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Funding Status – FY 2021

Wave 17 for FY 2021 was released on Thursday, August 5th, for a total of $74.2 million including $9.06 million for 7 North Carolina applicants (including $8.87 million for NCDPI). Cumulative commitments are $1.81 billion including $73.1 million for North Carolina. Nationwide, USAC has now funded 88% of the FY 2021 applications representing 61% of the requested funding.

The 2021-2022 application window for the Emergency Connectivity Fund ("ECF") opened June 29th and will close this Friday, August 13th.

ECF Updates

ECF's Friday the 13th:

The ECF application window closes this Friday, August 13th, at 11:59 p.m. EDT. Friday the 13th has always had an ominous connotation so let's consider what could go wrong with ECF applications in the hope of avoiding future problems. We see four areas of potential problems.

- Unmet Needs – Applications vs. Invoices. As discussed in our newsletter of August 2nd, both the FCC and USAC have indicated that unmet needs, as specified at the application stage, need be based only on best estimates as defined by the applicants. For invoicing purposes, however, applicants (or their service providers) must only file reimbursement claims for actual needs. Ultimately, both schools and libraries must be able to track— by name — the individual recipients of internet services and/or devices provided.

- Bundled Equipment Pricing. Also discussed in our August 2nd newsletter — and highlighted in FAQs discussed in both an FCC and a USAC webinar last week — was the issue of bundled charges for equipment packages including both eligible and ineligible components. One frequently discussed example is a Chromebook, bundled with the necessary (but not separately eligible) software license. USAC's answer was that the entire bundle would be eligible (subject to the $400 cap) if there was "no discernible charge" for

the license. The FCC's answer was similar but added that the bundled pricing was eligible if provided as a "normal business practice," not "just for the ECF program." The FCC's refined language calls into question a practice we have seen by some service providers attempting to bundle as many features as possible into their device prices without exceeding the allowable cap. Applicants applying for such bundled devices may ultimately be subjected to a measure of cost allocations.

- Late Filed Applications. Traditional E-rate applicants have long known that if they missed the formal application window deadline, the FCC would routinely grant Out-of-Window waivers for applications filed within 14 days. More recently, the FCC has been granting late filing waivers of up to 30 days as the result of COVID-related problems. USAC has recently posted instructions for submitting [ECF window waiver requests](#) (importantly reminding filers that the ECF waiver deadline is 30 days, not the traditional 60 days). The FCC's position, however, is currently unknown. . It could: (a) continue to routinely grant late filing waivers; (b) grant waivers only for "extraordinary circumstances;" or (c), deny all such waivers in lieu of opening a second "prospective" ECF window later this fall.

- Audits and COMADs. With the aim of getting ECF funds into the hands of needy schools and libraries as soon as possible, the FCC and USAC are expected to accelerate the processing of both applications and invoices. If so, we would expect to see a greater emphasis placed on post-funding reviews, meaning more audits and potentially more post-commitment adjustments ("COMADs") seeking the return of funds. Some parties, reading the enabling ECF legislation, have noted that only $1 million has been set aside for program oversight by the FCC's Inspector General. "How many audits," they cynically ask, "can they do with $1 million?" The answer, in our view, is that the $1 million is not the real source of audit funding. The primary administrative funding in the legislation is the provision that up to 2% of the total $7.17 billion — i.e., $143.4 million — is designated for "the Commission to adopt, and the Commission and the Universal Service Administrative Company to administer, the covered regulations." We would expect a portion of that funding to support robust audit efforts.

We encourage all ECF applicants to file reasonably thought out ECF applications by this Friday's deadline and, when approved, invoice only for well-documented needs. Friday the 13th need not be a foreboding experience.

ECF Form 471 RALs:

Applicants filing Form 471s for ECF will be emailed Receipt Acknowledgement Letters ("RALs") in the format shown below. The RAL suggests several next steps including SAM.GOV registration if necessary and, more usefully, a link to a full version of the filed application.

ECF FCC Form 471 Receipt Acknowledgement Letter for ECF202100976 -

This Receipt Acknowledgement Letter (RAL) is an acknowledgement that USAC has received FRANKLIN CITY SCHOOL DISTRICT's ECF FCC Form 471 - ECF202100976 for Funding Year 2021 on 07/22/2021. USAC will review your application and reach out with questions as needed. Once your review is complete, USAC will issue a funding decision commitment letter with a funding decision.

NEXT STEPS

• If you have not registered your organization with SAM.GOV please start the registration process as soon as possible. You must be registered with SAM.GOV to receive an ECF reimbursement.
• Gather the documentation you used to complete your form so that you can respond to questions.
• Retain documentation showing that you have complied with all rule and EFC program requirements for at least [10] years after the last day of service delivered.
• If your services are yet to be received, please work with your service provider to ensure timely delivery of services.

Please keep a copy of this notification for your records.

You can view your entire ECF FCC Form 471 by clicking the link below.
ECF202100976

Common ECF Misconceptions:

Last week, the FCC issued the following list of ECF misconceptions and corrections:

- **Misconception #1: Schools cannot apply for funds unless they have surveyed all parents to determine need.**

  This is false. Schools need only provide best estimates of unmet need in applying for ECF support. It is up to the school to determine how to estimate need – a school can choose to use a survey but is not required to use one.

- **Misconception #2: If schools have returned to in-class instruction for the upcoming school year, they are not eligible to participate.**

  This is false. Even if schools have returned to in-class instruction, they are eligible to seek Emergency Connectivity Fund support for unmet remote learning needs, such as broadband access for homework or lesson planning. Equipment and services provided to students or school staff who would otherwise lack sufficient access to connected devices and/or a broadband internet access connection while off campus are eligible for Emergency Connectivity Fund support.

- **Misconception #3: If schools have received ESSER or CARES Act funds to buy connected devices/hotspot devices, they are not eligible to participate.**

  It depends. While schools and libraries may not seek support for equipment or services that have already been fully paid for through other federal or state funding sources (such as federal pandemic relief money), they may seek funding for any portion of the costs of the equipment or services that were not covered. This could include applying for ECF support for the monthly broadband service costs associated with a hotspot device that was purchased using other federal or state funding sources if service was

not included as part of the original purchase. They may also seek support to address ongoing unmet needs that are not covered through other funding sources (see ECF Report and Order, paras. 125-128).

- **Misconception #4: If households receive EBB benefits, they are ineligible to receive devices or service through ECF.**

  It depends. ECF rules do not permit applicants to receive duplicative support for services that are reimbursed through other federal or state programs. However, a school could receive ECF support to purchase a connected device for a student if needed to support learning, even if the household is receiving internet service through the EBB program.

- **Misconception #5: Libraries are only allowed to lend devices to K-12 students due to educational purpose requirement.**

  This is false. While libraries must use ECF support primarily for educational purposes, there is no restriction that devices be loaned to K-12 students, and the Order makes clear that library patrons may include library staff (see ECF Report and Order, para 64, n.188). "Educational purposes" is defined as activities that are integral, immediate, and proximate to the provision of library services to library patrons in the case of a library (see ECF Report and Order, para. 63).

- **Misconception #6: Schools and libraries need to conduct competitive bidding, like they do for the E-Rate program.**

  This is false. While schools and libraries need to comply with state, local and Tribal procurement requirements, there are no federal competitive bidding requirements like there are in the E-Rate program (see ECF Report and Order, paras. 87-89).

E-Rate Updates and Reminders

Upcoming E-Rate Dates:

August 11	USAC's "Office Hours" ECF webinar at 3:00 p.m. EDT (see ECF Live Sessions). These webinars are held weekly to provide program updates and answer participant questions. Recordings of earlier sessions are also available in the Live Sessions section.
August 13	Form 486 deadline for FY 2020 covering funding committed in Wave 51. More generally, the Form 486 deadline is 120 days from the FCDL date or the service start date (typically July 1st), whichever is later. Upcoming Form 486 deadlines are:

<div style="margin-left: 6em">

Wave 52	08/19/2021
Wave 53	09/02/2021
Wave 54	09/09/2021

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August 13	Closing date for the initial Emergency Connectivity Fund ("ECF") window. The window will close at 11:59 p.m. EDT.

USAC ECF Newsletter Dated August 3 – Application Window Countdown

USAC's Emergency Connectivity Fund Program Newsletter of August 3, 2021, focuses on this Friday's close of the ECF application window. It references:

- Last Tuesday's FCC webinar.
- The FCC's application process overview and program flyer.
- The FCC's updated FAQs.
- USAC's new ECF Portal training site.
- USAC's weekly "office hours" sessions.
- USAC's E-learning modules.

The Newsletter notes that USAC is still in the process of revising the ECF application certification to encompass equipment and services that <u>will</u> be ordered as per the FCC's recent Public Notice (DA 21-881). In the interim, the FCC suggests that applicants in this position "make a note in the FRN narrative that no order has been placed, but will be, consistent with the provisions of the July 22 Public Notice."

The ECF Newsletter also provides answers to the following frequently asked questions:

- Do I need a SAM.gov account if I am an annual E-Rate applicant? Short answer: Yes, if you will be filing Form 472 ("BEAR") reimbursement invoices.

- How should applicants request funding for equipment associated with a service request (e.g., a $5 monthly fee for a modem or Wi-Fi hotspot connected to a broadband service)? Short answer: File separate funding requests for equipment and services.

- Do applicants need to have contracts in advance of submitting an application for ECF support? Short answer: No.

- When I request funding for equipment, what do I use as the service end date in the application? Short answer: If not yet received, June 30, 2022, may be used as the service end date.

- It's summer vacation, and I don't know exactly how many students lack broadband access at home. What should I do? Short answer: Only best estimates of unmet need are required for the application.

- Could a school district use the district's National School Lunch Program (NSLP) percentage, NTIA's "Indicators of Broadband Need Map " or other publicly available data to provide best estimates on its ECF FCC Form 471 application, and then collect a certification from students or staff before seeking reimbursement for the device or service? Short answer: Yes.

- What will school applicants need related to unmet need at the different stages of the ECF Program process (e.g., application, invoicing, or audits)? Short answer: An estimate is needed for application purposes; reimbursement invoices must reflect actual remote learning needs.

- What will library applicants need related to unmet need at the different stages of the ECF Program process (e.g., application, invoicing, or audits)? Short answer: As with schools, patron estimates are sufficient for applications, but invoices must reflect actual patron certifications.