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Funding Status

E-Rate for FY 2024:

Wave 25 for FY 2024 was released on Thursday, October 11th, for \$13.6 million, none for North Carolina. Total funding is now \$2.28 billion including \$66.2 million for North Carolina. Currently, USAC has funded 95.0% of the originally submitted applications, representing 76.7% of the dollars requested.

New Cybersecurity Pilot Program FAQs

As it did during the implementation of the Emergency Connectivity Fund ("ECF"), the FCC is using periodically updated FAQs to help interested applicants interpret the rules of the Cybersecurity Pilot Program. The most current <u>Cyber FAQs</u>, updated last week (with changes highlighted with asterisks), included the following new explanations:

*4.12 Q: Can equipment purchased with Pilot funds be physically installed or located at a facility that is ineligible for funding (i.e., not an eligible school or library)? For example, could a consortium purchase equipment that would be located at a facility owned or operated by its consortium leader, if the consortium leader is ineligible for Pilot funds?

A: Equipment purchased with Pilot funds can be installed or located at a facility that is owned or maintained by an entity that is ineligible for funding, so long as the equipment is for the exclusive use and benefit of the Pilot-eligible schools and libraries.

* 5.18 Q: What is the process for withdrawing from the Pilot Program once I am accepted? At what point will I be penalized and what are the potential consequences?

A: We expect that applicants selected to participate in the Pilot Program will be committed to participating for the entire three-year term. Applicants are urged to carefully evaluate whether they are able to satisfy Pilot obligations prior to submitting their FCC Form 484 Part 1 applications. To the extent a Pilot participant determines that it must withdraw from the Pilot, it should contact the Wireline Competition Bureau (by emailing cyberpilot@fcc.gov) for additional information about the withdrawal process.

Penalties for failure to comply with Pilot Program rules may result in a referral of a participant to the Enforcement Bureau, a hold on future disbursements, a rescission of committed funds, and/or recovery of

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disbursed funds. See 47 CFR §§ 54.2004(d)(5) and 54.2004(e). The scope of any potential consequence for non-compliance with the Pilot Program rules will depend on the specific circumstances, including whether any funds have been disbursed. The Commission does not anticipate routinely referring Pilot participants to the Enforcement Bureau for rule violations.

* 8.2 Q: When will the reporting metrics be published, so that applicants are informed of what information they will be required to report to the FCC and can ensure that potential vendors are able to provide the required data?

A: Annual reporting requirements are expected to largely mirror the information that is required in the FCC Form 484 (Parts 1 and 2). Pilot participants may also be asked to answer a series of yes/no or multi-select questions to provide additional detail regarding their cybersecurity expertise and any cyber events that have taken place during the reporting term.

In establishing reporting requirements, the Commission is sensitive to balancing its need to collect Pilot Program data with the burden it puts on Pilot participants. All reporting requirements are subject to the Paperwork Reduction Act approval process.

Hotspot FNPRM Comments

Friday, October 4th, was the due date to submit comments on the Further Notice of Proposed Rulemaking ("FNPRM") on the FCC's recent order (<u>FCC 24-76</u>) making hotspots eligible for E-Rate in FY 2025. What is unusual about this FNPRM is that it seeks comments on additional and/or modified restrictions on a program, not yet in effect, that already includes its full share of operational limits and administrative recordkeeping burdens.

For an overview of the hotspot program's current and perhaps near term future requirements, we suggest reading the following comments by the <u>American Library Association ("ALA")</u>, <u>Dallas ISD</u>, and Kajeet.

On a related front, the FCC released a <u>Notice</u> reporting Petitions for Reconsideration on the hotspot program filed the <u>Schools</u>, <u>Health & Library Broadband ("SHLB") Coalition</u> and the <u>Los Angeles Unified School District ("LAUSD")</u>. Both parties proposed that the wireless services, authorized for hotspots, should also be eligible for use with LTE-enabled computers that can make more efficient use of wireless services without requiring separate hotspots.

Note that the SHLB and LAUSD proposal, if adopted, would change the focus of the program. As initially conceived by FCC Chairwoman Rosenworcel, the program would allow public libraries and school libraries to loan hotspots to patrons, school staff, and students, on a short-term basis, to provide at-home internet services. The FNPRM, for example, asks whether hotspot loans should be limited to three weeks. Conceptually, this would me the loan of hotspots much like a library's loan of books. The SHLB and LAUSD proposal envisions a broader at-home internet service, most likely providing longer-term services (e.g., for a full school year). Under either approach, funding would be governed by the same three-year funding cap.

Oppositions to the SHLB and LAUSD Petitions for Reconsideration are due within 15 days of their publication in the *Federal Register*. Reply comments on the hotspot FNPRM are due November 4th.

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Updates and Reminders

Upcoming Dates:

October 15 USAC webinar: Cybersecurity Pilot Program Overview for Service Providers (registration).

October 17 Form 486 deadline for FY 2023 Wave 56. More generally, the Form 486 deadline is 120 days from the FCDL date, or the service start date (typically July 1st), whichever is later. The next Form 486 deadline for FY 2023 is:

Wave 57	10/28/2024
Wave 58	11/07/2024
Wave 59	11/14/2024
Wave 60	11/21/2024

October 28 Nomination due date for eight positions on the USAC Board of Directors (see DA 24-867).

October 28 E-Rate invoice deadline for FY 2023 recurring services and final date to request an invoice deadline extension.

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
Wave 13	11/15/2024
Wave 14	11/22/2024

November 1 Close of the FCC's Cybersecurity Pilot Program Form 484 Part 1 application window.

November 4 Due date for reply comments on the Further Notice of Proposed Rulemaking ("FNPRM") on the FCC's recent hotspot order (FCC 24-76).

Helene and Milton Hurricane Relief:

Continuing its history, dating most notably from Hurricane Katrina in 2005, of providing E-Rate assistance to schools and libraries severely damaged by catastrophic hurricanes, the FCC has already issued two virtually identical orders (<u>DA 24-1025</u> and <u>DA 24-1059</u>) providing E-Rate assistance to schools and libraries severely damaged by the catastrophic hurricanes. The orders provide relief in the following areas:

- Extended deadlines for filing requests for review or waivers, Form 486s, and Form 472s.
- Service implementation deadline extensions.
- Service and equipment substitutions.
- Documentation retention and production.
- Emergency Connectivity Fund ("ECF") program deadlines.

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USAC Cybersecurity Pilot Program Newsletter Dated October 7 – Form 484 Part 1 Tips

<u>USAC's Cybersecurity Pilot Program Newsletter dated October 7, 2024</u>, provided its own set of FAQs regarding fields in the Form 484 Part 1 as summarized below:

Q: Can you clarify what information you are looking for in Question 3.2, which asks whether an applicant or consortium member currently receives, or expects to receive, cybersecurity funding from any other federal, state, local, Tribal, or other cybersecurity program or source?

Short answer: The FCC is looking to understand what funds, from any source, are available for cybersecurity purposes.

Q: What is the difference between a recommendation and a best practice for purposes of answering Ouestions 2.1 and 3.4? Isn't Question 2.1 a subset of Question 3.4?

Short answer: Recommendations are broader than best practices.

Q: Can you clarify the difference between Question 5.2 and 5.3 and how each may trigger the gift rule?

Short answer: Free and low-cost tools provided by the Department of Education, CISA, or another federal, state, local, or Tribal government source of funding, do not raise the same competitive bidding and gift restriction issues as no-cost cybersecurity equipment and services provided by service providers.

Q: How will the budget of a school district or consortia be calculated if only a subset of its members are included in the FCC Form 484 Part 1 applications? For schools, will it be based on the actual number of students associated with the participating schools?

Short answer: The budget will be based on the student count associated with the selected entities.

The newsletter also provides:

- A clarification on pilot participation and Red Light status (see also FCC's latest FAQs).
- Reference to USAC's FCC Form 484 Part 1 User Guide.
- A registration link to the October 15th service provider webinar.
- Other pilot program resources.

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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