

- Funding Status – FY 2017 and FY 2016
- Updates on USAC’s E-Rate Productivity Center and Legacy System
 - Form 486 Corrections Stalled
- E-Rate Updates and Reminders
 - Upcoming 2017 E-Rate Deadlines
 - ESL Reply Comments
 - Transfer of USF Funds to the U.S. Treasury
 - USAC’s Fund Size Projections for 3Q17
- USAC News Brief Dated August 11 – Form 498

Funding Status – FY 2017 and FY 2016

FY 2017:

Wave 11 for FY 2017 was released Friday, August 11th, for a total of \$103.6 million. Funding for North Carolina was \$3.34 million for 34 applicants. Cumulative national funding through Wave 11 is \$790 million (\$680 million for Category 1, \$110 million for Category 2), including \$33.2 million for North Carolina. Wave 12 is scheduled to be released on Friday, August 18th.

FY 2016:

Wave 58 for FY 2016 was released on Tuesday, August 8th, for a total of \$80.1 million — none North Carolina. Cumulative national funding through Wave 58 is \$2.91 billion, including \$104 million for North Carolina. Wave 59 is scheduled to be released on Tuesday, August 15th.

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

Form 486 Corrections Stalled:

[USAC’s July 7th News Brief](#) indicated that USAC could not yet process and approve FY 2017 Form 486s requiring PIA review. That is still the case and is becoming a source of concern for affected applicants who:

- Have already been funded for FY 2017;
- Filed miscertified Form 486s — easy mistakes to make — which remain backlogged awaiting PIA review and correction; and
- Need Form 486 Notification Letter approvals before their service providers will discount bills

Based on Customer Service comments last week, PIA’s capability to review of Form 486s is not expected until this fall.

One alternative — in theory, but not in reality — should be to cancel an incorrect Form 486 and refile. This option was mentioned in the original June version of USAC’s Form 486 webinar, but was subsequently edited out of the associated [Form 486 slides](#). Cancellations, which would provide a logical workaround to the current PIA review problem, cannot currently be done.

Applicants who have not yet filed Form 486s for FY 2017 are encouraged to pay close attention to the certifications when doing so. For additional details on Form 486 certifications, please review our [newsletter of July 31st](#).

E-Rate Updates and Reminders

Upcoming 2017 E-Rate Deadlines:

- August 15 USAC webinar to provide [E-rate Training for Beginners](#). Note also that last week’s USAC webinar providing [Service Provider Training Highlights](#) (from the July 25th session in Dallas) was recorded and is available online

- August 18 Form 486 deadline for FY 2016 funding committed in Wave 43. 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 44	08/25/2017
Wave 45	09/01/2017
Wave 46	09/07/2017
Wave 47	09/19/2017

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.

- October 10 USAC’s first annual fall applicant training session in Washington DC will be limited to state E-rate coordinators and other “executive or senior” managers with E-rate responsibilities. Training sessions for other attendees are planned

in Charlotte, Minneapolis, and San Diego (dates to be announced). In all, USAC's traditional fall training schedule has been cut in half, presumably as a cost cutting measure and in favor of a broader range of webinars.

ESL Reply Comments:

Reply comments on the FCC's proposed Eligible Services List ("ESL) for FY 2018 were due last week. There was broad consensus from a number of school districts, [AT&T](#), and the State E-Rate Coordinators' Alliance ("[SECA](#)"), supporting initial comments from [Kellogg & Sovereign Consulting](#), on the need to address eligibility and/or funding flexibility for transitional changes in telecommunications services (either bandwidth upgrades or new carriers).

SECA's reply comments also discussed:

- The importance of additional clarity on the treatment of Category 1 equipment needed to make broadband services functional.
- The need, at least as an option, of treating connections between multiple schools on a single campus as Category 2. Under current rules, such connections must be treated as Category 1, meaning that applicants planning to link the schools with self-provisioned fiber must bid for, and compare, private fiber with carrier-provided lit fiber and transport only services. (Note: An alternative would be to waive the fiber comparison requirement for on-campus Category 1 services.)
- The rationale for permitting the funding of multiple Internet providers to ensure adequate and reliable Internet access services.

Reply comments by [T-Mobile USA](#) asked the FCC to update ESL guidance on the cost-effectiveness of mobile wireless services as compared with fixed Wi-Fi systems.

Transfer of USF Funds to the U.S. Treasury:

USAC [announced](#) that it is coordinating with the FCC to develop a plan to transfer the funds from the Universal Service Fund ("USF"), currently held at a third-party banking institution, to the U.S. Department of Treasury. Exactly how this change might affect E-rate funds may depend upon the transition plan scheduled for release in November. The transfer itself is planned to be completed in 2018.

USAC's Fund Size Projections for 4Q17:

USAC released its [Universal Service Fund Size Projections for the Fourth Quarter of 2017](#). This latest quarterly projection shows a drop in the available E-rate funds from a total of \$1.264 billion as of the third quarter to \$342 million in the fourth quarter.

In May, just two days before USAC released Wave 1 for FY 2017, the FCC issued an order ([DA 17-507](#)) indicating the availability of \$1.2 billion in unused funds and directing USAC to use that funding (and any additional funds as needed) to fully fund for all valid Category 1 and Category 2 requests. The 3Q17-to-4Q17 decline reflects the carry-forward (or "roll-over") of the

\$1.2 billion into FY 2017, presumably offset by additional reserve identified during the fourth quarter.

USAC News Brief Dated August 11 – Form 498

[USAC's Schools and Libraries News Brief of August 11, 2017](#), reviews the procedure for filing Form 498s. Applicants using the BEAR process need only file Form 498s once to provide USAC with the necessary banking information to enable direct deposits of discount reimbursements. The direct deposit mechanism has been in place since July 1, 2016, so many applicants have already completed the Form 498 process and, at most, might have to update certain fields.

The one piece of information which applicants may not have at their fingertips when filing Form 498s is their DUNS number. E-Rate Central provides an easy lookup feature for DUNS numbers by Billed Entity Numbers (“BENs”) on each of the [state pages](#) of its website.

D-U-N-S Lookup

BEN:

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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