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## **Funding Status for E-Rate and ECF**

### *E-Rate for FY 2022:*

Wave 26 for FY 2022 was issued on Thursday, October 13<sup>th</sup>, for \$17.8 million including \$1.71 million for one North Carolina applicant. \$115 thousand none for E-Rate Central clients. Cumulative commitments to date are \$2.57 billion including \$66.0 million for North Carolina. Nationwide, USAC has funded 96.02% of the FY 2022 applications representing 84.7% of the requested funding.

### ECF for 2021-2023:

Total commitments for all three ECF windows are \$6.00 billion including \$171 million for North Carolina. Nationwide, USAC has funded 96.4% of the applications from ECF Windows 1 & 2 and 35.0% of applications from ECF Window 3. Total disbursements as of last Friday were \$1.96 billion.

#### SECA/SHLB/CoSN Respond to DOJ Bidding Portal Comments

Last August, the Antitrust Division of the Department of Justice ("DOJ") filed a <u>letter</u> with the FCC in strong support of a mandatory E-rate national bidding portal. The E-rate applicant community, as a whole, has been deeply concerned with the FCC's bidding portal proposal (see <u>FCC 21-124</u> and our <u>newsletter of January 31<sup>st</sup></u>) deeming it unnecessary and fearing that it would unduly complicate the E-rate competitive bidding process and would conflict with many state procurement rules. Earlier this month, three major stakeholder organizations — the State E-Rate Coordinators' Alliance ("SECA"), the Schools, Health & Libraries Broadband ("SHLB") Coalition, and the Consortium for School Networking ("CoSN") — filed an extensive response to the DOJ letter. The <u>response</u> stressed the following points:

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- 1. The DOJ''s claim that E-rate applicants and service providers simply self-certify compliance with bidding requirements fails to acknowledge the frequent, extensive prefunding and post-commitment auditing of underlying bidding documentation to confirm the veracity of these certifications.
- 2. A data analytics program, cited as a missing element in USAC's review of bidding practices, will be addressed as a result of a recent USAC contract to develop a fraud risk framework and conduct a fraud risk assessment of the E-rate program.
- 3. Representations that a bidding portal will best preserve source documents and preclude falsification of bidding documents ignores the reality that false bidding documents could be submitted or that improper bidding practices can be conducted outside the portal prior to the submission of bid documents.
- 4. Strictly limiting communications between consultants, applicants and service providers will adversely affect the quality of the bids received by, for example, prohibiting bidders' conferences and site visits. More importantly, many state and local regulations prescribe the manner and procedure for submitting bids and are at odds with a national E-rate bid portal.

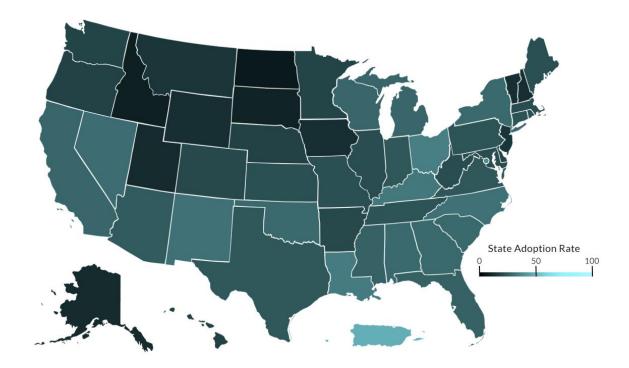
The SECA/SHLB/CoSN response concluded that "there are numerous compelling reasons to conclude the portal is not in the public interest and should not be adopted. There has been no evidence or rationale offered to justify such a seismic change in the competitive bidding process that has been effective during the past 25 years to enable the nation's students and library patrons to benefit from faster internet at lower prices."

## **ESH No-Home-Left-Offline Initiative and FCC ACP Pilot Programs**

EducationSuperHighway ("ESH") began a major push last week to encourage local and state organizations — including schools and school districts — to help promote the use of ACP discounts to provide free (or greatly reduced-priced) home internet service for low-income households. The ESH report, entitled "No Home Left Offline," calculates that 51.6 million homes are ACP eligible, but that only 25% have subscribed. Perhaps worse, from a broadband policy perspective, most of the participating households already had internet service. ESH estimates that 17.7 million ACP-eligible households are currently unconnected. If we are ever going to solve the Homework Gap, these homes must be brought online.

ESH also provides an <u>ACP Enrollment Dashboard</u> that shows current ACP usage by state (31% in North Carolina) and highlights those states (including North Carolina) whose governors have made ACP adoption a priority.

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Consistent with the goal of promoting ACP adoption, the FCC released a public notice last week (DA 22-1076) providing additional information on two pilot programs it will be funding. These pilot programs will give neutral third party entities (such as schools, school districts, or other local or state governmental entities) access to the centralized National Verifier system for purposes of assisting customers with ACP applications. Funding for these pilot programs is budgeted at \$100 million for up to 40 participants. Details on the application process should be released next month.

E-Rate Central encourages larger school districts, particularly those with a high proportion of unconnected households, to consider applying for participation in the "ACP Navigator Pilot Program." This pilot is specifically targeted for "[p]ublic and government entities, such as public schools and public school districts, and local, state, or Tribal government entities." Schools already providing ECF-funded internet to low-income families might consider proposing transitional programs to facilitate household ACP adoption as ECF funding runs out.

#### **Updates and Reminders**

# **Upcoming Dates:**

October 18 Beginning of USAC's fall virtual E-rate training program (see <u>registration</u> information on USAC's Webinars page).

Program Overview
October 18
Pre-Commitment Process
Category 2 Budgets
October 25
EPC Administrative Window
Post-Commitment Process
November 3
Elicible Services

Eligible Services TBA

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October 24	Nominations due for six USAC Board of Directors positions (see <u>DA 22-877</u> ).
October 25	EPC administrative window opens to permit E-rate entity updates.
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.

# **USAC E-Rate Special Edition News Brief Dated October 10 – Deadlines and Hurricanes**

<u>USAC's E-Rate Special Edition News Brief of October 10, 2022</u>, covers topics already discussed in our earlier newsletters, namely:

- The extension of certain FY 2020 and FY 2021 non-recurring service delivery deadlines from September 30, 2022, to September 30, 2023 (see our <u>newsletter of September 26<sup>th</sup></u>).
- FCC rule waivers for applicants affected by hurricanes Fiona and Ian (see our newsletters of September 26<sup>th</sup> and October 10<sup>th</sup>, respectively).

## USAC E-Rate Special Edition News Brief Dated October 12 – E-Rate System Consolidation

<u>USAC's E-Rate Special Edition News Brief of October 12, 2022</u>, previews USAC's plans to integrate invoicing (and pre-FY 2016 appeal and post-commitment) functions into EPC beginning this coming December. The biggest change for E-rate applicants and service providers will be that the BEAR and SPI systems, now functionally separate within USAC's One Portal, will be integrated into EPC. When this occurs, EPC Account Administrators may need to update user permissions and/or add new users into EPC.

USAC indicates that invoice information submitted will be the same but the interface will look different. Short demonstration videos are available for <u>BEAR (Form 472)</u> and <u>SPI (Form 474)</u> submissions. For additional information, see USAC's <u>E-Rate System Consolidation</u>. USAC will also add content to its <u>Announcements</u> and <u>Upcoming Dates</u> pages, and provide important information in its monthly <u>E-Rate News Briefs</u>.

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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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