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Funding Status

E-Rate for FY 2025

Wave 8 of funding commitment decision letters for FY 2025 was released on Thursday, June 12th, for \$43.2 million, including \$535 thousand for eleven North Carolina applicants. Total funding is now \$1.27 billion, including \$30.0 million for North Carolina. Currently, USAC has funded 66.3% of submitted applications, representing 39.4% of the dollars requested.

E-Rate for FY 2024:

Wave 59 for FY 2024 was released on Friday, June 13th, for \$1.47 million (for two applicants), none for North Carolina. Total funding is \$2.70 billion, including \$73.6 million for North Carolina. Currently, USAC has funded 98.5% of submitted applications, representing 94.3% 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 703¹ applicants, including \$10.1 million for seventeen North Carolina applicants.

Updates and Reminders

Upcoming Dates:

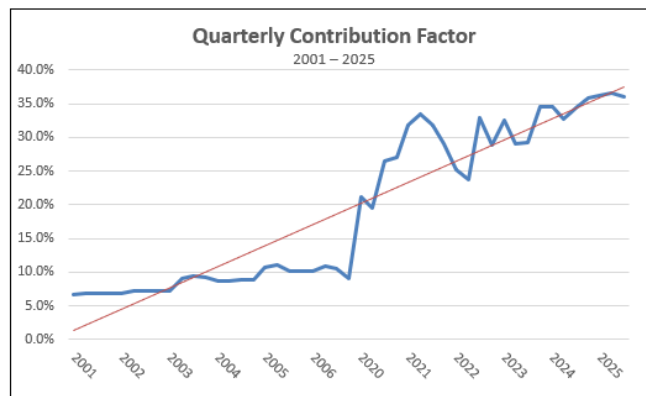
June 16-20 The House of Representatives is reportedly planning to vote this week to confirm or reject the Senate’s vote in May to employ the Congressional Review Act (“CRA”) to overturn the FCC’s order making hotspots eligible for E-Rate discounts as of July 1st (see our [newsletter of May 12th](#)).

¹ To date, five Cybersecurity Pilot participants have withdrawn from the Program (see [newsletter of May 19, 2025](#)).

- June 20 FY 2024 Form 486 deadline for Wave 44. 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:
- | | |
|---------|------------|
| Wave 45 | 06/27/2025 |
| Wave 46 | 07/07/2025 |
| Wave 47 | 07/11/2025 |
- June 24 USAC webinar for new service providers ([register](#)).
- 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 to meet the minimum 28-day posting period before filing the CBR Form 471.
- September 5 Final day of the PIA summer deferral period (which began May 23rd).
- September 9 USAC in-person training in Denver, CO (registration TBA).
- September 15 Close of the Cybersecurity Pilot Form 471 application window and deadline for filing the Form 484 Part 2.
- September 16 USAC in-person training in Washington, DC (registration TBA).

USF Quarterly Contribution Factor Down Slightly:

The FCC announced ([DA 25-475](#)) that the Proposed Third Quarter 2025 Universal Service Contribution Factor will be 36.0%. This is down only slightly from the first two quarters of 2025 that had pushed the factor slightly above the thirty-six percent level for the first time ever.



As we have discussed in the past, the underlying problem continues to be, not so much that Universal Service Fund (“USF”) expenses 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 is to expand the contribution base with internet service and/or content provider revenues.

Within the next month, we will hopefully see some movement in this direction once we have some certainty on the constitutionality of the USF itself (see our [newsletter of June 2nd](#)). Assuming, as we expect, that the Supreme Court basically upholds USF funding, Congress may finally get serious about contribution reform. Just last week, bipartisan committees in both houses of Congress relaunched their Universal Service Fund working groups. With USF constitutionality resolved, there could be, for the first time in many years, optimism for progress.

Congressional and FCC Activity on Hotspots:

Indications are that both houses of Congress will act this week on two issues that could impact E-Rate, particularly the eligibility of hotspots.

Last month, as discussed in our [newsletter of May 12th](#), the Senate voted to enact the Congressional Review Act (“CRA”) to revoke the FCC’s action in August 2024 that made hotspots in student homes eligible for E-Rate support. To become effective, the CRA now needs to be approved by the House and signed by the President. Earlier this month, it appeared that the House was planning to vote on the CRA last week. It did not, and the vote is again scheduled for this week. A number of educational interest groups have been lobbying House representatives seeking to avoid the CRA’s passage. If there is no House vote on the CRA, or if the CRA is voted down in the House, then the fate of hotspots shifts to the FCC.

As discussed in our [newsletter June 9th](#), the FCC is currently in bit of a quandary. With two Commissioner resignations last week, the FCC currently has only two active Commissioners. That is not enough for a quorum. To regain a quorum, the FCC needs a third Commissioner. That is currently pending and scheduled to be resolved this week, if and when the full Senate votes to confirm the nomination of Olivia Trusty.

Should that occur, as expected, the FCC will again have three Commissioners, two Republican appointees (Chairman Brendan Carr and Olivia Trusty) and one Democratic appointee (Anna Gomez). That would comprise a three-member quorum. The party alignment is important because two Republican Commissioners (Carr and Simington) had been adamantly opposed to both hotspot and school bus Wi-Fi E-Rate eligibility when those programs had been initially approved under the previous Democratic administration. With a Republican majority, the FCC could initiate a formal rulemaking to reverse both the hotspot and bus Wi-Fi decisions. A formal reversal would take time, but could affect the eligibility of both services for FY 2025.

Personal Opinion:

The availability of free or subsidized, hotspot-enabled, internet services at home is critical for low-income students and library patrons. This need was clearly demonstrated during COVID when Congress funded hotspots under the Emergency Connectivity Fund (“ECF”). Although the need is still present, we understand the belief that E-Rate funding of hotspots in homes — as opposed to in schools and libraries — may not be authorized under the Telecommunications Act of 1996. If E-Rate is not the proper vehicle to support internet availability for homeowners, we encourage

Congress to seek other funding. In the interim, we note that New York State, and the current movement in the California Assembly, are working to provide discounted internet services for low-income families.

School bus Wi-Fi, however, we view differently. School buses, owned or leased by the schools, and staffed by at least a school driver (and often coaches or teachers), are something altogether different. With internet service, filtered to school standards, if not networked back through the schools themselves, Wi-Fi equipped school buses are effectively extensions of school study halls. Conceptually, such buses are little different than bookmobiles serving as extensions of brick-and-mortar libraries. Most importantly, Wi-Fi equipped school buses are working. They are allowing students to continue their schoolwork while they carry those students, often on trips well more than an hour, to and from home and other school activities. These buses are an integral part of the schools themselves — and need full internet coverage.

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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