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Funding Status

E-Rate for FY 2024:

Wave 16 for FY 2024 was released on Thursday, August 8th, for \$80.5 million including \$502 thousand for eight North Carolina applicants. Total funding is now \$1.96 billion including \$56.9 million for North Carolina.

Currently, USAC has funded 89.5% of the originally submitted applications, representing 64.9% of the dollars requested.

Insights into the Cybersecurity Pilot Forms

Although USAC and the FCC have not yet released details of the forms it will use to administer the Cybersecurity Pilot, it has already provided extensive information to OMB on the forms and their intended usage. An initial OMB filing was made last January that provided preliminary descriptions of the fields to be included in the new Form 484 (see our newsletter of January 29th). A slightly <u>updated version</u> of the Form 484 field descriptions became available last month. The actual Form 484 (Part 1 and Part 2), as well as other Pilot forms¹ modeled after E-rate and ECF forms, are currently awaiting formal OMB approval. All Pilot forms will be submitted in a separate section of EPC, much like the sections currently established for E-rate and ECF.

More important than the Pilot forms themselves is an understanding as to how they will be used. An introduction to that plan is provided in a "<u>Supporting Statement</u>" recently filed with OMB that addresses what to us has been a major question, namely: Where in the Pilot process will USAC and the FCC narrow the number of interested applicants, initially expect to be numerous, down to a manageable number of schools and libraries sharing the \$200 million Pilot cap?

¹ The Pilot versions of the invoicing <u>Forms 472 and 474</u>, for example, will include certifications specifically referencing the Cybersecurity Pilot Program rules.

The answer to this question is that the first cut — and perhaps only cut unless funding is constrained and rationed by discount rate — will occur after a review of the first part of the Form 484s. As indicated in the Supporting Statement:

Specifically, all schools, libraries, and consortia...interested in participating in the Cybersecurity Pilot Program will submit the first part of an application (Schools and Libraries Cybersecurity Pilot Program Application, FCC Form 484) that collects general information about how they will use the Pilot funds and provides an overview of their proposed Cybersecurity Pilot projects. Eligible entities will then be selected to participate in the Cybersecurity Pilot Program from the set of applicants that file the first part of the Cybersecurity Pilot Program Application, FCC Form 484. Applicants who are selected as Pilot participants will file the second part of the Cybersecurity Pilot Program Application, FCC Form 484.

We anticipate that only those applicants surviving the first Form 484 cut will have access to the second, and more detailed, part of the Form 484 in EPC. Assuming a normal OMB form approval process. We envision an FCC announcement of the initial Form 484 window opening in September.

Updates and Reminders

Upcoming Dates:

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August 13	USAC webinar on cybersecurity for E-rate and EPC beginners (registration).
August 15	USAC webinar on Wi-Fi hotspot eligibility (registration).
August 16	Form 486 deadline for FY 2023 Wave 52. More generally, the Form 486 deadline is 120 days from the FCDL date, or the service start date (typically July 1 st), whichever is later. Upcoming Form 486 deadlines are:
	Wave 5308/23/2024Wave 5409/10/2024Wave 5509/23/2024
	The first Form 486 deadline for FY 2024, for applicants funded on or before July 1 st , will be October 29 th .
August 20	USAC webinar to review the information to be required in the Cybersecurity Pilot's initial application, the Form 484 Part One (<u>registration</u>).
August 22	Introductory USAC webinar for service providers new to the E-rate program (<u>registration</u>).
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. ²

² 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 <u>USAC's ECF Newsletter for June)</u>.

August 30Due date for public comments on the FCC's proposed Eligible Services List
("ESL") for FY 2025 (DA 24-743). Reply comments are due September 16th.August 30Our estimate of Form 470 availability for Funding Year 2025 (see our
newsletter of July 15.

U.S. Sues TikTok over Children's Privacy:

The U.S. Department of Justice ("DOJ"), together with the Federal Trade Commission ("FTC"), filed a civil suit against TikTok and its parent company ByteDance for alleged violations of the Children's Online Privacy Protection Act ("COPPA"). As summarized in the <u>DOJ press release</u>, "COPPA prohibits website operators from knowingly collecting, using, or disclosing personal information from children under the age of 13, unless they provide notice to and obtain consent from those children's parents. It also requires website operators to delete personal information collected from children at their parents' request."

This month's suit follows a 2019 government suit against TikTok's predecessor that resulted in a court order requiring the company to undertake specific actions to comply with COPPA. Since then, according to the DOJ's suit, "TikTok knowingly permitted children to create regular TikTok accounts and to create, view, and share short-form videos and messages with adults and others on the regular TikTok platform. The defendants collected and retained a wide variety of personal information from these children without notifying or obtaining consent from their parents." Reportedly, this occurred even with accounts that were created in "Kids Mode" (a special version of TikTok intended for children under 13).

For its part, the FTC is seeking penalties in excess of \$50,000 per violation per day that, should TikTok be found liable, could total billions of dollars. TikTok is already facing fines from the European Union and in Britian over its handing of children's data.

Meanwhile, in Congress, the Senate has just passed a bill to expand the data protection provisions of COPPA to cover teenagers up to the age of seventeen. Enactment would require approval by the House of Representatives, currently in recess until September.

How USF Impacts the States:

As a part of the FCC's response to the recent 5th Circuit Court of Appeals ruling that the Universal Service Fund ("USF") was unconstitutional (see our <u>newsletter of July 29</u>), the FCC released a <u>state-by-state impact summary</u> of funding each state has recently received from E-rate and the other three USF programs. The summary notes that the recent 5th Circuit's decision breaks with two earlier decisions by the 6th and 11th Circuit courts and that FCC Chairwoman Rosenworcel has vowed to "pursue all available avenues for review."

The E-rate summary for 2022-2024 indicates that for North Carolina alone, 3,022 schools and 242 libraries received \$207,161,545 for broadband connectivity and internal connections benefiting 1,738,327 students.

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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