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Funding Status – FY 2016 and FY 2017

FY 2017:

Wave 1 for FY 2017 was released May 26th and totaled \$48.6 million for over 4,900 applications. This represented over 12% of the applications — albeit mostly smaller Category 1 applications — received by USAC. Wave 2 is scheduled to be released on Friday, June 9th.

Applicants funded in Wave 1 should note that EPC has not yet been configured for the filing of Form 486s for FY 2017. We expect that FY 2017 Form 486 capability will be available within the next couple of weeks.

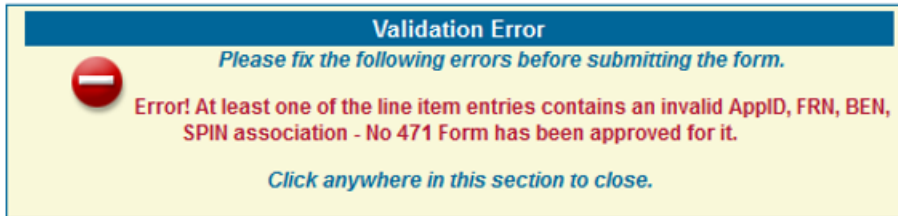
FY 2016:

Wave 48 for FY 2016 was released last Friday, June 2nd, for a total of \$39.2 million. There was no funding for North Carolina. Cumulative national funding through Wave 48 is \$2.71 billion, including \$104 million for North Carolina. Wave 49 is scheduled to be released on Tuesday, June 6th.

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

Post-SPIN Change BEARs:

Applicants attempting to file BEARs after having recently received approvals for SPIN changes are reporting encountering the following error message.



Whereas FRN information within EPC is being updated for approved SPIN changes, those changes are apparently not being fed back into the legacy BEAR system. The BEAR system seems to be associating those FRNs with the original SPINs. Hopefully, this mismatch will be corrected shortly.

In the meantime, applicants seeking more immediate BEAR payments in these situations may want to try a work-around solution reportedly recommended by CSB when similar problems arose during last year's invoicing cycle — file the BEARs using the original SPINs. As a practical matter, since service providers are no longer involved in the reimbursement process, SPINs are not critical information. For audit trail purposes, however, it is suggested that notes regarding the SPIN changes be included in the BEARs' additional information section.

Form 500 Misinformation on Special Construction Deadline Extensions:

Traditionally, the Service Delivery Deadline ("SDD") for non-recurring services is September 30th of the following funding year, e.g., September 30, 2017, for FY 2016. The extra three months is provided to give applicants (particularly schools) the opportunity to install new services and equipment during the summer months. If additional time is required, the SDD may be extended another year. This SDD extension is granted automatically if initial funding, SPIN changes, or services substitutions are not approved by March 1st of the funding year. Alternatively, if services cannot be delivered due to circumstances beyond the service provider's control, an applicant can request an SDD extension. A key point to remember is that such an extension request must be filed by the original SDD — in other words, the Service Delivery Deadline date is the deadline for filing a Service Delivery Deadline extension request.

With two critical differences, the same deadline extension principle applies to the completion of any special construction project for fiber (or any self-provisioned) network. Under the FCC's E-rate Modernization Orders:

1. The network must be completed (e.g., the fiber must be lit) by June 30th of the funding year, not the following September 30th; and
2. A year's extension may be granted by USAC, but must be requested. Unlike the traditional SDD, which, for example, is automatically extended if an FCDL is issued after March 1st of the fund year, there are no automatic extensions.

Applicants funded for special construction in FY 2016 are fast approaching the June 30, 2017, network completion deadline. If that deadline is not going to be met, requests to extend the deadline another year must be submitted by the end of this month.

As discussed in our [newsletter of May 29th](#), USAC is now advising applicants wishing to request a one-year extension of this year’s June 30th deadline for lighting fiber systems to do so via the Form 500. The current EPC version of the Form 500, however, contains one critical piece of misinformation on the deadline for filing network completion extension requests. As indicated below, the “Type of Change” language in the Form 500, while expanded to include a reference to special construction, still refers only to the traditional September 30th deadline.

I want to request more time to get the services delivered and/or installed. ?

All service delivery requests must be submitted on or before September 30 following the close of the funding year for non-recurring services including special construction for fiber and self-provisioned networks.

This is not correct. To be clear, the FY 2016 deadline for requesting a one-year extension of the special construction network completion deadline is June 30, 2017, **not** September 30, 2017.

E-Rate Updates and Reminders

Upcoming 2017 E-Rate Deadlines:

June 9 Form 486 deadline for FY 2016 funding committed in Wave 33. 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 34	06/16/2017
Wave 35	06/23/2017
Wave 36	06/30/2017

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](#). Note, as discussed above, that the Form 500 erroneously specifies this deadline as September 30th.

July 25 USAC’s only service provider training this year in Dallas. Registration information will be available shortly.

FCC Decision Watch:

The FCC issued a compassionate Order on Reconsideration ([DA 17-526](#)) granting two petitions.

One part of the Order, granting the request of one petitioner, reversed a key portion of an earlier decision (see the *Ada School District Order* ([DA 16-448](#)) discussed in our [newsletter of May 2, 2016](#)). That decision had denied invoice deadline extensions to a group of applicants which had filed timely BEAR forms, but had those BEARs denied because of untimely service provider acknowledgements (required at the time). Upon reconsideration, the FCC concluded that it had originally “misconstrued” its invoice filing deadline rule. As a result, the FCC’s decision will permit that petitioner an invoice extension to refile its BEAR form(s).

More broadly, the FCC directed USAC to accept resubmitted invoices from other similarly-situated applicants including, but not limited to, thirty-six other applicants denied in the original Ada decision. The “not limited” language of this decision may ultimately advantage other applicants.

Another part of last week’s Order granted the request of a second petitioner for an invoice deadline extension — the type of request that the FCC has been routinely denying since the Ada Order (including 17 more denials noted below). In the Ada order, the FCC had indicated that Invoice Deadline Extension Requests (“IDERS”) would only be granted under “extraordinary circumstances.” The FCC finally found such a circumstance, and approved the IDER. In doing so (see [White Lake SD’s Petition for Reconsideration](#)), the FCC set an extraordinarily high bar for the approval of such requests.

The FCC also issued another set of “streamlined,” precedent-based decisions ([DA 17-505](#)) last week. In summary, the FCC:

1. Dismissed:

- a. Two Requests for Review or Waiver that, as appeals, should have been filed first with USAC.
- b. One Request for Waiver deemed as moot “insofar as the petitioner complied with the applicable program rule.” This could represent a relaxation in the FCC’s and USAC’s position that last March’s clarification of the E-rate Modernization Orders required applicants seeking self-provisioned fiber options to specify “Transport Only” in their Form 470s and to consider non-fiber options (see our [newsletter of May 29th](#)).
- c. Four Requests for Review or Waiver deemed as moot for fully-disbursed FRN invoices.
- d. One Request for Waiver for not complying with the FCC’s basic filing requirements.
- e. Two Petitions for Reconsideration deemed to rely on arguments already fully considered and rejected by the FCC.

2. Granted:

- a. Two Requests for Review (for a single applicant) finding that the petitioner had not improperly included ineligible services in its price comparison.
- b. One Request for Review directing USAC to “reevaluate” the eligibility of various applicant entities.
- c. One Petition for Reconsideration involving an older technology plan requirement.

- d. One Request for Waiver granting an applicant additional time to respond to a USAC request for information.
 - e. One Request for Waiver granting the correction of an inadvertently listed Service Start Date on a Form 486.
 - f. Fifty-four Requests for Waiver of the FY 2017 application deadline for Form 471s filed within 14 days of the window close. This is consistent with the precedent over the past few years, but is the first batch of waivers (more are expected) for FY 2017.
 - g. One Request for Review for the correction of a ministerial and/or clerical error.
 - h. Two Requests for Waiver involving late-filed BEARs awaiting USAC action.
 - i. Two Requests for Waiver of the appeal filing deadline missed by a “few days.”
3. Denied:
- a. Three Requests for Review and/or Waiver (for a single applicant) for the failure to consider the price of eligible services as the primary factor in bid evaluations.
 - b. One Request for Review for the failure to consider all bids.
 - c. Three Requests for Review and/or Waiver (for a single vendor) for improper service provider involvement in the applicant’s competitive bidding process. Among other factors, the FCC found that the service provider had created the applicant’s bid evaluation matrix and had provided answers to competitive bidding questions.
 - d. Seventeen more Requests for Waiver for invoice deadline extensions.
 - e. Six Requests for Waiver for late-filed Form 471 applications.
 - f. One Request for Review involving the improper treatment of an expiring state master contract.
 - g. Three late-filed Requests for Waiver.

USAC News Brief Dated June 2 – Category 2 Budget Reminders

[USAC’s Schools and Libraries News Brief of June 2, 2017](#), reminds applicants that Category 2 budgets:


- Cover a five-year period (beginning with the first year of funding)
- Are pre-discount
- Are calculated each funding year

The News Brief also provides basic instructions on how to:

- Calculate Category 2 school budgets for FY 2017
- Calculate Category 2 library budgets for FY 2017
- Return Category 2 commitments to restore budget amounts

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.   

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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