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Funding Status – FY 2017 and FY 2016

FY 2017:

Wave 10 for FY 2017 was released Friday, August 4th, for a total of \$70.4 million. Funding for North Carolina was \$1.07 million for 2 applicants. Cumulative national funding through Wave 10 is \$686 million, including \$29.9 million for North Carolina. Wave 11 is scheduled to be released on Friday, August 11th.

FY 2016:

Wave 57 for FY 2016 was released on Tuesday, August 1st, for a total of \$1.20 million — none for North Carolina. Cumulative national funding through Wave 57 is \$2.82 billion, including \$104 million for North Carolina. Wave 58 is scheduled to be released on Tuesday, August 8th.

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

Status of FY 2014 “Jefferson-Madison” BEARs:

On May 30th, the FCC released the *Jefferson-Madison* Order on Reconsideration ([DA 17-526](#)) granting invoice extensions to a list of applicants who had filed timely BEARs for FY 2014, but had those BEARs rejected because their service providers had not acknowledged the BEARs by the invoice deadline (as was required at the time). In addition to the applicants specifically listed in Appendices A and B of the Order, the FCC instructed USAC to process invoices from any other applicants whose BEARs had been denied for a similar reason (see our newsletters of [June 5th](#) and [July 17th](#)).

The current status of these BEARs is as follows:

1. As of last week, 21 of the 32 applicants listed in Appendix A of the Order had filed new BEARs — and had been paid. The other 11 applicants have invoice deadlines of either

August 28th or September 1st. Invoice deadline extensions for these FY 2014 BEARs will be accepted if requested.

2. BEARs associated with the 4 applicants listed in Appendix B appear to have been already processed and paid.
3. As directed by the FCC, USAC has identified a number of other applicants with similar BEAR rejections in FY 2014. Notifications to these applicants were scheduled to be mailed last week and should be received later this week. Un-notified applicants believing themselves to be eligible for relief under the *Jefferson-Madison* Order should file a Customer Service case.

USAC Fiber Questions and Carrier Confidentiality

Many applicants applying for new lit and dark fiber systems in both FY 2016 and FY 2017 have received (or may yet receive) detailed questions from USAC on fiber topology, fiber strand usage, potential fiber use by other customers, etc. — questions that can best (or only) be answered by the service providers. However, telecommunications carriers may be understandably reluctant to disclose proprietary information such as this through E-rate applicants who are subject to Freedom of Information Act (“FOIA”) requests by competitors. Responding to USAC’s requests through EPC, however, remains an applicant-only process. In some cases, this has led to a stand-off in the PIA and application approval process.

One solution being proposed — sensible, but subject to USAC’s approval — is to permit a carrier to submit sensitive network data directly and confidentially to USAC. A simple notification of the carrier’s transmittal of network information to USAC could then serve as the required EPC response by the applicant. We encourage USAC, applicants, and service providers, to work out mutually acceptable solutions for addressing these more complex PIA questions.

E-Rate Updates and Reminders

Upcoming 2017 E-Rate Deadlines:

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| August 7 | Last day to file reply comments on the FCC’s Proposed Eligible Services List for FY 2018 (DA 17-602). |
| August 9 | USAC webinar reviewing the highlights of the July 25 th service provider training in Dallas. Registration and presentation slides are available online. |
| August 11 | Form 486 deadline for FY 2016 funding committed in Wave 42. More generally, the Form 486 deadline is 120 days from the FCDL date or the service start date (often July 1 st), 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 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 30th.

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.

Sometime The first of USAC’s annual fall applicant training sessions is expected to be
in October held in Washington, DC.

FCC Decision Watch:

The FCC issued another set of “streamlined,” precedent-based decisions ([DA 17-712](#)) last week. Applicants facing similar problems as addressed in these decisions may garner useful information by carefully reading the additional FCC explanations found in the footnotes. The original appeals and waiver requests can be found online in the FCC’s [Search for Filings](#).

In summary, last week’s FCC decisions:

1. Dismissed:

- a. Seven Requests for Waiver and one Petition for Reconsideration deemed as moot because invoice records demonstrated that the applicants had been fully compensated for the requested funding.
- b. One Request for Waiver for not complying with the FCC’s basic filing requirements.
- c. One Petition for Reconsideration for failure to identify any arguments not already considered by the FCC.

2. Granted:

- a. Two Requests for Review, for the same applicant, finding that the applicant had demonstrated its eligibility for its requested discount rate.
- b. Forty-eight Requests for Waiver of the FY 2017 application deadline for Form 471s filed within 14 days of the window close.
- c. Five Requests for Review or Waiver involving late-filed Form 486s. Importantly, all these Form 486s, while late, had been filed on or before January 30, 2017, when the FCC had established more rigid Form 486 filing standards.
- d. Three Requests for Review or Waiver for applications involving ministerial and/or clerical errors.

- e. One Request for Review finding that the applicant had paid its share of the E-rate purchase price.
 - f. Three Requests for Waiver involving late-filed BEARs pending USAC actions on Form 498s, PINs, or other requests.
 - g. Two Requests for Review and/or Waiver, for the same applicant, found not to have complied with state or local procurement rules, but granted by the FCC upon demonstration that the applicant had selected the lowest priced option and there was no evidence of waste, fraud, or abuse.
3. Denied:
- a. One Request for Waiver by an applicant deemed to have failed to follow its own bid evaluation criteria.
 - b. One Request for a Review involving a late-filed Form 486. In contrast to the Form 486 approvals granted in 2.c. above, the Form 486 in this case had been filed after January 30, 2017.
 - c. One Request for Limited Exception, filed on behalf of four Wisconsin school districts, [seeking eligibility](#) for a one-year test of wireless Internet services on a limited number of their school buses.
 - d. Two Requests for Waiver for invoice deadline extensions.
 - e. Forty-seven Requests for Waiver for late-filed Form 471 applications filed more than two weeks late.
 - f. Six late-filed Requests for Review or Waiver.

FCC Commissioners Rosenworcel and Carr Confirmed:

The U.S. Senate confirmed the appointments of Jessica Rosenworcel and Brendan Carr as FCC Commissioners. Once they are sworn in, the FCC will be back to its full five-Commissioner strength. The politics of the Commission structure, a 3:2 Republican majority, was evident in a confirmation process reflecting the interests of both parties, namely:

1. Jessica Rosenworcel (D), previously a Commissioner until her term expired in 2016, was confirmed for a full 5-year term.
2. Brendan Carr (R) was confirmed only for the current year, presumably so that his confirmation may be paired with a Democratic replacement for Mignon Clyburn (D) who may step down later this year.
3. Current FCC Chairman Ajit Pai (R), who was nominated for an additional term by the President, was not confirmed for the extended term. One explanation for deferring action was the Democrats wish to further debate his nomination this fall closer to an expected FCC vote on net neutrality.

USAC News Brief Dated August 4 – Competitive Bidding Questions

[USAC's Schools and Libraries News Brief of August 4, 2017](#), poses and answers the following questions on the competitive bidding process:

1. How do I count the 28-day Form 470 waiting period? Do I exclude weekends and holidays? Short answer: 28 calendar days.
2. What if I only have one service provider in my area? Am I still required to file a Form 470? Short answer: Yes.
3. What can I do if I only receive one bid? Can I choose it? Short answer: Yes, if it's cost-effective.
4. What if I don't receive any bids? Short answer: You can treat your current supplier's bill as a response.
5. Do I have to choose the bid with the lowest price? Short answer: No, but price must be the most heavily-weighted factor.
6. As a service provider, how do I submit a bid on the services requested? Short answer: Review the Form 470 (and/or RFP) for instructions or check with the contact person on the Form 470.
7. Where can I get more information on competitive bidding? Short answer: The News Brief contains a number of useful links. See also the first two steps covered in E-Rate Central's [Application Tips](#).

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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