Weekly E-Rate Newsletter Vol. 18, No. 38 September 16, 2024

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Funding Status

E-Rate for FY 2024:

Wave 21 for FY 2024 was released on Thursday, September 12th, for \$22.7 million including \$103 thousand for one North Carolina applicant. Total funding is now \$2.20 billion including \$65.7 million for North Carolina. Currently, USAC has funded 93.2% of the originally submitted applications, representing 73.5% of the dollars requested.

Cybersecurity Form 484 Part 1 Application Window Opens September 17

The first important application window for the FCC's Cybersecurity Pilot Program opens this Tuesday, September 17th, and will close Friday, November 1st, at 11:59 p.m. EST. The first window requires the filing of the Form 484 Part 1 ("Form 484-1") expressing interest in participating in the FCC's three-year \$200 million Pilot.

As discussed in our <u>newsletter of August 26</u>, the Form 484-1 will serve as an initial screening mechanism for participation in the Pilot. We expect that only a subset of the applicants submitting this first form will be selected by the FCC to participate in the Pilot itself. Those selected will then be able to file the remaining forms: (a) the Form 470 to initiate competitive bidding for Pilot equipment and services; (b) the Form 484 Part 2 ("Form 484-2") to provide more detailed information on their Pilot plans; and (c), the Form 471 to apply for actual Pilot funding.

To assist applicants in completing the Form 484-1, USAC has released the <u>Schools and Libraries</u> <u>Cybersecurity Pilot Program Application User Guide</u>, <u>FCC Form 484 Part 1</u>. The Guide covers:

- Pre-application user registration requirements
- Navigating the new CBR portal dashboard
- Form 484-1 requirements including:
 - Participant selection
 - o Proposed plan
 - Proposed costs
 - Reporting metrics
 - Supporting documentation
- Links to free and/or low-cost cybersecurity resources

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Updates and Reminders

Upcoming Dates:

- September 16 Due date for reply comments on the FCC's proposed Eligible Services List ("ESL") for FY 2025 (DA 24-743).
- September 17 Opening date for filing Form 484 Part 1 to apply for participation in the FCC's Cybersecurity Pilot Program (see article above). The Form 484 Part 1 window closes on November 1st.
- September 17 USAC Webinar: Pilot Program Form 484 Part 1 System Walkthrough (registration).
- September 19 With the exception of a couple of amendments subsequently published in the *Federal Register*, the FCC's hotspot order (<u>FCC 24-76</u>) becomes effective on this date.
- September 19 As the result of the hotspot order becoming effective, the FY 2025 Form 470 also becomes available (see <u>E-rate News Brief of August 28th</u> discussed below).
- September 23 Form 486 deadline for FY 2023 Wave 55. More generally, the Form 486 deadline is 120 days from the FCDL date, or the service start date (typically July 1st), whichever is later. Upcoming Form 486 deadlines for FY 2023 are:

Wave 56 10/17/2024 Wave 57 10/28/2024

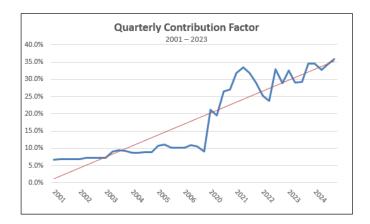
- September 30 Last day to receive service or to submit a Service Delivery Deadline request for FY 2023 non-recurring services.
- October 15 USAC webinar: Cybersecurity Pilot Program Overview for Service Providers (registration).
- October 28 Due date for nominations for eight positions on the USAC Board of Directors (see DA 24-867).
- October 28 E-rate invoice deadline for FY 2023 recurring services.
- October 29 Form 486 deadline for FY 2024 Waves 1-10. More generally, the Form 486 deadline is 120 days from the FCDL date, or the service start date (typically July 1st), whichever is later. Upcoming Form 486 deadlines for FY 2024 are:

Wave 11 10/31/2024 Wave 12 11/08/2024

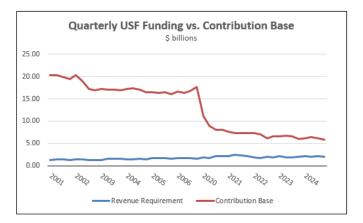
USF Quarterly Contribution Factor Hits a New High:

The FCC announced (DA 24-924) that the Proposed Fourth Quarter 2024 Universal Service Contribution Factor will be 35.8% — continuing its upward climb and breaking 35% for the first time. This is not good news at a time when the FCC is initiating a new USF-funded cybersecurity pilot program and expanding E-rate funding to cover residential hotspots for students and library patrons.

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The underlying problem continues to be, not so much that USF expenses (i.e., revenue requirements) are rising, but that interstate telecommunications revenues (i.e., the contribution base) have fallen sharply over the last decade and a half. The only real long-term solution would be to expand the contribution base with internet service and/or content provider revenues.



The increase in the USF contribution factor comes at a particularly critical time for dealing with USF issues. As discussed in our <u>newsletter of July 29th</u>, the 5th Circuit Court of Appeals recently issued a decision finding that the USF funding mechanism was unconstitutional. In part because the 6th and 11th Circuit Courts of Appeal had previously ruled to the contrary, the 5th Circuit's decision has currently been stayed pending an expected FCC petition for a writ of certiorari to the Supreme Court. Hopefully, this controversy will encourage Congressional action to restructure the Universal Service Fund along the line suggested above.

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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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