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Funding Status

E-Rate for FY 2025

Wave 4 of funding commitment decision letters for FY 2025 was released on Thursday, May 15th, for \$19.2 million, including \$1.2 million for sixteen for North Carolina applicants. Total funding is now \$1.04 billion, including \$26.8 million for North Carolina. Currently, USAC has funded 56.4% of submitted applications, representing 32.3% of the dollars requested.

E-Rate for FY 2024:

Wave 55 of funding commitment decision letters for FY 2024 was released on Wednesday, May 14th, for \$7.10 million, none for North Carolina. Total funding is now \$2.68 billion, including \$73.6 million for North Carolina. Currently, USAC has funded 98.4% of submitted applications, representing 93.3% of the dollars requested.

Cybersecurity Pilot Program – Application Window:

The Form 471 application window for the Cybersecurity Pilot Program opened on March 18th and will close on September 15th, 2025. Total pilot funding is capped at \$200 million for 707¹ applicants. Initial commitments include \$10.1 million for seventeen North Carolina applicants.

Updates and Reminders

Upcoming Dates:

May 23

FY 2024 Form 486 deadline for Wave 40. The Form 486 deadline is 120 days after the FCDL date, or the service start date (typically July 1st), whichever is later. The next Form 486 deadlines for FY 2024 are:

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¹ To date, three Cybersecurity Pilot participants have withdrawn from the Program (see article below).

	Wave 41 Wave 42 Wave 43 Wave 44	05/30/2025 06/06/2025 06/13/2025 06/20/2025
May 28	Extended invoice deadline for FY 2023 non-recurring service FRNs with approved extensions beyond the original January 28, 2025, deadline.	
June 4	Estimated deadline for the House of Representatives to act — or not act — on H.J. Res. 33, the Congressional Review Act ("CRA") measure that would overturn the FCC's hotspots order. As discussed in our newsletter of May 12 th , the Senate approved the CRA on May 8 th .	
June 30	Deadline to light fiber (or request a service delivery deadline extension) for FY 2024 special construction projects.	
June 30	Last day to receive (or file service substitutions for) FY 2024 recurring services.	
July 1	Withdrawal deadline for Cybersecurity Pilot participants opting not to continue in the Program.	
August 18	Last day to certify a CBR Form 470 in order to meet the minimum 28-day posting period before filing the CBR Form 471.	
September 15	Close of the Cybersecurity Pilot Form 471 application window and deadline for filing the Form 484 Part 2.	

Cyber Pilot Participant Withdrawals:

Last week, the FCC formally acknowledged the withdrawal of two more participants that had been selected for the Cybersecurity Pilot Program (see <u>DA 25-415</u> and <u>DA 25-416</u>). One other participant had withdrawn the previous month. We suspect that we will see a few other applicants dropping out of the Pilot in the coming month as we get closer to the July 1st deadline that the FCC set for withdrawing without occurring any liability.

Here is the FCC's FAQ on the withdrawal option:

5.6b Q: Can selected participants withdraw from the Pilot Program? What is the process for withdrawing?

A: Although the Commission does not anticipate that many Pilot participants will need to withdraw from the program, to ensure the greatest possible disbursement of Pilot Program funds and minimal disruption to the program, Pilot participants that were selected to participate in the Pilot via the Wireline Competition Bureau's (Bureau) January 16, 2025 Public Notice are permitted to withdraw from the program for a limited period of time.

To withdraw, participants must contact the Bureau via email at CyberPilot@fcc.gov and submit a Letter of Withdrawal, which must be posted to the Commission's Electronic Comment Filing System (ECFS) under Docket Number WC 23-234, by July 1, 2025. Once the Bureau receives a withdrawal request, it will send a separate acknowledgment letter in response to the request, which will also be posted to ECFS along with the Letter of Withdrawal. Participants selected on January 16, 2025 will not be allowed to withdraw from the Pilot after July 1, 2025 and will be expected to fully comply with all of the requirements of the Pilot Program, including the annual and final reporting requirements.

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The withdrawal of these three schools/districts brings the number of participants down to 704. Potentially, the most significant impact any withdrawals will have on the remaining participants is on the sixteen entities that received only 78% partial funding. As indicated in the FCC letters to the withdrawing participants, their three-year budgets will be reallocated to the other, partially funded, participants. Exactly how and when that reallocation will occur has not yet been specified by the FCC.

What we do know at present is that the impact of the three withdrawals to date would be insignificant. To keep within the Program's \$200 million pre-discount cap, the FCC created a subset of funded applicants, designated as "Partial Budget" (those with a slightly lower NSLP percentage) at a level of 78% of the "Full Budget" caps. In total, we estimate that the "Partial Budget" applicants received budget caps of about \$3.8 million below that of the "Full Budget" applicants. The "Full Budget" caps freed up by the first three dropouts accounts for only about \$128 thousand. For the sixteen "Partial Budget" applicants to reach their "Full Budget" cap levels, more Program participants would have to withdraw as well. Or — but this would take more time — actual CBR Form 471 funding requests and approvals would have to fall under the "Full Budget" caps and be reallocated to the "Partial Budget" applicants.

FCC Cancels Hog Trapping Contract:

The following has nothing to do with E-Rate but, to us, it does highlight current FCC efforts to do away with a multitude of obsolete rules, regulations, and contracts. The elimination of unnecessary rules and regulations is the objective of an ongoing proceeding dubbed "Delete, Delete, Delete" now in the reply comment stage (see our <u>newsletter of May 5th</u>). Last week, moreover, the FCC <u>announced</u> an internal DOGE team working to cut FCC-authorized contract spending by eliminating redundant and wasteful contracts.

Combing through a list of items targeted to be cut, we noticed a "feral hog trapping" contract priced at \$58,785. For a problem as destructive as feral hogs can be, this seems like a small price to pay for any help the FCC could provide at a remote public safety site. For those questioning exactly how the FCC could help, we noticed through diligent research that one device option used to trap hogs, and that probably would require the FCC's technical expertise, is a "Wireless Cell Phone Activated Hog Trap," advertised on eBay for \$4,100.



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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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