North Carolina E-Rate Forum

Weekly E-Rate Newsletter
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FY 2023 Application Window

The FY 2023 Form 471 application window will close on Tuesday, March 28, 2023, at 11:59 p.m. EDT — see USAC's E-Rate USAC's E-Rate News Brief Dated February 16th.

Funding Status for E-Rate and ECF

E-Rate for FY 2022:

Wave 44 for FY 2022 was issued on Thursday, February 16th, for $2.51 million, none for North Carolina. Cumulative commitments to date are $2.83 billion including 71.1 million for North Carolina. Nationwide, USAC has funded 98.4% of the FY 2022 applications representing 94.7% of the requested funding.

ECF for 2021-2023:

Wave 18 for Window 3 was issued on Wednesday, February 15th, for $24.4 million including $424 thousand for one North Carolina district. Total commitments for all three ECF windows are $6.60 billion including $189 million for North Carolina. Nationwide, USAC has funded 85.3% of the ECF applications representing 67.4% of the requested funding. Window 3 applications are now being funded down to the 65% rural band. Reported disbursements as of last Friday were $2.78 billion.

FCC Cybersecurity Comment Filings

Last Monday was the deadline for filing comments on E-rate cybersecurity eligibility in response to the FCC's request (DA 22-1315). Most striking is the universal concurrence that cybersecurity is a major issue for schools and libraries; that, at a minimum, advanced firewalls should be fully E-rate eligible; that E-rate funds are already available to support cybersecurity eligibility; and that eligibility should be initiated as early as possible (conceivably for FY 2023). Links to many of the

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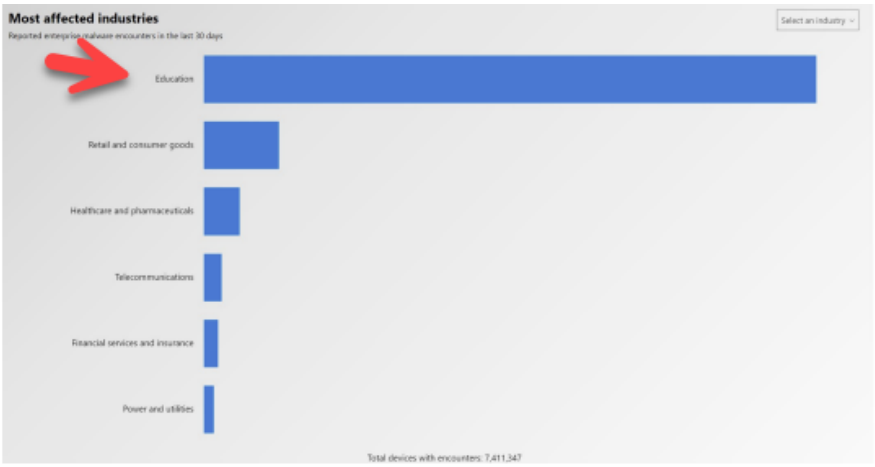
important and interesting comments filed by applicants, suppliers, and educational organizations are provided below.

American Library Association ("ALA")
California School Boards Association
Cisco Systems, Inc.
Connecticut Commission for Educational Technology
Consortium for School Networking ("CoSN") et al.
Council of the Great City Schools
CrowdStrike
Crown Castle Fiber LLC.
Cybersecurity Coalition and the Information Technology Industry Council
E-Rate Provider Services, LLC.
Illinois Office of Broadband
Los Angeles Unified School District
Michigan Educational Technology Leaders
Microsoft Corporation
NCTA – The Internet & Television Association
New York State E-Rate Applicants
Virginia Department of Education K-12 IT Advisory
Wisconsin Department of Public Instruction
Zscaler, Inc.

Many filers pointed to the unique and numerous cyber risks faced by the educational community. Most specifically, we were struck by the following chart in Microsoft's comments showing education as the industry most affected by cyber-attacks and the statistic that "over 80% of devices in the education sphere have experienced malware encounters in the last 30 days."



Numerous comments noted that funding was already available under both the annual E-rate funding cap and the remaining Category 2 budgets for FY 2023-2025 to support additional cybersecurity eligibility. The availability of E-rate funding was detailed in the New York State E-Rate Applicants' filing discussed in our newsletter of February 6th. Recognizing that the use of additional E-rate funding for cybersecurity might lead to a modest increase in the Universal Service

Fund contribution rate, we were encouraged that all the carrier filings supported expanded product and service cyber-eligibility.

The two major issues discussed in most responses concern: (a) exactly which cybersecurity products and services should become eligible; and (b), when should that eligibility take effect. The near unanimous answers to these questions were:

a. Advanced firewalls, at a minimum, should be fully eligible under Category 2. Longer-term, other cybersecurity products and services should become eligible under both Category 1 and Category 2.

b. Cybersecurity eligibility need not wait for the initiation of a new Category 2 budget cycle in FY 2026 and could be initiated even for FY 2023, if not FY 2024.

We note that while Congress and other federal agencies have and are providing information and other resources to address cybersecurity threats in education, only the FCC, through its E-rate program, has a sustained source of funding to provision and protect broadband connectivity for schools and libraries. The FCC has the power and the resources to act; they need only the will.

Updates and Reminders

Upcoming Dates:

February 21	USAC Q&A Office Hour session on the E-rate pre-commitment process (register).
February 24	The Form 486 deadline for FY 2022 Wave 28. 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 29 03/03/2023 Wave 30 03/10/2023
February 27	Extended invoice deadline for FY 2021 recurring services (applicable only for those applicants and service providers that had applied for an extended deadline on or before October 28, 2022).
February 28	Last possible date — **please do not wait until then** — to file a Form 470 for FY 2023 in order to: (a) meet the 28-day posting period; (b) close the bidding process and select the winning bidder(s); (c) sign any necessary contract(s); and (d) file the Form 471 application(s), all on the last day of the application window.
March 28	Close of the FY 2023 Form 471 application window at 11:59 p.m. EDT.
March 30	Reply comments due on requests to allow the use of E-rate funds for advanced or next generation firewalls and/or other network security services (DA 22-1315).

FCC Adopts New E-Rate Rules for Tribal Applicants:

The FCC, in its February 16th open meeting, approved a Notice of Proposed Rulemaking ("NPRM" — FCC 23-10). The NPRM seeks public comment on proposals to:

- Establish a definition of "Tribal" for the E-rate program.
- Add a Tribal representative to USAC's Board of Directors.
- Allow Tribal college libraries that serve a dual role as a public library in their communities to be eligible for E-rate support.
- Create an extended or separate application filing window for Tribal libraries.
- Increase the maximum discount rate level for Category 2 services from 85% to 90% for Tribal schools and libraries.
- Increase the Category 2 five-year $25,000 funding floor for Tribal schools and libraries.
- Exempt low-cost Category 2 services totaling less than $3,600 (prediscount) from competitive bidding requirements (as is currently the case for commercially available internet services).
- Simplify the cost allocation rules for libraries sharing equipment and services with ineligible entities.

As discussed in our newsletter of February 6th, certain aspects of the new Tribal proposals may also apply to "other small non-Tribal applicants." Initial NPRM comments will be due 45 days after publication in the *Federal Register* with reply comments due 30 days thereafter.

USAC E-Rate News Brief Dated February 16 — Multiple Topics

USAC's E-Rate News Brief Dated February 16, 2023, covers the following topics:

- The upcoming February 28th invoice deadline for FY 2021 recurring services.
- FY 2023 Form 471 application window.
    - Use of the Form 471 bulk upload tool.
    - Handling unresponsive "Spam" bids and "robobids."
    - February 28th is the last day to file a Form 470.
    - Preparing for filing a Form 471.
    - The interim SPIN 143666666 will be available for use on March 14th.
    - Use RAL modification requests to update certified Form 471s.
- Unique Entity Identifiers ("UEIs") will be required soon for Form 498s.
- New Open Data Tools are now available for E-Rate Search Commitments and E-Rate Window Reporting.

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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.

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