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FY 2023 Application Window

The FY 2023 Form 471 application window will close next Tuesday, March 28, 2023, at 11:59 p.m. EDT — see <u>USAC's E-Rate News Brief Dated February 16th</u>. Many of the submitted FY 2023 applications are already designated as "Wave Ready" and are likely to be approved in the early funding waves expected to begin in late April.

Funding Status for E-Rate and ECF

E-Rate for FY 2022:

Wave 48 for FY 2022 — barely a ripple, not a wave —was issued on Thursday, March 16th. The entire funding totaled only \$131 thousand for one Florida district. This is the strongest indication yet that USAC is left to processing the more problematic applications for FY 2022 and is now focusing on the new FY 2023 applications. Nationwide, USAC has funded 98.6% of the FY 2022 applications representing 96.1% of the requested funding. Cumulative FY 2022 commitments to date are \$2.84 billion including \$71.1 million for North Carolina.

ECF for 2021-2023:

Wave 30 for Windows 1 and 2, and Wave 20 for Window 3, were <u>issued</u> on Wednesday, March 15th, for \$1.74 million, none for North Carolina. Total commitments for all three ECF windows are \$6.62 billion including \$189 million for North Carolina. Nationwide, USAC has funded 86.2% of the ECF applications representing 67.6% of the requested funding. Window 3 applications are being funded down to the 65% rural band. Total disbursements as of the invoice batch completed March 3rd, were \$2.92 billion.

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Updates and Reminders

Upcoming Dates:

March 23 The Form 486 deadline for FY 2022 Wave 32. 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 33	03/31/2023
Wave 34	04/07/2023
Wave 35	04/14/2023
Wave 36	04/21/2023

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 (<u>DA 22-1315</u>).

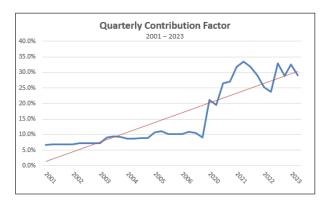
April 24 Due date for submitting comments on the FCC's Notice of Proposed Rulemaking (FCC 23-10) to further improve E-rate program rules and

Rulemaking (<u>FCC 23-10</u>) to further improve E-rate program rules and encourage greater Tribal participation (and potentially other small applicants) in the E-rate program (see our <u>newsletter of February 6th</u>). Reply

comments are due by May 23rd.

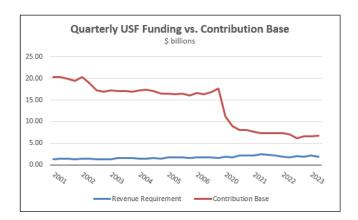
USF Quarterly Contribution Factor Back Under 30%:

The FCC announced that the Proposed Second Quarter 2023 Universal Service Contribution Factor will be 29.0% (see <u>DA 23-216</u>) — back under 30%.



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) have declined dramatically over the last decade and a half.

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At 29%, the quarterly contribution factor is still too high but is, at least, slightly below the increasing trend line for the past two decades. Should the contribution factor remain below the 30% level, it may give the FCC a bit more confidence in approving additional E-rate funding for cybersecurity products and services.

FCC Announces Additional Funding for ACP Outreach:

The FCC announced (<u>DA 23-219</u>) another series of funding awards under the Affordable Connectivity Outreach Grant Program to help support ACP enrollment assistance. Two weeks ago, as discussed in our <u>newsletter of March 13th</u>, the FCC awarded \$66 million to participants in two of the sub-programs — the National Competitive Outreach Grant Program and the Tribal Competitive Outreach Grant Program. Last week, the FCC awarded an additional \$7.445 million for two additional sub-programs — the Your Home, Your Internet ("YHYI") Outreach Grants and the Navigator Pilot Program ("NPP") Outreach Grants.

As discussed in earlier newsletters, the ACP program, which provides internet discounts of up to \$30 per month for low-income households, can provide a means for schools and libraries to ensure home internet access for students and patrons. Although no schools and only two libraries were included in the additional awards announced last week, we encourage other interested schools and libraries to reach out to grant recipients in their areas to help promote ACP participation. The latest recipients include the Inlivian housing authority in Charlotte, North Carolina

In a separate action, the FCC released a Fifth Report and Order for ACP (FCC 23-15) that will provide an additional \$10 million for the National Competitive Outreach Program and the Tribal Competitive Outreach Program to be made available as a part of a new yet-to-be-announced application process.

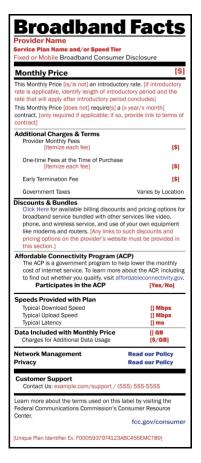
Broadband Labeling on E-Rate Internet Bids:

Last week was the deadline for submitting reply comments on the FCC's proposed rules (FCC 22-86) to require internet service providers ("ISPs") to display easy-to-understand labels to assist consumers in comparing prices and features for broadband services. The FCC's effort is in response to a requirement in the Infrastructure Act of 2021 and is expected to move forward. More specifically, the FCC has indicated its belief that "the labels could provide benefits in terms of

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enforcing E-Rate...rules, such as requirements to offer rates and terms that are comparable to the best available offer to non-Universal Service Fund (USF) recipients, or for purposes of making comparisons between rural and urban rates, or the like."

For internet services, the FCC has proposed — much like nutrition labels on food products — the following template:



A major issue from an E-rate perspective is the proposed breadth of the labeling requirement as it would apply to sophisticated RFPs and bid responses. Reply comments from the Schools, Health & Libraries Broadband ("SHLB") Coalition, for example, ask the FCC to clarify that the label requirements apply only to standardized "mass-market" internet services, not to more complex "enterprise and special access" services. Such a distinction is not clearly made in the current Notice of Proposed Rulemaking ("NPRM").

Discount Rate Optimization for FY 2023:

E-Rate Central has updated its online <u>Discount Rate Optimization</u> guidance including sample income survey letters in both <u>English</u> and <u>Spanish</u> based on the most recent income guidelines published by the U.S. Department of Agriculture for the <u>2023-2024 school year</u>.

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

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

- E-rate tips:
 - o The interim SPIN (14366666) is currently available for use
 - o Service Certifications, if requested, can be signed only by authorized users
 - SAM.gov assigned Unique Entity Identifier ("UEI") numbers will be required for BEAR filers in the second quarter of 2023
- Extended Customer Service Center ("CSC") hours for the final two days of the application window will be:

8:00 a.m. to 10:00 p.m. EDT on Monday, March 27th 8:00 a.m. to 11:59 p.m. EDT on Tuesday, March 28th

- Last-minute Form 471 filings tips covering:
 - o Returning to an incomplete Form 471
 - o Correcting information on a Form 471 after it is certified
 - o Guidance on advanced installation of non-recurring services
 - Contacting the Customer Service Center ("CSC")
- What to do if you missed the February 28th Form 470 deadline for FY 2023
- FY 2023 training recordings and slides
- E-rate program document retention requirements

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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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