

- Funding Status – FY 2017 and FY 2016
- FCC Releases Proposed Eligible Services List for FY 2018
- Updates on USAC’s E-Rate Productivity Center and Legacy System
 - Form 470 Available for FY 2018
 - Entity Profile Updates
 - EPC System Fixes
- E-Rate Updates and Reminders
 - FCC Proposal Regarding Threatening Calls to Schools
 - Upcoming 2017 E-Rate Deadlines
- USAC News Brief Dated June 23 – Selective Review Details

Funding Status – FY 2017 and FY 2016

FY 2017:

Wave 4 for FY 2017 was released Friday, June 23rd, for a total of \$68.7 million. Funding for North Carolina was \$4.19 million for 68 applicants. Cumulative national funding through Wave 4 is \$253 million, including \$8.24 million for North Carolina.

Applicants funded in Waves 1–4 should note that EPC has not yet been configured for the filing of Form 486s for FY 2017. Form 486 capability will be available shortly.

FY 2016:

Wave 51 for FY 2016 was released on Tuesday, June 20th, for a total of \$20.4 million, including \$76 thousand for one North Carolina. Cumulative national funding through Wave 51 is \$2.77 billion, including \$104 million for North Carolina. Wave 52 is scheduled to be released on Friday, June 30th.

FCC Releases Proposed Eligible Services List for FY 2018

The FCC is seeking comments on its proposed Eligible Services List (“ESL”) for FY 2018 ([DA 17-602](#)). Comments are due July 21st; reply comments are due August 7th.

With two exceptions, the proposed FY 2018 ESL is essentially the same as the FY 2017 ESL. The FCC is specifically seeking comments on these two exceptions, namely:

1. A small section has been added to address “Network Equipment with Mixed Eligibility.” “Eligibility,” in this case, refers to whether such equipment may be supported as Category 1 or Category 2, not whether the equipment E-rate eligible at all.

Network Equipment with Mixed Eligibility – On-premises equipment that connects to a Category Two-eligible LAN is eligible for Category One support if it is necessary to make a Category One broadband service functional. If the price for components that enable the LAN can be isolated from the price of the components that enable the Category One service, those costs should be cost-allocated out of the Category One funding request.

Presumably, to the extent LAN-enabling equipment costs can be isolated and allocated out of a Category 1 request, those costs would then be eligible as Category 2.

2. The section on “Connections between buildings of a single school” is currently unchanged from the FY 2017 ESL, addressing the Category 1 vs. Category 2 classification for three different combinations of “schools” and “campuses.”

Connections between buildings of a single school – The classification of connections between multiple buildings of a single school is determined by whether the buildings are located on the same campus. A “campus” is defined as the geographically contiguous grounds where the instructional buildings of a single eligible school are located. A single school may have multiple campuses if it has instructional buildings located on grounds that are not geographically contiguous. Different schools located on the same grounds do not comprise a single campus. The portion of the grounds occupied by the instructional buildings for each school is a campus for that school.

- Connections between buildings on different campuses of a single school are considered to be Category One digital transmission services.
- Connections between different schools with campuses located on the same property (e.g., an elementary school and middle school located on the same property) are considered to be Category One digital transmission services.
- Connections between buildings of a single school on the same campus are considered to be Category Two internal connections.

The Public Notice for the proposed ESL suggests that the final ESL for FY 2018 will include an additional bullet point indicating that connections between different schools or libraries in the same building may be considered (at least as an option) to be Category 2 internal connections. This change would be consistent with the FCC’s FY 2017 waiver decision ([DA 17-151](#)) issued last February permitting applicants to elect Category 2 status (rather than Category 1 status) for such connections.

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

Form 470 Available for FY 2018:

The FY 2018 EPC version of the Form 470, initially promised for July 1st, became available early last week. Applicants, particularly those with long procurement cycles can get started now.

Entity Profile Updates:

Last year, as a prelude to opening the Form 471 application window for FY 2017, USAC set an applicant deadline for updating entity data in EPC. Once the application window was open, USAC locked down applicant access to such data. The lockdown was effective throughout the application window, primarily as a means to stabilize the school district student data relied upon in consortium and library applications. Doing so eliminated the need, as was the case during the FY 2016 window, of having a second and much later application deadline for consortia and libraries. The entity data lockdown was removed May 22nd, roughly a week and a half after the

close of the FY 2017 application window. Applicants may now update their EPC entity data including their addresses, school codes, and student data.

Our recommendation, specifically with regard to student enrollment and eligibility data, is to defer entity profile updates until much later in the year (or in early 2018). Our understanding is that USAC will again lockdown entity data during the FY 2018 application window, but that any applicant-made changes to student numbers entered now may be overwritten by USAC during the FY 2017 PIA review process.

Applicants wishing to update student data for purposes of their FY 2017 applications (e.g., to reflect a higher discount or Category 2 budget), need to make those changes through the Form 471 RAL correction process. Applicant updates to the EPC entity data will not automatically flow through to the Form 471 applications.

EPC System Fixes:

USAC continues to work on fixes and updated features in EPC. There are two important changes we expect to see implemented either later this month or early in July. In particular:

1. Approvals of Form 500s and SPIN changes for FY 2016 and FY 2017 need to be released to applicants via Revised Funding Commitment Decision Letters (“RFCDLs”). These approvals have been delayed by an EPC system issue related to the release of the RFCDLs for these processes. Resolution is expected this month.
2. EPC currently does not support appeals of funding decisions for FY 2017. Although we expect that this capability will be added next month, the 60-day appeal window for applicants funded in Wave 1 closes July 25th and is fast approaching. Applicants wishing to appeal FY 2017 decisions before EPC is updated can submit their appeals as Customer Service requests.

E-Rate Updates and Reminders

FCC Proposal Regarding Threatening Calls to Schools:

The FCC released a Notice of Proposed Rulemaking (“NPRM”) ([FCC 17-76](#)) requesting comments on proposed rules to ease the restrictions in obtaining caller-ID information by law enforcement officials seeking to identify anonymous callers making threatening and harassing calls to schools, religious institutions, and “other victims.” Previously, the FCC dealt with these problems (e.g., Liberty PSD in 2013, Middletown CSD in 2016, and Jewish Community Centers in 2017) via a time-consuming process of limited waivers for specific situations. The Middletown case was particularly interesting because the FCC requested public comments on the waiver request. [E-Rate Central’s response](#) at the time, not only supported the Middletown waiver, but encouraged the FCC to amend its CPN rules to include a specific exemption for any school receiving threatening calls. Last week’s FCC notice proposes to do just that.

Comments are due 30 days after the NPRM is published in the Federal Register. Reply comments will be due 60 days thereafter.

Upcoming 2017 E-Rate Deadlines:

June 30 Form 486 deadline for FY 2016 funding committed in Wave 36. 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 37 | 07/07/2017 |
| Wave 38 | 07/14/2017 |
| Wave 39 | 07/21/2017 |
| Wave 40 | 07/28/2017 |

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.

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

July 21 Last day to file public comments on the FCC’s Proposed Eligible Services List for FY 2018 ([DA 17-602](#)).

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 23 – Selective Review Details

[USAC’s Schools and Libraries News Brief of June 23, 2017](#), discusses details of the selective review process. An overview of the process was provided in the [News Brief of June 16th](#). The following is an outline of the material covered in the latest News Brief:

1. Completing selective review questions
2. Uploading requested competitive bidding documents
 - a. Contracts and/or other agreements
 - b. Request for Proposal (“RFP”) and other RFP documents
 - c. Bid responses
 - d. Vendor selection process
 - e. Consulting agreement or letter of agency, if appropriate

- f. Correspondence regarding competitive bidding between the applicant, service providers, and consultant
 - g. Organization structure
 - h. Other documentation demonstrating compliance with the competitive bidding requirements
3. Submitting your response

The June 23rd News Brief also touches on three topics discussed above.

1. Comment period established for the draft FY 2018 Eligible Services List
2. Update on the FY 2018 Form 470
3. EPC profile updates and application reviews

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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