

- Funding Status for E-Rate and ECF
 - E-Rate for FY 2022
 - ECF for 2021-2023
- Wi-Fi on School Buses If So, How?
- FCC Releases Two New ACP Orders
- Updates and Reminders
 - Upcoming Dates
- USAC E-Rate and/or ECF Newsletters Neither Last Week

Funding Status for E-Rate and ECF

E-Rate for FY 2022:

Wave 17 for FY 2022 was issued on Thursday, August 11th, for \$64.5 million including \$5.31 million for the North Carolina Department of Public Instruction. Cumulative commitments to date are \$2.28 billion including \$61.2 million for North Carolina. Nationwide, USAC has funded 94.1% of the FY 2022 applications representing 73.6% of the requested funding.

ECF for 2021-2023:

Wave 20 for ECF-1/2 and Wave 5 for ECF-3 was <u>issued</u> on August 10th for \$67.7 million including \$2.54 million for five North Carolina applicants. Total commitments are \$5.56 billion including \$157 million for North Carolina. Nationwide, USAC has funded 96.4% of the applications from ECF windows one and two, and 21.3% of applications from ECF window three. Authorized disbursements as of last Friday totaled \$1.53 billion.

Wi-Fi on School Buses — If So, How?

Last May, speaking at a meeting of the National Coalition of Technology in Education & Training ("NCTET"), FCC Chairwoman Jessica Rosenworcel <u>announced</u> a proposal to permit E-rate funds to be used to provide Wi-Fi on school buses. The <u>proposal</u>, if adopted, was to take the form of a Declaratory Ruling — not requiring a formal rulemaking — directing the Wireline Competition Bureau to include Wi-Fi on buses in the Eligible Services List ("ESL") for FY 2023.

It is now August, the month in which the draft of the ESL for the next year is traditionally published for public comment, but there has been no further indication from Chairwoman Rosenworcel, much less from the FCC directly, that school bus Wi-Fi is still on the table for FY 2023. If it is, there remains a host of issues that need to be addressed.

Earlier this month, if only to encourage a go/no-go decision from the FCC, the State E-Rate Coordinators' Alliance ("SECA") filed an <u>ex parte letter</u> with the FCC setting forth a series of questions that it believes should be answered if Wi-Fi on school buses is to be made E-rate eligible. Given the imminent release of the ESL, typically with a very short public comment period, SECA suggested that school bus Wi-Fi eligibility, if it is to be eligible at all, should be delayed until FY 2024. SECA's questions were as follows:

- 1. What will be the scope of the eligible equipment and services for Wi-Fi on buses?
- 2. Will there be any reasonable cost caps established for the equipment and service costs for Wi-Fi on buses?
- 3. Will Wi-Fi on buses be classified as Category 1 or Category 2, or both?
- 4. Is the eligibility of Wi-Fi on buses, as either Category 1 or Category 2, dependent on whether the equipment is leased or purchased? Similarly, does it matter whether the service provider packages the equipment as part of the managed service offering that consists only of monthly recurring charges?
- 5. What changes will be made to the Form 470 to reflect this new eligibility? How should applicants best describe their requests for equipment and services used to provide Wi-Fi on school buses?
- 6. If any Wi-Fi service or components will be classified as Category 2, will the FCC eliminate the prohibition against Non-Instructional Facilities (NIFs) from receiving Category 2 funding?
- 7. Will Wi-Fi on buses be considered eligible when buses are parked and used as hotspots and not being used to transport students?
- 8. Will the draft Eligible Services List recognize that off-campus usage of internet installed in schools and libraries when used by authorized users also serves an educational purpose, and does not require cost allocation?
- 9. How will applicants identify buses as recipients of service in program forms and other documents?
- 10. May Wi-Fi equipment and service supported by E-rate be installed in a bus that is not owned by a school and is used for transporting students via a transportation contract with the district?
- 11. In some urban areas, students may use public (municipal) buses to travel to and from school. Are these public buses considered "school buses" and thus are they eligible to have Wi-Fi equipment and service installed in them?
- 12. What measures are required to ensure that there is no duplication of E-rate funding and ECF funding for Wi-Fi on school buses?
- 13. Will CIPA apply to Wi-Fi equipment on school buses when owned or leased by schools?

Underlying many of these issues were two unstated questions:

- 1. How much would school bus Wi-Fi eligibility cost?
- 2. If E-rate eligibility is to be expanded, do other services e.g., cybersecurity represent more pressing needs?

FCC Releases Two New ACP Orders

The FCC released two new, but related, orders last week concerning the Affordable Connectivity Program ("ACP") — FCC 22-64 and FCC 22-65. While not directly related to either the E-rate or the ECF programs, we believe that ACP is, or should be, of interest to both schools and libraries. To review:

- ACP is an internet discount program providing discounts of up to \$30 per month on internet services and up to \$100 on connecting devices, for low-income families.
- For schools and libraries that <u>are not</u> participating in ECF, ACP offers a means of encouraging home internet services and devices for many students and/or patrons.
- For schools and libraries that <u>are participating in ECF</u>, ACP promises to provide continuing home internet access for many students and/or patrons for perhaps an additional five years when ECF funding is depleted in 2023.

The two new ACP orders are designed to promote — and fund — outreach efforts to encourage broader use of ACP discounts. In particular:

- FCC 22-64 The Second Report and Order establishes an Outreach Grant Program, budgeted at \$100 million, to provide eligible governmental and non-governmental entities funding to increase awareness of, and encourage participation in, ACP among eligible low-income households. The list of eligible grantees explicitly includes schools, libraries, and state governments (that could include state departments of education or state libraries).
- FCC 22-65 The Third Report and Order establishes a one-year pilot program, designated "Your Home, Your Internet," to increase awareness of ACP among recipients of federal housing assistance and to identify needed improvements in the application process. E-Rate Central believes that the pilot(s) could be structured to address multi-household discounts in low-income housing complexes more efficiently serviced by building-wide internet systems rather than individual internet subscriptions.

The administration of both ACP outreach programs is delegated to the FCC's Consumer and Governmental Affairs Bureau ("CGB") to develop the actual procedures and timelines for participant application, review, and oversight.

Updates and Reminders

Upcoming Dates:

August 18Form 486 deadline for FY 2021 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	09/06/2022
Wave 55	09/15/2022
Wave 56	09/26/2022

<u>Note:</u> The first Form 486 deadline for FY 2022 Waves 1-11, committed before July 1st, will be Monday, October 31st.

- August 26 ECF deadline for "Affected Applicants" to file requests with USAC asking to restore the voluntarily reduced months of service for their first or second window recurring service funding requests (see <u>DA 22-799</u> and our newsletter of August 1st).
- 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.
- September 30 Service delivery deadline for FY 2021 non-recurring services.

<u>Note</u>: Given the current state of global supply chain problems, the Schools, Health & Libraries Broadband ("SHLB") Coalition filed a blanket <u>waiver</u> with the FCC last week asking for an extension of the non-recurring service delivery deadline for both FY 2020 (that had already been extended one year) and FY 2021 for an additional year. Unless and until this waiver is approved, we recommend that applicants knowingly facing service delivery delays this fall file a Form 500 requesting their own extensions of the September 30th service delivery deadline.

USAC E-Rate and/or ECF Newsletters — Neither Last Week

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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