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## Funding Status

### *E-Rate for FY 2024:*

Wave 14 for FY 2024 was released on Thursday, July 25<sup>th</sup>, for \$73.6 million including \$105 thousand for nine North Carolina applicants. Total funding is now \$1.81 billion including \$55.1 million for North Carolina. At this point, USAC has funded 86.3% of the originally submitted applications, representing 59.5% of the dollars requested.

## FCC Posts Cybersecurity Pilot FAQs

When new programs are put in place for schools and libraries by the FCC, the originating Report and Order typically provides only the formal regulations. Further details and clarifications are then provided over time as the FCC expands upon the Order and responds to questions by providing further guidance. As we saw in the ECF program, further FCC guidance was provided in an extensive list of FAQs. Additional information on the FCC's new Cybersecurity Pilot will, apparently, be provided in a similar manner.

Last Tuesday, in parallel with a webinar held jointly with the U.S. Department of Education, the FCC added an [initial list of cyber Pilot FAQs](#) to its [Pilot website](#). Following the ECF model, we expect that the list of Pilot FAQs will be updated and expanded over time.<sup>1</sup> A sample of some of the more important Pilot FAQs, together with abbreviated answers, is provided below.

### **1.1 Q: When will the application window open for the FCC's Cybersecurity Pilot Program?**

Short answer: Expected this fall (our guess is September).

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<sup>1</sup> For comparison purposes, we note that the initial list of Pilot FAQs is 8 pages long. The current list of [ECF FAQs](#) is 44 pages long.

**1.5 Q: When will Pilot funding be available to buy cybersecurity equipment and services? Will funds be available beginning July 1, 2025, like in the E-Rate program?**

Short answer: Not necessarily.

**2.2 Q: Can I use other funds, including universal service, state, local, federal, or Tribal resources, to pay for cybersecurity equipment and services?**

Short answer: Yes, but not for the same services and equipment.

**3.4 Q: Can I apply and participate in the Pilot Program individually, as well as part of a consortium?**

Short answer: No.

**4.2 Q: Can funds be used to pay for cybersecurity services and equipment (including renewal licenses) that I'm already receiving?**

Short answer: It depends. Services and equipment must have been properly and competitively bid.

**4.3 Q: Can funds be used retroactively, to pay for services and equipment that were purchased and used last year?**

Short answer: No.

**5.2 Q: To the extent the FCC is prioritizing applicants with the "greatest need," how is that defined?**

Short answer: Applicants with the highest discount rates will be prioritized.

**5.7 Q: Will everyone who applies for the Pilot Program be selected?**

Short answer: No. See FAQ 5.2.

**6.1 Q: Will the FCC Forms 470/471 for the Pilot Program be the same ones that are used for E-Rate?**

Short answer: No, but they will be similar.

**7.1 Q: Will the applicant have the option to select which invoicing method is used or will the service provider be able to decide?**

Short answer: Applicants may decide.

**7.2 Q: Will reimbursement be each year? Or at the end of the last year of the Pilot?**

Short answer: Invoices may be filed for equipment and services as they are received and/or provided.

**8.1 Q: Are there special reporting requirements that a Pilot participant would need to satisfy?**

Short answer: Yes.

For more thorough answers, please refer to the full FAQ listing — and check it frequently for updates. We also suggest that interested parties sign up for the FCC's [Pilot email updates](#).

## Updates and Reminders

### *Upcoming Dates:*

August 1	USAC webinar on the Form 470 and Competitive Bidding ( <a href="#">registration</a> ).
August 2	Form 486 deadline for FY 2023 Wave 50. More generally, the Form 486 deadline is 120 days from the FCDL date, or the service start date (typically July 1 <sup>st</sup> ), whichever is later. Upcoming Form 486 deadlines are:
	Wave 51                      08/09/2024
	Wave 52                      08/16/2024
	Wave 53                      08/23/2024

The first Form 486 deadline for FY 2024, for applicants funded on or before July 1<sup>st</sup>, will be October 29<sup>th</sup>.

- August 6 USAC webinar providing an overview of the Cybersecurity Pilot Program ([registration](#)).
- August 13 USAC webinar for E-rate beginners ([registration](#)).
- August 15 USAC webinar on Wi-Fi hotspot eligibility ([registration](#)).
- August 20 USAC webinar to review the information to be required in the Pilot’s initial application, the Form 484 Part One ([registration](#)).
- August 22 Introductory USAC webinar for service providers new to the E-rate program ([registration](#)).
- August 27 USAC webinar with an overview of the Open Data system ([registration](#)).
- August 29 USAC Open Data training on creating reports and visualization ([registration](#)).
- August 29 Invoice deadline for ECF Window 3 applications.<sup>2</sup>
- August 30 Our estimate of Form 470 availability for Funding Year 2025 (see our [newsletter of July 15 and USAC E-Rate News Brief summarized below](#)).

*One Appeals Court Finds USF Funding Unconstitutional:*

In a 9-7 split decision, the en banc 5<sup>th</sup> Circuit Court of Appeals deemed the Universal Service Fund (“USF”) funding mechanism to be unconstitutional. Were this decision to hold up to what will surely be additional challenges, E-rate (including the new Cybersecurity Pilot) and the three other USF-funded programs would be in jeopardy.

The 5<sup>th</sup> Circuit found that USF fees were a “misbegotten tax” originally delegated to the FCC by Congress but then improperly sub-delegated to USAC, a private corporation. The seven dissenting judges argue — correctly in our view — that USF charges are administrative fees, not “taxes” and that, in any event, USF fees are set and collected under the direct control of the FCC.

FCC Chairwoman Jessica Rosenworcel’s statement on the decision reads:

This decision is misguided and wrong. It upends decades of bipartisan support for FCC programs that help communications reach the most rural and least-connected households in our country, as well as hospitals, schools, and libraries nationwide. The opinion reflects a lack of understanding of the statutory scheme that helped create the world’s best and most far-reaching communications network. We will pursue all available avenues for review.

In similar recent cases, the 6<sup>th</sup> and 11<sup>th</sup> Circuit Courts of Appeals reached the opposite conclusion upholding the USF funding mechanism. Ultimately, a final decision on this issue may have to be

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<sup>2</sup> The government funding bill passed in March 2024 rescinds \$1.768 billion from the ECF program. As a result, the FCC and USAC are now prevented from processing post-commitment requests to change service providers or invoicing methods, approving a commitment if an appeal or waiver is granted, or making upward commitment adjustments to resolve errors (see [USAC’s ECF Newsletter for June](#)).

settled by the U.S. Supreme Court. For now, USF — including E-rate — will continue as it is. Clearly, however, this will be an issue to follow.

## **USAC Cybersecurity Pilot Program Newsletter Dated July 25**

[USAC's Cybersecurity Pilot Newsletter dated July 25, 2024](#), discusses three important aspects of the Pilot Program, namely:

- The two basic steps that applicants should take in preparation for filing applications.
  1. Evaluate your school, library, or consortia's cybersecurity needs:
    - Set goals and objectives for participation;
    - Identify risks the Pilot Program can help address;
    - Evaluate your cybersecurity experience and expertise;
    - Identify a designated cybersecurity officer or senior staff member; and
    - Develop a list of services and equipment to be purchased.
  2. Obtain necessary registrations or confirm that the necessary registrations are up to date, including:
    - [FCC Registration Number](#) (FRN);
    - [USAC Billed Entity Number](#) (BEN);
    - [E-Rate Productivity Center](#) (EPC) User Registration; and
    - [Unique Entity Identifier](#) (UEI).
- A warning that applicants on Red Light status will not be eligible to apply for the Pilot.
- Applicants working with E-rate consultants must specifically grant them access to their Pilot EPC accounts.





The newsletter also announces three August webinars for E-rate and the Cybersecurity Pilot (see Upcoming Dates above). Interested parties, who did not receive this Pilot newsletter, can sign up for [Pilot Program Emails](#).

## **USAC E-Rate News Brief Dated July 25 – Form 470**

[USAC's E-Rate News Brief dated July 25, 2024](#), provides reminders concerning the Form 470 and competitive bidding. Most importantly, as we have been tracking in our recent newsletters, it discusses the delayed availability of the Form 470 for FY 2025 pending updates for applicants planning to apply for newly-eligible Wi-Fi hotspots. Applicants needing to file Form 470s now for FY 2025 services may use the currently available Form 470 for FY 2024 if they include Narrative explanations in the existing Form 470 and in any associated RFPs.

The newsletter also lists the E-rate and Open Data webinars planned for August (see Upcoming Dates above) and the in-person USAC training schedules for later this year.

A newsletter “Tip” points to a new USAC [System Availability dashboard](#) that shows the current status of USAC systems starting with the E-rate EPC and ECF systems. Users experiencing problems with any of these systems can quickly determine whether a specific USAC system is in any of the following states:

-  Service Available
-  Service Disruption
-  Service Outage
-  Scheduled Maintenance

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*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](mailto:join-ncerate@lists.dpi.state.nc.us). Please include your name, organization, telephone, and e-mail address.*

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