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Funding Status for E-Rate and ECF

E-Rate for FY 2023:

USAC issued Wave 21 for FY 2023 on Thursday, September 14th, for \$25.0 million, none for North Carolina. Total funding is now \$2.17 billion including \$81.0 million for North Carolina. At this point, USAC has funded 93.5% of the originally submitted applications representing 74.7% of the dollars requested.

ECF for 2021-2023:

Total commitments for all three ECF windows are at \$6.40 billion including \$187 million for North Carolina.

FCC Seeks Comments on Proposed ESL for FY 2024

The FCC has released and is seeking comments on its proposed Eligible Services List ("ESL") for FY 2024. The draft ESL contains only minor changes from the current funding year — see DA 23-819 (with changes highlighted in yellow).

Those hoping to see the FCC propose E-rate eligibility for additional services such as cybersecurity or school bus WiFi may be disappointed but should not be surprised. The FCC's annual proposal \rightarrow comments \rightarrow final ESL process has rarely been used to make other than minor changes.

FCC Chairwoman Rosenworcel's "Learn Without Limits" proposals, that would make school bus WiFi and hotspot loans eligible and establish a separate \$300 million cybersecurity pilot program, are likely to proceed along separate paths. In this regard, the Senate's recent confirmation of Anna Gomez as the third Democratic FCC Commissioner is considered a positive development (see our newsletter of September 11th) even if such proposals are not implemented in time for FY 2024.

Public comments on the proposed ESL are due by October 12th with reply comments due by October 26th. The final version of the ESL is expected by December as a pre-condition for the opening of the FY 2024 Form 471 application window in January.

Updates and Reminders

Upcoming Dates:

- 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 <u>newsletter of July 3rd</u>). Reply comments are due October 23rd.
- September 26 First USAC webinar of the upcoming E-rate system consolidation webinars (see schedule and registration information in <u>USAC's E-Rate Special Edition</u> <u>News Brief Dated September 14, 2023)</u>,
- September 26 First of two three-day E-rate "Boot Camps" run by NCDPI in Lake Junaluska (registration). A second session will be held November 7-9 in the Research Triangle.
- October 2 Last day to receive service or to submit a Service Delivery Deadline request for FY 2022 non-recurring services. (Note: September 30th, the normal Service Delivery Deadline, falls on a Saturday this year.)
- October 6 Revised due date (<u>DA 23-852</u>) for comments on the FCC's Notice of Proposed Rulemaking (<u>FCC 23-65</u>) on cybersecurity labeling for internet devices (see our <u>newsletter of August 14th</u>). Reply comments are due November 10th.

Note: <u>E-Rate Central's comments</u>, filed September 15th, encourage the FCC to extend its labeling proposal beyond printed labels for the devices themselves to electronic "labels" that can be "read" by the systems to which these devices are connected.

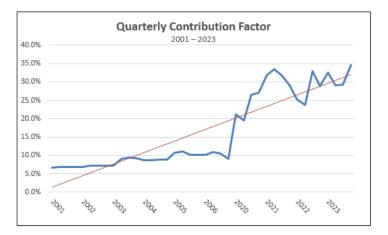
- October 12 Due date for comments on the FCC's Draft Eligible Services List for FY 2024 (DA 23-819). Reply comments are due October 26th.
- October 13 USAC's one-day E-rate in-person training in Washington, DC. Limited space was fully subscribed as soon as the training was <u>announced</u> but training material should become publicly available shortly before the training date.
- October 24 Nominations are due for six positions, including one school representative, on the USAC Board of Directors (see <u>DA 23-753</u>).
- October 30 E-rate invoice deadline for FY 2022 recurring services. (Note: October 28th, the normal invoice deadline, falls on a Saturday this year.) This is also the deadline for requesting an invoice deadline extension for the same FRNs.
- October 30 ECF 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</u> <u>Invoice Deadline Tool.</u>

- October 30 The first Form 486 deadline for FY 2023, for FCDLs issued on or before July 1st (i.e., Waves 1-9).
 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. The Form 486 deadline for FCDL's issued in Wave 10 would normally have been November 3rd (now probably November 7th as result of the EPC shutdown through November 6th).
- October 30 USAC <u>announced</u> that EPC will be unavailable to all users between October November 7 30th at 11:59 p.m. and November 7th.

USF Quarterly Contribution Factor Reaches New High:

The FCC announced (<u>DA 23-843</u>) that the Proposed Fourth Quarter 2023 Universal Service Contribution Factor will be 34.5% — exceeding the previous high of 33.4% in 2021.



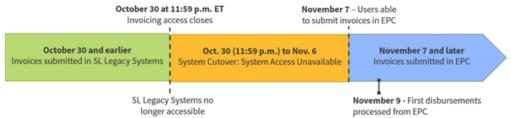
This is not good news, particularly for those hoping to see the FCC expand E-rate funding for cybersecurity and other services. The underlying problem is not that USF expenses (i.e., the revenue requirements) are rising but that interstate telecommunications revenues (i.e., the contribution base) have declined dramatically over the last decade and a half. The only real long-term solution, as summarized in <u>our recent comments</u> to the Senate Universal Service Fund Working Group, would be to expand the contribution base with internet service and content provider revenues (see our <u>newsletter of August 21st</u>).

USAC E-Rate Special Edition News Brief Dated September 14 – System Transition

<u>USAC's E-Rate Special Edition News Brief Dated September 14, 2023</u>, announces that the planned consolidation of the legacy E-rate billing system into EPC is expected to occur between October 31st and November 7th. Once the transition occurs, all invoice related forms will be moved into EPC. This includes:

- Form 472 Billed Entity Applicant Reimbursement ("BEAR") forms.
- Form 473 Service Provider Annual Certification ("SPAC") forms.
- Form 474 Service Provider Invoice ("SPI") forms.

The News Brief indicates that EPC will not be available during this transition period. System availability during this period is shown as follows:



Note: Access to the ECF system will not be affected during the transition.

What is not addressed in the News Brief is the impact of the EPC shutdown on deadlines for any forms or filings that would otherwise be due during that period. Note that an earlier version of the Special Edition News Brief, published on September 13th, indicated an EPC shutdown at 7:30 p.m. on October 30th that would have affected several deadlines expiring at 11:59 p.m. that day.

As shown in the Upcoming Dates section above, only the following deadlines will now be affected:

- The November 3rd Form 486 deadline for Wave 10.
- Any USAC appeal deadline falling within the October 30th to November 6th period.

We assume, but have not confirmed, that these deadlines would all become November 7th. A better assumption would be to treat all these deadlines as being October 30th, the preceding Friday.

In preparation for the transition, the News Brief announces the upcoming availability of e-Learning modules, system consolidation webinars, and "office hours" webinars. USAC also reminds EPC Account Administrators to check and verify that user permissions for individuals involved in the invoicing process are properly specified.

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.eratecentral.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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