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Funding Status for E-Rate and ECF

E-Rate for FY 2022:

Wave 2 for FY 2022 was issued on Thursday, April 28, 2022, for \$59 million including \$30 thousand for eight North Carolina applicants. Cumulative commitments after two waves are \$1.25 billion including \$30.9 million for North Carolina. Nationwide, USAC has funded 69.9% of the FY 2022 applications representing 39.4% of the requested funding.

A special extended application window for new Tribal libraries closes on May 26th (see [DA 22-231](#) and our [newsletter of March 14th](#)).

E-Rate for FY 2021:

No new funding wave for FY 2021 was released last week. Cumulative commitments stand at \$2.64 billion including \$84.3 million for North Carolina. Nationwide, USAC has funded 98.7% of the FY 2021 applications representing 95.2% of the requested funding.

ECF for 2021-2023:

As of Wave 13, ECF commitments are \$4.79 billion including \$150 million for North Carolina. . Nationwide, USAC has funded 93.9% of filed applications. Authorized disbursements as of last Friday totaled \$916 million.

The third ECF application window opened last Thursday, April 28th, and will close on Friday, May 13th. The FCC indicates that a minimum of \$1 billion will be available to fund the same type

of eligible equipment and services as in the original two windows but for delivery within the 18-month span from July 1, 2022, through December 31, 2023 (albeit capped at 12 months of service for internet access). For details, see [DA 22-309](#), our [newsletter of March 28th](#), and the FAQs in USAC's most recent ECF newsletter discussed below.

Comments on the FCC's Proposed E-Rate Bidding Portal

Comments on the FCC's proposal to create an E-rate competitive bidding portal ([FCC 21-124](#)) were due last week. As discussed in our [newsletter of December 20th](#), the key aspects of the proposed bidding portal would or might include the following:

- Service providers responding to Form 470s (and RFPs) would submit their bids through the bidding portal rather than directly to the applicants.
- Bid hold periods might be established that would prevent applicants from reviewing bids for at least 28 days from the Form 470 certification date to ensure that service providers are competing on a "level playing field." Such a waiting period would effectively create a "sealed bid" process.
- An additional period — e.g., two weeks — might be established for bid review. Doing so would extend the minimum filing period between a Form 470 and a Form 471.
- The bidding portal may support the anonymous submission of service provider questions and public responses by the applicants.
- Applicants may be required to submit bid selection documentation such as bid comparison matrices and related contract documents at the time funding is requested.

Comment filers in this proceeding were largely organizations representing applicants and service providers. State procurement departments were also well represented. Here are links to a few of the larger responders:

[American Library Association](#)
[California K12 High Speed Network](#)
[CoSN and SETDA](#)
[Council of the Great City Schools](#)
[PEPPM Cooperative Purchasing](#)
[Schools, Health & Libraries Broadband Coalition](#)
[State E-Rate Coordinators' Alliance](#)
[Verizon](#)
[WTA – Advocates for Rural Broadband](#)

If one of the FCC's goals in this proceeding was to generate consensus, they succeeded admirably. None of the responders like the idea of a centralized, USAC-managed, competitive bidding portal — all for the same reasons including impracticality, undue complications for both applicants and service providers, conflicts with state bidding rules and systems, and application processing delays. We expect a similar response in the reply comment period ending May 27th.

Updates and Reminders

Upcoming Dates:

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| May 3 | Second of USAC’s three ECF information sessions (see ECF Newsletter below). |
| May 6 | Form 486 deadline for FY 2021 covering funding committed in Wave 39. 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 are:
Wave 40 05/13/2022
Wave 41 05/20/2022 |
| May 13 | The third ECF application window (see DA 22-309) will close at 11:59 p.m. EDT. |
| May 16 | FCC comments due on the FCC’s Notice of Inquiry regarding the prevention and elimination of digital discrimination (FCC 22-21). Reply comments are due June 30 th . |
| May 26 | Extended FY 2022 application window deadline for new Tribal libraries (see DA 22-231). |
| May 27 | Reply comments due on the FCC’s proposal to create an E-rate competitive bidding portal (FCC 21-124). |

FCC Streamlined Decisions:

The FCC issued another set of “streamlined” precedent-based decisions ([DA 22-448](#)) 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 (E-rate) or Docket 21-93 (ECF).

In April’s streamlined decisions, the FCC:

1. E-Rate Dismissed:
 - a. One Request for Waiver for failing to meet the FCC’s basic filing requirements “because of the lack of sufficient information included in the requests.”
 - b. One Request for Review for which all submitted invoices had been fully paid.
 - c. One Request for Waiver for a Form 471 that had not yet been filed. The FCC instructed the petitioner to file a late Form 471 first then file for a waiver.
2. E-Rate Granted:
 - a. One Request for Review granting additional time to respond to a USAC PIA inquiry.
 - b. Two hundred and eighty five Requests for Waiver for late-filed Form 471 applications filed within 14 days of the close of the window.

Editorial Note: We remain amazed with FCC policies that routinely grant deadline relief of fourteen days (or more) on E-rate applications but strictly enforce invoice deadlines for approved applications after funds have been expended.

- c. Two Requests for Waiver and/or Review for late-filed Form 486s.
 - d. Two Requests for Review on older applications in which USAC had determined via audit that funded equipment had not been installed in a timely manner.
 - e. One Request for Review in which a mistake “by USAC or the service provider” that had caused a library’s funding to have been incorrectly attributed to the local school district.
 - f. One Request for Review involving the timing of a service delivery deadline extension request.
 - g. One Request for Review granting Form 486 relief to a service provider seeking payment for service provided to a subsequently disbanded school district.
 - h. One Request for Review instructing “USAC to provide the applicant with a detailed inquiry of the documents and information necessary to determine the eligibility and cost of the request for funding.”
 - i. Four Requests for Waiver of invoice deadlines missed by applicants awaiting post-commitment requests or appeal decisions.
 - j. One Request for Waiver of installment payment rules.
3. E-Rate Granted in Part/Denied in Part:
 - a. One Request for Review and/or Waiver for a ministerial and/or clerical error regarding an entity inadvertently left off an application was granted but a request “to treat distributed funds for ineligible services as a credit against future funding” was — not surprisingly — denied.
 4. E-Rate Denied:
 - a. One Request for Waiver for an invoice extension.
 - b. One Request for Waiver for a late-filed Form 486.
 - c. Six Requests for Waiver for untimely filed appeals or waiver requests.
 5. ECF Actions: None.

USAC ECF Newsletter Dated April 26 — Important FAQs for ECF-3

[USAC’s Emergency Connectivity Fund Program Newsletter of April 26, 2022](#), repeats some of the same information as last week’s newsletter including a reminder of the next two ECF Office Hour sessions.

- Tuesday, May 3 at 3:00 p.m. EDT: ECF Window 3 Office Hours – [Register](#)
- Tuesday, May 10 at 3:00 p.m. EDT: ECF Window 3 Office Hours – [Register](#)

More importantly, the newsletter provides key FAQs regarding the third ECF application window. A summary of these FAQs is provided below; we strongly recommend that applicants read them more fully in the Newsletter itself. Pay particular attention to the Narrative language (in bold below) required for various actions.

Discount Rate and NSLP Data:

Q: If demand in the third application filing window exceeds available funding, how will funding requests be prioritized?

A: In the event that demand exceeds available funding during any ECF application filing window, ECF funding requests will be prioritized based on an applicant's E-Rate discount rate for Category One services, adjusted to provide a five percent increase for rural schools and libraries. These discount rates are used only for prioritization of limited funding; funding if approved will provide 100% reimbursement.

This means that rural applicants in the 95% "discount" rate band will be funded first; then urban applicants in the 90% band; then rural applicants in the 85% band, etc. If a band cannot be fully funded, prioritization within a band will depend upon NSLP percentages.

Q: What if my school or library does not have a validated E-Rate discount because I don't participate in the E-Rate program?

A: Respond quickly to a PIA request to validate a discount rate.

Q: Due to the pandemic, we have not needed to update our NSLP data in recent year(s) for the E-Rate Program, and our NSLP percentage has increased. Can we update student enrollment or NSLP numbers for the purposes of the third application filing window?

A: Provide updated information in the narrative box for the first funding request number (FRN) on your third window ECF Form 471 using the following specific language: **"NSLP Update Request: updated NSLP student count xxx; updated student count xxx; and updated NSLP percentage xx%."**

New or Continued Services:

Q: Can a school or library submit an application in the third application filing window to continue services that were funded through a first or second window funding request?

A: Yes, provided they are not requesting duplicative funding for equipment or services. The applicant must provide the following specific language for each continuing FRN: **"Continuing First or Second Window Recurring Service Request: ECF FCC Form 471 Application No.; FRN; Service Start Date; and Service End Date."** The following language is also required: **"Continuing Third Window Recurring Service Request: ECF FCC Form 471 Application No.; FRN, Service Start Date; and Service End Date."**

Q: What information should we include in our third window ECF FCC Form 471 application if we are requesting new recurring services for the July 1, 2022, through December 31, 2023, funding period of the third application filing window?

A: The Narrative box on each FRN must include the following language: **“New Third Window Recurring Service Request: ECF FCC Form 471 Application No.; FRN, Service Start Date; and Service End Date.”**

Non-Continuous Services:

Q: Our school usually pauses recurring services during the summer months when it is not in session. If we plan to pause services, can we still request ECF support for nonconsecutive months during the relevant funding period?

A: Yes. In the Narrative, the applicant must indicate specific months of service they are seeking ECF support for based on the relevant ECF funding request (i.e., committed first or second window funding request or third window funding request). Note: Although this adds to the complexity of the application, it is a way for a school to maximize the funding for limited months of recurring services during the school year.

Lost or Damaged Equipment:

Q: Can a school or library request funding in the third application filing window to replace lost or damaged devices funded by first or second window funding requests?

A: Yes. Schools and libraries should carefully document how the devices are not duplicative in their asset inventories, and the asset inventories should include the date the school or library was notified that the device was lost or damaged. Applicants are encouraged to use the narrative box of their third window applications to explain such requests and should note that they are not requesting additional devices to account for anticipated breakage or loss of devices requested during the third application filing window, which is not permitted.

An [ECF Inventory Tracker](#) is available in the [ECF Resources](#) section of the E-Rate Central website.

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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