Weekly E-Rate Newsletter Vol. 17, No. 34 August 21, 2023

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Funding Status for E-Rate and ECF

E-Rate for FY 2023:

USAC issued Wave 17 for FY 2023 on Thursday, August 17th, for \$61.14 million including \$12.7 million for eight North Carolina applicants. Total funding is now \$1.94 billion including \$78.1 million for North Carolina. At this point, USAC has already funded 91.4% of the originally submitted applications representing 66.3% of the dollars requested.

ECF for 2021-2023:

Total commitments for all three ECF windows are \$6.86 billion including \$193 million for North Carolina. USAC has funded 90.3% of the ECF applications representing 67.7% of the requested funding.

FCC Extends Near-Term ECF Invoice Deadlines

Acting expeditiously on a request submitted by T-Mobile USA, Inc., the FCC granted a limited waiver (<u>DA 23-669</u>) to extend the invoice deadlines of ECF Window 1 and 2 FRNs, many of which had a deadline of August 29th, until October 30th.

Invoice deadlines for ECF have always been tighter than for E-rate. The ECF rule has been — and generally remains — that invoices must be filed within 60 days of service delivery dates or of FCDL and RFCDL dates, whichever are later. The reason that so many FRNs had August 29th invoice deadlines was that the regular Service Delivery Date for Window 1 and 2 commitments was June 30, 2023 — 60 days prior to August 29th. The FCC's decision to extend all these invoice deadlines to at least October 30th was due, in part, to the recognition that it would ease the burden on schools as they began opening for the new school year.

The following two key points regarding this limited invoice extension should be noted:

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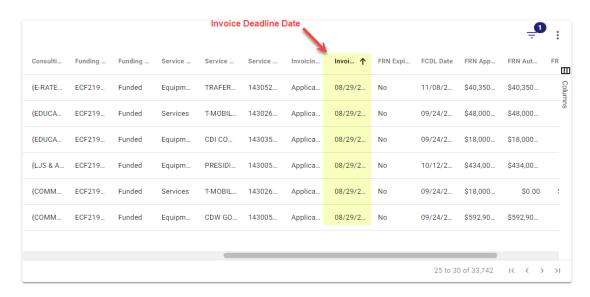
- 1. The FCC's Order does <u>not</u> change any Service Delivery Deadlines ("SDDs"). The normal SDD for Window 1 and 2 commitments was June 30, 2023. The SDD for late commitments or approved post-commitment changes is 180 days after the FCDL or RFCDL date, but not to exceed June 30, 2024.
- 2. The invoice deadline extension applies <u>only</u> to those FRNs that had previous deadlines from August 29th (the most common case) to October 29th. Existing invoice deadlines of October 30, 2023, or later, remain unchanged.

USAC has not yet put out an announcement of this invoice deadline extension, but we would not be surprised to see an ECF Program Newsletter including the topic issued later this week.

Warning: It is likely to take time for USAC to update its tools, databases, and templates to reflect the revised October 30th deadline. As of last Friday, for example, USAC's "New!" <u>ECF Invoice Deadline Tool</u>, launched on June 9th, was still showing the 08/29/2023 invoice deadline for all affected FRNs.

ECF Invoice Deadline Date Detailed Report

The report below includes data based on filtered applied above. To export data, click the ":" icon on the upper right hand corner of the report below.



Applicants should also be aware that boilerplate language in USAC's Revised Funding Decision Commitment Letters ("RFCDLs") may not reflect current deadlines. The decision section of a recent RFCDL, approving a change in device type, correctly calculated the new service delivery and invoice deadline dates but continued to show the following outdated text in the Rationale section:

The deadline for the service delivery date for all requests for equipment, other non-recurring services, and recurring services submitted during the first and second Emergency Connectivity Fund Program application filing windows has been updated to 6/30/2023 per FCC Order DA 22-176.

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Updates and Reminders

Upcoming Dates:

August 18	The Form 486 deadline for FY 2022 Wave 54. 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.
August 25	Due date for comments to the Senate's Universal Service Fund ("USF") Working Group (see article below and our <u>newsletter of July 31st</u>).
September 8	End of the summer deferral period for FY 2023 PIA reviews.
September 25	Due date for comments on the FCC's Further Notice of Proposed Rulemaking portion of (FCC 23-56) regarding additional rule changes to simplify E-rate (see the second half of the article in our newsletter of July 3rd). Reply comments are due October 23 rd .
October 2	Last day to receive service or to submit a Service Delivery Deadline request for FY 2022 non-recurring services. (Note: September 30 th , the normal Service Delivery Deadline falls on a Saturday this year.)
October 30	Invoice deadline for most Window 1 and Window 2 committed FRNs with service delivery deadlines of June 30, 2023. For details on other upcoming invoice deadlines, see USAC's <u>Emergency Connectivity Fund Invoice Deadline Tool.</u>
October 30	The first Form 486 deadline for FY 2023, for FCDLs issued on or before July 1 st (i.e., Waves 1-9).

Senate USF Comments Due August 25th:

One of the beauties of the E-rate program is that it is supported by the Universal Service Fund ("USF") and as such does not require annual Congressional appropriations. The downside is that USF funding, from its beginning, has come solely from contributions from interstate telecommunications carriers as a percentage — the "contribution factor" — of revenues. With the contribution factor now hovering around 35%, and threatening to go still higher, the USF mechanism is broken. The most logical fix is to expand the base of contributors to include internet service and content providers. If the basic USF mechanism can be fixed, the FCC may be encouraged to expand total USF funding to cover cybersecurity and increase subsidies for low-income household internet services.

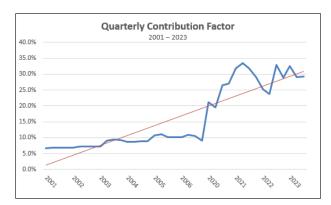
As discussed in our <u>newsletter of July 3rd</u>, a small bipartisan group of Senators, operating as the Universal Service Fund Working Group, are soliciting <u>comments</u> on reforming the USF program. Comments are due this Friday, August 25th. Submission of comments is a simple process of filling out contact information and uploading the comments in PDF form. We encourage those interested in USF reform to submit comments, perhaps if only to support the brief comments, shown below, that E-Rate Central submitted last Friday.

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To: Senate Members of the Universal Service Fund ("USF") Working Group

Four score and nine years ago under the Communications Act of 1934, our fathers brought forth on this continent a new telecommunications policy conceived in the belief that all people should have equal access to affordable telephone service. USF was the mechanism put in place to meet this goal. By contributing to a "universal service" fund, telephone companies would subsidize the provision of telephone service in high-cost areas. Recognizing that telephone service became more valuable to everyone — subscribers and carriers — as more people are connected, USF benefited all.

Today, internet service is the new telephone service. Although the USF program has matured over the years to add Lifeline, E-rate, and rural health support, the underlying funding mechanism, that relies on interstate telephone contributions, is broken. Not only has the contribution factor reached unfathomable heights but it is being assessed against the wrong parties.



Just as in the early USF days, when universal telephone services were supported by contributions from the telephone companies (and at least indirectly from the telephone subscribers), so too should universal internet services today be supported by the internet service and content providers. This would permit the USF contributions to be shared at a lower order of magnitude level by those companies and their customers benefiting from the availability of universal, affordable internet services.

Placing USF on a solid financial footing would also permit USAC to modestly expand existing USF programs to, for example, support the funding of cybersecurity protections within the E-rate and rural health programs. More importantly, it could also support the expansion of the Lifeline program to replace the low-income internet subsidies of the expiring Affordable Connectivity Program ("ACP") and the Emergency Connectivity Fund ("ECF") pandemic-driven initiatives.

USAC E-Rate News Brief Dated August 18 – Multiple Topics

USAC's E-Rate News Brief dated August 18, 2023, covers a host of topics including:

- Requesting Service Delivery Deadline ("SDD") extensions for FY 2022 non-recurring services (other than special construction.) Requests for extensions must be filed on or before October 2, 2023.
- The summer PIA deferral period for FY 2023 ends Friday, September 8th. PIA reviews which have been on hold for the summer period will resume.
- The following E-rate webinars will be held in September:

September 12 — Introduction to E-rate for Service Providers (register)

September 14 — Open Data 1: An Overview (register)

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September 21 — Open Data 2: Reports & Visualizations (<u>register</u>)

- Reminder of BEAR and SPI forms that the Customer Billed Date field is for recurring services and the Shipping Date to Customer field is for non-recurring services.
- Reminders for filing the applicant version of the Form 498.
- Review of the new Tribal Libraries Order (FCC 23-56). See our newsletter of July 24th.

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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