implement an assessment program to determine the rate of improper payments made to universal service support mechanism beneficiaries to support the FCC's improper payment reporting requirements and to assess universal service support mechanism beneficiary compliance with FCC regulations.¹⁰ USAC successfully implemented an assessment program, known as the Payment Quality Assurance (PQA) Program, in August 2010.

¹⁰ Letter from Steven Van Roekel, FCC Managing Director, to Scott Barash, USAC Acting Chief Executive Officer (Feb. 12, 2010) (discussing the implementation of the Improper Payments Information Act of 2002 (IPIA) assessment program

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The FCC also directed USAC to establish a comprehensive support mechanism Beneficiary and USF contributor audit program, known as BCAP (“Beneficiary and Contributor Audit Program”). The BCAP plans are designed to:

- Assess beneficiaries’ and contributors’ compliance with FCC Rules;
- Identify correct contribution obligations (for contributor audits);
- Identify overpayments that must be recaptured (for beneficiary audits);
- Deter waste, fraud, and abuse; and
- Identify FCC Rules that may require the attention of USAC or FCC management.

In 2023, AAD, OMD and WCB developed an audit plan for fiscal year 2024 that incorporates a hybrid approach for selecting beneficiaries and contributors for audit. The selection methodology is based on a combination of high risk factors, high dollar, random selection, and targeted entities, because of whistleblower allegations or FCC request.

The status of all audits in process as of September 30, 2023 is summarized in the table below.

Audit Status As of September 30, 2023				
Program	Announced	Fieldwork	Reporting	Total
Contributor Revenue	2	10	7	19
High Cost	0	29	26	55
Low Income	7	21	12	40
Schools & Libraries	0	37	52	89
Rural Health Care	0	14	24	38
Total	9	111	121	241

As noted above, USAC implemented the PQA Program in 2010 to test improper payments and compliance with FCC regulations. The testing results for the two most recent

and companion audit program). Although not subject to improper payment reporting, USF contributor compliance with FCC regulations is assessed as part of the Beneficiary and Contributor Audit Program (BCAP).

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years are noted below. Using a statistically drawn sample, support mechanism disbursements are selected each month and reviewed to verify that payments were made at the correct amount in accordance with FCC rules. The table below summarizes the error rates noted and the estimated improper payment amounts reported for fiscal years (FYs) 2021 and 2022:

Support Mechanism	FY 2022		FY 2021	
	Estimated Improper Payment Rate	Estimated Improper Payment Amount (<i>millions</i>)	Estimated Improper Payment Rate	Estimated Improper Payment Amount (<i>millions</i>)
High Cost	TBD	TBD	NA	NA
Low Income	6.13%	\$37.21	15.71%	\$134.34
Schools & Libraries	3.73%	\$80.57	2.97%	\$62.19
Rural Health Care	NA	NA	2.77%	\$8.25

The sample size and status of FY 2023 PQA assessments in process as of September 30, 2023 are summarized in the table below.

PQA Testing Status As of September 30, 2023				
Program	Sample Size	Announced	In Process	Completed
High Cost ¹¹	130	0	0	130
Low Income	231	0	0	231
Schools & Libraries	350	0	0	350
Rural Health Care	N/A	N/A	N/A	N/A
Total	711		0	711

3. *Improving information technology tools*

USAC has undertaken a systematic review of the capabilities of its current financial systems to determine whether additional functionality can be added to improve financial operations and has made several improvements to its financial systems and is working on

¹¹ High Cost FY22 numbers were completed and reported in FY23.

Universal Service Administrative Company 1Q2024 Fund Size Projections

other systems enhancement initiatives. USAC has engaged the services of a systems integrator and PMO, with the goal of replacing its current financial system with a commercial off-the-shelf enterprise resource planning tool.

Expanding and enhancing outreach and education

In the last quarter, USAC conducted extensive outreach, including the activities described below.

- The High Cost program conducted comprehensive outreach in the third quarter to ensure state and Tribal access to the annual FCC Form 481 financial and operational data and broadband deployment data filed and certified by carriers under their jurisdiction, and to help state utility regulators and carriers that self-certify navigate the annual certification of carriers eligible to receive High Cost support. The program also conducted comprehensive outreach and provided extensive customer service assistance to help carriers comply with FCC requirements to conduct ongoing quarterly speed and latency testing at a random sample of locations deployed with Connect America Fund (CAF) support that have active subscribers.
- The Rural Health Care (RHC) program conducted outreach to Healthcare Connect Fund (HCF) participants in preparation for the September 30 deadline to submit the required Annual Report – September 30 – for Funding Year (FY) 2022. Additionally, the RHC team maintained associated resources and webpages that assist program participants with the modernized FCC Forms 461, 462, and 463 in HCF. This included five webinars, website updates to improve applicant experience in RHC Connect, and refreshed resources for HCF and Telecommunications (Telecom) program participants. RHC conducted separate outreach to Connected Care Pilot Program (CCPP) selectees, including three CCPP Office Hours webinars, where subject matter experts were

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available to answer live questions from program participants about the application process. The RHC program continued to communicate important funding process information to the selectees through email and the CCPP Learn page on the website. In addition, the RHC program hosted the first of its kind hybrid on-site and virtual site visit from a hospital in Alaska. During this visit, USAC staff saw, first-hand, how participants benefit from the RHC programs.

- The Schools and Libraries (E-Rate) program conducted four webinars for FY2023 in Q3 2023 including FCC Form 470 and Competitive Bidding, a Service Provider webinar, and two Open Data webinars covering an overview of Open Data and how to create custom reports and visualizations. In addition, E-Rate issued three monthly News Briefs covering current topics of interest in the funding cycle as well as a September Special Edition announcing the Systems Consolidation transition dates and how USAC will provide support before, during, and after the transition. E-Rate also conducted monthly conference calls with key stakeholder groups to answer program questions for these communities.
- The Lifeline program communicated the paused phase-out of Lifeline support for voice-only services for an additional year, the release of the Duplicate Benefit Qualifying Person (BQP) Error Code, and the Hawaii Wildfire Relief Response. The Hawaii Wildfire Relief Response encompassed a multi-faceted approach, including a webpage release, print material (flyer), a Lifeline application update, and after-hours support to FCC personnel during in-person consumer sign-up events in Maui.
- The Contributors team hosted six webinars to train service providers how to fill out the FCC Form 499-Q and basic 499 Filer ID training. During the quarter, 407 participants joined the webinars.

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USAC conducted 23 webinars: three monthly webinars for Lifeline carriers and one office hour session highlighting the Hawaii Wildfire Relief Response, one webinar for Tribal Lifeline partners, four webinars for Schools and Libraries' audiences, eight webinars for Rural Health Care participants (including service providers and CCPP selectees), and six webinars for Contributors.

FUNDING REQUIREMENTS

HIGH COST SUPPORT MECHANISM

Appendix HC01 provides projected High Cost support by state by study area for 1Q2024. HC01 also provides the projected amount of individual company support, and projected per-month amounts for the components of High Cost support that each Eligible Telecommunications Carrier (ETC)¹² may be eligible to receive. HC02 provides the total projected amount of annualized High Cost support for 1Q2024 for each state.

CONNECT AMERICA FUND PHASE II

The FCC released an Order on June 10, 2014 adopting rules, among other things, to institute the foundation for the award of Phase II (model-based) support through a competitive bidding process in price cap areas where the price cap carrier declines the offer of model-based support.¹³ The Order also permits price cap carriers that decline model-based support to participate in the 2016 competitive bidding process.¹⁴ On April 29, 2015, the FCC released a Public Notice announcing the offers of model-based Phase II support to price cap carriers to fund voice and broadband-capable networks in their service areas.¹⁵

¹² See 47 C.F.R. § 54.1310; 47 C.F.R. §§ 54.301-54.303.

¹³ See *generally* *Connect America Fund Omnibus Order and FNPRM*, WC Docket Nos. 10-90 *et al.*, Report and Order, Declaratory Ruling, Order, Memorandum Opinion and Order, Seventh Order on Reconsideration, and Further Notice of Proposed Rulemaking, 29 FCC Red 7051 (2014) (*CAF Omnibus Order*).

¹⁴ *Id.* at 7062-7063, para. 37.

¹⁵ See *Wireline Competition Bureau Announces Connect America Phase II Support Amounts Offered to Price Cap Carriers to Expand Rural*

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The total offer is \$1.675 billion annually, for six calendar years, 2015-2020.¹⁶ Next, on June 16, 2015, the Bureau released a Public Notice announcing acceptance by Frontier Communications of model-based support for each of the 28 states it serves.¹⁷ For states where their model-based support is greater than Phase I Frozen support, Frontier elected to receive the lump sum payment associated with prior months that reflects the difference between Phase II model support and Phase I Frozen support. In August 2015, the Bureau released public notices for Consolidated Communications, AT&T, CenturyTel, Inc. dba CenturyLink, Cincinnati Bell, Fairpoint Communications, Inc., Hawaiian Telecom, Inc., Micronesian, and Windstream Corporation for announcement of acceptance of model-based support.¹⁸ On July 29, 2019, the Commission announced a process by which price cap carrier receiving CAF Phase II support could elect to receive an additional, seventh year of support.¹⁹ All eligible carriers elected to receive support.

Finally, on October 31, 2016, the Commission adopted service obligations for Alaska Communications Systems (ACS).²⁰ ACS will receive Phase II frozen support for a 10-year term and be required to offer voice service and broadband service at the same speed, latency, usage, and pricing metrics as established for Phase II model-based carriers. ACS will continue to receive CAF Phase II frozen support until 2025.

Broadband, WC Docket No. 10-90, Public Notice, 30 FCC Rcd 3905 (2015).

¹⁶ *Id.*

¹⁷ See *Wireline Competition Bureau Authorizes Frontier Communications Corporation to Receive \$283 Million in Connect America Phase II Support to Serve 1.3 Million Rural Americans in 28 States*, WC Docket No. 10-90, Public Notice, 30 FCC Rcd 6310 (2015).

¹⁸ See *Wireline Competition Bureau Authorizes Windstream to Receive Over \$ 174 Million in Connect America Phase II Support in 17 States*, WC Docket No. 10-90, Public Notice, 30 FCC Rcd 8245 (2015); *Wireline Competition Bureau Authorizes Fairpoint to Receive Over \$37 Million in Connect America Phase II Support in 14 States*, WC Docket No. 10-90, 30 FCC Rcd 8245 (2015); *Wireline Competition Bureau Authorizes the Micronesian Telecommunications Corporation to Receive Over \$2.5 Million and Hawaiian Telecom, Inc. to Receive Over \$ 4 Million in Connect America Phase II Support*, WC Docket No. 10-90, 30 FCC Rcd 8471 (2015); *Wireline Competition Bureau Authorizes Additional Cap Carriers to Receive Almost \$950 Million in Phase II Connect America Support et al.*, WC Docket No. 10-90, Public Notice, 30 FCC Rcd 8577 (2015).

¹⁹ See *Wireline Competition Bureau Announces Deadline for Price Cap Carriers to Elect Seventh Year of Connect America Fund Phase II Model Based Support*, DA-20-800, July 29, 2019.

²⁰ See *FCC Adopts CAF Phase II Service Obligations for ACS*, WC Docket 10-90, DA FCC 16-143, 31 FCC Rcd 12086 (2016)

Universal Service Administrative Company 1Q2024 Fund Size Projections

For 1Q2024, CAF Phase II projected support is estimated to be \$4.92 million.

Appendix HC11 provides projected CAF Phase II frozen support by state by study area for 1Q2024.

CONNECT AMERICA FUND PHASE II AUCTION

The Wireline Competition Bureau released a Public Notice on August 28, 2018 announcing the winners of the Connect America Fund Phase II auction.²¹

For 1Q2024, total CAF Phase II auction projected support is estimated to be \$38.70 million. Appendix HC16 provides projected CAF Phase II auction support by state by study area for 1Q2024.

CONNECT AMERICA FUND/INTERCARRIER COMPENSATION SUPPORT

In the *USF/ICC Transformation Order*, the FCC adopted a transitional recovery mechanism with an effective date of July 1, 2012 to facilitate incumbent carriers' gradual transition away from intercarrier compensation (ICC) revenues.²² Eligible incumbent carriers may receive additional support through this recovery mechanism.

For 1Q2024, total CAF/ICC support is estimated to be \$88.56 million. Appendix HC09 provides projected CAF/ICC support by state by study area for 1Q2024.

RURAL BROADBAND EXPERIMENTS

On July 11, 2014, the FCC adopted the *Rural Broadband Experiments (RBE) Order* to advance the deployment of voice and broadband networks in high-cost areas and help design the Phase II competitive bidding process and Remote Areas Fund.²³ The FCC established a budget of \$100 million over ten years for funding experiments in price cap

²¹ See *Connect America Fund Phase II Auction (Auction 903) Closes Winning Bidders Announced FCC Form 683 Due October 15, 2018*, WC Docket Nos. 10-90 *et al.*, Public Notice, 29 FCC Rcd 7051 (2018).

²² See 47 C.F.R. § 54.304(b).

²³ See *Connect America Fund, ETC Annual Reports and Certifications*, WC Docket No. 10-90 *et al.*, Report and Order and Further Notice of Proposed Rulemaking, 29 FCC Rcd 8769 (2014) (*Rural Broadband Experiments Order*).

Universal Service Administrative Company 1Q2024 Fund Size Projections

areas that are not served by unsubsidized competitors.²⁴

For 1Q2024, total RBE support is estimated to be \$0.52 million, all of which will be paid from cash reserved in the High Cost account. Thus, there is no 1Q2024 collection requirement for RBE. Appendix HC12 provides projected RBE support by state by study area for 1Q2024.

MOBILITY FUND PHASE I

In accordance with the Public Notice issued by the Wireline Competition Bureau on November 1, 2017, Mobility Fund Phase I support of \$6.78 million for 1Q2024 will be paid with funds available in the High Cost account. Thus, there is no 1Q2024 collection requirement for Mobility Fund Phase I.²⁵ Appendix HC10 provides Mobility Fund Phase I support by state by study area for 1Q2024.

RATE-OF-RETURN CARRIERS

Rate-of-return carriers not affiliated with price cap carriers may continue to receive legacy High Cost Program support.²⁶ In the *December 2018 Rate-of-Return Reform Order*, the FCC established a new budget for legacy carriers of \$1.42 billion, to be increased annually by inflation.²⁷ However, the FCC has waived the budget for July 2022-June 2023.²⁸

Appendix HC14 provides the rate-of-return budget control projected support amounts due to the budget control mechanism for 1Q2024.

²⁴ See *id.* at 8772, para. 9.

²⁵ See *Wireline Competition Bureau Provides Guidance to the Universal Service Administrative Company Regarding the High-Cost Universal Services Mechanism Budget*, WC Docket No. 10-90, Public Notice, 32 FCC Rcd 9243 (WCB 2017).

²⁶ See *USF/ICC Transformation Order*, 26 FCC Rcd at 17740, para. 206.

²⁷ See *Connect America Fund et al.*, WC Docket Nos. 10-90 et al., Report and Order, Further Notice of Proposed Rulemaking, and Order on Reconsideration, FCC 18-176, para. 79, 84 (2018) (*December 2018 Rate of Return Reform Order*

²⁸ See *Connect America Fund*, WC Docket No. 10-90, Order, FCC 21-67 (2021)

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HIGH COST LOOP SUPPORT (INCLUDING SAFETY NET ADDITIVE AND SAFETY VALVE SUPPORT)

HCL support is calculated based on the results of the annual collection of 2012 incumbent local exchange carrier (LEC) loop cost and expense adjustment data submitted to the FCC and USAC on October 1, 2013.²⁹ Growth in total HCL support for rural carriers is limited under Section 54.1302 of the Commission's rules to the current level of funding adjusted yearly by the annual growth in supported rural loops.³⁰ The *Rural Task Force (RTF) Order* increased HCL support for rural carriers effective July 1, 2001.³¹

For 1Q2024, projected HCL support is \$61.35 million, which includes \$0.08 million for Safety Valve Support (SVS). Appendix HC04 provides projected monthly HCL support payments by state by study area for 1Q2024. Appendix HC05 displays projected SVS payments by state by study area for 1Q2024.

ALASKA PLAN SUPPORT

In the *Alaska Plan Order*, the FCC approved frozen support for Alaska rate-of-return carriers for 10 years and obligated those carriers to offer voice and broadband services at specified speeds to a specified number of locations while meeting certain service obligations.³²

For 1Q2024, projected Alaska Plan support is \$32.08 million. Appendix HC03 provides 1Q2024 projections for Alaska Plan support by state by study area.

CONNECT AMERICA BROADBAND LOOP SUPPORT

Connect America Broadband Loop Support (CAF BLS) replaces what was

²⁹ Universal Service Fund (USF) 2012 Submission of 2011 Study Results (filed Oct. 1, 2012) (*USF Data Submission*).

³⁰ 47 C.F.R. § 54.1302(a); *see also* 47 C.F.R. § 54.1303.

³¹ *Federal-State Joint Board on Universal Service et al.*, CC Docket Nos. 96-45 *et al.*, Fourteenth Report and Order, Twenty-Second Order on Reconsideration, and Further Notice of Proposed Rulemaking, and Report and Order, 16 FCC Rcd 11244 (2001) (*RTF Order*).

³² See WC-Docket Nos. 10-90 and 16-271 DA 16-425

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previously known as Interstate Common Line Support (ICLS).³³ The FCC made modifications to modernize ICLS rules to provide support in situations where the customer no longer subscribes to traditional regulated local exchange voice service.³⁴ CAF BLS will provide support for broadband-capable loops, regardless of whether the customer chooses traditional voice, bundle of voice and broadband, or only broadband.³⁵

For 1Q2024, CAF BLS is projected to be \$224.37 million. Appendix HC07 provides USAC's 1Q2024 projections of CAF BLS by state by study area and Appendix HC08 provides USAC's 1Q2024 projections of CAF BLS by state. Appendix HC15 provides USAC's 1Q2024 projections of the CAF BLS true-up by state by study area.

ALTERNATIVE CONNECT AMERICA MODEL (A-CAM)

Alternative Connect America Model (A-CAM) allows carriers the option of electing a set amount of monthly support over a fixed term, or remaining with a reformed version of legacy support mechanisms with CAF-BLS and HCL support.

For 1Q2024, A-CAM support is projected to be \$47.74 million, of which \$45.07 million will be paid from funds available in the High Cost account. Appendix HC13 provides A-CAM support projected by state by study area for 1Q2024.

A-CAM II

On December 13, 2018, the FCC released the *December 2018 Rate-of-Return Order*, which directed the FCC to make model offers of up to \$200.00 per location to all legacy rate-of-return carriers that did not previously elect model support or support pursuant to the Alaska Plan.³⁶ To implement the increase, the FCC has released a Public Notice with the

³³ See *Rate-of-Return Reform Order*, 31 FCC Red at 3091, para. 5.

³⁴ *Id.*

³⁵ *Id.*

³⁶ See *Id.*, para. 34.

**Universal Service Administrative Company 1Q2024 Fund Size
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support amounts.³⁷

For 1Q2024, A-CAM II support is projected to be \$68.55 million. Appendix HC17 provides projected A-CAM II support by state by study area for 1Q2024.

ENHANCED ACAM CONNECT AMERICA COST MODEL (E-ACAM)

On July 24, 2023, the FCC released a Report and Order announcing the establishment of the Enhanced Alternative Connect America Cost Model (E-ACAM) that will support deployment of 100/20 Mbps service (or greater) through rural areas served by carriers currently receiving A-CAM support and in areas served by legacy rate-of-return support recipients within a budget of \$1.27 billion annually, or no more than \$1.33 billion annually if certain conditions are met, over a 15-year term beginning January 1, 2024.³⁸

For 1Q2024, E-ACAM support is projected to be \$293.61 million.

PRICE CAP CARRIERS

For 1Q2024, total frozen high cost support for price cap carriers is estimated to be \$2.81 million. Appendix HC06 provides frozen High Cost support for price cap carriers by state by study area for 1Q2024.

COMPETITIVE ELIGIBLE TELECOMMUNICATIONS CARRIERS

The *USF/ICC Transformation Order* transitioned existing Competitive Eligible Telecommunications Carriers (CETCs) support to the CAF over a five-year period beginning January 1, 2012.³⁹ For the transition, the FCC set each CETC's baseline support at its total 2011 support in a given study area, or an amount equal to 3,000 times the number of reported lines as of year-end 2011, whichever was lower.⁴⁰ That monthly baseline amount

³⁷ See *Wireline Competition Bureau Authorizes 171 Rate-Of-Return Companies to Receive \$491 Million Annually in Alternative Connect America Cost Model II Support to Expand Rural Broadband*, WC Docket No. 10-90, Public Notice, 34 FCC Rcd at 7271 (2019).

³⁸ See *Enhanced A-CAM Order*, WC Docket No. 10-90, at 31-33, paras. 73-75).

³⁹ See *id.* at 17830, para. 513.

⁴⁰ See *id.* at 17831, para. 515.

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was provided from January 1, 2012 to September 30, 2012.⁴¹ Beginning July 1, 2012, each CETC's support was reduced by 20 percent for each July to June time period.⁴² However, consistent with FCC rules, Mobility Fund Phase II was not implemented by September 30, 2014 and CETC support was not subject to an additional 20 percent reduction in support beginning July 2014.⁴³

For 1Q2024, total frozen high cost support for CETCs is \$91.59 million. Appendix HC06 provides frozen High Cost support for CETCs by state by study area for 1Q2024.

UNIENDO A PUERTO RICO FUND/CONNECT USVI FUND

On September 30, 2019, the FCC released the *Uniendo a Puerto Rico Fund and the Connect USVI Fund Order*, which allocated nearly a billion dollars in federal universal service support to Puerto Rico and the U.S. Virgin Islands. These funds will facilitate the improvement and expansion of existing fixed and mobile networks in Puerto Rico and the U.S. Virgin Islands.⁴⁴

For 1Q2024, Uniendo a Puerto Rico Fund/Connect USVI Fund support is projected to be \$16.07 million. Appendix HC18 provides the Uniendo Puerto Rico Fund mobile and fixed support projected by state by study area for 1Q2024. Appendix HC19 provides the Connect USVI Fund mobile and fixed support projected by state by study area for 1Q2024.

RURAL DIGITAL OPPORTUNITY FUND

On February 7, 2020, the FCC released the *Rural Digital Opportunity Fund Order*, which provided up to \$20.4 billion to fund the deployment of up to gigabit speed broadband

⁴¹ See *id.*

⁴² See *id.*

⁴³ USF/ICC Transformation Order, 26 FCC Rcd at 17831, para. 515; see also 47 C.F.R. § 54.307.

⁴⁴ See *The Uniendo a Puerto Rico Fund and the Connect USVI Fund et al.*, WC Docket No. 18-143 et al., Report and Order and Order on Reconsideration, FCC 19-95, para. 3 (2019) (*Uniendo a Puerto Rico Fund and the Connect USVI Fund Order*).

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networks in unserved rural communities through a two-phase reverse auction mechanism.⁴⁵

For 1Q2024, Rural Digital Opportunity Fund support is projected to be \$152.01 million. Appendix HC20 provides the Rural Digital Opportunity Fund support projected by state by study area for 1Q2024.

HIGH COST SUPPORT MECHANISM SUMMARY

The 1Q2024 High Cost Support Mechanism funding requirements are projected as follows: \$61.35 million for HCL support, \$224.37 million for CAF BLS, \$2.81 million for frozen Price Cap Carrier Support, \$4.92 million for CAF Phase II, \$38.70 million for CAF Phase II Auction, \$91.59 million for frozen CETC Support, \$88.56 million for CAF/ICC Support, \$32.08 million for Alaska Plan Support, \$2.67 million for A-CAM, \$68.55 million for A-CAM II, \$293.61 for EACAM, \$16.07 million for Uniendo a Puerto Rico/Connect USVI, and \$152.01 million for Rural Digital Opportunity Fund. This results in base projected demand of \$1,077.29 million.

The following funding requirements will be paid from funds available in the High Cost account: Rural Broadband Experiments \$0.52 million, Mobility Fund Phase I \$6.78 million, and incremental A-CAM support \$45.07 million.

The total funding requirement of \$1,077.29 million is adjusted as follows: decreased by prior period adjustments of \$6.60 million⁴⁶ and increased by administrative costs of \$19.52 million; resulting in a total projected 1Q2024 funding requirement for the High Cost Support Mechanism of \$1,090.21 million.

⁴⁵ See *Rural Digital Opportunity Fund et al.*, WC Docket No. 19-126 et al., Report and Order, FCC 20-5 (2020) (*Rural Digital Opportunity Fund Order*).

⁴⁶ Prior period adjustments reconcile projections to actual results and include adjustments for billings, interest income, bad debt, and administrative expenses.

**Universal Service Administrative Company 1Q2024 Fund Size
Projections**

LOW INCOME SUPPORT MECHANISM

LIFELINE SUPPORT

ETCs providing Lifeline support are entitled to receive funding for the waiver of charges and reduced rates provided to qualified low-income subscribers.⁴⁷ In the *Lifeline Reform Order*, all non-tribal Lifeline support was set to a flat rate of \$9.25 for all subscribers.⁴⁸ As established in the *Tribal Order*, tribal support makes available each month up to an additional \$25 per low-income subscriber to eligible residents of tribal lands.⁴⁹ The *2016 Lifeline Order* extended Lifeline support to broadband services and adopted a phase-down of support for voice-only service beginning in 2019.⁵⁰

For 1Q2024, USAC projects \$265.89 million will be required for Lifeline support.

LINK-UP SUPPORT

Link-Up support is available for ETCs that provide support on tribal lands, but is limited to those ETCs receiving High Cost Program support.⁵¹ ETCs may claim a 100 percent reduction up to \$100 of the customary charge for commencing telephone service for a single telecommunication connection at a subscriber's principal place of residence.⁵²

For 1Q2024, USAC projects that \$0.06 million will be required for Link-Up support.

⁴⁷ 47 C.F.R. §§ 54.401-54.417.

⁴⁸ See *Lifeline and Link Up Reform and Modernization et al.*, WC Docket Nos. 11-42 *et al.*, CC Docket No. 96-45, Report and Order and Further Notice of Proposed Rule Making, 27 FCC Rcd 6656, 6683, para. 58 (2012) (*Lifeline Reform Order*).

⁴⁹ See 47 C.F.R. § 54.400(e); *Federal Joint Board on Universal Service et al.*, CC Docket 96-45, Twenty-Fifth Order on Reconsideration, Report and Order, Order, and Further Notice of Proposed Rulemaking, 18 FCC Rcd 10958 (2003) (*Tribal Order*). On August 31, 2000, the FCC stayed the implementation of the federal Lifeline and Link-up rule amendments only to the extent that they apply to qualifying low-income consumers living near reservations.

⁵⁰ See *Lifeline and Link Up Reform and Modernization, et al.*, WC Docket Nos. 11-42, Third Report and Order and Further Report and Order, and Order on Reconsideration, 31 FCC Rcd 3962, 3985-87, paras. 62-66 (2016) (*2016 Lifeline Order*).

⁵¹ See *id.* at 6767, para. 254.

⁵² 47 C.F.R. § 54.413(a)(1).

**Universal Service Administrative Company 1Q2024 Fund Size
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LOW INCOME SUPPORT MECHANISM SUMMARY

The estimated 1Q2024 Low Income Support Mechanism funding requirements are projected as follows: \$265.89 million for Lifeline and \$0.06 million for Link-Up, resulting in a total funding requirement of \$265.95 million.

The total fund requirement of \$265.95 million is adjusted as follows: decreased by prior period adjustment of \$63.66 million⁵³ and increased for administrative costs of \$23.18 million; resulting in a total projected 1Q2024 funding requirement for the Low Income Support Mechanism of \$225.47 million.

Appendix LI01 provides projected Low Income support amounts by state and study Area for 1Q2024.⁵⁴ LI03 provides a list of ETCs for 3Q2023.⁵⁵ LI04 provides detail on company specific Low Income disbursement amounts for 3Q2023. LI05 provides detail on annual company-specific Low Income support claimed by state and company for January 2020 through September 2023. LI06 provides historical data of monthly support amounts claimed by ETCs from January 1998 through September 2023. LI07 provides detail on Low Income support claimed by state or jurisdiction for January 2020 through September 2023. LI08 and LI09 provide subscriber and beneficiary information by state or jurisdiction for Lifeline and Link-Up support, respectively, for January 2023 through September 2023.

RURAL HEALTH CARE SUPPORT MECHANISM

In the *2018 Rural Health Care Program Funding Cap Order*, the Commission amended its rules to allow unused funds from previous funding years to be carried forward for use in subsequent funding years, beginning in Funding Year 2018.⁵⁶ On an annual basis, unused

⁵³ Prior period adjustments reconcile projections to actual results and include adjustments for billings, disbursements, interest income, bad debt, and administrative expenses.

⁵⁴ Companies that are no longer ETCs have been removed from LI01.

⁵⁵ Companies that are no longer ETCs have been removed from LI03.

⁵⁶ *Promoting Telehealth in Rural America*, WC Docket No. 17-310, Report and Order, FCC 18-82, para. 25 (2018) (*2018 Rural Health Care Program Funding Cap Order*).

**Universal Service Administrative Company 1Q2024 Fund Size
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funds will be made available in the second quarter of each calendar year for use in the next full funding year of the Rural Health Care Program.⁵⁷

In the *2018 Rural Health Care Program Funding Cap Order*, the Commission also required USAC to file quarterly estimates of unused funds that will be available for carryover in subsequent funding years.⁵⁸ The following is a summary of estimated unused funds as of September 30, 2023 for Funding Years 2009 through 2022. Funding years prior to Funding Year 2009 are closed.

FUNDING YEAR 2009

Funding Year 2009 began on July 1, 2009 and ended on June 30, 2010. Balances as of September 30, 2023 are as follows:

Funding Year 2009	Amounts in Millions
Amount Authorized and Actually Collected	\$211.02
Amount Carried Forward / Backward	\$146.22
Amount Authorized for Disbursement	(\$355.66)
Reserve for Outstanding Obligations	(\$0.32)
Reserve for Pending Applications	\$0.00
Reserve for USAC Appeals	\$0.00
Reserve for FCC Appeals	(\$1.26)
Estimated Remaining Balance	(\$0.00)

Cumulative payments to service providers through 3Q2023 are listed in Appendix RH01.

FUNDING YEAR 2010

Funding Year 2010 began on July 1, 2010 and ended on June 30, 2011. Balances as of September 30, 2023 are as follows:

Funding Year 2010	Amounts in Millions
Amount Authorized and Actually Collected	\$87.39
Amount Carried Forward / Backward	(\$0.01)
Amount Authorized for Disbursement	(\$87.32)
Reserve for Outstanding Obligations	(\$0.06)

⁵⁷ *Id.*, para. 27.

⁵⁸ *Id.*, para. 26.

**Universal Service Administrative Company 1Q2024 Fund Size
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Reserve for Pending Applications	\$0.00
Reserve for USAC Appeals	\$0.00
Reserve for FCC Appeals	\$0.00
Estimated Remaining Balance	\$0.00

Cumulative payments to service providers through 3Q2023 are listed in Appendix RH02.

FUNDING YEAR 2011

Funding Year 2011 began on July 1, 2011 and ended on June 30, 2012. Balances as of September 30, 2023 are as follows:

Funding Year 2011	Amounts in Millions
Amount Authorized and Actually Collected	\$101.33
Amount Carried Forward / Backward	\$0.00
Amount Authorized for Disbursement	(\$101.29)
Reserve for Outstanding Obligations	(\$0.04)
Reserve for Pending Applications	\$0.00
Reserve for USAC Appeals	\$0.00
Reserve for FCC Appeals	\$0.00
Estimated Remaining Balance	(\$0.00)

Cumulative payments to service providers through 3Q2023 are listed in Appendix RH03.

FUNDING YEAR 2012

Funding Year 2012 began on July 1, 2012 and ended on June 30, 2013. Balances as of September 30, 2023 are as follows:

Funding Year 2012	Amounts in Millions
Amount Authorized and Actually Collected	\$118.32
Amount Carried Forward / Backward	(\$0.02)
Amount Authorized for Disbursement	(\$116.91)
Reserve for Outstanding Obligations	(\$1.26)
Reserve for Pending Applications	\$0.00
Reserve for USAC Appeals	\$0.00
Reserve for FCC Appeals	(\$0.09)
Estimated Remaining Balance	\$0.04

Cumulative payments to service providers through 3Q2023 are listed in Appendices RH04.

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FUNDING YEAR 2013

Funding Year 2013 began on July 1, 2013 and ended on June 30, 2014. Balances as of September 30, 2023 are as follows:

Funding Year 2013	Amounts in Millions
Amount Authorized and Actually Collected	\$178.76
Amount Carried Forward / Backward	(\$2.02)
Amount Authorized for Disbursement	(\$175.16)
Reserve for Outstanding Obligations	(\$1.55)
Reserve for Pending Applications	\$0.00
Reserve for USAC Appeals	\$0.00
Reserve for FCC Appeals	(\$0.03)
Estimated Remaining Balance	(\$0.00)

Cumulative payments to service providers through 3Q2023 are listed in Appendix RH05.

FUNDING YEAR 2014

Funding Year 2014 began on July 1, 2014 and ended on June 30, 2015. Balances as of September 30, 2023 are as follows:

Funding Year 2014	Amounts in Millions
Amount Authorized and Actually Collected	\$232.88
Amount Carried Forward / Backward	(\$1.93)
Amount Authorized for Disbursement	(\$223.70)
Reserve for Outstanding Obligations	(\$0.94)
Reserve for Pending Applications	\$0.00
Reserve for USAC Appeals	(\$0.54)
Reserve for FCC Appeals	(\$5.77)
Estimated Remaining Balance	\$0.00

Cumulative payments to service providers through 3Q2023 are listed in Appendix RH06.

FUNDING YEAR 2015

Funding Year 2015 began on July 1, 2015 and ended on June 30, 2016. Balances as of September 30, 2023 are as follows:

**Universal Service Administrative Company 1Q2024 Fund Size
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Funding Year 2015	Amounts in Millions
Amount Authorized and Actually Collected	\$294.16
Amount Carried Forward / Backward	(\$8.47)
Amount Authorized for Disbursement	(\$268.07)
Reserve for Outstanding Obligations	(\$7.57)
Reserve for Pending Applications	\$0.00
Reserve for USAC Appeals	(\$0.66)
Reserve for FCC Appeals	(\$9.39)
Estimated Remaining Balance	\$0.00

Cumulative payments to service providers through 3Q2023 are listed in Appendix RH07.

FUNDING YEAR 2016

Funding Year 2016 began on July 1, 2016 and ended on June 30, 2017. Balances as of September 30, 2023 are as follows:

Funding Year 2016	Amounts in Millions
Amount Authorized and Actually Collected	\$402.70
Amount Carried Forward / Backward	(\$63.02)
Amount Authorized for Disbursement	(\$307.26)
Reserve for Outstanding Obligations	(\$4.80)
Reserve for Pending Applications	(\$0.05)
Reserve for USAC Appeals	\$0.00
Reserve for FCC Appeals	(\$15.28)
Administrative Expenses	(\$12.29)
Estimated Remaining Balance	\$0.00

Cumulative payments to service providers through 3Q2023 are listed in Appendix RH08.

FUNDING YEAR 2017

Funding Year 2017 began on July 1, 2017 and ended on June 30, 2018. Balances as of September 30, 2023 are as follows:

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Funding Year 2017	Amounts in Millions
Amount Authorized and Actually Collected	\$367.59
Amount Carried Forward / Backward	(\$2.74)
Amount Authorized for Disbursement	(\$336.43)
Reserve for Outstanding Obligations	(\$3.40)
Reserve for Pending Applications	(\$3.22)
Reserve for USAC Appeals	(\$1.43)
Reserve for FCC Appeals	(\$9.99)
Administrative Expenses	(\$10.37)
Estimated Remaining Balance	\$0.01

Cumulative payments to service providers through 3Q2023 are listed in Appendix RH09.

FUNDING YEAR 2018

Funding Year 2018 began on July 1, 2018 and ended on June 30, 2019. Balances as of September 30, 2023 are as follows:

Funding Year 2018	Amounts in Millions
Amount Authorized and Actually Collected	\$581.28
Amount Carried Forward / Backward	(\$241.77)
Amount Authorized for Disbursement	(\$298.45)
Reserve for Outstanding Obligations	(\$1.99)
Reserve for Pending Applications	(\$3.15)
Reserve for USAC Appeals	(\$20.94)
Reserve for FCC Appeals	(\$2.84)
Administrative Expenses	(\$12.09)
Estimated Remaining Balance	\$0.05

Cumulative payments to service providers through 3Q2023 are listed in Appendix RH10.

FUNDING YEAR 2019

Funding Year 2019 began on July 1, 2019 and ended on June 30, 2020. Balances as of September 30, 2023 are as follows:

Funding Year 2019	Amounts in Millions
Amount Authorized and Actually Collected	\$594.07
Amount Carried Forward / Backward	(\$154.29)
Amount Authorized for Disbursement	(\$412.86)
Reserve for Outstanding Obligations	(\$0.20)
Reserve for Pending Applications	(\$0.76)

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Reserve for USAC Appeals	(\$2.19)
Reserve for FCC Appeals	(\$7.15)
Administrative Expenses	(\$16.34)
Estimated Remaining Balance	\$0.28

Funding commitments made to applicants during 3Q2023 are included in Appendix RH11. Authorized funding by applicant during 3Q2023 and cumulative payments to service providers through 3Q2023 are listed in Appendices RH12 and RH13, respectively.

FUNDING YEAR 2020

Funding Year 2020 began on July 1, 2020 and ended on June 30, 2021. Balances as of September 30, 2023 are as follows:

Funding Year 2020	Amounts in Millions
Amount Authorized and Actually Collected	\$604.76
Amount Carried Forward / Backward	(\$111.45)
Amount Authorized for Disbursement	(\$369.58)
Reserve for Outstanding Obligations	(\$22.48)
Reserve for Pending Applications	(\$3.95)
Reserve for USAC Appeals	(\$66.55)
Reserve for FCC Appeals	(\$7.75)
Administrative Expenses	(\$19.80)
Estimated Remaining Balance	\$3.20

Funding commitments made to applicants during 3Q2023 are included in Appendix RH14. Authorized funding by applicant during 3Q2023 and cumulative payments to service providers through 3Q2023 are listed in Appendices RH15 and RH16, respectively.

FUNDING YEAR 2021

Funding Year 2021 began on July 1, 2021 and ended on June 30, 2022. Balances as of September 30, 2023 are as follows:

Funding Year 2021	Amounts in Millions
Amount Authorized and Actually Collected	\$306.02
Amount Carried Forward / Backward	\$182.89
Amount Authorized for Disbursement	(\$401.29)
Reserve for Outstanding Obligations	(\$50.38)
Reserve for Pending Applications	(\$1.45)

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Reserve for USAC Appeals	(\$2.89)
Reserve for FCC Appeals	(\$2.55)
Administrative Expenses	(\$26.48)
Estimated Remaining Balance	\$3.87

Funding commitments made to applicants during 3Q2023 are included in Appendix RH17. Authorized funding by applicant during 3Q2023 and cumulative payments to service providers through 3Q2023 are listed in Appendices RH18 and RH19, respectively.

FUNDING YEAR 2022

Funding Year 2022 began on July 1, 2022 and will end on September 30, 2023.

Balances as of September 30, 2023 are as follows:

Funding Year 2022	Amounts in Millions
Amount Authorized and Actually Collected	\$367.35
Amount Carried Forward / Backward	\$237.22
Amount Authorized for Disbursement	(\$289.96)
Reserve for Outstanding Obligations	(\$281.36)
Reserve for Pending Applications	(\$0.07)
Reserve for USAC Appeals	(\$2.00)
Reserve for FCC Appeals	(\$0.31)
Administrative Expenses	(\$27.20)
Estimated Remaining Balance	\$3.67

Funding commitments made to applicants during 3Q2023 are included in Appendix RH20. Authorized funding by applicant during 3Q2023 and cumulative payments to service providers through 3Q2023 are listed in Appendices RH21 and RH22, respectively.

FUNDING YEAR 2023

On March 3, 2023, the Commission announced a funding cap for Funding Year 2023 of \$682.36 million for the Rural Health Care Program.⁵⁹ This reflects a 7.0 percent inflation-adjusted increase in the \$637.72 million cap from Funding Year 2022. The filing

⁵⁹ See *Wireline Competition Bureau Announces E-Rate and RHC Programs' Inflation-Based Caps for Funding Year 2021*, CC Docket No. 02-6, WC Docket No. 02-60, Public Notice, DA 21-332 (2021).

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window for Funding Year 2023 closed on May 1, 2023. Based on applications received within the filing window, USAC estimates total program demand for Funding Year 2023 of \$739.46 million, including administrative costs.

The FCC instructed USAC to carry forward available funds as of April 30, 2023 of \$211.50 million to Funding Year 2023 from prior funding years as follows, 2009: \$0.05 million; 2017: \$0.84 million; 2019: \$26.07 million; 2020: \$21.32 million, 2021: \$48.77 million, 2022: \$114.45 million (net of funds carried back to funding years with a negative carry forward balance), of which \$50 million was to be reserved for future funding years and \$57.10 million was to be used to fund demand above the cap, with the remainder used to offset collections in 3Q2023.

The FCC further instructed USAC to carry forward \$73.76 million from available funds as of July 31, 2023, to reduce required collections in 4Q2023 as follows, 2014: \$0.01 million, 2015: \$0.18 million, 2016: \$0.95 million, 2017: \$29.07 million, 2018: \$4.37 million, 2019: \$5.36 million, 2020: \$8.4 million, 2021: \$2.4 million, 2022: \$20.92 million, 2023: \$2.10 million.

Based on program demand of \$739.46 million, carry forward funds available to offset collections of \$178.16 million, and collections of \$163.02 million, there is a collection requirement of \$170.59 for Funding Year 2023 in 1Q2024.

Funding commitments made to applicants during 3Q2023 are included in Appendix RH23. Authorized funding by applicant during 3Q2023 and cumulative payments to service providers through 3Q2023 are listed in Appendices RH24 and RH25, respectively.

RURAL HEALTH CARE SUPPORT MECHANISM SUMMARY

The 1Q2024 Rural Health Care Support Mechanism collection requirement of \$170.59 million is adjusted as follows: decreased by a prior period adjustment of \$1.99

Universal Service Administrative Company 1Q2024 Fund Size Projections

million⁶⁰ resulting in a total projected 1Q2024 funding requirement for the Rural Health Care Support Mechanism of \$168.60 million.

CONNECTED CARE PILOT PROGRAM

On April 2, 2020, the FCC issued Order FCC 20-44, establishing the Connected Care Pilot Program within the USF, making an additional \$100 million available over three years to help defray health care providers' qualifying costs of providing connected care services, which focused primarily on low-income or veteran patients.⁶¹ The Order authorized collections of \$100 million over three years (12 quarters) at \$8.33 million per quarter beginning in 4Q2020.⁶² The Order states that the purpose of the Pilot Program is to examine how the Fund can help support the trend towards connected care services, particularly for low income consumers and veterans.⁶³ The Order indicates that \$100 million funding for the Pilot Program will be separate from the budgets of the other existing universal service programs and directs USAC to separately collect funds for the Pilot Program.⁶⁴

CONNECTED CARE PILOT PROGRAM SUMMARY

There is no remaining collection requirement for the Connected Care Pilot Program. Based on 3Q2023 activity, there is a prior period adjustment for the Connected Care Pilot Program of (\$0.51) million⁶⁵.

⁶⁰ Prior period adjustments reconcile projections to actual results and include adjustments for billings, interest income, and bad debt.

⁶¹ See *Promoting Telehealth for Low-Income Consumers, COVID-19 Telehealth Program*, WC Docket Nos. 18-213 and 20-89, Report and Order, FCC 20-44, para. 37 (2020).

⁶² *Id.*, para. 42.

⁶³ *Id.*, para. 5.

⁶⁴ *Id.*, paras. 38, 42.

⁶⁵ Prior period adjustments reconcile projections to actual results and include adjustments for billings, interest income, and bad debt.

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Projections**

SCHOOLS AND LIBRARIES SUPPORT MECHANISM

Following is a summary of Schools and Libraries Support Mechanism net commitments⁶⁶ and net authorized for payment⁶⁷ by Funding Year as of September 30, 2023.

FUNDING YEAR 1998

FUNDING YEAR 1998					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Telecommunications	\$678.85	40.04%	\$507.75	36.29%	74.80%
Internet Access	\$134.10	7.91%	\$94.82	6.78%	70.71%
Internal Connections	\$882.49	52.05%	\$796.40	56.93%	90.24%
TOTAL	\$1,695.44	100.00%	\$1,398.97	100.00%	82.51%
Deobligations due to Expired FRNs	(\$296.47)				
Net Commitments	\$1,398.97				

FUNDING YEAR 1999

FUNDING YEAR 1999					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Telecommunications	\$634.27	29.54%	\$452.12	27.40%	71.28%
Internet Access	\$148.65	6.92%	\$95.38	5.78%	64.16%
Internal Connections	\$1,364.53	63.54%	\$1,102.43	66.82%	80.79%
TOTAL	\$2,147.45	100.00%	\$1,649.93	100.00%	76.83%

⁶⁶ Net Commitments are the amount of total funding commitments (including appeals, less funding commitment adjustments (COMADs) and other recaptures) reduced by the remaining dollar amount of commitments that had not been fully disbursed by their invoicing deadline.

⁶⁷ Net authorized for payment is the amount of total approved invoices less any returned funds. Authorized payments may be greater than net commitments due to recoveries in the process of collection.

**Universal Service Administrative Company 1Q2024 Fund Size
Projections**

Deobligations due to Expired FRNs	(\$497.52)				
Net Commitments	\$1,649.93				

FUNDING YEAR 2000

FUNDING YEAR 2000					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Telecommunications	\$717.78	34.55%	\$480.46	29.17%	66.94%
Internet Access	\$218.65	10.53%	\$131.86	8.01%	60.31%
Internal Connections	\$1,140.97	54.92%	\$1,034.62	62.82%	90.68%
TOTAL	\$2,077.40	100.00%	\$1,646.94	100.00%	79.28%
Deobligations due to Expired FRNs	(\$430.46)				
Net Commitments	\$1,646.94				

FUNDING YEAR 2001

FUNDING YEAR 2001					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Telecommunications	\$766.34	35.32%	\$540.87	32.26%	70.58%
Internet Access	\$224.65	10.35%	\$146.93	8.76%	65.40%
Internal Connections	\$1,178.96	54.33%	\$988.86	58.98%	83.88%
TOTAL	\$2,169.95	100.00%	\$1,676.66	100.00%	77.27%
Deobligations due to Expired FRNs	(\$493.29)				
Net Commitments	\$1,676.66				

**Universal Service Administrative Company 1Q2024 Fund Size
Projections**

FUNDING YEAR 2002

FUNDING YEAR 2002					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Telecommunications	\$848.89	40.23%	\$610.19	38.28%	71.88%
Internet Access	\$250.99	11.89%	\$169.40	10.63%	67.49%
Internal Connections	\$1,010.38	47.88%	\$814.60	51.10%	80.62%
TOTAL	\$2,110.26	100.00%	\$1,594.19	100.00%	75.55%
Deobligations due to Expired FRNs	(\$515.79)				
Net Commitments	\$1,594.47				

FUNDING YEAR 2003

FUNDING YEAR 2003					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Telecommunications	\$898.73	35.68%	\$657.50	33.94%	73.16%
Internet Access	\$271.87	10.79%	\$203.32	10.49%	74.79%
Internal Connections	\$1,347.99	53.52%	\$1,076.69	55.57%	79.87%
TOTAL	\$2,518.59	100.00%	\$1,937.51	100.00%	76.93%
Deobligations due to Expired FRNs	(\$581.08)				
Net Commitments	\$1,937.51				

**Universal Service Administrative Company 1Q2024 Fund Size
Projections**

FUNDING YEAR 2004

FUNDING YEAR 2004					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Telecommunications	\$933.66	46.00%	\$689.93	44.94%	73.90%
Internet Access	\$242.31	11.94%	\$193.34	12.59%	79.79%
Internal Connections	\$853.51	42.06%	\$651.97	42.47%	76.39%
TOTAL	\$2,029.48	100.00%	\$1,535.24	100.00%	75.65%
Deobligations due to Expired FRNs	(\$494.24)				
Net Commitments	\$1,535.24				

FUNDING YEAR 2005

FUNDING YEAR 2005					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Telecommunications	\$983.88	48.99%	\$778.02	47.93%	79.08%
Internet Access	\$259.38	12.92%	\$214.35	13.20%	82.64%
Internal Connections	\$644.93	32.11%	\$539.26	33.22%	83.62%
Internal Connections-Maint	\$120.02	5.98%	\$91.66	5.65%	76.37%
TOTAL	\$2,008.21	100.00%	\$1,623.29	100.00%	80.83%
Deobligations due to Expired FRNs	(\$384.87)				
Net Commitments	\$1,623.34				

**Universal Service Administrative Company 1Q2024 Fund Size
Projections**

FUNDING YEAR 2006

FUNDING YEAR 2006					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Telecommunications	\$1,064.92	54.60%	\$849.65	54.23%	79.79%
Internet Access	\$290.31	14.88%	\$236.49	15.09%	81.46%
Internal Connections	\$476.36	24.42%	\$394.60	25.19%	82.84%
Internal Connections-Maint	\$118.97	6.10%	\$86.02	5.49%	72.30%
TOTAL	\$1,950.56	100.00%	\$1,566.76	100.00%	80.32%
Deobligations due to Expired FRNs	(\$383.03)				
Net Commitments	\$1,567.53				

Funding commitments made to applicants during 3Q2023 are included in Appendix SL01.

FUNDING YEAR 2007

FUNDING YEAR 2007					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Telecommunications	\$1,163.90	49.39%	\$947.36	48.51%	81.40%
Internet Access	\$310.51	13.18%	\$258.89	13.26%	83.38%
Internal Connections	\$724.68	30.75%	\$627.73	32.14%	86.62%
Internal Connections-Maint	\$157.55	6.69%	\$118.96	6.09%	75.51%
TOTAL	\$2,356.64	100.00%	\$1,952.94	100.00%	82.87%
Deobligations due to Expired FRNs	(\$403.70)				
Net Commitments	\$1,952.94				

**Universal Service Administrative Company 1Q2024 Fund Size
Projections**

FUNDING YEAR 2008

FUNDING YEAR 2008					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Telecommunications	\$1,291.68	54.42%	\$1,047.22	54.36%	81.07%
Internet Access	\$333.52	14.05%	\$278.64	14.46%	83.55%
Internal Connections	\$623.21	26.26%	\$508.16	26.38%	81.54%
Internal Connections-Maint	\$124.95	5.26%	\$92.38	4.80%	73.93%
TOTAL	\$2,373.36	100.00%	\$1,926.40	100.00%	81.17%
Deobligations due to Expired FRNs	(\$446.96)				
Net Commitments	\$1,926.40				

FUNDING YEAR 2009

FUNDING YEAR 2009					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Telecommunications	\$1,353.70	48.23%	\$1,111.42	47.63%	82.10%
Internet Access	\$350.26	12.48%	\$292.70	12.54%	83.57%
Internal Connections	\$910.66	32.44%	\$788.74	33.80%	86.61%
Internal Connections-Maint	\$192.36	6.85%	\$140.37	6.02%	72.97%
TOTAL	\$2,806.98	100.00%	\$2,333.23	100.00%	83.12%
Deobligations due to Expired FRNs	(\$473.75)				
Net Commitments	\$2,333.23				

**Universal Service Administrative Company 1Q2024 Fund Size
Projections**

FUNDING YEAR 2010

FUNDING YEAR 2010					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Telecommunications	\$1,429.16	47.67%	\$1,176.80	48.02%	82.34%
Internet Access	\$392.65	13.10%	\$330.23	13.48%	84.10%
Internal Connections	\$973.96	32.48%	\$795.48	32.46%	81.67%
Internal Connections-Maint	\$202.50	6.75%	\$147.96	6.04%	73.07%
TOTAL	\$2,998.27	100.00%	\$2,450.47	100.00%	81.73%
Deobligations due to Expired FRNs	(\$547.57)				
Net Commitments	\$2,450.70				

FUNDING YEAR 2011

FUNDING YEAR 2011					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Telecommunications	\$1,467.20	55.09%	\$1,188.62	55.25%	81.01%
Internet Access	\$467.46	17.55%	\$387.77	18.03%	82.95%
Internal Connections	\$602.82	22.63%	\$498.70	23.18%	82.73%
Internal Connections-Maint	\$126.02	4.73%	\$76.19	3.54%	60.46%
TOTAL	\$2,663.50	100.00%	\$2,151.28	100.00%	80.77%
Deobligations due to Expired FRNs	(\$511.96)				
Net Commitments	\$2,151.54				

**Universal Service Administrative Company 1Q2024 Fund Size
Projections**

FUNDING YEAR 2012

FUNDING YEAR 2012					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Telecommunications	\$1,516.22	51.12%	\$1,220.97	51.43%	80.53%
Internet Access	\$569.96	19.21%	\$461.64	19.44%	81.00%
Internal Connections	\$747.77	25.21%	\$612.15	25.78%	81.86%
Internal Connections-Maint	\$132.30	4.46%	\$79.34	3.34%	59.98%
TOTAL	\$2,966.25	100.00%	\$2,374.10	100.00%	80.04%
Deobligations due to Expired FRNs	(\$591.39)				
Net Commitments	\$2,374.86				

Funding commitments made to applicants during 3Q2023 are included in Appendix SL02.

FUNDING YEAR 2013

FUNDING YEAR 2013					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Telecommunications	\$1,564.80	71.06%	\$1,239.97	70.73%	79.24%
Internet Access	\$637.43	28.94%	\$513.06	29.27%	80.49%
Internal Connections	\$0.00	0.00%	\$0.00	0.00%	0.00%
Internal Connections-Maint	\$0.00	0.00%	\$0.00	0.00%	0.00%
TOTAL	\$2,202.23	100.00%	\$1,753.03	100.00%	79.60%
Deobligations due to Expired FRNs	(\$449.14)				
Net Commitments	\$1,753.09				

**Universal Service Administrative Company 1Q2024 Fund Size
Projections**

FUNDING YEAR 2014

FUNDING YEAR 2014					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Telecommunications	\$1,630.24	69.46%	\$1,301.79	69.52%	79.85%
Internet Access	\$716.66	30.54%	\$570.87	30.48%	79.66%
Internal Connections	\$0.00	0.00%	\$0.01	0.00%	0.00%
Internal Connections-Maint	\$0.00	0.00%	\$0.00	0.00%	0.00%
TOTAL	\$2,346.90	100.00%	\$1,872.67	100.00%	79.79%
Deobligations due to Expired FRNs	(\$473.88)				
Net Commitments	\$1,873.02				

Authorized funding by applicant during 3Q2023 and cumulative payments to service providers through 3Q2023 are listed in Appendices SL03 and SL04, respectively.

FUNDING YEAR 2015

FUNDING YEAR 2015					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Telecommunications	\$815.54	25.35%	\$701.65	25.12%	86.04%
Internet Access	\$721.16	22.42%	\$605.03	21.66%	83.90%
Internal Connections	\$1,156.85	35.96%	\$1,098.14	39.31%	94.93%
Internal Connections-Maint	\$22.70	0.71%	\$17.30	0.62%	76.21%
MIBS	\$23.16	0.72%	\$13.13	0.47%	56.69%
Voice	\$477.34	14.84%	\$358.47	12.83%	75.10%
TOTAL	\$3,216.75	100.00%	\$2,793.72	100.00%	86.85%
Deobligations due to Expired FRNs	(\$423.03)				
Net Commitments	\$2,793.72				

**Universal Service Administrative Company 1Q2024 Fund Size
Projections**

Funding commitments made to applicants during 3Q2023 are included in Appendix SL05. Authorized funding by applicant during 3Q2023 and cumulative payments to service providers through 3Q2023 are listed in Appendices SL06 and SL07, respectively.

FUNDING YEAR 2016

FUNDING YEAR 2016					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Internet Access	\$1,653.13	59.72%	\$1,377.02	58.61%	83.30%
Internal Connections	\$794.01	28.69%	\$730.28	31.08%	91.97%
Internal Connections-Maint	\$23.30	0.84%	\$15.50	0.66%	66.52%
MIBS	\$23.17	0.84%	\$20.49	0.87%	88.43%
Voice	\$274.35	9.91%	\$206.04	8.77%	75.10%
TOTAL	\$2,767.96	100.00%	\$2,349.33	100.00%	84.88%
Deobligations due to Expired FRNs	(\$418.52)				
Net Commitments	\$2,349.44				

Funding commitments made to applicants during 3Q2023 are included in Appendix SL08. Authorized funding by applicant during 3Q2023 and cumulative payments to service providers through 3Q2023 are listed in Appendices SL09 and SL10, respectively.

FUNDING YEAR 2017

FUNDING YEAR 2017					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Internet Access	\$1,651.64	69.76%	\$1,391.93	69.49%	84.28%
Internal Connections	\$542.69	22.92%	\$487.98	24.36%	89.92%
Internal Connections-Maint	\$22.70	0.96%	\$11.26	0.56%	49.60%
MIBS	\$25.35	1.07%	\$20.12	1.00%	79.37%
Voice	\$125.26	5.29%	\$91.83	4.58%	73.31%

**Universal Service Administrative Company 1Q2024 Fund Size
Projections**

TOTAL	\$2,367.64	100.00%	\$2,003.12	100.00%	84.60%
Deobligations due to Expired FRNs	(\$350.55)				
Net Commitments	\$2,017.09				

Funding commitments made to applicants during 3Q2023 are included in Appendix SL11. Authorized funding by applicant during 3Q2023 and cumulative payments to service providers through 3Q2023 are listed in Appendices SL12 and SL13, respectively.

FUNDING YEAR 2018

FUNDING YEAR 2018					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Internet Access	\$1,738.40	75.94%	\$1,514.83	75.77%	87.14%
Internal Connections	\$486.55	21.25%	\$436.72	21.85%	89.76%
Internal Connections-Maint	\$21.73	0.95%	\$12.97	0.65%	59.69%
MIBS	\$20.19	0.88%	\$18.93	0.95%	93.76%
Voice	\$22.30	0.97%	\$15.67	0.78%	70.27%
TOTAL	\$2,289.17	100.00%	\$1,999.12	100.00%	87.33%
Deobligations due to Expired FRNs	(\$286.54)				
Net Commitments	\$2,002.63				

Funding commitments made to applicants during 3Q2023 are included in Appendix SL14. Authorized funding by applicant during 3Q2023 and cumulative payments to service providers through 3Q2023 are listed in Appendices SL15 and SL16, respectively.

**Universal Service Administrative Company 1Q2024 Fund Size
Projections**

FUNDING YEAR 2019

FUNDING YEAR 2019					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Internet Access	\$1,592.60	67.20%	\$1,332.34	66.45%	83.66%
Internal Connections	\$731.44	30.86%	\$641.35	31.99%	87.68%
Internal Connections-Maint	\$24.95	1.05%	\$12.14	0.61%	48.66%
MIBS	\$20.90	0.88%	\$19.20	0.96%	91.87%
Voice	\$0.00	0.00%	\$0.00	0.00%	0.00%
TOTAL	\$2,369.89	100.00%	\$2,005.03	100.00%	84.60%
Deobligations due to Expired FRNs	(\$315.69)				
Net Commitments	\$2,054.20				

Funding commitments made to applicants during 3Q2023 are included in Appendix SL17. Authorized funding by applicant during 3Q2023 and cumulative payments to service providers through 3Q2023 are listed in Appendices SL18 and SL19, respectively.

FUNDING YEAR 2020

FUNDING YEAR 2020					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Internet Access	\$1,577.94	62.89%	\$1,285.86	65.15%	81.49%
Internal Connections	\$873.73	34.83%	\$651.37	33.00%	74.55%
Internal Connections-Maint	\$28.82	1.15%	\$12.04	0.61%	41.78%
MIBS	\$28.41	1.13%	\$24.37	1.23%	85.78%
TOTAL	\$2,508.90	100.00%	\$1,973.64	100.00%	78.67%
Deobligations due to Expired FRNs	(\$295.82)				

**Universal Service Administrative Company 1Q2024 Fund Size
Projections**

Net Commitments	\$2,213.08				
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Funding commitments made to applicants during 3Q2023 are included in Appendix SL20. Authorized funding by applicant during 3Q2023 and cumulative payments to service providers through 3Q2023 are listed in Appendices SL21 and SL22, respectively.

FUNDING YEAR 2021

FUNDING YEAR 2021					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Internet Access	\$1,532.63	58.03%	\$1,240.23	59.23%	80.92%
Internal Connections	\$1,044.81	39.56%	\$807.46	38.56%	77.28%
Internal Connections-Maint	\$27.79	1.05%	\$14.02	0.67%	50.45%
MIBS	\$35.87	1.36%	\$32.26	1.54%	89.94%
TOTAL	\$2,641.10	100.00%	\$2,093.97	100.00%	79.28%
Deobligations due to Expired FRNs	(\$209.06)				
Net Commitments	\$2,432.04				

Funding commitments made to applicants during 3Q2023 are included in Appendix SL23. Authorized funding by applicant during 3Q2023 and cumulative payments to service providers through 3Q2023 are listed in Appendices SL24 and SL25, respectively.

**Universal Service Administrative Company 1Q2024 Fund Size
Projections**

FUNDING YEAR 2022

FUNDING YEAR 2022					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Internet Access	\$1,541.15	54.21%	\$695.73	42.98%	45.14%
Internal Connections	\$1,231.83	43.33%	\$893.55	55.20%	72.54%
Internal Connections-Maint	\$28.57	1.00%	\$7.35	0.45%	25.73%
MIBS	\$41.34	1.45%	\$22.13	1.37%	53.53%
TOTAL	\$2,842.89	100.00%	\$1,618.76	100.00%	56.94%
Deobligations due to Expired FRNs	(\$45.64)				
Net Commitments	\$2,797.25				

Funding commitments made to applicants during 3Q2023 are included in Appendix SL26. Authorized funding by applicant during 3Q2023 and cumulative payments to service providers through 3Q2023 are listed in Appendices SL27 and SL28, respectively.

FUNDING YEAR 2023

FUNDING YEAR 2023					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Internet Access	\$911.24	59.04%	\$0.00	0.00%	0.00%
Internal Connections	\$590.18	38.24%	\$181.85	100.00%	30.81%
Internal Connections-Maint	\$15.49	1.00%	\$0.00	0.00%	0.00%
MIBS	\$26.39	1.71%	\$0.00	0.00%	0.00%
TOTAL	\$1,543.30	100.00%	\$181.85	100.00%	11.78%
Deobligations due to Expired FRNs	\$661.37				
Net Commitments	\$2,204.67				

**Universal Service Administrative Company 1Q2024 Fund Size
Projections**

Funding commitments made to applicants during 3Q2023 are included in Appendix SL29. Authorized funding by applicant during 3Q2023 and cumulative payments to service providers through 3Q2023 are listed in Appendices SL30 and SL31, respectively.

FCC DECISIONS AND UNUSED FUNDS

In the *Schools and Libraries Third Report and Order*, the Commission amended its rules to allow unused funds from prior Funding Years to be carried forward on an annual basis in the second quarter of each calendar year for use in the next full Funding Year.⁶⁸ The Commission required USAC to file quarterly estimates of unused funds from prior Funding Years in submitting its projection of Schools and Libraries Support Mechanism demand for the upcoming quarter.

The following is a summary of estimated unused funds as of September 30, 2023 for each funding year, including adjustments made by the Commission and projections of unused funds as required by Commission rules.

Funding Year 1998

Funding Year 1998 began on July 1, 1998 and ended on June 30, 1999. Balances as of September 30, 2023 are as follows:

FY 1998	Amounts in Millions
Amount Authorized and Actually Collected	\$1,925.00
Amount Authorized for Disbursement	(\$1,398.97)
Administrative Expenses (21 months)	(\$41.79)
Amount Carried Forward / Backward	(\$6.70)
Amount Applied to Adjust 2000, 2001, and 2002 Collections	(\$477.16)
Potential Additional Disbursements on Committed FRNs	\$0.00
Reserve for USAC Appeals	(\$0.01)
Reserve for FCC Appeals	(\$0.37)

⁶⁸ Schools and Libraries Universal Service Support Mechanism, CC Docket No. 02-6, Third Report and Order and Second Further Notice of Proposed Rulemaking, 18 FCC Rcd 26912, paras. 52-57 (2003) (*Schools and Libraries Third Report and Order*).

**Universal Service Administrative Company 1Q2024 Fund Size
Projections**

Estimated Remaining Balance	(\$0.00)
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Funding Year 1999

Funding Year 1999 began on July 1, 1999 and ended on June 30, 2000. Balances as of September 30, 2023 are as follows:

FY 1999	Amounts in Millions
Amount Authorized and Actually Collected	\$2,250.00
Amount Authorized for Disbursement	(\$1,649.93)
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 / Backward	(\$93.77)
Amount Received from Rollover	\$0.00
Reserve for USAC Appeals	(\$0.02)
Reserve for FCC Appeals	(\$4.87)
Estimated Remaining Balance	(\$0.00)

Funding Year 2000

Funding Year 2000 began on July 1, 2000 and ended on June 30, 2001. Balances as of September 30, 2023 are as follows:

FY 2000	Amounts in Millions
Amount Authorized and Actually Collected	\$2,250.00
Amount Authorized for Disbursement	(\$1,646.94)
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 / Backward	(\$182.66)
Reserve for USAC Appeals	(\$0.51)
Reserve for FCC Appeals	(\$4.64)
Estimated Remaining Balance	(\$0.02)

**Universal Service Administrative Company 1Q2024 Fund Size
Projections**

Funding Year 2001

Funding Year 2001 began on July 1, 2001 and ended on June 30, 2002. Balances as of September 30, 2023 are as follows:

FY 2001	Amounts in Millions
Amount Authorized and Actually Collected	\$2,250.00
Amount Authorized for Disbursement	(\$1,676.66)
Administrative Expenses	(\$30.56)
Amount Carried Forward / Backward	(\$489.36)
Remaining Uncommitted Requests	(\$20.33)
Reserve for USAC Appeals	(\$41.45)
Reserve for FCC Appeals	(\$24.30)
Estimated Remaining Balance	(\$32.66)

Funding Year 2002

Funding Year 2002 began on July 1, 2002 and ended on June 30, 2003. Balances as of September 30, 2023 are as follows:

FY 2002	Amounts in Millions
Amount Authorized and Actually Collected	\$2,250.00
Amount Authorized for Disbursement	(\$1,594.19)
Administrative Expenses	(\$38.53)
Amount Carried Forward / Backward	(\$594.38)
Potential Additional Disbursements on Committed FRNs	(\$0.28)
Remaining Uncommitted Requests	(\$0.93)
Reserve for USAC Appeals	(\$0.01)
Reserve for FCC Appeals	(\$21.68)
Estimated Remaining Balance	\$0.00

Funding Year 2003

Funding Year 2003 began on July 1, 2003 and ended on June 30, 2004. Balances as of September 30, 2023, are as follows:

**Universal Service Administrative Company 1Q2024 Fund Size
Projections**

FY 2003	Amounts in Millions
Amount Authorized and Actually Collected	\$2,250.00
Amount Authorized for Disbursement	(\$1,937.51)
Administrative Expenses	(\$44.19)
Amount Carried Forward / Backward	(\$638.23)
Amount Received from Rollover	\$420.00
Potential Additional Disbursements on Committed FRNs	\$0.00
Remaining Uncommitted Requests	(\$32.83)
Reserve for USAC Appeals	(\$0.01)
Reserve for FCC Appeals	(\$17.23)
Estimated Remaining Balance	\$0.00

Funding Year 2004

Funding Year 2004 began on July 1, 2004 and ended on June 30, 2005. Balances as of September 30, 2023 are as follows:

FY 2004	Amounts in Millions
Amount Authorized and Actually Collected	\$2,250.00
Amount Authorized for Disbursement	(\$1,535.24)
Administrative Expenses	(\$55.75)
Amount Carried Forward / Backward	(\$723.59)
Amount Received from Rollover	\$150.00
Amount Applied to Adjust Collections	(\$550.00)
Adjustment for Reduction in Collections	\$550.00
Potential Additional Disbursements on Committed FRNs	\$0.00
Reserve for USAC Appeals	(\$0.14)
Reserve for FCC Appeals	(\$85.28)
Estimated Remaining Balance	\$0.00

Funding Year 2005

Funding Year 2005 began on July 1, 2005 and ended on June 30, 2006. Balances as of September 30, 2023 are as follows:

**Universal Service Administrative Company 1Q2024 Fund Size
Projections**

FY 2005	Amounts in Millions
Amount Authorized and Actually Collected	\$2,250.00
Amount Authorized for Disbursement	(\$1,623.29)
Administrative Expenses	(\$64.99)
Amount Carried Forward / Backward	(\$534.14)
Potential Additional Disbursements on Committed FRNs	(\$0.05)
Remaining Uncommitted Requests	(\$0.16)
Reserve for USAC Appeals	(\$0.02)
Reserve for FCC Appeals	(\$27.38)
Estimated Remaining Balance	(\$0.03)

Funding Year 2006

Funding Year 2006 began on July 1, 2006 and ended on June 30, 2007. Balances as of September 30, 2023, are as follows:

FY 2006	Amounts in Millions
Amount Authorized and Actually Collected	\$2,250.00
Amount Authorized for Disbursement	(\$1,566.76)
Administrative Expenses	(\$80.74)
Amount Carried Forward / Backward	(\$586.16)
Potential Additional Disbursements on Committed FRNs	(\$0.77)
Remaining Uncommitted Requests	\$0.00
Reserve for USAC Appeals	(\$0.01)
Reserve for FCC Appeals	(\$15.95)
Estimated Remaining Balance	(\$0.39)

Funding Year 2007

Funding Year 2007 began on July 1, 2007 and ended on June 30, 2008. Balances as of September 30, 2023 are as follows:

FY 2007	Amounts in Millions
Amount Authorized and Actually Collected	\$2,250.00
Amount Authorized for Disbursement	(\$1,952.94)
Administrative Expenses	(\$81.24)
Amount Carried Forward / Backward	(\$850.00)
Potential Additional Disbursements on Committed FRNs	\$0.00

**Universal Service Administrative Company 1Q2024 Fund Size
Projections**

Amount Received from Rollover	\$650.00
Remaining Uncommitted Requests	(\$0.94)
Reserve for USAC Appeals	(\$1.62)
Reserve for FCC Appeals	(\$13.28)
Estimated Remaining Balance	(\$0.02)

Funding Year 2008

Funding Year 2008 began on July 1, 2008 and ended on June 30, 2009. Balances as of September 30, 2023 are as follows:

FY 2008	Amounts in Millions
Amount Authorized and Actually Collected	\$2,250.00
Amount Authorized for Disbursement	(\$1,926.40)
Administrative Expenses	(\$125.59)
Amount Carried Forward / Backward	(\$777.62)
Amount Received from Rollover	\$600.00
Potential Additional Disbursements on Committed FRNs	\$0.00
Remaining Uncommitted Requests	\$0.00
Reserve for USAC Appeals	(\$0.02)
Reserve for FCC Appeals	(\$19.84)
Estimated Remaining Balance	\$0.53

Funding Year 2009

Funding Year 2009 began on July 1, 2009 and ended on June 30, 2010. Balances as of September 30, 2023 are as follows:

FY 2009	Amounts in Millions
Amount Authorized and Actually Collected	\$2,250.00
Amount Authorized for Disbursement	(\$2,333.23)
Administrative Expenses	(\$81.27)
Amount Carried Forward / Backward	(\$725.44)
Amount Received from Rollover	\$900.00
Potential Additional Disbursements on Committed FRNs	\$0.00
Reserved for Invoices Awaiting Approval Expired FRNs	\$0.00
Remaining Uncommitted Requests	(\$0.02)
Reserve for USAC Appeals	(\$0.02)

**Universal Service Administrative Company 1Q2024 Fund Size
Projections**

Reserve for FCC Appeals	(\$10.04)
Estimated Remaining Balance	(\$0.02)

Funding Year 2010

Funding Year 2010 began on July 1, 2010 and ended on June 30, 2011. Balances as of September 30, 2023 are as follows:

FY 2010	Amounts in Millions
Amount Authorized and Actually Collected	\$2,270.25
Amount Authorized for Disbursement	(\$2,450.47)
Administrative Expenses	(\$75.33)
Amount Carried Forward / Backward	(\$740.01)
Amount Received from Rollover	\$1,150.00
Amount Applied to Adjust Collections FY2004	(\$140.00)
Potential Additional Disbursements on Committed FRNs	(\$0.23)
Reserved for Invoices Awaiting Approval Expired FRNs	\$0.00
Reserve for USAC Appeals	(\$0.05)
Reserve for FCC Appeals	(\$14.20)
Estimated Remaining Balance	(\$0.04)

Funding Year 2011

Funding Year 2011 began on July 1, 2011 and ended on June 30, 2012. Balances as of September 30, 2023 are as follows:

FY 2011	Amounts in Millions
Amount Authorized and Actually Collected	\$2,290.68
Amount Authorized for Disbursement	(\$2,151.28)
Administrative Expenses	(\$69.17)
Amount Carried Forward / Backward	(\$651.07)
Amount Received from Rollover	\$850.00
Amount Applied to Adjust Collections FY2004	(\$250.00)
Potential Additional Disbursements on Committed FRNs	(\$0.26)
Reserved for Invoices Awaiting Approval Expired FRNs	\$0.00
Remaining Uncommitted Requests	\$0.00
Reserve for USAC Appeals	(\$0.03)
Reserve for FCC Appeals	(\$18.87)

**Universal Service Administrative Company 1Q2024 Fund Size
Projections**

Estimated Remaining Balance	(\$0.00)
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Funding Year 2012

Funding Year 2012 began on July 1, 2012 and ended on June 30, 2013. Balances as of September 30, 2023 are as follows:

FY 2012	Amounts in Millions
Amount Authorized and Actually Collected	\$2,338.80
Amount Authorized for Disbursement	(\$2,374.10)
Administrative Expenses	(\$67.31)
Amount Carried Forward / Backward	(\$894.02)
Amount Received from Rollover	\$1,050.00
Amount Applied to Adjust Collections FY2004	(\$40.00)
Potential Additional Disbursements on Committed FRNs	(\$0.76)
Reserved for Invoices Awaiting Approval Expired FRNs	(\$0.07)
Remaining Uncommitted Requests	\$0.00
Reserve for USAC Appeals	(\$1.07)
Reserve for FCC Appeals	(\$11.39)
Estimated Remaining Balance	\$0.08

Funding Year 2013

Funding Year 2013 began on July 1, 2013 and ended on June 30, 2014. Balances as of September 30, 2023 are as follows:

FY 2013	Amounts in Millions
Amount Authorized and Actually Collected	\$2,380.30
Amount Authorized for Disbursement	(\$1,753.03)
Administrative Expenses	(\$62.90)
Amount Carried Forward / Backward	(\$879.14)
Amount Received from Rollover	\$450.00
Amount Applied to Adjust Collections FY2004	(\$120.00)
Potential Additional Disbursements on Committed FRNs	(\$0.06)
Reserved for Invoices Awaiting Approval Expired FRNs	(\$0.24)
Remaining Uncommitted Requests	\$0.00
Reserve for USAC Appeals	(\$0.29)

**Universal Service Administrative Company 1Q2024 Fund Size
Projections**

Reserve for FCC Appeals	(\$13.56)
Estimated Remaining Balance	\$1.08

Funding Year 2014

Funding Year 2014 began on July 1, 2014 and ended on June 30, 2015. Balances as of September 30, 2023 are as follows:

FY 2014	Amounts in Millions
Amount Authorized and Actually Collected	\$2,413.82
Amount Authorized for Disbursement	(\$1,872.67)
Administrative Expenses	(\$74.94)
Amount Carried Forward / Backward	(\$649.80)
Amount Received from Rollover	\$200.00
Potential Additional Disbursements on Committed FRNs	(\$0.35)
Reserved for Invoices Awaiting Approval Expired FRNs	(\$0.05)
Remaining Uncommitted Requests	\$0.00
Reserve for USAC Appeals	(\$0.22)
Reserve for FCC Appeals	(\$15.47)
Estimated Remaining Balance	\$0.32

Funding Year 2015

Funding Year 2015 began on July 1, 2015 and ended on June 30, 2016. Balances as of September 30, 2023 are as follows:

FY 2015	Amounts in Millions
Amount Authorized and Actually Collected	\$2,250.00
Amount Authorized for Disbursement	(\$2,793.72)
Administrative Expenses	(\$103.04)
Amount Carried Forward / Backward	(\$899.78)
Amount Received from Rollover	\$1,575.05
Potential Additional Disbursements on Committed FRNs	(\$0.00)
Reserved for Invoices Awaiting Approval Expired FRNs	(\$0.39)
Remaining Uncommitted Requests	\$0.00
Reserve for USAC Appeals	(\$1.72)

**Universal Service Administrative Company 1Q2024 Fund Size
Projections**

Reserve for FCC Appeals	(\$10.82)
Estimated Remaining Balance	\$15.58

Funding Year 2016

Funding Year 2016 began on July 1, 2016 and ended on June 30, 2017. Balances as of September 30, 2023 are as follows:

FY 2016	Amounts in Millions
Amount Authorized and Actually Collected	\$1,842.25
Amount Authorized for Disbursement	(\$2,349.33)
Administrative Expenses	(\$120.35)
Amount Carried Forward / Backward	(\$1,251.93)
Amount Received from Rollover	\$1,900.00
Potential Additional Disbursements on Committed FRNs	(\$0.11)
Reserved for Invoices Awaiting Approval Expired FRNs	(\$0.19)
Remaining Uncommitted Requests	\$0.00
Reserve for USAC Appeals	(\$0.75)
Reserve for FCC Appeals	(\$18.73)
Estimated Remaining Balance	\$0.86

Funding Year 2017

Funding Year 2017 began on July 1, 2017 and ended on June 30, 2018. Balances as of September 30, 2023 are as follows:

FY 2017	Amounts in Millions
Amount Authorized and Actually Collected	\$2,064.22
Amount Authorized for Disbursement	(\$2,003.12)
Administrative Expenses	(\$110.67)
Amount Carried Forward / Backward	(\$1,116.63)
Amount Received from Rollover	\$1,200.24
Potential Additional Disbursements on Committed FRNs	(\$13.97)
Reserved for Invoices Awaiting Approval Expired FRNs	(\$0.07)
Remaining Uncommitted Requests	(\$0.18)
Reserve for USAC Appeals	(\$0.55)
Reserve for FCC Appeals	(\$11.72)
Estimated Remaining Balance	\$7.55

**Universal Service Administrative Company 1Q2024 Fund Size
Projections**

Funding Year 2018

Funding Year 2018 began on July 1, 2018 and ended on June 30, 2019. Balances as of September 30, 2023 are as follows:

FY 2018	Amounts in Millions
Amount Authorized and Actually Collected	\$1,629.45
Amount Authorized for Disbursement	(\$1,999.12)
Administrative Expenses	(\$97.28)
Amount Carried Forward / Backward	(\$691.85)
Amount Received from Rollover	\$1,200.00
Potential Additional Disbursements on Committed FRNs	(\$3.51)
Reserved for Invoices Awaiting Approval Expired FRNs	(\$1.02)
Remaining Uncommitted Requests	(\$0.03)
Reserve for USAC Appeals	(\$0.37)
Reserve for FCC Appeals	(\$27.85)
Estimated Remaining Balance	\$8.42

Funding Year 2019

Funding Year 2019 began on July 1, 2019 and ended on June 30, 2020. Balances as of September 30, 2023 are as follows:

FY 2019	Amounts in Millions
Amount Authorized and Actually Collected	\$1,699.18
Amount Authorized for Disbursement	(\$2,005.03)
Administrative Expenses	(\$74.11)
Amount Carried Forward / Backward	(\$513.07)
Amount Received from Rollover	\$1,000.00
Potential Additional Disbursements on Committed FRNs	(\$49.17)
Reserved for Invoices Awaiting Approval Expired FRNs	(\$0.35)
Remaining Uncommitted Requests	(\$0.26)
Reserve for USAC Appeals	(\$0.11)
Reserve for FCC Appeals	(\$47.44)
Estimated Remaining Balance	\$9.64

**Universal Service Administrative Company 1Q2024 Fund Size
Projections**

Funding Year 2020

Funding Year 2020 began on July 1, 2020 and ended on June 30, 2021. Balances as of September 30, 2023 are as follows:

FY 2020	Amounts in Millions
Amount Authorized and Actually Collected	\$2,313.05
Amount Authorized for Disbursement	(\$1,973.64)
Administrative Expenses	(\$69.83)
Amount Carried Forward / Backward	(\$505.42)
Amount Received from Rollover	\$500.00
Potential Additional Disbursements on Committed FRNs	(\$239.44)
Reserved for Invoices Awaiting Approval Expired FRNs	(\$0.55)
Remaining Uncommitted Requests	(\$1.12)
Reserve for USAC Appeals	(\$1.69)
Reserve for FCC Appeals	(\$10.27)
Estimated Remaining Balance	\$11.09

Funding Year 2021

Funding Year 2021 began on July 1, 2021 and ended on June 30, 2022. Balances as of September 30, 2023 are as follows:

FY 2021	Amounts in Millions
Amount Authorized and Actually Collected	\$2,373.25
Amount Authorized for Disbursement	(\$2,093.97)
Administrative Expenses	(\$66.61)
Amount Carried Forward / Backward	(\$85.94)
Amount Received from Rollover	\$500.00
Potential Additional Disbursements on Committed FRNs	(\$338.07)
Reserved for Invoices Awaiting Approval Expired FRNs	(\$3.03)
Remaining Uncommitted Requests	(\$26.17)
Reserve for FY 2024 E-Rate Tribal Libraries Pilot	(\$190.18)
Reserve for USAC Appeals	(\$1.21)
Reserve for FCC Appeals	(\$2.93)
Estimated Remaining Balance	\$65.14

**Universal Service Administrative Company 1Q2024 Fund Size
Projections**

Funding Year 2022

Funding Year 2022 began on July 1, 2022 and will end on September 30, 2023.

Balances as of September 30, 2023 are as follows:

FY 2022	Amounts in Millions
Amount Authorized and Actually Collected	\$2,456.69
Amount Authorized for Disbursement	(\$1,618.76)
Administrative Expenses	(\$73.72)
Amount Carried Forward / Backward	\$35.41
Amount Received from Rollover	\$500.00
Potential Additional Disbursements on Committed FRNs	(\$1,178.49)
Reserved for Invoices Awaiting Approval Expired FRNs	\$0.00
Remaining Uncommitted Requests	(\$33.91)
Reserve for USAC Appeals	(\$0.05)
Reserve for FCC Appeals	(\$0.87)
Estimated Remaining Balance	\$86.30

SCHOOLS AND LIBRARIES SUPPORT MECHANISM SUMMARY

On March 3, 2023, the FCC announced the funding cap for Funding Year 2023 of \$4,768.41 million.⁶⁹ This reflects a 7.0 percent inflation-adjusted increase to the \$4,456.46 million cap from Funding Year 2022.⁷⁰ The filing window for Funding Year 2023 closed on March 28, 2023. Based on applications received, USAC estimates demand for Funding Year 2023 will be \$2,712.39 million (net of projected post window close adjustments).

In consultation with the FCC, USAC projects that a total of \$250 million will be available to carry-forward to Funding Year 2023 from prior funding years as follows, 2005: \$0.31 million; 2006: \$0.22 million; 2007: \$0.05 million; 2008: \$0.04 million; 2010: \$0.09 million; 2012: \$1.45 million; 2013: \$0.64 million; 2014: \$5.80 million; 2015: \$12.83 million; 2016: \$6.46 million; 2017: \$12.87 million; 2018: \$19.23 million; 2019: \$54.26 million; 2020;

⁶⁹ See *Wireline Competition Bureau Announces E-Rate and RHC Programs' Inflation-Based Caps for Funding Year 2021*, CC Docket No. 02-6, WC Docket No. 02-60, Public Notice, DA 21-332 (2021).

⁷⁰ *Id.*

**Universal Service Administrative Company 1Q2024 Fund Size
Projections**

\$128.17 million; and 2021: \$7.58; (net of funds carried back to funding years with a negative carry forward balance). Based on estimated demand of \$2,712.39 million and funds carried forward of \$250 million, , the 1Q2024 collection requirement for Funding Year 2023 is \$631.45 million.

The net fund requirement of \$631.45 million is adjusted as follows: decreased by the prior period adjustments of \$17.66 million⁷¹ and increased by \$21.17 million for administrative expenses; resulting in a total projected 1Q2024 funding requirement for the Schools and Libraries Support Mechanism of \$634.96 million.

AUTHORIZATION TO FILE WITH THE COMMISSION

At their October 30, 2023 meeting, USAC's High Cost & Low Income, and Rural Health Care Committees adopted resolutions authorizing USAC staff to file with the Commission the 1Q2024 projected support mechanism funding requirements for those programs. At its October 31, 2023 meeting, the USAC Board of Directors adopted a resolution authorizing USAC staff to file with the Commission the 1Q2024 projected support mechanism funding requirements for the Connected Care Pilot Program, and the inclusion of the projected 1Q2024 administrative expenses in this report to the Commission.

Respectfully submitted,

UNIVERSAL SERVICE
ADMINISTRATIVE COMPANY
Michelle Garber, Vice President of Finance and
Chief Financial Officer

November 2, 2023

⁷¹ Prior period adjustments reconcile projections to actual results and include adjustments for billings, interest income, and bad debt.