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## Funding Status – FY 2017 and FY 2016

### *FY 2017:*

Wave 9 for FY 2017 was released Friday, July 28<sup>th</sup>, for a total of \$77.7 million. Funding for North Carolina was \$4.23 million for 28 applicants. Cumulative national funding through Wave 9 is \$616 million including \$28.8 million for North Carolina. Wave 10 is scheduled to be released on Friday, August 4<sup>th</sup>.

### *FY 2016:*

Wave 56 for FY 2016 was released on Tuesday, July 25<sup>th</sup>, for a total of \$2.78 million — none for North Carolina. Cumulative national funding through Wave 56 is \$2.82 billion including \$104 million for North Carolina. Wave 57 is scheduled to be released on Tuesday, August 1<sup>st</sup>.

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

### *Avoiding Form 486 Certification Errors:*

It is always a good idea to read E-rate certifications before blindly checking all the boxes and certifying a form. On many E-rate forms, all or most of the certifications apply and must be checked prior to filing.<sup>1</sup> For a Form 486, on the other hand, the majority of the certifications do not apply to a given applicant. To the contrary, the certifications are tailored to applicant-specific situations — unfortunately not well defined in the online EPC system.<sup>2</sup>

From a processing standpoint, USAC apparently recognizes that the certifications may be confusing and it does not automatically reject or deny Form 486s with wrong or inconsistent checkmarks. However, USAC does flag these Form 486s for review. Currently, there is a significant backlog of Form 486s under review, and neither applicants nor service providers can

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<sup>1</sup> Hint: Be careful to answer “No” to the two service provider funding questions on a Form 471.

<sup>2</sup> [Form 486 Instructions](#) are available on the USAC website under the Reference section, not under the Forms section.

submit FY 2017 invoices until the associated Form 486s are approved by USAC. Therefore, it pays — quite literally — to get Form 486 certifications right from the beginning.

A list of possible Form 486 certifications (with our numbering in red) is provided below, followed by explanations of each.

| Certifications |  |
|----------------|--|
| 1              | <input type="checkbox"/> The Funding Requests listed in this FCC Form 486 have been approved by USAC as shown in my Funding Commitment Decision Letter (FCDL). I have confirmed with the service provider(s) featured in those Funding Requests that these services will start on or before July 31 of the Funding Year.   |
| 2              | <input type="checkbox"/> I am providing notification that, as of the date of the start of discounted services, I am unable to make the certifications required by the Children's Internet Protection Act, as codified at 47 U.S.C. § 254(h) and (l), because my state or local procurement rules or regulations or competitive bidding requirements prevent the making of the certification(s) otherwise required. I certify that the schools or libraries represented in the Funding Request Number(s) on this FCC Form 486 will be brought into compliance with the CIPA requirements before the start of the Third Funding Year in which they apply for discounts.  |
| 3              | <input type="checkbox"/> I certify that the services listed on this FCC Form 486 have been, are planned to be, or are being provided to all or some of the eligible entities identified in the FCC Form 471 application(s) cited above. I certify that there are signed contracts covering all of the services listed on this FCC Form 486 except for those services provided under tariff or on a month-to-month basis. I certify that I am authorized to submit this receipt of service confirmation on behalf of the above-named Billed Entity; that I have examined this request; and that, to the best of my knowledge, information, and belief, all statements of fact contained herein are true.  |
| 4              | <input type="checkbox"/> I understand that the discount level used for shared services is conditional, for future years, upon ensuring that the most disadvantaged schools and libraries that are treated as sharing in the services receive an appropriate share of benefits from those services. I recognize that I may be audited pursuant to this application and will retain for at least ten years (or whatever retention period is required by the rules in effect at the time of this certification) after the latter of the last day of the applicable funding year or the service delivery deadline for the funding request any and all records, including FCC Forms 479 where required, and, if audited, will make such records available to the Administrator. |
| 5              | <input type="checkbox"/> I certify that as of the date of the start of discounted services: a. the recipient(s) of service represented in the Funding Request Number(s) on this FCC Form 486 has (have) complied with the requirements of the Children's Internet Protection Act, as codified at 47 U.S.C. § 254(h) and (l).   |
| 6              | <input type="checkbox"/> I certify that as of the date of the start of discounted services: Pursuant to the Children's Internet Protection Act, as codified at 47 U.S.C. § 254(h) and (l), the recipient(s) of service represented in the Funding Request Number(s) on this Form 486: (FOR SCHOOLS and FOR LIBRARIES IN THE FIRST FUNDING YEAR FOR PURPOSES OF CIPA) is (are) undertaking such actions, including any necessary procurement procedures, to comply with the requirements of CIPA for the next funding year, but has (have) not completed all requirements of CIPA for this funding year.  |
| 7              | <input type="checkbox"/> I certify that as of the date of the start of discounted services: The Children's Internet Protection Act does not apply because the recipient(s) of service represented in the Funding Request Number(s) on this FCC Form 486 is (are) receiving discount services only for telecommunications services.   |
| 8              | <input type="checkbox"/> I certify as the Billed Entity for the consortium that the only services that have been approved for discounts under the universal service support mechanism on behalf of eligible members of the consortium are telecommunications services, and therefore the requirements of the Children's Internet Protection Act, as codified at 47 U.S.C. § 254(h) and (l), do not apply.  |
| 9              | <input type="checkbox"/> I certify as the Billed Entity for the consortium that I have collected duly completed and signed FCC Forms 479 from all eligible members of the consortium.  |
| 10             | <input type="checkbox"/> I certify that some or all of the eligible consortium members checked FCC Form 479 Item 6d to seek a CIPA Waiver, and upon request from the Administrator I can provide this information.   |
| 11             | <input type="checkbox"/> I certify that no eligible consortium members checked FCC Form 479 Item 6d to seek a CIPA Waiver.   |

Certifications #1 and #2 — the first to appear during EPC's Form 486 certification stage — generally do not apply. In particular:

1. Based on its wording, certification #1 is particularly tempting to check, but its applicability is limited. Normally, a Form 486 cannot be filed until the services covered by the FRN(s) have already started, i.e., no earlier than July 1<sup>st</sup>. Certification #1 is to be used only by applicants who have been funded before the funding year begins, who want to file their Form 486s early, and who can assure USAC that the services will start sometime during the first month. Anyone filing a Form 486 on or after July 1<sup>st</sup> should not check this certification.
2. Certification #2 should be used only in very special circumstances — ones we have never experienced — in which state or local procurement rules conflict with CIPA regulations.

Certifications #3, #4, and #5 are most commonly the only certifications used by CIPA-compliant applicants receiving Internet and/or any Category 2 services. Most importantly, they attest to the facts that:

3. The certifier is authorized to file the Form 486.
4. Related documentation, including all procurement material will be retained for at least 10 years after the service is delivered.
5. The applicant is CIPA compliant.

Applicants applying for E-rate for the first time may be granted a one-year waiver of CIPA requirements as long as they are “undertaking” actions to become compliant. Three certifications address such a waiver, namely:

6. Certification #6 is used by individual applicants to indicate they are currently undertaking actions to become CIPA compliant and will be in compliance next year.
10. Certification #10 is used by consortium applicants to indicate that one or more of their members are not yet CIPA compliant.
11. Alternatively, certification #11 indicates that no consortium members are seeking CIPA waivers.

CIPA compliance is not required if an applicant is applying for discounts on telecommunications services only. This exception applies even if the telecommunications services are used to provide Internet access services if, and only if, the applicant does not apply for E-rate discounts on the Internet service itself. Two certifications deal with the telecommunications-only situation, namely:

7. Certification #7 is used by individual applicants applying only for telecommunications discounts.
8. Certification #8 is used by consortium applicants applying only for telecommunications discounts.

Before a consortium applicant can certify a Form 486, it must first collect Form 479s from each of its members. Essentially, a Form 479 requires each member to certify CIPA compliance to its consortium leader so that, in turn, the leader can certify compliance in a Form 486 on behalf of all its members. A Form 479 is an unusual E-rate form in that it is filed — on paper, not online — with the consortium leader, not with USAC. As a result:

9. Certification #9 is used by consortium applicants to confirm that they have collected completed Form 479s from all their members. It is obviously important for consortia to retain copies of all Form 479s received in the event of future audits.

Important note: Applicants whose EPC accounts are accessed for forms preparation and submission by different users must recognize that anyone preparing a form can check the proper certifications. But, once that form is sent to another person for certification, those checkmarks are deleted. The final form certifier must complete the certifications anew.

## E-Rate Updates and Reminders

### *Upcoming 2017 E-Rate Deadlines:*

August 7 Form 486 deadline for FY 2016 funding committed in Wave 41. More generally, the Form 486 deadline is 120 days from the FCDL date or the service start date (often July 1<sup>st</sup>), 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 42 | 08/11/2017 |
| Wave 43 | 08/18/2017 |
| Wave 44 | 08/25/2017 |

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 30<sup>th</sup>.

August 7 Last day to file reply comments on the FCC’s Proposed Eligible Services List for FY 2018 ([DA 17-602](#)).

Sept. 30 Service delivery deadline for the receipt of non-recurring services (i.e., installation or other one-time charges) for FY 2016. Requests to extend the service delivery deadline, if needed, must be made on or before this date.

## USAC News Brief Dated July 28 – Corrections

[USAC’s Schools and Libraries News Brief of July 28, 2017](#), notes several corrections regarding invoice deadlines that were discussed in the previous week’s News Brief. A [revised version of the June 21st News Brief](#) has been posted. However, the revised version still references a FY 2016 recurring service invoicing deadline of October 28, 2017, that is not technically correct. October 28<sup>th</sup> this year is a Saturday, thus extending the actual deadline to Monday, October 30<sup>th</sup>.

Last Friday’s News Brief also notes that the presentation slides for USAC’s July 25<sup>th</sup> service provider training in Dallas will be posted to the USAC website later this week.

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*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](mailto:join-ncerate@lists.dpi.state.nc.us). Please include your name, organization, telephone, and e-mail address.*

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