United States General Accounting Office

GAO

Report to the Honorable
John D. Rockefeller IV
U.S. Senate

May 2001

SCHOOLS AND LIBRARIES PROGRAM

Update on State-Level Funding by Category of Service

GAO-01-673

GAO
Accountability * Integrity * Reliability

United States General Accounting Office
Washington, DC 20548

May 11, 2001

The Honorable John D. Rockefeller IV
United States Senate

Dear Senator Rockefeller:

As you know, the Telecommunications Act of 1996 expanded the traditional definition of universal service—affordable, nationwide telephone service—to include eligible schools and libraries.[1] Among other things, the act authorized the Federal Communications Commission (FCC) to implement a program to assist these institutions in acquiring advanced telecommunications services. FCC's program (often referred to as the "e-rate" program) helps schools and libraries cover the costs of three categories of service: telecommunications (e.g., local and long-distance calling, high-speed lines); Internet access; and internal connections (the equipment needed to deliver these services). Schools and libraries do not receive funding directly from the program. Instead, support comes in the form of discounts on the costs of telecommunications services provided by the applicants' vendors. The discounts range from 20 to 90 percent, with higher discounts going to applicants in low-income and rural areas.[2] FCC appointed the Universal Service Administrative Company (USAC) to administer the program, although FCC retains responsibility for overseeing the program's operations and ensuring compliance with its

[1]Generally, educational institutions that meet the definition of "schools" in the Elementary and Secondary Education Act of 1965 are eligible to participate in the e-rate program. Libraries that receive assistance from a state's library administrative agency under the Library Services and Technology Act are eligible for support unless their budgets are part of a school's budget. Individual e-rate applications can cover single schools or libraries, whole school districts or library systems, consortia, or schools in entire cities and states.

[2]The program measures how economically disadvantaged the schools and libraries are by the number of students eligible to participate in the national school lunch program. Urban and rural designations are based on the Metropolitan Statistical Area (MSA) listing.

rules.[3] USAC's Schools and Libraries Division (SLD) is responsible for carrying out the program's day-to-day operations.

To obtain e-rate support, eligible schools and libraries must submit an application to SLD specifying the services they wish to purchase, the costs of the services, and the vendors they have selected to provide the services. SLD reviews each application and commits (i.e., sets aside) program funds for eligible requests. If the total amount of program funding requested by all applicants exceeds the level of funding available (currently $2.25 billion annually), priority is given to supporting requests for telecommunications services and Internet access. Any remaining funds are then used to support internal connection requests, starting with applicants with the highest discount level (90 percent) and moving downward through lower discount levels until the available funds are committed. USAC holds the committed funds until the applicant certifies that it has begun receiving services and invoices have been submitted. USAC then uses the committed funds to reimburse the vendors for the discounted portion of the approved services.

In our December 2000 report on e-rate issues, we included data on the amount of program funds requested, committed, and approved for payment during the first 2 program years (1998 and 1999), broken out by state.[4] Funding commitments for the third program year (2000) were not yet available because SLD and FCC had not finished making all of their commitment decisions at the time we concluded our review. In February 2001, you requested that we provide state-level data on the amount of funds committed to the three categories of eligible services for each of the program's first 3 years. In addition, we have included a preliminary estimate of the amount of e-rate funding requested for the fourth program year (2001).

[3]USAC was originally established as a subsidiary of the National Exchange Carrier Association (NECA) to administer the high-cost and low-income universal service support mechanisms. USAC currently performs billing, collection, and disbursement functions for all universal service support mechanisms, including the e-rate program. These mechanisms are funded through a universal service fund. Under the act, every telecommunications carrier providing interstate service must contribute to this fund, unless exempted by FCC. The Commission also requires certain other telecommunications service providers, such as pay phone service providers, to contribute to the universal service fund.

[4]*Schools and Libraries Program: Application and Invoice Review Procedures Need Strengthening* (GAO-01-105, Dec. 15, 2000).

Results in Brief

Requests for e-rate support by schools and libraries in all three categories of service have been steadily increasing. During the program's first and third years (1998 and 2000), requests substantially exceeded the program's available funding level. Because priority is given to funding telecommunications and Internet access requests first, not all internal connections requests for those 2 years were met. This situation has intensified for the fourth program year (2001). Applicants have requested nearly $5.2 billion in e-rate support, more than double the program's current $2.25 billion funding cap. Since the requests for telecommunications and Internet access services total about $1.7 billion, it appears that most of the nearly $3.5 billion in internal connection requests could go unfunded under the current funding cap and priority rules. We provided a draft of this report to FCC and USAC for comment. USAC's Chief Executive Officer responded that the report provides a useful update, and FCC agreed with our presentation of the data.

Three Categories of Service Eligible for Support

The e-rate program does not provide support for all the telecommunications services that schools and libraries may need or desire. The Telecommunications Act directed FCC to convene a Federal-State Joint Board on universal service. On the basis of the board's recommendations, FCC's May 1997 Universal Service Order, along with several subsequent orders, defines three categories of service that are eligible for e-rate support:

- telecommunications service, such as local, long-distance, and international telephone service, as well as high-speed data links (such as T-1 lines);
- Internet access, such as dial-up Internet access, and e-mail services; and
- internal connections, such as telecommunications wiring, routers, switches, and network servers that are necessary to transport information to individual classrooms.

Telecommunications and Internet access services can include both recurring costs, such as monthly service charges, and one-time installation costs. Internal connections are generally one-time costs to purchase and install eligible equipment and software. Some items within these categories are eligible only if certain conditions are met. For example, personal communications service (PCS) and cellular telephone service are conditionally eligible if used at a place of instruction for educational purposes. Some other items are always ineligible for e-rate support, even though they may be necessary or desirable for providing students or library patrons with access to advanced telecommunications services,

such as the Internet. Ineligible items include personal computers, modems in personal computers, virus protection software, and content-filtering software designed to block access to objectionable Web sites. FCC's Schools and Libraries Eligibility List provides additional information on the items that can be funded under each of the three service categories. When applying for e-rate funding, schools and libraries must categorize the requested services as telecommunications service, Internet access, or internal connections.

Funds Have Been Sufficient for Telecommunications Service and Internet Access, But Not Internal Connections

The program has completed 3 years of funding commitments. SLD committed more than $1.7 billion in discount funding in the first program year; however, because FCC had set the funding level for the first year program year at $1.925 billion, not all of the $2.3 billion in requests could be funded. [5] Using FCC's funding priority rules, SLD first committed funds to all valid requests for telecommunications services and Internet access, and then it committed the remaining funds to valid internal connections requests from applicants with discount levels of 70 percent or higher.[6] During the second program year (1999), FCC raised the funding level to equal the $2.25 billion cap. After screening out ineligible requests, FCC found that it had more than enough funds to approve all of the valid requests it received before the initial application deadline. Thereafter, FCC directed SLD to reopen the second-year application period so that the remainder of the funds could be used. As of January 2001, SLD had committed nearly $2 billion to second-year applicants.

In the third program year (2000), however, applicants requested more than $4.2 billion in discount funding. Although the amount of funds requested for all three categories of services increased from the previous program years, most of the additional requests were for internal connections. Because the program's annual funding level remained at the $2.25 billion cap, SLD again used FCC's priority rules to make funding commitments. SLD approved all eligible requests for telecommunications and Internet

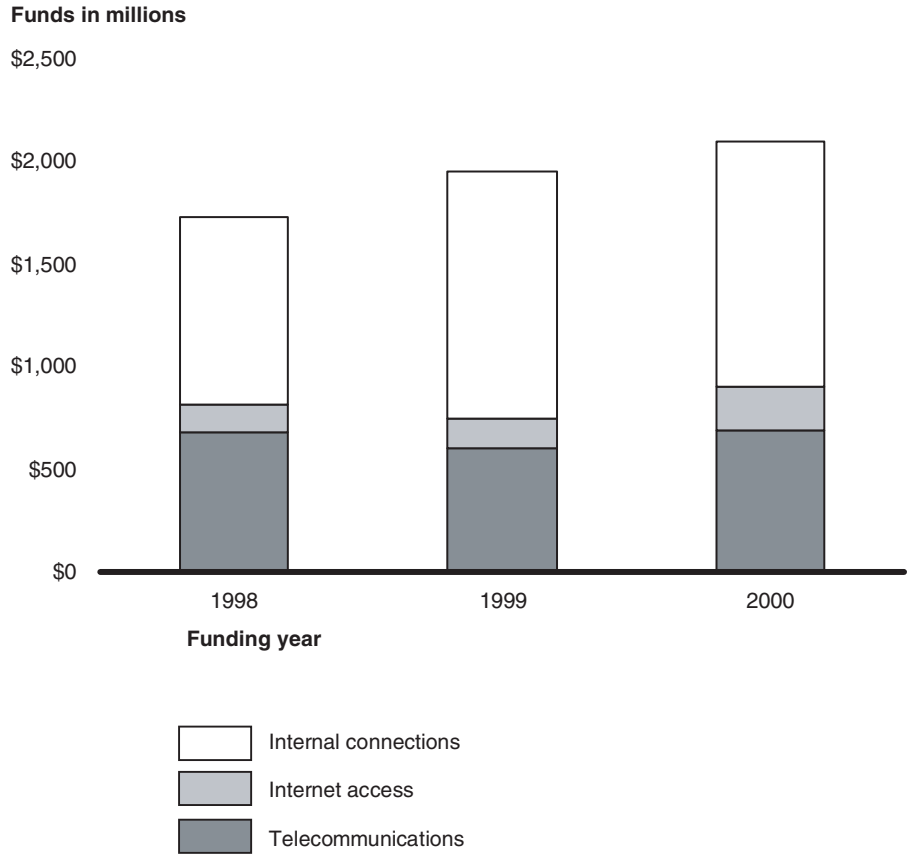
[5]Some of the amounts presented in this report for the first 2 program years differ from those included in our December 2000 report because they reflect more current information. For example, some applicants cancelled funding requests or had their commitments revoked due to the inclusion of ineligible services. Also, in this report we included data for second-year applications received and processed after the initial application period.

[6]SLD held some funds in reserve to cover appeals by applicants that were denied funding and also used funds to pay the program's administrative costs. Also, FCC extended the first program year from 12 to 18 months.

access and, with the remaining funds, provided e-rate support for internal connections requests from applicants with discount levels of 82 percent or higher.

As figure 1 shows, somewhat less than half of the available funds in each of the first 3 program years was needed to meet all the eligible requests for telecommunications and Internet access. Although SLD denied some valid requests for internal connections in the first and third years due to a lack of available funds, this service category still accounted for most of the funds committed. Appendix I provides a state-by-state breakdown of the funds committed to each category of service for these years.

Figure 1: E-rate funds committed by category of service and year, 1998-2000 (in millions)



Source: GAO analysis of SLD data

Overall Increase in Requests Will Limit Funding for Internal Connections

Fourth program year (2001) requests for e-rate funding increased significantly over the previous year's requests. SLD's preliminary estimates indicate that applicants have requested almost $5.2 billion in program funds—nearly $1 billion more than year 3 and more than double the $2.25 billion in funding available for the year.

As shown in table 1, fourth-year requests for telecommunications and Internet access total about $1.7 billion. Under the current cap and funding priority rules, this leaves about $517 million for internal connections requests and other program needs – far less than the nearly $3.5 billion requested by applicants for this purpose.[7] Although the requested amounts may change as SLD accepts additional valid applications and excludes ineligible requests, it appears that there may not be enough funds even to cover the nearly $1.6 billion in internal connections support requested by applicants in the highest priority level (i.e., those with a 90 percent discount level).

[7]SLD does not commit all available e-rate funds. It holds some funds in reserve to cover appeals by applicants that were denied funding and to cover the program's administrative costs.

Table 1: Estimated Amount of Program Funds Requested by Applicants for Fourth Program Year (as of April 17, 2001)

Discount level	Telecommunications services	Internet access	Internal connections	Total (Percent of total)
20-29	$2,124,662	$554,757	$2,910,514	$5,589,934 (0.1%)
30-39	9,323,491	1,993,868	3,823,332	15,140,691 (0.3)
40-49	119,085,067	33,981,845	155,050,412	308,117,323 (5.9)
50-59	139,158,034	44,404,260	125,889,608	309,451,902 (6.0)
60-69	177,133,506	88,282,664	211,815,966	477,232,191 (9.2)
70-79	233,790,586	91,319,962	159,073,112	484,183,660 (9.3)
80-89	306,147,139	84,449,009	1,247,026,394	1,637,622,541 (31.5)
90	298,847,831	101,970,713	1,556,519,702	1,957,338,246 (37.7)
Total (Percent of total)	**$1,285,610,370 (24.7%)**	**$446,957,078 (8.6%)**	**$3,462,109,039 (66.6%)**	**$5,194,676,487 (100%)**

Note: Columns may not add to totals due to rounding.

Source: Schools and Libraries Division of USAC.

According to FCC's current priority rules, if the remaining funds are not sufficient to support all of the funding requests within a particular discount level, the total amount of remaining support available is to be divided by the amount of support requested within the particular discount level to produce a pro rata factor. The support level for each applicant within the particular discount level is then reduced by the amount derived from multiplying each applicant's requested amount of support by the pro rata factor.[8] SLD officials said, however, that FCC is also considering other options for determining how fourth year requests will be funded.

Scope and Methodology

To provide the updated information in this report, we obtained program data from and interviewed officials at USAC and SLD. When using computer-generated data provided by SLD, we tested their reliability

[8] See 47 C.F.R. 54.507(g)(iv).

against complementary data sets. We performed our review from January through April 2001 in accordance with generally accepted government auditing standards.

Agency Comments

We provided a draft of this report to FCC and USAC for comment. USAC's Chief Executive Officer commented that our report provides a useful update, and FCC agreed with our presentation of the data.

We are sending copies of this report to interested congressional committees; the Honorable Michael K. Powell, Chairman of the Federal Communications Commission; and other interested parties. We will also make copies available to others upon request.

If you or your staff have any questions about this report, please call me or John Finedore at (202) 512-2834. Other major contributors include James R. Sweetman, Jr.; Teresa Russell; and Mindi Weisenbloom.

Sincerely yours,

Stanley J. Czerwinski
Director, Physical Infrastructure Issues

Appendix I: E-rate Funding Committed During 1998-2000

The Schools and Libraries Division of the Universal Service Administrative Company (SLD) provided us with a copy of its database for the first 3 program years (1998-2000) that included funding requests, commitments, and authorized payments of committed funds for each year. The data for program years 1 and 2 were current as of January 22, 2001; and the data for year 3 was current as of January 18, 2001. Because SLD's database is constantly changing as funding decisions and appeal decisions are reached, the data included in this report constitute a snapshot in time. For this reason, the totals presented here for the first 2 program years differ from the totals in our December 2000 report, which used data that were current as of August 31, 2000.

Table 2 shows the amounts of discount funding committed to applicants by SLD and approved for payment in each of the first 3 program years. The table includes totals committed for telecommunications, Internet access, and internal connections for each state or territory where an applicant was located.

Table 2: E-Rate Funds Committed for Internal Connections, Internet Access, and Telecommunications– 1998-2000

State	Category of service	First program year (1998)	Second program year (1999)	Third program year (2000)
Alabama	Internal connections	$35,952,617	$16,459,318	$5,165,400
	Internet access	2,076,042	3,290,479	4,666,970
	Telecommunications	8,876,040	6,592,132	8,880,891
	Total	$46,904,698	$26,341,929	$18,713,260
Alaska	Internal connections	2,720,333	3,450,841	1,586,467
	Internet access	1,703,856	622,289	6,134,702
	Telecommunications	9,188,918	7,499,734	4,242,868
	Total	$13,613,107	$11,572,864	$11,964,037
American Samoa	Internal connections	2,483,023	1,179,617	554,452
	Internet access	725,610	1,046,886	1,073,639
	Telecommunications	348,716	477,318	442,886
	Total	$3,557,348	$2,703,821	$2,070,977
Arizona	Internal connections	22,274,884	30,888,694	32,458,874
	Internet access	5,156,470	1,234,052	2,357,490
	Telecommunications	8,210,174	6,027,860	10,148,501
	Total	$35,641,528	$38,150,606	$44,964,866
Arkansas	Internal connections	5,445,285	3,298,341	7,928,224
	Internet access	3,562,785	2,579,977	4,214,936
	Telecommunications	4,400,434	4,438,156	5,197,489
	Total	$13,408,504	$10,316,474	$17,340,649
California	Internal connections	149,438,202	177,580,785	401,383,438
	Internet access	4,559,533	8,413,973	7,546,296
	Telecommunications	57,714,874	49,522,917	62,653,632
	Total	$211,712,610	$235,517,675	$471,583,366
Colorado	Internal connections	4,945,890	3,821,024	2,025,780
	Internet access	607,531	658,597	936,482
	Telecommunications	8,762,859	7,874,594	11,184,084
	Total	$14,316,280	$12,354,214	$14,146,345
Connecticut	Internal connections	13,668,482	24,219,918	15,524,032
	Internet access	1,236,908	1,591,135	2,486,571
	Telecommunications	9,256,916	6,298,154	6,473,353
	Total	$24,162,307	$32,109,207	$24,483,956
Delaware	Internal connections	13,806	33,192	9,285
	Internet access	41,977	35,155	70,074
	Telecommunications	963,452	1,303,225	1,316,385
	Total	$1,019,235	$1,371,571	$1,395,743
District of Columbia	Internal connections	1,494,775	4,990,872	6,865,463
	Internet access	116,200	449,666	250,525
	Telecommunications	3,255,857	3,987,419	2,283,931
	Total	$4,866,831	$9,427,956	$9,399,918

State	Category of service	First program year (1998)	Second program year (1999)	Third program year (2000)
Florida	Internal connections	19,397,311	40,677,404	9,685,058
	Internet access	4,131,490	4,955,421	8,389,043
	Telecommunications	26,170,924	28,085,208	35,362,412
	Total	$49,699,726	$73,718,033	$53,436,513
Georgia	Internal connections	53,116,976	66,763,537	16,224,979
	Internet access	7,615,894	4,631,300	7,196,407
	Telecommunications	17,637,504	19,653,579	24,666,848
	Total	$78,370,374	$91,048,416	$48,088,233
Guam	Internal connections	0[a]	0[a]	112,774
	Internet access	0[a]	0[a]	234,786
	Telecommunications	0[a]	0[a]	504,398
	Total	$0	$0	$851,958
Hawaii	Internal connections	4,270,409	3,504,119	341,147
	Internet access	673,587	281,952	326,283
	Telecommunications	947,561	1,542,952	1,910,660
	Total	$5,891,557	$5,329,023	$2,578,090
Idaho	Internal connections	2,025,957	2,528,245	137,548
	Internet access	303,948	367,308	477,343
	Telecommunications	2,291,035	1,832,953	2,044,281
	Total	$4,620,940	$4,728,506	$2,659,172
Illinois	Internal connections	46,846,818	132,721,004	87,293,621
	Internet access	3,681,895	3,572,666	2,995,512
	Telecommunications	30,499,137	25,072,020	23,973,545
	Total	$81,027,851	$161,365,691	$114,262,677
Indiana	Internal connections	5,447,814	9,376,390	1,675,182
	Internet access	6,428,578	1,922,955	10,563,652
	Telecommunications	10,031,897	11,504,516	7,105,092
	Total	$21,908,289	$22,803,861	$19,343,927
Iowa	Internal connections	1,807,760	3,659,874	222,882
	Internet access	1,080,869	911,665	1,468,726
	Telecommunications	4,420,837	3,369,525	3,580,931
	Total	$7,309,466	$7,941,063	$5,272,539
Kansas	Internal connections	1,817,738	7,541,425	406,105
	Internet access	1,300,786	1,486,460	1,975,650
	Telecommunications	7,332,009	5,904,474	5,371,857
	Total	$10,450,532	$14,932,360	$7,753,611
Kentucky	Internal connections	33,972,470	42,409,745	9,962,615
	Internet access	1,357,485	1,423,001	1,397,089
	Telecommunications	15,016,030	13,072,431	14,882,067
	Total	$50,345,985	$56,905,176	$26,241,771
Louisiana	Internal connections	27,820,481	23,022,801	8,789,027
	Internet access	3,242,779	4,876,371	5,117,774

State	Category of service	First program year (1998)	Second program year (1999)	Third program year (2000)
	Telecommunications	9,173,222	9,736,822	11,559,499
	Total	$40,236,482	$37,635,994	$25,466,300
Maine	Internal connections	1,182,159	1,447,627	274,386
	Internet access	128,069	247,379	211,056
	Telecommunications	1,704,331	1,919,460	2,962,185
	Total	$3,014,559	$3,614,466	$3,447,627
Maryland	Internal connections	2,808,617	10,477,457	7,640,148
	Internet access	897,313	827,698	1,474,356
	Telecommunications	11,320,671	10,743,738	9,888,962
	Total	$15,026,602	$22,048,893	$19,003,465
Massachusetts	Internal connections	15,008,069	19,271,003	20,539,772
	Internet access	2,272,033	1,575,327	12,455,442
	Telecommunications	12,809,518	12,153,542	13,335,691
	Total	$30,089,620	$32,999,872	$46,330,905
Michigan	Internal connections	27,764,667	51,098,939	20,412,190
	Internet access	3,176,092	5,491,653	5,138,703
	Telecommunications	27,577,891	22,294,558	27,165,473
	Total	$58,518,651	$78,885,150	$52,716,366
Minnesota	Internal connections	8,604,648	14,413,890	737,942
	Internet access	1,038,057	1,381,097	2,312,498
	Telecommunications	15,116,453	13,602,802	14,380,589
	Total	$24,759,157	$29,397,790	$17,431,029
Mississippi	Internal connections	11,957,733	16,031,172	10,823,337
	Internet access	2,674,834	2,027,063	2,048,799
	Telecommunications	9,746,874	11,939,569	17,535,948
	Total	$24,379,441	$29,997,805	$30,408,084
Missouri	Internal connections	6,736,279	9,106,766	49,635,455
	Internet access	5,090,548	9,284,652	5,251,788
	Telecommunications	13,394,833	10,377,481	17,406,218
	Total	$25,221,660	$28,768,900	$72,293,461
Montana	Internal connections	1,063,641	1,350,675	411,962
	Internet access	461,573	589,065	783,288
	Telecommunications	2,148,838	1,785,433	1,926,829
	Total	$3,674,052	$3,725,173	$3,122,080
Nebraska	Internal connections	256,398	920,195	99,496
	Internet access	451,304	512,688	858,539
	Telecommunications	4,226,892	5,308,624	5,153,248
	Total	$4,934,595	$6,741,507	$6,111,282
Nevada	Internal connections	1,525,148	117,670	595,860
	Internet access	44,740	87,282	29,799
	Telecommunications	3,810,920	2,932,278	3,415,094
	Total	$5,380,808	$3,137,231	$4,040,753

State	Category of service	First program year (1998)	Second program year (1999)	Third program year (2000)
New Hampshire	Internal connections	301,136	185,336	28,135
	Internet access	135,616	204,434	344,811
	Telecommunications	1,183,159	879,333	868,458
	Total	$1,619,911	$1,269,103	$1,241,405
New Jersey	Internal connections	42,680,348	24,854,126	19,514,652
	Internet access	1,861,580	2,574,776	2,841,439
	Telecommunications	18,179,319	16,477,408	19,757,230
	Total	$62,721,247	$43,906,311	$42,113,321
New Mexico	Internal connections	12,070,923	22,916,532	10,858,466
	Internet access	1,167,432	740,844	1,656,463
	Telecommunications	6,070,542	5,448,714	6,167,005
	Total	$19,308,898	$29,106,091	$18,681,934
New York	Internal connections	76,778,840	104,893,589	170,084,408
	Internet access	13,520,538	15,487,831	13,961,675
	Telecommunications	81,803,035	72,287,091	91,318,883
	Total	$172,102,413	$192,668,511	$275,364,966
North Carolina	Internal connections	10,739,803	18,513,060	8,108,979
	Internet access	2,278,292	3,711,775	5,800,340
	Telecommunications	13,900,885	14,467,773	13,483,406
	Total	$26,918,980	$36,692,607	$27,392,726
North Dakota	Internal connections	918,891	658,934	98,403
	Internet access	162,153	216,656	373,528
	Telecommunications	1,502,598	1,312,139	1,249,611
	Total	$2,583,641	$2,187,730	$1,721,543
Northern Mariana Islands	Internal connections	0[a]	0[a]	0[a]
	Internet access	0[a]	9,757	328,659
	Telecommunications	0[a]	85,643	170,213
	Total	$0	$95,401	$498,872
Ohio	Internal connections	32,453,600	21,800,950	33,381,282
	Internet access	5,929,252	4,923,050	9,135,352
	Telecommunications	19,761,118	16,409,997	18,387,423
	Total	$58,143,969	$43,133,998	$60,904,057
Oklahoma	Internal connections	20,967,679	20,375,902	8,666,364
	Internet access	3,777,386	3,596,975	4,539,686
	Telecommunications	8,952,738	9,930,318	11,275,361
	Total	$33,697,803	$33,903,196	$24,481,411
Oregon	Internal connections	2,327,267	4,251,385	806,591
	Internet access	581,825	593,012	1,418,615
	Telecommunications	6,694,371	6,107,873	8,259,014
	Total	$9,603,463	$10,952,270	$10,484,221
Pennsylvania	Internal connections	29,458,843	34,224,444	22,510,917
	Internet access	2,074,711	3,508,066	5,966,033

State	Category of service	First program year (1998)	Second program year (1999)	Third program year (2000)
	Telecommunications	20,686,203	18,464,909	23,758,333
	Total	$52,219,758	$56,197,419	$52,235,284
Puerto Rico	Internal connections	12,177,166	42,178,990	48,083,879
	Internet access	191,778	8,248,795	28,206,579
	Telecommunications	35,277,911	16,851,991	465,908
	Total	$47,646,855	$67,279,777	$76,756,365
Rhode Island	Internal connections	3,966,163	4,004,239	882,136
	Internet access	432,647	401,588	702,500
	Telecommunications	1,611,588	3,418,082	2,708,424
	Total	$6,010,398	$7,823,910	$4,293,060
South Carolina	Internal connections	13,366,701	16,625,615	31,979,417
	Internet access	492,119	229,899	1,302,912
	Telecommunications	12,506,615	11,801,715	17,829,477
	Total	$26,365,435	$28,657,229	$51,111,807
South Dakota	Internal connections	1,038,062	586,268	166,284
	Internet access	476,469	519,169	324,686
	Telecommunications	1,444,087	1,009,054	1,303,606
	Total	$2,958,618	$2,114,491	$1,794,575
Tennessee	Internal connections	11,593,160	31,132,713	18,177,140
	Internet access	24,328,240	18,396,184	14,280,008
	Telecommunications	15,764,305	13,245,087	14,078,532
	Total	$51,685,706	$62,773,984	$46,535,680
Texas	Internal connections	84,455,651	88,421,657	91,255,096
	Internet access	3,796,954	5,364,396	11,260,016
	Telecommunications	41,492,667	41,169,138	50,893,017
	Total	$129,745,272	$134,955,191	$153,408,129
Utah	Internal connections	605,617	428,430	342,829
	Internet access	1,491,637	2,029,183	1,440,918
	Telecommunications	4,288,847	3,271,682	3,311,496
	Total	$6,386,100	$5,729,296	$5,095,243
Vermont	Internal connections	386,897	199,569	3,889
	Internet access	161,172	280,625	546,986
	Telecommunications	1,525,260	1,109,533	1,119,178
	Total	$2,073,329	$1,589,727	$1,670,053
Virgin Islands	Internal connections	1,296,674	2,044,407	573,410
	Internet access	80,960	220,321	87,224
	Telecommunications	802,810	82,789	71,226
	Total	$2,180,444	$2,347,516	$731,860
Virginia	Internal connections	6,910,321	10,109,017	1,219,027
	Internet access	2,063,067	1,832,619	2,668,579
	Telecommunications	16,601,731	13,236,016	14,600,731
	Total	**$25,575,119**	**$25,177,652**	**$18,488,337**

State	Category of service	First program year (1998)	Second program year (1999)	Third program year (2000)
Washington	Internal connections	12,637,622	19,718,592	3,857,587
	Internet access	1,227,510	543,819	1,041,960
	Telecommunications	15,446,076	12,506,624	13,290,331
	Total	$29,311,208	$32,769,036	$18,189,878
West Virginia	Internal connections	3,689,346	4,539,473	1,484,645
	Internet access	2,207,453	2,296,311	378,976
	Telecommunications	3,453,888	2,525,578	3,562,171
	Total	$9,350,687	$9,361,363	$5,425,793
Wisconsin	Internal connections	23,551,174	10,092,504	7,558,172
	Internet access	1,433,232	2,986,393	3,265,407
	Telecommunications	13,233,728	12,985,109	14,572,620
	Total	$38,218,134	$26,064,005	$25,396,199
Wyoming	Internal connections	443,162	2,941,437	564,894
	Internet access	56,788	180,353	133,142
	Telecommunications	721,314	1,846,760	428,743
	Total	$1,221,264	$4,968,551	$1,126,779
Total for all states		**$1,731,711,446**	**$1,957,315,585**	**$2,102,066,459**

[a]No funds requested.

Note: Columns may not add to totals due to rounding.

Source: GAO analysis of SLD data, as of January 2001.

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