



- Funding Status for E-Rate and ECF
 - E-Rate for FY 2023
 - ECF for 2021-2023
 - E-Rate for FY 2024
- Updates and Reminders
 - Upcoming Dates
 - Comment Period Set for Hotspot NPRM
 - Commissioner Simington Calls for Robust US Cyber Trust Mark
- USAC Emergency Connectivity Fund Program Newsletter of December 4 — Single Audits

Funding Status for E-Rate and ECF

E-Rate for FY 2023:

USAC issued Wave 33 for FY 2023 on Thursday, December 7th, for \$8.05 million including \$55 thousand for one North Carolina applicant. Total funding is now \$2.45 billion including \$84.4 million for North Carolina. At this point, USAC has funded 96.6% of the originally submitted applications representing 85.9% of the dollars requested.

ECF for 2021-2023:

After releasing new ECF waves regularly every two weeks, it has now been over five weeks since the last wave on November 1st. This suggests that USAC is approaching the end of the ECF funding process. Total commitments for all three ECF windows remain at \$6.46 billion including \$191 million for North Carolina.

E-Rate for FY 2024:

The EPC administrative window opened on October 24th. This allows applicants to update their entity profiles (including student counts and NSLP percentages) in advance of the FY 2024 application window. USAC will close the administrative window shortly before the Form 471 application window opens in mid-January, at which point EPC entity profiles will be locked during the window.

Updates and Reminders

Upcoming Dates:

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| December 15 | The Form 486 deadline for FY 2023 Wave 17. 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: |
| | Wave 18 12/22/2023 |
| | Wave 19 12/29/2023 |

January 8 Due date for comments on the FCC’s NPRM ([FCC 23-91](#)) on the eligibility of hotspot loans (see our [newsletter November 13th](#)). Reply comments will be due January 24th.

Comment Period Set for Hotspot NPRM:

The FCC’s Notice of Proposed Rulemaking (“NPRM”) ([FCC 23-91](#)) on the eligibility of hotspot loans (see our [newsletter November 13th](#)) has been published in the *Federal Register*. This sets January 8th as the due date for initial comments and January 24th for reply comments.

Commissioner Simington Calls for Robust US Cyber Trust Mark:

FCC Commissioner Nathan Simington made a strong [argument](#) at the Practicing Law Institute’s conference last week expressing the hope that the FCC’s proposed US Cyber Trust Mark program (see NPRM [FCC 23-65](#) and our [newsletter of August 14th](#)) would be based on “robust requirements.” To grant cyber labels to a class of devices meeting only a “list of vague criteria,” Simington argued, would reduce incentives of manufacturers to design, build, and maintain over time, robust cyber safeguards into their online devices. The award of a US Cyber Trust Mark, he believes, should:

[C]reate a legally enforceable contract between the seller and buyer of the connected device. The content of this contract should not just include representations about the product at a snapshot in time—that it uses a particular kind of encrypted communications protocol, that it is capable of being updated, that it supports user authentication, that it has no known vulnerabilities—but also promises about further action that the manufacturer will take, such as that it will provide security patches until at least a particular date, that it will continue to diligently search for vulnerabilities, and that it will maintain the security of any online services that support the product.

It is with a similar hope in mind that a few parties submitted comments on the FCC’s program to move beyond printed cyber labels to include electronic labels that could be read by systems to which such devices seek connections (see initial comments of [E-Rate Central](#), [Information Technology Industry Council \(“ITI”\)](#), and [National Electrical Manufacturers Association \(“NEMA”\)](#)).

USAC Emergency Connectivity Fund Program Newsletter of December 4 — Single Audits

[USAC’s ECF Program Newsletter Dated December 4, 2023](#), references recent updates to the FCC’s [Emergency Connectivity Fund FAQs](#) dealing with the Single Audit Act. This Act, which can be triggered by ECF funding but not by E-rate funding, requires annual audits of non-Federal entities that expend \$750,000 or more in federal assistance in a year to undergo audits by independent auditors. Single Audits of ECF recipients have been occurring with some regularity this past year, particularly in one northwestern state.

The FAQs in the FCC’s updated list include the following:

- What is the Single Audit Act?
- If I receive funding through the Emergency Connectivity Fund, am I subject to the Single Audit Act requirements? Short answer: Yes, if \$750,000 or more of funding is received.

- Which ECF funds must be reported on our Schedule of Expenditures of Federal Awards (“SEFA”) forms? Short answer: All funds reimbursed to the applicant or service provider.
- Once a Single Audit report is upload to the Federal Audit Clearinghouse, what will the FCC do? Short Answer: If a finding is identified, the FCC will issue an acknowledgement letter outlining the steps necessary to resolve the issue.
- What is a management decision letter (“MDL”)? Short answer: A summary of the FCC’s findings including any corrective action deemed appropriate.
- Will my school or library be required to pay back any funds? Short answer: “The FCC is committed to resolving Single Audit Act-related findings in a fair and equitable manner.”
- If an auditee demonstrates that an auditor's finding is inaccurate, how will the FCC treat that finding? Short answer: The FCC would issue a MDL that did not sustain the auditor’s findings and no auditee action would be necessary.
- What will school applicants need related to unmet need at the different stages of the ECF Program process (e.g., application, invoicing, or audits)? No short answer.

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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