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Funding Status – FY 2017 and FY 2016

FY 2017:

Wave 2 for FY 2017 was released Friday, June 9th, for a total of \$77.7 million. Funding for North Carolina was \$2.56 million for 40 applicants. Cumulative national funding through Wave 2 is \$126 million, including \$3.22 million for North Carolina.

Applicants funded in Wave 1 or Wave 2 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 later this month.

FY 2016:

Wave 49 for FY 2016 was released last Tuesday, June 6th, for a total of \$14.7 million. Wave 50 was released Saturday, June 10th, for a total of \$22.4 million. There was no funding in either wave for North Carolina. Cumulative national funding through Wave 50 is \$2.75 billion, including \$104 million for North Carolina.

Scheduling Summer Category 2 Work: 2017 vs. 2018

Many applicants who applied for Category 2 in FY 2017 — particularly schools — have decisions to make. Should they try to schedule installations this summer, even if their requests have not yet been funded, or should they plan to do the work next summer in advance of the FY 2017 Service Delivery Deadline of September 30, 2018? The decisions depend on several factors, including:

- The importance of a timely installation;
- Applicant reliance on E-rate to cover the discount portion;
- Confidence that, if not yet funded, the request will be approved; and possibly
- The willingness of the service provider to defer payment of the discounted portion.

There are several points to consider if assessing eventual funding approval for a pending Category 2 request. In particular:

1. Unlike several years ago, when Priority 2 funding was limited, Category 2 funding for FY 2017 is assured. The FCC’s funding order ([DA 17-507](#)) notes that the FY 2017 demand is well under the inflation-adjusted cap of \$3.99 billion not to mention an additional \$1.2 billion of unused funds from previous years available for roll-over. As such, the FCC directed to USAC “to fully fund eligible category one and category two requests.”
2. For a given applicant, the key word in the FCC’s funding order is “eligible.” To be funded, an application must be approved. Some are denied in their entirety, most commonly as the result of competitive bid violations. Others are denied in whole or in part because of: (a) requests in excess of five-year budget limitations; (b) requests for ineligible products and services; or (c) lower-than-requested discount rates. Properly filed applications should be fully funded.
3. The timing of a Funding Commitment Decision Letter (“FCDL”) for a specific application is always a question. At this point, with two FY 2017 funding waves already released, USAC is running ahead of last year’s funding schedule. Applications approved in the early waves, however, tend to be those with smaller Category 1 requests.

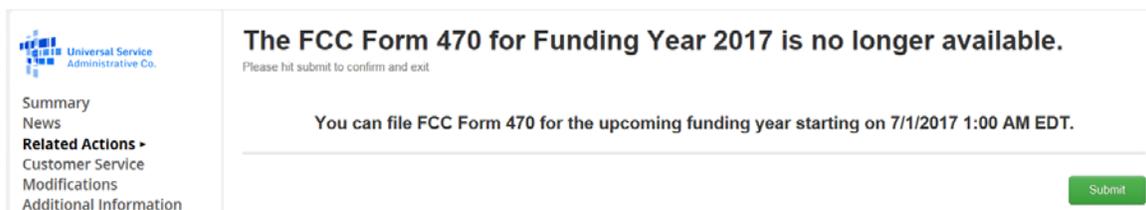
Our advice: Applicants confident in their applications should be confident of funding. If installation this summer is desirable, go for it!

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

Forms 470/486/500 EPC Availability:

USAC has indicated that several forms — Form 470 for FY 2018 and Forms 486 and 500 for FY 2017 — not currently available in EPC, will be activated shortly.

The Form 470 for FY 2018 is scheduled to be available as of July 1st. Early availability of the Form 470 is particularly important for applicants with long procurement cycles. For the past few years, an applicant seeking to file a Form 470 before USAC’s system had been updated for the coming funding year was advised to use the existing version of the Form and to add narrative language to explain the timing difference. This strategy won’t work for FY 2018. Any attempt to file a Form 470 in EPC today results in the following message:



The screenshot shows a web interface with a sidebar on the left and a main content area. The sidebar contains the USAC logo and a list of navigation links: Summary, News, Related Actions (with a dropdown arrow), Customer Service, Modifications, and Additional Information. The main content area has a heading: "The FCC Form 470 for Funding Year 2017 is no longer available." Below the heading is a sub-heading: "You can file FCC Form 470 for the upcoming funding year starting on 7/1/2017 1:00 AM EDT." At the bottom right of the main content area is a green "Submit" button.

Our advice to any applicant needing to file an RFP for FY 2018 before July is to do so, but to use a bid closing date in early August to assure enough time for a Form 470 to be posted for the required 28 days.

A FY 2017 version of the Form 486, and hopefully of the Form 500 as well, should be available on or before July 1st. Availability of an updated Form 486 is particularly important for any applicant, already funded for FY 2017, seeking service provider discounts on July bills.

E-Rate Updates and Reminders

Reinstated Early Year COMADs:

USAC has begun sending Commitment Adjustment (“COMAD”) letters related to alleged rule violations to a number of applicants. In many cases, these letters are addressing audits or other problems ten or more years ago — situations that had been in limbo for over a decade. We expect to address this issue in greater detail in next week’s newsletter when the scope and nature of the problem becomes clearer. Be aware that the letters appear to be addressed to the E-rate contacts during the years in question — individuals who may no longer be working with the applicants.

Upcoming 2017 E-Rate Deadlines:

June 16 Form 486 deadline for FY 2016 funding committed in Wave 34. 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 35	06/23/2017
Wave 36	06/30/2017
Wave 37	07/07/2017
Wave 38	07/14/2017

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.

The earliest Form 486 deadline for FY 2017 will be Monday, October 30th. The 2017 EPC version of Form 486 should be available by July 1st.

June 30 Last day to file for a [Special Construction Deadline Extension Request](#). Note that the Form 500 erroneously specifies this deadline as September 30th.

July 25 USAC’s only service provider training this year is in Dallas. See details and registration information in [USAC’s Schools and Libraries News Brief of June 9, 2017](#).

USAC News Brief Dated June 9 – Invoicing for RFCDL Commitments

[USAC’s Schools and Libraries News Brief of June 9, 2017](#), announced that USAC had completed IT work necessary to bring EPC information on Revised Funding Commitment Decision Letters (“RFCDLs”) into their legacy BEAR or SPI invoicing systems. Invoicing can now be done for FRNs with approved changes based on appeals, SPIN changes, service substitutions, or service dates.

Last week’s News Brief also included:

1. Registration information on USAC’s service provider training session in Dallas on July 25th.
2. Links to three introductory webinars USAC is conducting this summer.
3. A reminder that the exemption of competitive bidding rules for “commercially available Internet access services,” apply only when all requirements as to availability, cost, and speed are strictly met. Our advice is to file a Form 470 and follow all other competitive bidding rules for all E-rate services, rather than to take a chance relying on limited exceptions.

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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