Weekly E-Rate Newsletter Vol. 19, No. 08 February 24, 2025

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#### **Funding Status**

### *E-Rate for FY 2025 – Application Window:*

**Application Window:** The Form 471 application window for FY 2025 opened Wednesday, January 15<sup>th</sup>, and will close on Wednesday, March 26<sup>th</sup>, 2025, at 11:59 p.m. EDT. February 26<sup>th</sup> is the last date to submit and certify an FCC Form 470 and still wait the minimum 28-day period before submitting and certifying a FY 2025 Form 471 by March 26, 2025, the last date of the application filing window. For additional information on the FY 2025 filing window, including training opportunities, see USAC's E-Rate News Brief dated February 20<sup>th</sup>.

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

Wave 44 for FY 2024 was released on Thursday, February 20<sup>th</sup>, for \$17.1 million none for North Carolina. Total funding is now \$2.59 billion including \$73.6 million for North Carolina. Currently, USAC has funded 98.1% of the originally submitted applications, representing 88.8% of the dollars requested.

#### *Cybersecurity Pilot Program – Application Window:*

**Application Window:** The CBR Form 471 application window for the Cybersecurity Pilot Program opens March 18<sup>th</sup> and will close September 15<sup>th</sup>. Total pilot funding is capped at \$200 million for 707 applicants. Initial commitments include an estimated \$10.1 million for seventeen North Carolina applicants.

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### **Updates and Reminders**

# **Upcoming Dates:**

February 25	Extended invoice deadline for FY 2023 recurring service FRNs with approved extensions beyond the original October 28, 2024, deadline.
February 26	Last day to submit and certify an FCC Form 470 and still wait the minimum 28-day period before submitting and certifying a FY 2025 Form 471 by March 26, 2025, the last date of the application filing window.
February 26	Free SHLB Webinar: Should Congress Repeal the FCC's E-Rate Hotspot Lending Decision? 1:00-2:00 PM ET   Register
February 28	FY 2024 Form 486 deadline for Wave 28. The Form 486 deadline is 120 days after the FCDL date, or the service start date (typically July 1 <sup>st</sup> ), whichever is later. The next Form 486 deadlines for FY 2024 are:  Wave 29  03/07/2025  Wave 30  03/14/2025  Wave 31  03/21/2025
March 18	Opening of the Cybersecurity Pilot Form 471 application window.
March 18	USAC Cybersecurity Pilot Program CBR Form 471 webinar: 3:00-4:00 PM EST   Register
March 26	Close of the E-Rate Form 471 application window for FY 2025.
March 26	Oral arguments before the U.S. Supreme Court regarding the constitutionality of the Universal Service Fund (see our <u>newsletter of November 25, 2024</u> ).
May 28	Extended invoice deadline for FY 2023 non-recurring service FRNs with approved extensions beyond the original January 28, 2025, deadline.
July 1	Withdrawal deadline for selected Cybersecurity Pilot participants opting not to continue in the Program.
September 15	Close of the Cybersecurity Pilot Form 471 application window and deadline for filing the Form 484 Part 2.

## Supreme Court Rules that E-Rate is Subject to the False Claims Act:

The U.S. Supreme Court <u>ruled</u> unanimously last week that the E-Rate program is subject to the False Claims Act. The case, commonly referred to as "*Todd Heath vs. Wisconsin Bell*," was heard by the Court early last November (see our <u>newsletter of November 11</u>, 2024).

The basis for this case traces back to the early days of E-Rate in which Todd Heath, an independent telephone auditor, found and reported instances in which Wisconsin Bell, an AT&T subsidiary, was apparently charging E-Rate applicants higher fees for telephone services than it was charging

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similarly situated, non-residential customers, in violation of the FCC's "Lowest Corresponding Price" rule. Mr. Heath has long been pursuing treble damages under the False Claims Act. Treble damages under the False Claims Act allow a whistleblower to seek three times the amount of actual damages sustained by the government due to fraudulent claims. To be eligible under the False Claims Act, E-Rate funds — or at least <u>any portion</u> of E-Rate funds — must be deemed "federal funds."

In its unanimous decision, the Court did not find that all E-Rate funds were federal funds but that at least \$100 million in delinquent contributions, settlements, and restitution awards collected by the FCC were sufficient to bring the E-Rate program under the False Claims Act.

From our perspective, the implications of this decision for E-Rate are two-fold:

- 1. Had the Court decided that E-Rate funds as a whole were "federal funds," it would have clearly subjected E-Rate to the "Single Audit" process. This issue, which has arisen in several states, remains unresolved. In our view, there is already sufficient audit activity within the E-Rate program.
- 2. By finding that E-Rate is subject to the False Claims Act, other individuals or firms may be encouraged to independently review E-Rate funding arrangements. It will continue to be important to adhere to E-Rate's competitive bidding and record retention requirements.

## USAC E-Rate News Brief dated February 20th

USAC's E-Rate News Brief dated February 20, 2025, covered the following topics:

- A list of E-Rate tips on the following topics:
  - February 26<sup>th</sup> is the last day to file a Form 470 to be posted for 28 days preceding the close of the FY 2025 Form 471 application window on March 26<sup>th</sup>.
  - o Dealing with unresponsive bids, "SPAM" bids, and "Robobids."
  - o Application assistance for Tribal libraries.
  - o The Cybersecurity Pilot Program.
- Extended Customer Service Center ("CSC") hours for the final five days of the FY 2025 application window.
- Upcoming February 25<sup>th</sup> invoicing deadline for FY 2023 recurring services.
- Filing reminders for the FY 2025 Form 471.
- The Interim SPIN (14366666) becomes available for use on March 12<sup>th</sup>.
- Use of RAL Modification Requests to update previously certified Form 471s.
- 2025 E-Rate outreach and training.

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New look and feel of the <u>E-Rate News Brief Archive</u> which covers News Briefs from 2006 to 2022.

### USAC Cybersecurity Pilot Program Newsletter dated February 21st

USAC's Schools and Libraries Cybersecurity Pilot Program Newsletter, dated February 21, 2025, covered:

- Competitive bidding and the CBR Form 470.
- The CBR Form 484 Part 2.
- Requests for funding and the CBR Form 471.
- Appeals and waiver requests.
- Key dates in the Pilot application process including:
  - o January 17<sup>th</sup> —date that both the CBR Form 470 and CBR Form 484-2 became available.
  - o March 18<sup>th</sup> —opening date of the CBR Form 471 application window.
  - o July 1<sup>st</sup> last date to voluntarily withdraw from the Pilot Program.
  - o August 18<sup>th</sup> deadline for submitting a CBR Form 470.
  - o September 15<sup>th</sup> —closing date of the CBR Form 471 application window.

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 — <a href="http://www.E-Ratecentral.com/us/stateInformation.asp?state=NC">http://www.E-Ratecentral.com/us/stateInformation.asp?state=NC</a>. 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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