Weekly E-Rate Newsletter
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Funding Status for E-Rate and ECF

E-Rate for FY 2022:

Wave 22 for FY 2022 was issued on Thursday, September 15th, for \$33.0 million including only \$691 for one North Carolina applicant. Cumulative commitments to date are \$2.50 billion including \$62.9 million for North Carolina. Nationwide, USAC has funded 95.4% of the FY 2022 applications representing 81.4% of the requested funding.

ECF for 2021-2023:

Total commitments for all three ECF windows are \$5.76 billion including 159 million for North Carolina. Nationwide, USAC has funded 96.4% of the applications from ECF windows one and two and 29.3% of applications from ECF window three. Total disbursements as of last Friday were \$1.83 billion.

Updates and Reminders

Upcoming Dates:

September 20	Process (<u>register</u>). The second webinar, covering the same invoicing material, will be held on September 27 th (<u>register</u>).
September 21	Comments due on the FCC's proposed Eligible Services List (<u>DA 22-878</u>) for FY 2023. Reply comments are due October 6 th .
September 26	Form 486 deadline for FY 2021 covering funding committed in Wave 56. 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.

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September 30 Service delivery deadline and/or the deadline for requesting a service delivery deadline extension for FY 2020 and FY 2021 non-recurring services.

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

October 18 Beginning of USAC's fall E-rate training program (see News Brief below).

October 24 Nominations due for six USAC Board of Directors positions (see DA 22-877).

October 25 EPC administrative window opens (see News Brief below).

October 28 Invoice deadline for FY 2021 recurring service FRNs and/or the deadline

for requesting a one-time 120-day extension to February 27, 2023.

October 31 The first Form 486 deadline for FY 2022 Waves 1-11, committed before July 1, 2022 (see News Brief below).

LAUSD and E-Rate Cybersecurity Eligibility:

Cybersecurity is a major concern for schools across the country. Much as we hated to see the recent ransomware attack on the Los Angeles Unified School District ("LAUSD"), one of the largest school districts in the nation, the attack may finally have generated enough publicity to goad Congress and/or the FCC into action. LAUSD itself wrote a <u>letter</u> to all the FCC Commissioners last week urging them to make cybersecurity eligible. A recent joint statement by CoSN, SECA, SETDA, and SHLB is illustrative of the broader E-rate community's response to the LAUSD attack. It reads:

The recent cyber-attack on the LA Unified School District, along with hundreds of similar attacks on schools, libraries, and other educational institutions over the past few years, highlights the urgent need for federal officials to take immediate action to protect our nation's educational entities from cyber-attacks. The FBI, the Cybersecurity and Infrastructure Security Agency (CISA), and the Multi-State Information Sharing and Analysis Center (MS-ISAC) have previously warned that educational networks are soft targets and vulnerable to cyber-criminal behavior, but the US government has not done enough to protect these networks from harm. The Consortium for School Networking (CoSN); State E-rate Coordinators Alliance (SECA); State Educational Technology Directors Association (SETDA); and Schools, Health & Libraries Broadband (SHLB) Coalition jointly call upon the Federal Communications Commission (FCC) to immediately modernize its definition of "firewalls" to allow E-rate funding to be used to safeguard school and library networks. We also urge the FCC to open a rule-making proceeding and take comment on the Petition filed by our organizations in February 2021 to adopt long-term solutions to this growing cybersecurity crisis.

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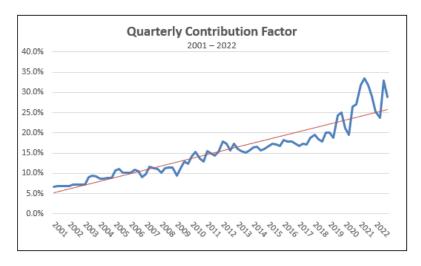
As an alternative, we have seen several suggestions lately that cybersecurity funding may be available under the Infrastructure Act of 2021. This Act does indeed provide \$1.2 billion in funding under the <u>Subtitle B—State and Local Cybersecurity Improvement Act</u>, but funding opportunities for schools and libraries are limited. Specifically:

- \$1 billion is earmarked for distribution to the states over four years \$185 million in fiscal 2022 (2022-2023), and approximately \$400 million in 2023, \$300 million in 2024, and \$100 million in 2025. North Carolina's share of the first year's funding is only \$5.36 million.
- Funding is for statewide use not just for schools and libraries largely for cybersecurity planning, not equipment.
- Additional details are available in the <u>Notice of Funding Opportunity</u> ("NOFO") just released last Friday.

E-rate eligibility remains the one viable source of funding for cybersecurity. Hopefully, the LAUSD attack will provide the wake-up call the FCC needs.

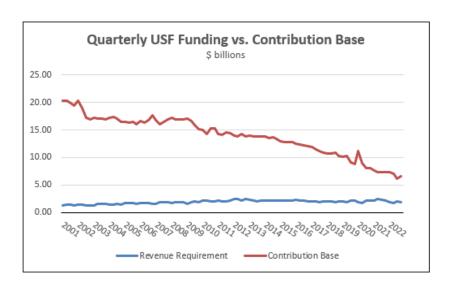
USF Quarterly Contribution Factor Back Under 30%:

The FCC announced that the Proposed Fourth Quarter 2022 Universal Service Contribution Factor will be 28.9% (see <u>DA 22-946</u>). As shown below, the contribution factor has been bouncing back and forth around the thirty percent level.



Although we are glad to see that the factor is back down for the fourth quarter, the trend is still disturbing. As we have discussed in the past, and as shown in the graph below, the underlying problem is not so much that USF expenses (i.e., the revenue requirements) are rising but that interstate telecommunications revenues (i.e., the contribution base) are rapidly falling.

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USAC E-Rate News Brief Dated September 15 – Seven Topics

<u>USAC's Schools and Libraries News Brief of September 15, 2022</u>, covers the following seven topics:

• USAC fall E-rate webinar schedule

Program Overview	October 18
Pre-Commitment Process	October 20
Category 2 Budgets	October 25
EPC Administrative Window	October 27
Post-Commitment Process	November 3
Eligible Services	TBA

- Invoice deadline for FY 2021 recurring service FRNs and/or the deadline for requesting a one-time 120-day extension is October 28th.
- The first Form 486 deadline for FY 2022 Waves 1-11, committed before July 1, 2022, is October 31st.
- The EPC administrative window, which allows applicants to update their entity profiles, opens October 25th. The window will close in early 2023 shortly before the Form 471 application window opens.
- At a November date, yet to be announced, service providers will be required to update their Form 498s to include their Unique Entity Identifiers ("UEIs") as assigned in SAM.gov. Note: Sometime in 2023, we expect that applicants filing BEARs will also be asked to add UEIs to their Form 498s.
- Initial comments are due September 21st on the FCC's proposed Eligible Services List (<u>DA 22-878</u>) for FY 2023. Reply comments are due October 6th.
- Form 470 FAQs:
 - When can I file a Form 470? [Short answer: Now.]
 - o What is an RFP and is one required? [Short answer: Recommended.]

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- o How do I count the 28-day competitive bidding waiting period? Do I include weekends and holidays? [Short answer: Calendar days.]
- How do I make corrections to an uncertified Form 470?
- What changes can I make to a certified Form 470? [Short answer: Few.]
- o My Form 470 does not show the correct number of entities. What do I need to do?
- What service/function should I list this service/product under on the Form 470?
- o Is a Form 470 always required? [Short answer: No.]
- What should I do if I submitted and certified a Form 470 and left off some services?

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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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