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Funding Status for E-Rate and ECF

E-Rate for FY 2022:

Wave 7 for FY 2022 was issued on Thursday, June 2nd, for \$55.5 million including \$1.80 million for eleven North Carolina applicants. Cumulative commitments to date are \$1.63 billion including \$37.2 million for North Carolina. Nationwide, USAC has funded 81.1% of the FY 2022 applications representing 50.1% of the requested funding.

E-Rate for FY 2021:

As of Wave 56, commitments for FY 2021 stand at \$2.63 billion including \$84.2 million for North Carolina. Nationwide, USAC has funded 98.7% of the FY 2021 applications representing 95.4% of the requested funding.

ECF for 2021-2023:

As of [Wave 15](#), total ECF commitments are \$4.9 billion including 150 million for North Carolina. . Nationwide, USAC has funded 95.7% of applications filed in the first and second ECF windows. Authorized disbursements as of last Friday totaled \$1.14 billion.

The FCC [reported](#) \$2.8 billion of demand in the third ECF window that closed May 13th. ECF-3 demand includes \$54.1 million from 146 North Carolina applicants. See the discussion below on the prioritization of funding for ECF-3 applications.

Updates and Reminders

Upcoming Dates:

June 9 USAC's E-rate services webinar for beginners ([register](#)).

- June 10 Form 486 deadline for FY 2021 covering funding committed in Wave 44. 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 45 | 06/17/2022 |
| Wave 46 | 06/24/2022 |
| Wave 47 | 07/01/2022 |
- June 30 Reply comments due on the FCC’s Notice of Inquiry regarding the prevention and elimination of digital discrimination ([FCC 22-21](#)).

FCC Streamlined Decisions:

The FCC issued another set of “streamlined” precedent-based decisions ([DA 22-575](#)) 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 May’s streamlined decisions, the FCC:

1. E-Rate Granted:
 - a. One Request for Review and/or Waiver on competitive bidding not establishing price as the primary factor. The waiver was approved on the basis of the applicant having selected the lowest priced option.
 - b. One Request for Review and/or Waiver involving an appeal of a rejected invoice.
 - c. 136 Requests for Waiver for 177 late filed Form 471 applications filed within 14 days of the deadline.
 - d. Fourteen Requests for Waiver for sixteen late-filed Form 471 applications filed more than 30 days late due to Covid-related issues.
 - e. 69 Requests for Waiver for 77 late-filed Form 471 applications “due to circumstances beyond their control.”
 - f. One Request for Waiver for a service implementation delay.
 - g. Four Requests for Waiver of the special construction service delivery deadline.
2. E-Rate Denied:
 - a. Four Requests for Waiver for late-filed Form 471 applications for which the “petitioners failed to present special circumstance justifying a waiver of the rule.”
3. ECF Denied:
 - a. Four Requests for Waiver for late-filed Form 471 applications for which the “petitioners failed to present special circumstance justifying a waiver of the rule.”

Note: The last two sets of denials are an important reminder that requests for waivers of late-filed forms — perhaps with the exception of late-filed Form 471s filed within 14 days — should include reasons for the delayed filings.

USAC ECF Newsletter Dated May 31 — Updated Prioritization FAQ

USAC’s [Emergency Connectivity Fund Program Newsletter of May 31, 2022](#), does not contain any new information that was not included in last week’s and other previous ECF newsletters. The question portion of the first FAQ, however, has been updated to reflect the closing of the third ECF window. That FAQ now reads as follows:

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

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. This means that those schools and libraries entitled to a higher E-Rate discount rate will receive funding ahead of those entitled to a lower discount rate, as reflected in the discount matrix provided in section 54.1708(c) of the ECF rules.

As such, for ECF applicants that applied in the third window and have a validated E-Rate discount, USAC will rely on the applicant’s current Category One E-Rate discount rate (adjusted for rurality, if applicable) based on the number of students eligible for free and reduced lunch through the National School Lunch Program (NSLP) to prioritize the review and processing of ECF applications received in the third application filing window. Applicants were permitted to provide updated information regarding their Category One E-Rate discount rate in the narrative box on their third window applications. (This information will be validated as part of the application PIA review process). For ECF applicants that applied in the third window and have not participated in the E-Rate program (and, therefore, do not have a validated E-Rate discount rate), USAC will validate their discount rate during the PIA review process.

What this FAQ does not address is the likely level of discount prioritization that may be approved based on the ECF-3 application demand and the available funding. A preliminary estimate of in-window demand by discount rate band is discussed in our [newsletter of May 30th](#). The summary table of that analysis, based on the total reported demand of \$2.8 billion, is shown below.

ECF Priority	Discount Band	Rural/Urban	NSLP Percent	Estimated Demand (\$M)		Funding Threshold
				By Band	Cummulative	
1	95%	Rural	75-100%	182	182	
2	90%	Urban	75-100%	1,185	1,367	
3	85%	Rural	50-74%	163	1,530	← at \$1.5 B
4	80%	Urban	50-74%	494	2,024	← at \$2.0 B
5	75%	Rural	35-49%	99	2,123	
6	65%	Rural	20-34%	57	2,179	
7	60%	Urban	35-49%	242	2,421	
8	55%	Rural	1-19%	31	2,452	
9	50%	Urban	20-34%	216	2,668	
10	40%	Urban	1-19%	126	2,794	
11	30%	Rural	<1%	10	2,804	
12	20%	Urban	<1%	19	2,823	

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What is not known about total demand is what late-filed ECF-3 applications, if any, may be granted waivers by the FCC. Precedent would suggest that waivers granted for late-filed applications could increase demand significantly. As discussed in our [newsletter of May 23rd](#), however, the FCC may

show less flexibility on ECF-3 waivers given that any additional demand, particularly by high discount applicants, may come at the expense of lower discount applicants with timely-filed applications.¹

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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¹ As an alternative, the FCC could continue to broadly grant late-filed application waivers but assign lower funding priority status to the waived applications so as not to disadvantage in-window filers.