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Funding Status – FY 2021

Wave 20 for FY 2021 was released on Thursday, August 26th, for a total of \$78.5 million including \$1.49 million for 8 North Carolina applicants. Cumulative commitments are \$2.06 billion including \$78.2 million for North Carolina. Nationwide, USAC has now funded 92% of the FY 2021 applications representing 71% of the requested funding.

Somewhat belatedly, the FCC released a Public Notice ([DA 21-1063](#)) formally authorizing USAC to fully fund eligible Category 1 and Category 2 funding requests for FY 2021.

The 2021-2022 application window for the Emergency Connectivity Fund (“ECF”) closed Friday, August 13th. Applications received during the window totaled over \$5 billion. If USAC matches last spring’s early processing rate for regular FY 2021 applications, we would expect the first wave of ECF funding commitment decision letters (“FCDLs”) by mid-September. The FCC’s target is to have USAC issue FCDLs for 50% of the workable applications within 60 days and 70% within 100 days. A second 2021-2022 ECF window is scheduled to open September 28th (see below).

Second ECF Application Window

The FCC issued a [press release](#) last week indicating that as of the close of the first ECF application period it had received requests totaling \$5.137 billion to fund 9.1 million connected devices and 5.4 million broadband connections. The release also included a state-by-state table of funding demand including \$150 million for North Carolina.

More importantly, the FCC announced that a second, albeit shorter, ECF application window for 2021-2022 will be opened for 15 days as of September 28th (closing October 13th) to help meet the “out-standing demand and the recent spike in coronavirus cases.” In part, we believe, the opening of a second window in the September-October timeframe is meant to provide an additional opportunity for school and library applicants who found it difficult to meet the first window’s summer deadline.

Applicants planning to apply in the second window should recognize that funding may be limited. As currently authorized, allowing for administrative expenses, ECF is capped at roughly \$7 billion. The more than \$5 billion in demand in the first window, which may be cut back to some extent during the PIA review process, was higher than many expected. If the demand for the second window is approximately half or greater as the first window, not all new applicants may be funded. If total demand exceeds the \$7 billion cap, program rules require funding to be allocated to the highest discount applicants, presumably those filing in the second window. For allocation purposes, if needed, the FCC established the following modified prioritization matrix:

	Emergency Connectivity Fund Prioritization Matrix	
	Discount Level	
	Urban	Rural
% of students eligible for National School Lunch Program		
< 1.....	20	30
1-19.....	40	55
20-34.....	50	65
35-49.....	60	75
50-74.....	80	85
75-100.....	90	95

Note: These “discount rates” only affect priority in the event of limited funding. Subject to equipment caps, all approved expenses are to be reimbursed at 100% regardless of the order of priority.

Applicants who filed late ECF applications following the close of the first window on August 13th — there appear to be fewer than expected — need to consider their FCC waiver and second window options. In particular:

- As discussed in our [newsletter of August 23rd](#), the FCC’s traditional E-rate policy has been to routinely grant Out-of-Window (“OOW”) waivers to applicants filing their Form 471s within 14 days of the close of the application window. Should the FCC apply a similar policy to late-filed ECF applications, it would cover ECF applications filed by last Friday, August 27th.
- Given that the FCC has authorized a second 2021-2022 application window opening in September, the FCC may be disinclined to waive the first window deadline for OOW applications. Without an FCC announcement in the interim, we may not know the FCC’s position on initial OOW waivers until after the close of the second ECF window.
- If ECF funding is limited and allocated in the second window, there is a clear advantage — particularly for low “discount” applicants — to be funded in the first window if the FCC does grant OOW waivers.
- Our advice to first window OOW applicants — particularly high “discount” applicants — is to pursue a dual strategy. Refile ECF applications in the second window and file FCC waivers for the first window (within 30 days of receiving OOW notices from USAC). If the FCC grants their OOW waivers, applicants can then cancel their second window applications.

E-Rate Updates and Reminders

Upcoming E-Rate Dates:

- September 2 Form 486 deadline for FY 2020 covering funding committed in Wave 53. More generally, the Form 486 deadline is 120 days from the FCDL date or from the service start date (typically July 1st), whichever is later. Upcoming Form 486 deadlines are:
- | | |
|---------|------------|
| Wave 54 | 09/09/2021 |
| Wave 55 | 09/16/2021 |
| Wave 56 | 09/23/2021 |
| Wave 57 | 09/30/2021 |
- September 27 Due date for initial comments to the FCC’s draft version of the Eligible Services List (“ESL”) for FY 2022 ([DA 21-1062](#)). Reply comments are due by October 12th.
- September 28 Opening of the second ECF application window for 2021-2022. This shorter 15-day window closes October 13th.
- September 30 General non-recurring service delivery deadline for FY 2020 and, under the FCC’s COVID extension, for FY 2019.
- October 20 Nomination deadline for six USAC Board members including one school representative (see article below).

EBB Back-to-School Materials:

Neither the FCC nor USAC has gone out of their way to facilitate Emergency Broadband Benefit (“EBB”) discounts for schools who had been providing bulk internet subscriptions for eligible families prior to the ECF program. Nevertheless, EBB discounts of up to \$50 per month (\$75/mo. in Tribal areas) can be advantageous for low-income families not funded through their schools. More generally, however, the FCC has done an excellent job of broadly promoting EBB.

Last week, the FCC added new Back-to-School Campaign materials to the EBB [Outreach Toolkit](#). New materials include school posters, bookmarks, handouts, and Pell Grant and school lunch and breakfast program specific flyers. The new materials are available in both English and Spanish and include Tribal-specific flyers.

Separately, the FCC issued a [press release](#) announcing that over five million households have enrolled in the Emergency Broadband Benefit Program since its launch in mid-May. The FCC also issued a [consumer advisory](#) warning the public about an EBB imposter website that was collecting personal information from consumers and falsely claiming to provide free devices and services related to the Emergency Broadband Benefit Program. Consumers were reminded to only use the official EBB website, [GetEmergencyBroadband.org](#), to enroll in the program.

FCC Releases Draft FY 2022 ESL for Comment:

The FCC released a draft version ([DA 21-1062](#)) of the FY 2022 Eligible Services List (“ESL”) for public comment. Two specific additions are proposed in the draft ESL:

- The following note was added to the list of eligible broadband internal connections:
 - (4) Applicants may request both equipment and the software necessary to use the equipment on the FCC Form 470, or request just the equipment on the FCC Form 470, and still receive support for both the equipment and the software necessary to use the equipment (e.g., right-to-use software or client access licenses) by requesting the equipment and software either together or separately on the FCC Form 471. However, software upgrades and patches, including bug fixes and security patches, are considered basic maintenance of internal connections, and as such, applicants should seek bids for basic maintenance of internal connections if they intend to request funding for these services.
- The “National Security Supply Chain Restrictions” section was expanded to read as follows:
 - In addition, participants are prohibited from using E-Rate support to purchase, rent, lease, or otherwise obtain any covered communications equipment or service, or maintain any covered communications equipment or service previously purchased, rented, leased, or otherwise obtained. 47 CFR § 54.10. A list of covered communications equipment and services can be found on the FCC’s website at <https://www.fcc.gov/supplychain/coveredlist> and will be updated to reflect any future determinations.

As has been the case for the past few years, the FCC declined to include eligibility of advanced firewall and other cybersecurity equipment and services in the draft ESL. Even with little hope for a change in the final ESL for FY 2022, we would still encourage responders to again recommend that the FCC address the cybersecurity risks facing all schools and libraries.

FCC Seeks Nominations for USAC Board:

The FCC issued a Public Notice ([DA 21-1027](#)) seeking nominations for six positions on the USAC Board of Directors. Terms of the current Board members in these slots expire December 31, 2021. From an E-rate perspective, the most important nomination is for the position currently held by Julie Tritt Schell (State E-Rate Coordinator, Pennsylvania Department of Education) representing schools. The other five nominations are for positions representing the larger interexchange carriers, rural health care providers, state telecommunications regulators, incumbent (non-Bell) local exchange carriers, and information service providers. Nominations, which we hope will include the renomination of Julie Tritt Schell, are due October 20, 2021.

USAC ECF Newsletter Dated August 25 – ECF Window News

[USAC’s Emergency Connectivity Fund Program Newsletter of August 25, 2021](#), references the FCC’s press release last week summarizing the demand for ECF funding during the application window and announcing the second 15-day ECF window opening September 28th. It also indicates that “coming soon,” service providers will have access to the ECF portal. The remainder of the newsletter reviews the following frequently asked questions:

How long will it take to hear back about my application?

Short answer: “As expeditiously as possible.”

Will I have visibility in the ECF portal for the committed version of my application?

Short answer: Yes.

I was unable to certify my application prior to the deadline on August 13, 2021, but I still want to get reimbursed – is there anything I can do?

Short answer: See <https://www.emergencyconnectivityfund.org/submit-window-waiver-requests/>.

Will application and pricing information be made available through USAC’s Open Data platform?

Short answer: Yes, as early as possible.

If the service provider is invoicing on behalf of the applicant, does it need a Service Provider Identification Number (SPIN) for ECF?

Short answer: Yes.

Can applicants change the make or model of their equipment after they file their applications?

Short answer: Yes.

Does an applicant using SPI invoicing need to register with SAM.gov?

Short answer: No.

Newsletter information and disclaimer: This newsletter may contain unofficial information on prospective E-rate developments and/or may reflect E-Rate Central’s own interpretations of E-rate practices and regulations. Such information is provided for planning and guidance purposes only. It is not meant, in any way, to supplant official announcements and instructions provided by USAC, the FCC, or NCDPI.

Additional North Carolina specific E-rate information is available through our Web site — <http://www.e-ratecentral.com/us/stateInformation.asp?state=NC>. Note that this site provides easy access to formatted North Carolina applicant E-rate histories via the Billed Entity Number (“BEN”) search mechanism in the upper left-hand corner. Detailed information can be obtained by “drilling down” using the links for specific funding years and individual FRNs.

If you have received this newsletter from a colleague and you would like to receive your own copy of the North Carolina E-Rate Forum, send an email to join-ncerate@lists.dpi.state.nc.us. Please include your name, organization, telephone, and e-mail address.

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