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Funding Status – FY 2016

Wave 40 for FY 2016 was released last Thursday, March 23rd for a total of \$12.3 million. An estimated 62 FCDLs were issued in this wave. Funding for North Carolina was \$132 thousand for one applicant. Cumulative national funding through Wave 40 is \$2.39 billion, including \$98.1 million for North Carolina. Wave 41 is scheduled to be released on Thursday, April 6th.

Updates on USAC’s E-Rate Productivity Center and Legacy System

New Category 2 Budget Tool:

USAC updated its [Category 2 Budget Tool](#) over the weekend to show the combined funding for both FY 2015 and FY 2016. (Note: The description in USAC’s list of [Tools](#) still indicates only FY 2015, but we expect that to be updated shortly, perhaps in concert with a Special Edition News Brief describing use of the enhanced budget tool.) Inclusion of FY 2017 budget information, as well as other formatting enhancements, is expected in the future.

To use the new tool, start by entering one or more entity numbers in the search screen. Note however that school district or library system applicants must enter their members’ individual entity numbers in order for the tool to return budget information. School district and library system applicants entering their own BEN in the tool will receive an error message stating that they are not eligible to receive their own Category 2 Budget. We hope in a future release that entering a school district or library system BEN will result in displaying all member entities and their corresponding budgets instead of this error message.

Schools and Libraries (E-rate)

Category 2 Budget Lookup Tool

Schools and libraries can use this tool to view information about their Category Two (C2) budgets.

C2 budgets are pre-discount. Only approved pre-discount amounts are charged against an entity's C2 budget.[\(more...\)](#)

Entity Number

Enter up to 100 entity numbers separated by commas.

Enter Entity Number or paste from your clipboard

Lookup C2 Budget Status

The result, as shown below for a single entity, is not too useful until expanded by clicking the little “+” sign.

Category 2 Budget Status

Understanding the search results [\(more...\)](#)

Entity #	Entity Name
+ 145909	Test Entity APPLICANT SCHOOL

Actually, there are two levels of expansion. The first expansion, shown below, provides funding year totals. Note the following:

1. The budget numbers are all expressed in pre-discount amounts.
2. The “Approved Pre-Discount” column shows cumulative approved funding across funding years. In the example below, this column does not mean \$2,277 was approved in both FY 2015 and FY 2016, rather that the entity was funded in FY 2015 with no additional Category 2 funding for FY 2016.
3. In this case, with no change in student count, the “C2 Budget” and “Remaining Balance” amounts increased in FY 2016 as a result of the 1% inflation adjustment.

Category 2 Budget Status

Understanding the search results [\(more...\)](#)

Entity #	Entity Name		
+ [blurred]	[blurred]		
	C2 Budget	Approved Pre-Discount	Remaining Balance
FY2015	\$46,800.00	\$2,277.37	\$44,522.63
FY2016	\$47,268.00	\$2,277.37	\$44,990.63

The second level of expansion, reached by clicking the “+” on the funding year row, shows funding details down to the FRN line item level. The highly detailed line item information, only a sample of which is shown below, includes all Category 2 funding activity for all associated applications (including consortium applications) citing that entity as a recipient of service.

Entity #	Entity Name		
	C2 Budget	Approved Pre-Discount	Remaining Balance
FY2015	\$46,800.00	\$2,277.37	\$44,522.63
FY2016	\$47,268.00	\$2,277.37	\$44,990.63

FRN	Line Item	Requested Pre-discount	Approved Pre-discount	FRN Commitment Status
	1	\$18.97	\$0.00	Denied
	2	\$12.19	\$0.00	Denied
	1	\$127.77	\$0.00	Denied
	1	\$708.13	\$708.13	Committed - full
	2	\$105.84	\$105.84	Committed - full

USAC’s new Category 2 Budget Tool is an important upgrade, especially for applicants applying for Category 2 services in FY 2017. Future enhancements, including the incorporation of the data into the EPC application process, will make it even more valuable. We plan to discuss the tool further as we gain more experience with its functionality.

Form 470 ACD Discrepancies:

There are three ways to search for and review Form 470s for FY 2017, but two of them show an Allowable Contract Date (“ACD”) that is one day too early. This is apparently a known bug in the legacy system, and it may not be fixed immediately. In the interim, applicants must be careful not to close their bidding nor sign contracts on the erroneous ACD. Given the harsh consequences for an applicant selecting a vendor before the allowable date, it is hard to believe USAC has not done more to outreach on this topic.

The following example shows the correct ACD as displayed in EPC. Note that this Form 470 was completed and certified on December 23, 2016. The ACD is properly shown 28-days later as January 20, 2017.

Records / FCC Forms 470

17- [redacted] **- #170** [redacted] Follow

Please note: The following fields pull the most current data from the Contact User Profile and Applicant Entity Profile: Recipient (s) of Service, Contact Name, and Contact Phone Number. If you would like to review this FCC Form 470 with the data that was present upon certification, please navigate to the Generated Documents related dashboard on the left-hand side and click the Original Version document link.

Application Information

Nickname	[redacted]	Created Date	[redacted]
Application Number	[redacted]	Created By	[redacted]
Funding Year	2017	Certified Date	12/23/2016 9:15 AM EST
Status	Certified	Certified By	[redacted]
Allowable Contract Date	1/20/2017	Last Modified Date	[redacted]
		Last Modified By	[redacted]



The same Form 470 shows up in USAC’s two non-EPC Form 470 search tools with an ACD of January 19, 2017. Specifically, the [View an FCC Form 470 \(FY2016-17\)](#) tool shows:

2017 FCC Form 470 RFP Report

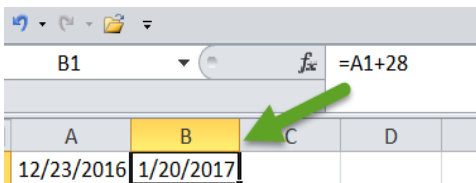
Applicant Name	Applicant Type	State	470 Number	Allowable Contract Date	Posted Date	Service Type
	School			01/19/2017 	12/23/2016 9:15:45 AM	Internet Access

Similarly, the [Download 470 Information \(FY2016-17\)](#) tool, which produces a multi-column spreadsheet, shows the same incorrect date.

Allowable Contract Date
Jan 19 2017

Historically, because the ACD is so important, we have advised applicants to let USAC’s system calculate the required 28-day Form 470 posting period rather than trying to calculate it themselves and risking an error. Now, with no small measure of irony, we say that you can trust EPC, but don’t use USAC’s other Form 470 tools to determine ACDs until a fix is implemented.

The easiest way to validate a particular ACD yourself is by using a simple two-cell Excel sheet, such as shown below, entering the Form 470 certification date in the A1 cell and calculating the ACD in cell B1 by adding 28 days.



A	B	C	D
12/23/2016	1/20/2017		

FY 2015 Invoice Deadline Extension Notifications:

USAC sent emails last week to over 1,500 applicants who missed the original FY 2015 invoice deadline of October 31, 2016, as a result of USAC delays in approving Form 498s or in issuing BEAR PINs. The emails alerted the applicants to a recent FCC waiver decision extending the FY 2015 invoice deadlines until April 19, 2017, for the specific FRNs listed in each notification. (See [DA 17-256](#), our [newsletter of March 20th](#), and additional information included in USAC’s latest News Brief referenced below.)

The notifications may have created some confusion for applicants who have already successfully submitted invoices for all or most of the FRNs listed — lists that USAC apparently generated on a “better safe than sorry” basis. Fortunately, many of the applicants notified had successfully submitted Invoice Deadline Extension Requests (“IDERS”) and have already successfully filed invoices for those FRNs.

Applicants receiving last week's emails from USAC — subject line “Your FY2015 Invoice Deadline is April 19, 2017” — should carefully review the invoicing status of the FRNs listed, but should not be surprised to find that no further action is required.

If there are FRNs for which invoices could still be filed, USAC's instructions are:

- If you have not yet filed your invoice(s), file them no later than April 19, 2017.
- If you already filed an invoice and it was denied for being late, file another invoice by the new deadline.
- If you filed an appeal because your invoice was denied, file another invoice by the deadline. Since you now have an opportunity to file your invoice, your appeal will be dismissed as moot.

Note that USAC's [Display FRN Extensions](#) table is now showing the new April 19th invoice deadline for all FY 2015 FRNs covered in last week's notifications.

FY 2016 RFCDLs and the Service Delivery Deadline:

As noted in USAC's latest News Brief (see below), USAC expects to begin issuing Revised Funding Commitment Decision Letters (“RFCDLs”) next week. The RFCDLs will announce USAC's decisions on FY 2016 SPIN changes, service substitutions, and appeals. Applicants (and service providers) with approved funding decisions for non-recurring services should note that since these RFCDLs will be dated after March 1, 2017, the Service Delivery Date for associated FRNs will automatically be extended one year to September 30, 2018.

FY 2017 Applications and “Zero Student” Schools:

The student population of a new and unopened school, in terms of both total and eligible student counts, is typically unknown when the school is first given an entity number. In the past, an applicant could, and often would, enter zeros for both numbers. At some later point, prior to application approval, the zeros would have to be updated to actual, or at least estimated, numbers.

For FY 2017 purposes, USAC's Client Service Bureau (“CSB”) can still add new schools to EPC (as long as the addition does not affect related consortium or library applications), but total student counts can no longer be zero. There remains, however, a number of existing “zero student” schools in EPC that, at some point, will have to be updated. Prior to the close of the application window, however, entity profiles are locked down and can't be updated by the applicants. As an alternative, and as a means of speeding later application reviews, applicants can add updated student data in two stages by:

1. Including student data in Form 471 Narrative sections in the pre-submission stage; or
2. Filing RAL corrections in the post-submission stage.

E-Rate Updates and Reminders

Upcoming 2017 E-Rate Deadlines:

April 4 Form 486 deadline for FY 2016 funding committed in Wave 24. More generally, the Form 486 deadline is 120 days from the FCDL date or the service start date (often July 1st), whichever is later. This means that Form 486 deadlines for funding commitments received in later waves will follow at roughly one week intervals, including the following April deadlines:

Wave 25	04/11/2017
Wave 26	04/20/2017
Wave 27	04/27/2017

Applicants missing these (or earlier) deadlines should watch carefully for “Form 486 Urgent Reminder Letters” (actually emails directing the applicants to EPC News Feed items). The Reminders will afford applicants with 15-day extensions from the date of the emails to submit their Form 486s without penalty.

April 5-6 USAC webinars for E-rate beginners (see USAC’s [Special Edition News Brief](#) or USAC’s latest News Brief referenced below).

April 13 Last day to file a Form 470 for FY 2017 meeting the required 28-day waiting period prior to submitting a Form 471.

April 19 End date for the special FCC 30-day waiver period on FY 2015 invoice deadlines (see article above and USAC’s latest News Brief referenced below). The new 30-day extension applies only to applicants missing the October 31, 2016, invoice deadline as the result of late approvals of Form 498s or the late distribution of BEAR PINs.

May 11 Last day of the Form 471 filing window for FY 2017. The window closes at 11:59 p.m. EDT.

FCC Decision Watch:

Having now apparently returned to its monthly schedule, the FCC issued another set of “streamlined,” precedent-based decisions in Public Notice [DA 17-279](#). In summary, the FCC:

1. Dismissed:
 - a. Five Requests for Review or “Waiver” that, as appeals, should have been filed first with USAC.
 - b. Five Requests for Waiver deemed as moot for fully-disbursed and/or approved FRNs.

- c. Four Petitions for Reconsideration deemed to rely on arguments fully considered and rejected by the FCC.
2. Granted:
- a. One Request for Waiver involving a late-filed Form 486.
 - b. One Request for Review and/or Waiver granting a partial year invoice payment on an FRN whose Service Start Date had been adjusted as the result of a late-filed Form 486.
3. Denied:
- a. One Request for Expedited Waiver involving an applicant’s failure to properly consider the price of eligible items as the primary factor in the vendor selection process. The applicant argued that it had ultimately accepted the lowest priced option — often the basis for a successful waiver — but the FCC apparently found that a comparison of eligible-only costs would have yielded a different result.
The Request, submitted less than two weeks prior, asked for expedited treatment to facilitate rebidding the service for FY 2017 if necessary. The FCC acceded to the request for a quick decision, but clearly not with the applicant’s preferred outcome.
The subtlety in this case is that one bidder provided two prices for Internet service, both with and without Distributed Denial of Service (“DDoS”) protection. The other bidders included DDoS protection as a bundled service. To be fair, the applicant compared all bids with DDoS protection, bundled or not. The FCC deemed unbundled DDoS protection as ineligible. Apparently, the applicant should have cost-allocated out the DDoS portion from the bundled prices of the other bidders for an eligible-only price comparison, and/or created a separate evaluation factor for the inclusion of DDoS protection.
 - b. Multiple related Requests for Review by 35 archdiocese schools for improper vendor involvement — filing of the Form 470s — in the competitive bidding.
 - c. Seven more Requests for Waiver for invoice deadline extensions.
 - d. Four Requests for Waiver for Form 471 applications filed more than 14 days late, absent “special circumstances.”
 - e. Two late-filed Requests for Waiver.

USAC News Brief Dated March 31 – New EPC Functionality

[USAC’s Schools and Libraries News Brief of March 31, 2017](#), summarizes the new EPC functionality expected to be deployed over the past weekend and to be available this week. The list of new features includes:

- 1. The availability of Revised Funding Commitment Decision Letters (“RFCDLs”) for FY 2016. RFCDLs are used to report USAC approvals of appeals, SPIN changes, and service substitutions.
- 2. EPC functionality to review outstanding appeals, and requests for SPIN changes and service substitutions.

3. Minor improvements in the Form 486 and the related service provider notification process.
4. Correction of an erroneous “Wave Ready” Form 500 status designation.
5. Restoration of the Receipt Acknowledgment Letter (“RAL”) correction process for pending FY 2017 applications.

The News Brief also provides updated guidance on special FCC waivers of the invoice deadline for FY 2015 recurring services (see more detailed article above).

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 the SLD, 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.

For further information, follow E-Rate Central on Twitter, Facebook, and LinkedIn.



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