North Carolina E-Rate Forum

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Funding Status for E-Rate and ECF

E-Rate for FY 2022:

Wave 8 for FY 2022 was issued on Thursday, June 9th, for \$75.8 million including \$423 thousand for eight North Carolina applicants. Cumulative commitments to date are \$1.71 billion including \$37.6 million for North Carolina. Nationwide, USAC has funded 84.9% of the FY 2022 applications representing 54.7% of the requested funding.

E-Rate for FY 2021:

USAC issued Wave 57 on Friday, June 10th, for \$1.36 million. As of Wave 57, commitments for FY 2021 stand at \$2.64 billion including \$84.2 million for North Carolina. Nationwide, USAC has funded 98.8% of the FY 2021 applications representing 95.8% of the requested funding.

ECF for 2021-2023:

The first wave of funding for ECF-3 applications totaling \$244 million — plus an additional \$18 million (designated Wave 16) for ECF-1 and ECF-2 applications — was released on Thursday, June 9th, including \$1.65 million for five North Carolina applicants.

Wave 1 approvals for ECF-3 applications appear to be limited to the 95% rural and 90% urban discount applicants. This would be in line with our analysis of ECF-3 demand, summarized in the table below, and the FCC's prioritization plan (see our <u>newsletter of May 30th</u>).

ECF Priority	Discount Band	Rural/ Urban	NSLP Percent	Estimated By Band	Demand (\$M) Cummulative	Funding Threshold
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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As of the <u>most recent ECF waves</u>, total commitments are \$5.14 billion including151 million for North Carolina. Nationwide, USAC has funded 63.6% of applications filed in all three ECF windows. Authorized disbursements as of last Friday totaled \$1.14 billion, a number unchanged from the previous two weeks.

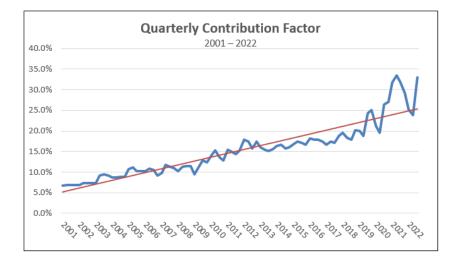
Updates and Reminders

Upcoming Dates:

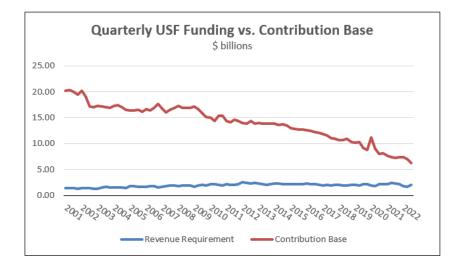
June 17	Form 486 deadline for FY 2021 covering funding committed in Wave 45. More generally, the Form 486 deadline is 120 days from the FCDL date or from the service start date (typically July 1 st), whichever is later. Upcoming Form 486 deadlines are:			
	Wave 46 06/24/2022			
	Wave 47 07/01/2022			
June 30	Reply comments due on the FCC's Notice of Inquiry regarding the prevention and elimination of digital discrimination (FCC 22-21).			
September 9	Last day of the "Summer Deferral" window giving applicants additional time to respond to PIA E-rate inquiries. No such deferral period is in effect for ECF inquiries.			

USF Quarterly Contribution Factor Back to Near High:

The FCC announced that the Proposed Third Quarter 2022 Universal Service Contribution Factor will be 33.0% (see <u>DA 22-623</u>). As shown below, the contribution factor has bounced back above the thirty percent level close to the 2Q21 high of 33.4%.



As we have discussed quarterly, and as shown in the graph below, the underlying problem is not so much that USF expenses are rising (although they were up a bit in the second quarter) but that the interstate end-user telecommunications revenue base continues to decline — down 18% in this past quarter alone.



USAC ECF Newsletter Dated June 7 — Same as Last Week

<u>USAC's Emergency Connectivity Fund Program Newsletter of June 7, 2022</u>, does not contain any new information that was not included in previous ECF 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.eratecentral.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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