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Funding Status

E-Rate for FY 2024:

Wave 4 for FY 2024 was released on Thursday, May 16th, for \$48.4 million including \$1.03 million for eighteen North Carolina applicants. Total funding, as of Wave 3\4, is \$1.23 billion including \$49.7 million for North Carolina. At this early point, USAC has already funded 68.0% of the originally submitted applications representing 39.7% of the dollars requested.

E-Rate for FY 2023:

No new funding wave for FY 2023 was issued by USAC last week. Total funding remains at \$2.62 billion including \$84.6 million for North Carolina. At this point, USAC has funded 98.2% of the originally submitted applications representing 95.9% of the dollars requested.

FCC Circulates Proposed Cybersecurity Pilot Order

Last week, the FCC released a [draft version](#) of the Schools and Libraries Cybersecurity Pilot Program rules that is scheduled to be voted on — and expected to be approved — at the FCC's next open meeting on June 6th.

Key aspects of the Order, when adopted, would:

- Provide up to \$200 million in USF support, separate from the E-rate program, to participating schools and libraries to defray the costs of eligible cybersecurity services and equipment.
- Allow a diverse array of schools and libraries to apply to be selected as participants in the Pilot Program. Applications will be evaluated, and participants will be selected, based on applicant type, discount rate, and the strength of the proposed projects contained in the applications.

- Leverage many of the existing forms, rules, and processes from the E-Rate, ECF and Connected Care Pilot programs. These rules and procedures will cover all aspects of the Pilot including seeking competitive bids, requesting eligible services and equipment, and submitting requests for reimbursement.
- Adopt robust program integrity protections, including competitive bidding and document retention, with USAC as the Administrator of the Pilot Program.
- Establish performance goals and data reporting requirements to track and measure the effectiveness of the Pilot Program.

The proposed Order, at 125 pages, provides considerable detail. Some of the more interesting and important provisions are discussed briefly below.

- **Three-year budgets:** Similar to E-rate’s Category Two, Pilot participants will be capped by pre-discount budgets of a minimum of \$15,000 per entity. Specifically:

(b) *Pilot Participant Budgets.* Each Pilot participant will be subject to a specific budget.

- (1) *Schools.* At a minimum, each eligible school or school district will receive \$15,000. Schools and school districts with 1,100 students or fewer will be eligible to receive the \$15,000 funding floor. For schools and school districts with more than 1,100 students, the budget is calculated using the pre-discount price \$13.60 per-student multiplier, subject a budget maximum of \$1.5 million.
- (2) *Libraries.* At a minimum, each eligible library will receive \$15,000. Library systems with more than 11 sites will be eligible for support up to \$175,000.
- (3) *Consortia.* Consortia comprised of eligible schools and libraries will be eligible to receive funding based on student count, using the pre-discount \$13.60 per student multiplier, and the number of library sites, using the \$15,000 per library budget. Consortia solely comprised of schools or comprised of both eligible schools and libraries are subject to the \$1.5 million budget maximum for schools and school districts. Consortia solely comprised of libraries will be subject to the \$175,000 budget maximum for library systems.

- **Pilot applications:** A new form — FCC Form 484 (see our [newsletter of January 29th](#)) — will be used to apply for participation in the Pilot and will be submitted in two parts.
 - Part One will request basic entity information; a broad description of the proposed project, equipment, and services; previous experience implementing cybersecurity protections; implementation, if any, of U.S. Department of Education or CISA recommendations; estimate of total project costs; plans to purchase equipment and services not covered by the pilot; and proposed project metrics.
 - Part Two, for applicants selected as a result of Part One applications, will request more detailed information including: information about known security flaws; existing cybersecurity posture; planned use of other funding; current training policies and procedures; and any non-monetary or other challenges.
 - The Order includes no discussion of application windows, leaving that to the discretion of the Wireline Competition Bureau.
- **Eligible services:** Appendix B of the proposed Order includes a detailed list of eligible products and services divided into four main categories.

- Advanced/next-generation firewalls.
 - Endpoint protection.
 - Identity protection and authentication.
 - Monitoring, detection, and response.
- **Other rules:** Other rules, many tracking with E-rate, are also set forth including:
 - Discount rates tracking with the Category One discount matrix.
 - A prioritization mechanism, if demand exceeds the \$200 million cap, to fund the highest discount applicants first.
 - A competitive bidding requirement for products and services using a Form 470-like process.
 - Identical record retention requirements.

The Cybersecurity Pilot Program has been supported by all five FCC Commissioners. We expect that the final Report and Order will be adopted, with at most minor changes, as set forth in this draft. We will revisit this topic after the June 6th Commission meeting.

Updates and Reminders

Upcoming Dates:

May 24	Form 486 deadline for FY 2023 Wave 40. 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; margin-top: 10px;"> <tr> <td style="padding-right: 20px;">Wave 41</td> <td>05/31/2024</td> </tr> <tr> <td>Wave 42</td> <td>06/07/2024</td> </tr> <tr> <td>Wave 43</td> <td>06/14/2024</td> </tr> </table>	Wave 41	05/31/2024	Wave 42	06/07/2024	Wave 43	06/14/2024
Wave 41	05/31/2024						
Wave 42	06/07/2024						
Wave 43	06/14/2024						
	The first Form 486 deadline for FY 2024, for applicants funded on or before July 1 st , will be October 29 th . Applicants filing before July 1 st should check the early filing certification box (see our newsletter of April 29th).						
May 28	Extended invoice deadline for FY 2022 non-recurring service FRNs.						
June 6	FCC open meeting for June at which the Commission will vote on rules to govern the three-year, \$200 million, cybersecurity pilot program (see article above). The FCC will also consider a proposal to require reporting on internet gateway protocol (see article below).						
June 30	Last day to receive FY 2023 recurring services.						
June 30	Last day to light fiber (or request an extension) for special construction projects from FY 2023.						
June 30	Last day to receive ECF Window 3 services; all equipment must be received by this date.						
August 29	Invoice deadline for ECF Window 3 applications.						

FCC Formalizes Full E-Rate Funding for FY 2024:

In what is little more than a belated formality, the FCC directed ([DA 24-457](#)) USAC to fully fund all eligible Category 1 and Category 2 requests for FY 2024. The FCC noted that USAC had already estimated the demand for funding, based on initial “In Window” applications, of \$3.24 billion against an inflation-adjusted cap of \$4.94 billion. Even accounting for an estimated \$96 million in additional funding requested in “Out Of Window” applications, submitted within the two-week grace period for which the FCC has traditionally granted waivers (and which it has already begun to do this year), available funding for this coming year clearly exceeds demand.

Proposed Internet Routing Security Reporting:

FCC Chairwoman Jessica Rosenworcel has [proposed](#) requiring the nine largest broadband providers to file confidential reports on Border Gateway Protocol (“BGP”) security so the FCC and its national security partners can collect more up-to-date information about this critical internet routing intersection. BGP is the technology used for routing information through the physical and digital infrastructure of the internet. The quarterly reports would allow the Commission to measure progress in the implementation of Resource Public Key Infrastructure (“RPKI”). RPKI is a security framework that helps Tier 1 network owners secure and validate routing between public internet networks to make sure internet traffic is going where it should through major junctions.

The proposal, which will be discussed in the FCC’s next open meeting on June 6th, is not being promoted as a cybersecurity measure, but tracking BGP implementation is one small step that the FCC can take to help assure that internet traffic is going to and from legitimate locations.

SPAC Status Update:

As we pointed out in [last week’s newsletter](#), USAC’s [Service Provider Download Tool](#), that many applicants have traditionally found to be the simplest online tool to determine whether their service providers are up-to-date in filing their Form 473s, Service Provider Annual Certifications (“SPACs”), is apparently no longer being updated for FY 2024 SPAC filings. This is important to applicants because USAC will not pay invoices — BEARs or SPIs — unless their service providers have filed SPACs for the associated funding years.

Over the past week, we have confirmed that FY 2024 SPAC information is being updated, not only in Open Date as discussed last week, but in two other USAC information sources. The following is a brief description of how to use those two tools. In these examples, the service provider has filed its FY 2024 SPAC.

First, to review the problem, here’s what USAC’s Service Provider Download Tool shows for this supplier listing only SPAC filings for 2016-2023, but not 2024.

SPIN	Service Provider Name	Doing Business As	Status	Contact Name	Email	Phone	Spac Filed (FCC Form 473)
143036431	Alternative Information Systems	same	Active	Brian Conley	bconley@aisbuffalo.com	716-831-9929	2016,2017,2018,2019,2020,2021,2022,2023

The first alternative is to use USAC's [E-Rate FRN Status Tool FY2016+](#). When you filter for the FY 2024 funding year and the service provider's SPIN, the resulting display shows "YES" in the SPAC column. Each row with a "Yes," in this case, is for a separate FY 2024 FRN. This data replicates the Open Data set we discussed last week. Note that the SPAC column is not immediately displayed but can be reached using the horizontal scrollbar.

The second approach is to sign into EPC and search for the service provider's administrative profile record. The Organization Details will — like the Service Provider Download Tool once did — show the history of SPAC filings including, in this case, 2024.

Records / Service Providers

#143036431 - Alternative Information Systems

Summary Consulting Firms FRN Appeals News Related Actions

Organization Details

Name	Alternative Information Systems	Organization Type	Service Provider Organization
Doing Business As	same	DUNS Number	188120984
SPIN	143036431	Status	Active
		FCC Form 473/SPAC Filed	2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024

Our hope is that USAC will resume updating the Service Provider Download Tool. But unless, and until, that happens, there are three other USAC tools with up-to-date SPAC information.

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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