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Funding Status – FY 2017 and FY 2016

FY 2017:

Wave 17 for FY 2017 was released Friday, September 22nd, for a total of \$73.9 million. Funding for North Carolina was \$1.89 million for 13 applicants. Cumulative national funding through Wave 17 is \$1.30 billion, including \$46.9 million for North Carolina. Wave 18 is scheduled to be released on Friday, September 29th.

FY 2016:

Wave 63 for FY 2016 was released Tuesday, September 19th — one approved FRN for \$62 thousand. The cumulative national funding through Wave 63 is \$2.90 billion, including \$104 million for North Carolina. A release date for Wave 64 has not yet been announced.

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

Form 470 Options for Bundled Internet Access and Transport:

USAC guidance for requesting bundled Internet access and transport services on a Form 470 is highly unintuitive. If the guidance stands — and USAC is being encouraged to change it — it may mean that many applicants will misfile their Form 470s for FY 2018 and risk Form 471 denials. Be very careful!

In an [August 22nd Special Edition News Brief](#), USAC announced “simplified” Form 470 drop-down options for requesting Category 1 services on the Form 470. This was followed by more detailed [Form 470 Instructions](#). The new drop-down menu included the following options with most of the discussion focused on the various fiber alternatives:

Function*

Please select a value

- Please select a value
- Leased Lit Fiber
- Internet Access & Transport Bundled
- Transport Only – No ISP Service Included
- Internet Access: ISP Service Only
- Leased Dark Fiber and Leased Lit Fiber
- Self-Provisioned Networks and Services Provided Over Third Party Networks
- Cellular Data Plan/Air Card Service
- Voice Service
- Cellular Voice
- Other

As we indicated at the time in our [newsletter of August 28th](#), “the choices are not quite as simple as advertised.” Indeed, we over-simplified — and apparently got wrong — the use of the “Internet Access & Transport Bundled” option. Unless USAC changes its guidance, others will undoubtedly make the same mistake.

According to USAC, the proper way to request bundled Internet access and transport service depends upon what type of transport you want — even if you are concerned only with Internet speed and are indifferent as to the delivery technology. Here is how USAC is interpreting its own Form 470 instructions on bundled Internet:

For Internet access and non-fiber transport (e.g., cable modem) select:

- Internet Access & Transport Bundled

For Internet access and fiber transport select:

- Internet Access & Transport Bundled
- Leased Lit Fiber
- Internet Access: ISP Service only

For Internet access, but no preference for transport, select:

- Internet Access & Transport Bundled
- Leased Lit Fiber
- Internet Access: ISP Service only

The rationale appears to be that bundled Internet access service delivered over a fiber circuit effectively includes leased lit fiber (which could be provided separately). If lit fiber is not selected on the Form 470, USAC seems to believe that fiber providers may overlook this opportunity to bid. However, if the applicant receives bids for lit fiber only, it must also consider bids for standalone Internet service. In other words, applicants seeking fiber-based Internet must bid for the service on both a bundled and unbundled basis.

Applicants specifically interested in bundled non-fiber Internet access are unlikely to have unbundled options and need only bid for bundled. Applicants with no preference for circuit type might receive fiber-based bids, thus must also bid the unbundled fiber combination.

Editorial Comment: USAC’s guidance on bundled Internet and transport services is a significant change from past years and is being implemented without any public FCC direction. In our view, this is a myopic interpretation of the FCC’s fiber rules. If USAC enforces this guidance, it will likely lead to a significant number of denials for applicants who picked only the most obvious Form 470 option. If USAC is truly concerned with lit fiber providers missing

potential opportunities, a much easier alternative is to instruct them to search for Form 470s that include the Internet Access & Transport Bundled option.

Applicants who have already begun their competitive bidding process for bundled Internet services, and who filed Form 470s without reference to this guidance, may have a problem. There appears to be three options.

1. Wait a couple of weeks and hope that USAC revises its guidance.
2. Do nothing and plan to appeal if denied — assuming the FCC will show more common sense.
3. Restart the procurement process by filing another 470 using the new USAC guidance.

E-Rate Updates and Reminders

Upcoming 2017 E-Rate Dates:

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 2 Form 486 deadline for FY 2016 funding committed in Wave 48. More generally, the Form 486 deadline is 120 days from the FCDL date or the service start date (often July 1st), whichever is later. Upcoming Form 486 deadlines for funding commitments received in later waves include:

Wave 49	10/04/2017
Wave 50	10/09/2017
Wave 51	10/18/2017

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.

October 23 Initial comments due on the FCC’s inquiry on revisions to Category 2 budgets (see below). Reply comments are due November 7th.

October 30 Invoicing deadline for FY 2016 recurring services. (Note: The normal October 28th deadline falls on a Saturday pushing this year’s actual deadline to the following Monday.) Requests to extend this deadline, if needed, will be automatically granted by USAC if filed on or before this date.

October 30 First Form 486 deadline for FY 2017 for FRNs approved in Waves 1–5.

FCC Seeks Comments on Category 2 Budgets:

The FCC released a Public Notice ([DA 17-921](#)) seeking comments on the level, structure, and application processing of Category 2 budgets. The current budgeting process was established in 2014 under a 5-year test period with plans to revisit the issue before the funding year opens for FY 2019. This Notice is the first step in the process. The FCC is seeking comments with regard to the policy in general, detailed data on experience to date, and the Category 2 application process. Comments are due October 23rd; reply comments are due November 7th.

USAC Fall E-Rate Training:

USAC's annual fall training is being provided on a more limited basis than in previous years. Although monthly webinars are planned, on-site training is available only in the following locations (including registration links):

- October 10 [Washington DC area](#) (Chevy Chase MD)
- October 24 [Charlotte, NC](#)
- November 2 [Minneapolis, MN](#)
- TBD West Coast (likely San Diego, CA)

Caller ID NPRM Reply Comments:

Three sets of reply comments were received last week regarding the FCC's Notice of Proposed Rulemaking ("NPRM"), [FCC 17-76](#). The NPRM proposed to amend the FCC's privacy rules for releasing caller ID information to organizations such as schools, and law enforcement agencies, attempting to deal with threatening calls. As we have discussed in past newsletters, this is not an E-rate issue, but deals with another FCC-related regulation affecting schools. Additional background information on the NPRM and on the initial comments due last month is covered in our [newsletter of August 28th](#).

The reply comments of both [CenturyLink](#) and [NCTA – The Internet & Television Association](#) support the proposed rule changes subject to the following three changes or clarifications:

1. The definition of a "threatening call" should comport with the disclosure rules of the Electronic Communications Privacy Act ("ECPA"), specifically limited to "any call involving danger of death or serious physical injury to any person."
2. The determination of whether an emergency situation exists should be the responsibility of the appropriate law enforcement agency, not the telecommunications carrier.
3. To preserve the basic privacy provisions of the FCC's underlying Calling Party Number ("CPN") rules, caller ID information should be released only to the appropriate law enforcement agency, not directly to the school or other threatened party.

Reply comments were also filed by [NTCA – The Rural Broadband Association](#) supporting the primacy of law enforcement agencies in such emergency situations, but suggesting a "safe harbor" provision for carriers notifying other parties under "extraordinary circumstances."

USAC News Brief Dated September 22 – Invoice Deadline Extension Requests

[USAC's Schools and Libraries News Brief of September 22, 2017](#), reminds applicants and service providers that the deadline for submitting invoices (BEARs for applicants and SPIs for service providers) for FY 2016 recurring services is Monday, October 30th. Invoice Deadline Extension Requests (“IDERS”), if needed, must be filed by the same October 30th date.

The News Brief outlines two ways to file IDERS.

1. The most direct approach is to log into the applicant’s online [BEAR system](#) or the service provider’s [E-File system](#), and click on the Deadline Extension link. IDERS in either system must be submitted on an FRN-by-FRN basis. Using this approach, IDERS will be granted upon filing.
2. The indirect approach is to submit requests via [Submit a Question](#). This approach permits the user to submit a list of multiple FRNs at one time, which can be convenient if a number of FRNs must be extended, but the list is processed manually by USAC and approvals can take time.

Invoice deadlines granted as the result of IDERS will be reflected in the [FRN Status Tool](#) and will also be displayed in the [FRN Extension Table](#).

We note that IDERS are supposed to be calculated as 120 days from the initial invoice deadline. For FY 2016 recurring services, the initial deadline is technically October 28th, a Saturday, making the actual deadline Monday, October 30th. The extended deadline, 120 days from October 28th, would be February 25, 2018, a Sunday, so the actual extended deadline is February 26th. Some recurring service FRNs for FY 2016 have already been extended with new deadlines for most correctly showing February 26th. In a few cases, however, the FRN Extension Table is incorrectly showing Sunday as the deadline. (Note that there are also some FRN Extension Table errors in extended non-recurring services deadlines for FY 2016.)

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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