



# NEWS

Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, D. C. 20554

News media Information 202 / 418-0500  
TTY 202 / 418-2555  
Fax-On-Demand 202 / 418-2830  
Internet: <http://www.fcc.gov>  
<ftp.fcc.gov>

---

This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action. See MCI v. FCC, 515 F 2d 385 (D.C. Circ 1974).

---

FOR IMMEDIATE RELEASE:  
October 6, 2004

NEWS MEDIA CONTACT:  
Mark Wigfield, 202-418-0253  
Email: [mark.wigfield@fcc.gov](mailto:mark.wigfield@fcc.gov)

## FCC TAKES STEPS TO RESOLVE E-RATE DELAYS

Washington, D.C. – The Federal Communications Commission Wednesday announced several steps it is taking to alleviate a temporary cash flow problem in a program that provides vital subsidies for telecommunications services and the Internet in the nation's schools and libraries.

While the Schools and Libraries program has adequate funds to pay all its bills, stringent government accounting standards ordered by the FCC to protect the integrity of the \$2.25 billion program have temporarily delayed approval of new subsidies. The FCC is working with the administration, Congress and the schools to get funds flowing as soon as possible while still protecting the fund.

Over \$2 billion in support that has already been approved is being paid without delay and will continue to be.

On Monday, the FCC directed the corporation administering the program, the Universal Service Administrative Company, or USAC, to liquidate \$210 million in investments that were made using cash balances. This is designed to expedite approval of some of the delayed commitments to the schools.

The FCC is also exploring a variety of options with USAC to ease the temporary cash flow problems as the new accounting standards are being implemented. FCC Chairman Michael Powell is pushing to make these changes as quickly as possible while at the same time maintaining rigorous accounting controls.

He stressed the commission's deep commitment to this vital program in an October 5 letter to Senators Olympia Snowe and John D. Rockefeller that details why the agency moved to enact these crucial accounting measures and actions the FCC is taking to ease the transition.

-FCC-

News about the Federal Communications Commission can also be found on the Commission's web site [www.fcc.gov](http://www.fcc.gov).