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Funding Status for E-Rate and ECF

E-Rate for FY 2023:

USAC issued Wave 2 for FY 2023 on Thursday, May 4th for total funding of \$40.4 million including 477 thousand for eight North Carolina applicants. Total funding after two waves is \$1.08 billion including \$31.5 million for North Carolina. At this point, USAC has already funded two-thirds of the originally submitted applications representing over one-third of the dollars requested.

ECF for 2021-2023:

Total commitments for all three ECF windows are \$6.62 billion including \$189 million for North Carolina. Nationwide, USAC has funded 87.4% of the ECF applications representing 67.8% of the requested funding. Window 3 applications are being funded down to the 65% rural band. Total disbursements as last reported on April 14th were \$3.11 billion.

Updates and Reminders

Upcoming Dates:

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| May 8 | Due date for submitting comments on the USDA’s proposed change to expand CEP participation by lowering the ISP threshold from 40% to 25% (see our newsletter of March 27th). | | | | | | |
| May 12 | The Form 486 deadline for FY 2022 Wave 39. 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. Upcoming Form 486 deadlines are: <table border="0" style="margin-left: 40px;"> <tr> <td>Wave 40</td> <td>05/19/2023</td> </tr> <tr> <td>Wave 41</td> <td>05/26/2023</td> </tr> <tr> <td>Wave 42</td> <td>06/02/2023</td> </tr> </table> | Wave 40 | 05/19/2023 | Wave 41 | 05/26/2023 | Wave 42 | 06/02/2023 |
| Wave 40 | 05/19/2023 | | | | | | |
| Wave 41 | 05/26/2023 | | | | | | |
| Wave 42 | 06/02/2023 | | | | | | |
| May 23 | Due date for submitting reply comments on the FCC’s Notice of Proposed Rulemaking (FCC 23-10) to further improve E-rate program rules and encourage greater Tribal and small applicant participation (and potentially | | | | | | |

other small applicants) in the E-rate program (see our [newsletter of February 6th](#)).

June 30 Unless subsequently extended by the FCC, at least for late-approved ECF Window 1 and Window 2 applications, June 30th is the last day to receive service for home internet access and device purchases. The invoice deadline for these services is August 29, 2023.

Early Form 486 Reminder:

Once a Form 471 application has been approved and the applicant has received a Funding Commitment Decision Letter (“FCDL”), the next step is to file a Form 486. The Form 486 normally serves two purposes. The first, with one exception discussed below, is to alert USAC when the approved service(s) have begun or will begin shortly. The second is to certify that the applicant is compliant with the Children’s Internet Protection Act (“CIPA”). Until the Form 486 is filed and accepted by USAC, no invoice — neither BEAR nor SPI — can be approved. It behooves an applicant, therefore, to file the Form 486 as soon as possible. This is particularly important for an applicant wishing to have its service provider(s) discount recurring service bills beginning in July.

To facilitate the filing of early Form 486s, the form includes a special certification to indicate that services will begin in July. As long as services are to begin by July 31st, a Form 486 can be filed for any FRN approved in any funding waves released before July 1st. In this situation, the Form 486 includes a special certification — actually the first certification— reading:

The Funding Requests listed in this FCC Form 486 have been approved by USAC as shown in my Funding Commitment Decision Letter (FCDL). I have confirmed with the service provider(s) featured in those Funding Requests that these services will start on or before July 31 of the Funding Year.

We are currently in that time of the year when this special certification can and should be used.

For completeness, while noting the use of the “early” Form 486 certification, we should mention the flip side— the filing deadline. A Form 486 must be filed within 120 days of: (a) the start of service; or (b) the FCDL date — whichever is later. Assuming USAC sticks with its current funding wave schedule, ten waves will have been released before July. For services beginning July 1st, the Form 486 deadline will be October 30, 2023 (121 days in this case because the 120th day falls on Sunday.)

As an advance warning for Form 486 deadlines beginning October 30th for FY 2023 — and for the FY 2022 Form 486 deadlines listed above — it is important to note that, as the penalty for missing a filing deadline, USAC will reset the service start date of such a funding request to 120 days before the late Form 486 was actually filed. If the service start date is reset to any date after July 1st, the applicant may lose funding. As an example, suppose a late Form 486 for FY 2023 is not filed until February 1, 2024. In this case, the service start date will be reset to 120 days prior, namely October 4, 2023. That would mean either of the following:

- (a) Recurring services would only be funded from October 4, 2023, to June 30, 2024. For a full year service, the applicant would only receive nine months of discounts.

- (b) For non-recurring services, funding would depend on when the services were actually received. If received on or after October 4th, there would be no effect. If they were received before October 4th, however, the applicant would receive no E-rate funding.

Our advice: Use the early certification option to file your Form 486s as soon as possible after your funding is approved.

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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