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Funding Status – FY 2016

FY 2016:

Wave 46 for FY 2016 was released last Wednesday, May 10th for a total of \$29.6 million. Funding for North Carolina was \$2.87 million for one applicant. Cumulative national funding through Wave 46 is \$2.62 billion, including \$104 million for North Carolina. Wave 47 is scheduled to be released on Thursday, May 18th.

At this point in the year, just as the FY 2017 application window has closed, it is useful to look at the processing of FY 2016 applications in some detail. The following table shows the status of all FY 2016 applications as of Wave 46. Please note the following:

1. The 1,721 number of applications still pending is a bit misleading because a large, but unreported, number have been characterized by USAC as being on “legal hold,” under some form of detailed investigation. These applications may remain in limbo for some time. We suspect these applications are largely those indicated by “No Status Reported” or “Waiting for Heightened Scrutiny.”
2. USAC continues to experience system processing problems with a small subset of applications including some recently activated for Initial Review (“IR”) and those shown as “Wave Ready.”

National Status		As of Wave 46 5/10/2017
Form 471 Review Status	Application Count	
No Status Reported	534	
15 Day Expired	99	
15 Day Notice	37	
15 Day Reminder Notice	11	
24 Hour Notice-Incomplete Response	1	
Applicant Documentation Received	48	
Application Wave Ready	39	
Assigned to IR	357	
Awaiting Initial Review	29	
Certified-Out of Window	55	
Escalation to Manager	39	
FCDL Issued	44,591	
Final Review	26	
First Extension	7	
Incomplete Response	6	
QA Review	7	
Returned for Additional Review	38	
Two or More Extensions -Denied	2	
Two or More Extensions Granted	4	
Waiting for Heightened Scrutiny	381	
Winter Deferral	1	
Total	46,312	
Pending	1,721	

The data for North Carolina applicants is as follows:

North Carolina Status		As of Wave 46 5/10/2017
Form 471 Review Status	Application Count	
No Status Reported	4	
15 Day Expired	1	
15 Day Notice	2	
Certified-Out of Window	1	
FCDL Issued	730	
Returned for Additional Review	1	
Total	739	
Pending	9	

FY 2017:

The application filing window for FY 2017 closed last Thursday, May 11th.

Within a few weeks, USAC will provide the FCC with a preliminary demand estimate for the next funding year. As of last weekend, USAC's [FRN Status Tool](#) shows the following total demand figures for FY 2017:

Category 1	\$2.302 billion
Category 2	<u>\$0.906</u>
Total Demand	\$3.208 billion

If reasonably accurate, these FY 2017 demand numbers are a step down from USAC's initial demand projections for FY 2016 (issued prior to the close of the second consortium/library window) of \$3.609 billion, including \$2.330 billion for Category 1 and \$1.279 billion for Category 2. The final demand for FY 2016 was slightly higher, in the range of \$3.65 billion.

A slightly lower demand requirement for FY 2017, down \$400-450 million, would help offset an expected reduction in the carry-forward of unused funds from prior years. Although the FCC has not yet announced roll-over funding for FY 2017, USAC's most recent projections indicate the availability of \$1.264 billion — high by historical standards, but below the record \$1.9 billion rolled over into FY 2016 (see our [newsletter of May 8th](#)).

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

Out-of-the-Window Applications for FY 2017:

Applicants who missed last Thursday's close of the FY 2017 Form 471 application window can still file applications through EPC. Late applications will be considered Out-of-the-Window and will be denied by USAC — unless such applicants file successful waiver requests with the FCC. Recent precedent — if followed by the new Republican-dominated FCC — suggests that the FCC will automatically approve waivers of the filing window deadline for applications filed within two weeks of the original window close (i.e., by May 25th).

Interestingly, due to another apparent bug in the EPC system, at least a few applicants received the following conflicting Task messages, first confirming successful filing of their Form 471s by last Thursday's deadline, then erroneously indicating that their applications were filed after the close of the window.

You have successfully filed FCC Form 471 #1710 [REDACTED] for FY 2017

Certification Date

5/11/2017 6:18 PM EDT

Your application is being filed after the close of FY 2017 filing window. Therefore, your application will not be considered for funding.

TO REQUEST A WAIVER OF THE FILING WINDOW DEADLINE:

The window filing requirement is contained in the Federal Communication Commission (FCC) rules for the E-rate program. USAC cannot consider requests for waivers of FCC rules. If you missed the FCC Form 471 filing window deadline and wish to request a waiver, you may file a waiver request with the FCC. When you file a waiver request, you should list "CC Docket No. 02-6" on the first page of your waiver request. We strongly recommend that you review the information provided on the USAC website about filing waiver requests.

Late-filing applicants, who did file Out-of-the-Window applications, may legitimately receive the same message. In these cases, the instructions for filing an FCC waiver may prove useful.

Special Construction Extensions for FY 2016:

FCC rules on special construction for leased dark fiber or self-provisioned networks require those systems to be completed within the funding year. For FY 2016, unless specifically

extended, this means that each link must be lit by June 30, 2017. Note that this completion requirement does not include the three-month grace period (to September 30th) afforded to Internal Construction and other non-recurring services.

A one-year extension for the completion of fiber special construction projects may be requested from USAC if the construction was “unavoidably delayed” due, for example, to late funding commitments or weather problems. Note that there are no automatic extensions due to funding dates; each applicant requiring an extension must submit a request to USAC by June 30th. Instructions for requesting an extension are provided in USAC’s [News Brief of April 21st](#).

USAC has already begun approving special construction extensions. The approvals are in letter format ([see example](#)) emailed directly to the applicants. Given the importance of timely approvals, USAC is currently handling extension requests manually, i.e., not through EPC nor the legacy system. As a result:

1. There is no system in place to notify the associated service providers of approved extensions. This responsibility falls on the applicants.
2. There is no online record of approved extensions. We would expect that such extensions may ultimately be included in the [FRN Extension Table](#) for FY 2016, but this too may require manual intervention.

E-Rate Updates and Reminders

Upcoming 2017 E-Rate Deadlines:

May 19 Form 486 deadline for FY 2016 funding committed in Wave 30. 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 deadlines:

Wave 31	05/30/2017
Wave 32	06/02/2017
Wave 33	06/09/2017

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.

June 30 Last day to file for a [Special Construction Deadline Extension Request](#) and the last day to receive FY 2016 recurring services.

July Expected month for USAC’s annual service provider training sessions in Chicago and Dallas. Dates and registration information should be available shortly.

USAC News Brief Dated May 12 – Next Steps for FY 2017

[USAC's Schools and Libraries News Brief of May 12, 2017](#), discusses the following steps applicants should take after filing their Form 471 applications for FY 2017:

- Review your Form 471 and submit RAL modifications to correct or update information. Focus particularly on:
 - Entity information.
 - Form 470s cited on funding requests.
 - FCC Registration Number.
 - Costs and cost allocations.
- Review and archive the documentation used during the competitive bidding process and in preparing the Form 471.
- Prepare for PIA review, including monitoring your contact email address and EPC account.

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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