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Funding Status for 2021-2022

E-Rate:

Wave 34 for FY 2021 was released on Thursday, December 2nd, for a total of \$14.2 million including \$51 thousand for one North Carolina applicant. Cumulative commitments are now \$2.46 billion including \$84.4 million for North Carolina. Nationwide, USAC has now funded 98% of the FY 2021 applications representing 87% of the requested funding.

ECF:

Five ECF funding waves have been issued to date. Cumulative commitments are now \$3.22 billion including \$111 million for North Carolina. To date, all ECF funding has been for applications submitted in the first ECF window and represents decisions on 56% of the initial requests with an approval rate averaging almost 91%.

FCC Standardizes ECF Invoice Deadlines

Responding quickly to a request filed by the State E-rate Coordinators' Alliance ("SECA"), the FCC issued an Order ([DA 21-1499](#)) last week setting the service delivery date for all 2021-2022 ECF purchases, equipment or services, as June 30, 2022. The most important aspect of this decision is that it also sets the invoice deadline for these purchases as August 29, 2022, sixty days later.

The FCC's revised service delivery date/invoice deadline Order eliminates a previously confusing aspect of the ECF rules that set earlier invoice deadlines for purchases of any equipment received before applicants filed their applications in the first ECF window (see our [newsletter of November 1st](#)). In those instances, invoices were to be due within sixty days of receipt of the associated FCDLs. For applicants funded in ECF Wave 1, released September 23rd, that first early deadline would have been November 23rd. The next deadline, for applicants funded in Wave 2,

would have been December 13th. The problem was that these early dates were never publicized by USAC. To the contrary, USAC’s ECF dataset and FCDLs all specified the June 30, 2022, service delivery date and the August 29, 2022, invoice deadline for all FRNs regardless of when equipment was actually delivered. The FCC’s recent Order effectively adopts these two dates for all 2021-2022 delivered equipment and services. This is a simple solution to the earlier problem. Thank you, FCC!

Several additional points should be noted.

- The service delivery date and invoice deadline rules addressed in the Order apply only to equipment and services delivered between July 1, 2021, and June 30, 2022, based on applications submitted in the first or second ECF windows. Prospectively, the dates would also apply to “any subsequent windows the Commission may open for eligible purchases made between the same [2021-2022] period.”
- The invoice deadline applies to both applicant BEARs and service provider SPIs.
- The August 29, 2022, invoice deadline rule does not “impact funding requests for construction of new networks” for which applicants “have one year from the date of the funding commitment decision to show that construction is complete and services have been provided.” Such a showing would generate its own service delivery date with invoices due sixty days later.
- The FCC used the new Order to remind applicants that, “unlike E-rate program rules, ECF Program rules do not permit any invoice filing extensions.” An ECF invoice deadline extension can be requested by seeking an FCC waiver demonstrating “good cause.”

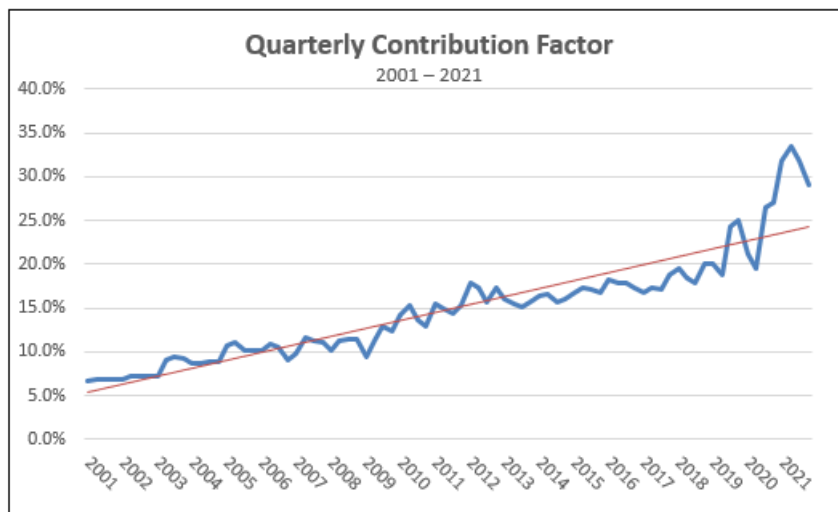
Updates and Reminders

Upcoming Dates:

- | | | | | | | | |
|-------------|---|---------|------------|---------|------------|---------|------------|
| December 8 | Comments due on the new Affordable Connectivity Program (DA 21-1453) (see our newsletter of November 22nd). Reply comments are due December 28 th . | | | | | | |
| December 10 | Form 486 deadline for FY 2021 covering funding committed in Wave 18. More generally, the Form 486 deadline is 120 days from the FCDL date or from the service start date (typically July 1 st), whichever is later. Upcoming Form 486 deadlines for 2021 are:
<table><tbody><tr><td>Wave 19</td><td>12/17/2021</td></tr><tr><td>Wave 20</td><td>12/24/2021</td></tr><tr><td>Wave 21</td><td>12/30/2021</td></tr></tbody></table> | Wave 19 | 12/17/2021 | Wave 20 | 12/24/2021 | Wave 21 | 12/30/2021 |
| Wave 19 | 12/17/2021 | | | | | | |
| Wave 20 | 12/24/2021 | | | | | | |
| Wave 21 | 12/30/2021 | | | | | | |
| December 13 | FCC open meeting to consider an NPRM on an E-rate competitive bidding portal (see our newsletter of November 29th). | | | | | | |

Major Support for USF Contributions Reform:

As we have been discussing for many years, the quarterly contribution factor used to fund the Universal Service Fund (“USF”) — the source of funding for E-rate and three other USF programs — has been steadily rising to unsustainable levels over the past two decades.



Last week, in a concerted effort, the SHLB Coalition, the Ad Hoc Telecom Users Committee, the Cloud Communications Alliance, INCOMPAS, NTCA - The Rural Broadband Association, and Public Knowledge led 254 total organizations (including E-Rate Central) in calling on broadband policymakers to repair the USF contribution mechanism.

Signatories to the group’s [letter](#) – which included public interest groups, consumer organizations, anchor institutions, trade associations, and broadband service providers – asked policymakers to immediately reform and stabilize the funding mechanism, and to make contribution obligations more equitable, by adding broadband internet access services to the list of services that pay into the USF. This proposal is based on a recent [USForward report](#) which finds that including broadband internet revenues in the contribution base would shrink the USF fee from the thirty percent level to less than four percent for the foreseeable future.

Meanwhile, on the legislative front, Senator Amy Klobuchar (D-MN), co-chair of the Senate Broadband Coalition, and Senator John Thune (R-SD) introduced the [Reforming Broadband Connectivity Act of 2021](#), hopefully (if enacted) directing the FCC to conduct a study assessing the need to expand the USF contribution base and report back to Congress with recommendations within one year.

These are both steps in the right direction; the FCC needs to act.

FCC Streamlined Decisions:

The FCC issued another set of “streamlined” precedent-based decisions ([DA 21-1457](#)) last week. As with past streamlined decisions, applicants facing similar problems as those addressed in these

decisions may garner useful information by carefully reading the additional FCC explanations found in the footnotes. The original appeal and waiver requests can be found online in the FCC's [Search for Filings](#) under Docket 02-6.

In November's streamlined decisions, the FCC:

1. Granted:
 - a. One Request for Review and/or Waiver involving alleged gift rule violations affecting the competitive bidding process. The FCC found that the gifts were minimal, they were provided over the course of several years, or they were given to employees with no authority to bind the district to a contract or who had no ability to influence the competitive bidding decision.
 - b. Two Requests for Waiver for late-filed FY 2021 applications: (1) filed within 14 days of the close of the window; or (2), filed more than 30 days late due to COVID-related problems.
 - c. Two Requests for Waiver for late-filed Form 486s upon a showing of good cause.
 - d. Three Requests for Waiver for ministerial and/or clerical Form 471 errors.
 - e. Two Requests for Review and/or Waiver for the alleged failure to use price as the primary procurement factor. In one case, the applicant had failed to consider two bids received after the 28-day waiting period, but before bids were evaluated (an argument for including an explicit bid submission deadline in Form 470s and RFPs). In both cases, the FCC found that the applicants had in fact selected the lowest-priced offerings.
 - f. One Request for Review and/or Waiver related to USAC's denial of funding for a service provider invoice dated after the last date (September 30th) to receive a non-recurring service. The FCC found that the service had in fact been received before the deadline.
2. Denied: None — for the second month in a row. (Will this continue through the holiday season?)

New to E-Rate Central:

E-Rate Central is pleased to announce the addition of two experienced E-rate professionals to its staff as of December 1st.

- Andrew Epting joins us from the South Carolina Department of Administration where he had served as the State E-rate Coordinator for South Carolina. While there he managed, and filed, E-rate applications for a \$37 million annual program for broadband connectivity, network improvements, and internet security.
- Alex Majewski joins us from Maximus Federal Services, Inc., USAC's primary E-rate contractor, recently serving as the Manager of Operations & Compliance. Alex had previously served as the Program Integrity Manager at Solix, Inc., USAC's previous E-rate contractor.

USAC ECF Newsletter Dated November 30 – Still Nothing New

[USAC's Emergency Connectivity Fund Program Newsletter of November 30, 2021](#), simply repeats the information from the last two weekly newsletters.

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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