

Federal Communications Commission Response to  
United States House of Representatives  
Committee on Energy and Commerce  
Universal Service Fund Data Request of July 9, 2012

Request 15  
Total High Cost Support  
(2011 and Projected 2013)

In 2011, high-cost disbursements were \$4.031 billion, and \$4.447 billion was collected for the high-cost program. See Universal Service Administrative Company, 2011 Annual Report, at 40. The difference between collections and disbursements was allocated to a broadband reserve account. The Commission cannot at this time project with specificity the actual high-cost disbursements for 2013. Consistent with trends from prior years however, in the USF/ICC Transformation Order, the Commission directed the Universal Service Administrative Company (USAC) to forecast total high-cost universal service demand annually at \$4.5 billion, while recognizing that actual disbursements may be lower than \$4.5 billion in the early years of USF reform implementation. In the case that actual contributions exceed demand in a given quarter, the Commission directed USAC to credit excess contributions into a Connect America Fund reserve account to be used to fund future broadband deployment. The Commission recognized that it would be appropriate to provide this flexibility to USAC so that the Commission can implement the Connect America Fund in a way that does not cause dramatic swings in the contribution factor. See USF/ICC Transformation Order, 26 FCC Rcd at 17846-48, paras. 557-67.