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Funding Status – FY 2017

Wave 28 for FY 2017 was released Friday, December 8th, for a total of \$22.3 million. Funding for North Carolina was \$106 thousand for one applicant. Cumulative national funding through Wave 28 is \$1.95 billion, including \$66.5 million for North Carolina. Wave 29 is scheduled to be released on Friday, December 15th.

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

Updated Guidance on Internet Form 470 Options:

USAC, which has been reviewing FY 2018 Form 470s, began calling selected applicants last week to review with and/or remind those applicants of the proper use of the Category 1 Internet menu pull-down options. Given the confusion on these options ever since the new “simplified” choices were introduced on August 26th, we expect that USAC will be making a large number of calls. In specific cases, USAC may recommend or suggest that applicants restart their Internet procurement cycles by filing new Form 470s. Whether these calls provide addition clarification — or create more confusion — has yet to be determined.

What USAC has not yet done — as we and others have been advocating for months — is to provide clear written guidance on the Form 470 menu options. Based on conversations with USAC, however, the State E-Rate Coordinators’ Alliance (“SECA”) has developed the following table of recommended Form 470 menu choices and Narrative descriptions for different types of Internet needs.

The most unintuitive aspect of this guidance is that “Leased Lit Fiber” is not only a transport service, but may encompass bundled Internet service. Note also the importance of not indicating a preference for a specific technology — at least not without adding the phrase “or equivalent.”

HOW TO POST FOR INTERNET FOR FY 2018		
If You Want...	Select This 470 Drop Down Option...	Notes for What <u>To</u> and What <u>NOT To</u> Include in the Narrative Explanation
Internet Access bundled with FIBER transport	LEASED LIT FIBER	Explain that you are seeking proposals for a specific speed or range of speeds of Internet Access, delivered over a fiber transport circuit. Do <u>NOT</u> also select the "Internet and Transport Bundled" drop-down.
Internet Access including transport that is NOT fiber (for example, microwave, cable modem, DSL)	INTERNET ACCESS AND TRANSPORT BUNDLED	Do <u>NOT</u> state a preference for any of the examples (cable modem, etc.) unless you include the words "or equivalent."
Internet Access with transport, and you don't care or don't know whether the transport circuit is a fiber or non-fiber circuit	LEASED LIT FIBER – and – INTERNET ACCESS & TRANSPORT BUNDLED (select both drop downs)	Do <u>NOT</u> state a preference for the type of circuit.
Stand-alone, Commodity Internet Access (no bundled transport)	INTERNET ACCESS: ISP SERVICE ONLY	Explain that you are seeking proposals for a specific speed or range of speeds of Internet Access that does not contain transport.

If you have already posted a Form 470 which is not aligned with this guidance, we strongly encourage you to re-post your Form 470 and thus re-start your 28-day bidding period. This is the only 100% foolproof way to be confident that your Form 470 is compliant with the new guidance. Two additional notes:

1. Reposting is not needed if your Form 470 was filed before August 26, 2017 (the date the new menus options were implemented in EPC). This includes Form 470s filed in previous years for which you are still operating under a multi-year contract for FY 2018.
2. There is no way to cancel an existing Form 470. To avoid service provider confusion if filing a new Form 470, therefore, we recommend using an updated Nickname and adding a sentence to the new Narrative indicating that this New Form 470 replaces the Internet request on the previous Form 470 number 18000XXXX.

Form 471 and Form 486 SSD Corrections:

As discussed in our [newsletter of November 6th](#), the Service Start Date (“SSD”) for E-rate form purposes should never be before July 1st of that funding year, even if E-rate rules permit installation work — as opposed to receiving the actual “service” itself — to begin earlier.

Unfortunately, at least until recently, EPC allowed applicants to enter incorrect SSDs. Worse still, these earlier dates were accepted and are now incorporated in approved Form 471s and Form 486s. From what we have seen, the initial errors arose from either of the following situations:

1. The “Copy FRN” feature in EPC’s Form 471 process in FY 2017 copied all FRN data, including the SSD, from last year’s FY 2016 applications. Generally, unless manually corrected by applicants, this meant the SSDs in the FY 2017 applications remained 07/01/2016, not 07/01/2017.

- Applicants planning to start work before July 1st entered expected or allowable installation dates rather than the planned July 1st service start dates.

Last week, to correct these SSD errors, which could cause havoc with FY 2017 invoicing, USAC began reaching out to applicants seeking authority to update the erroneous SSDs. The key portion of an email to correct the SSDs in a Form 471 is shown below.

Form 471 SSD errors in committed FRNs have been carried over into the associated Form 486s, many of which have already been approved. These too are being corrected through a similar email process. This means that some applicants may receive two emails, one to correct their Form 471s and one to correct their Form 486s. It appears that EPC's automatic review process for Form 486s has now been updated to flag these SSD errors, subjecting those Form 486s to manual review (and resulting delays).



Request for Corrections to Certain Service Start Dates for FY2017

Dear Applicant:

During a review of your Funding Year (FY) 2017 FCC Form 471, we discovered that the service start date you reported on one or more of your Funding Request Numbers (FRNs) is outside the funding year. The Service Start Date (SSD) for FY2017 FRNs must be no earlier than July 1, 2017.

Please see the table below which lists each Billed Entity Number (BEN), Billed Entity Name, Funding Request Number (FRN), FCC Form 471 Number, and current SSD for each impacted FRN:

BEN - BEN Name	FRN (FCC Form 471 #) - Current SSD
[REDACTED] - [REDACTED] SCHOOL DISTRICT	179 [REDACTED] (171[REDACTED]) - 07/01/2016

Required Action:

The above Service Start Date(s) must be corrected to a date on or after July 1, 2017. Also, your Service End Date (SED) or Contract Expiration Date (CED) may need to be corrected as well. To review your SED or CED, you can access each FCC Form 471 from your landing page in the E-rate Productivity Center (EPC).

Please provide the corrected date(s) using the following format:

FRN	FCC Form 471 #	Revised SSD	Revised SED or CED

We will process the information you provide and issue a Revised Funding Commitment Decision Letter (RFCDL) showing the corrected date(s). The current version of your FCC Form 471 will also show the corrected date(s).

E-Rate Updates and Reminders

FY 2018 Filing Window:

The Form 471 Filing Window for FY 2018 has not yet been announced. For planning purposes, a workable assumption is that the Filing Window will open in mid-January and close in late-March.

As an important first step, USAC [announced](#) that it has completed the updates on applicant profiles based on PIA review of FY 2017 applications. Applicants can now review and update their entity profiles in EPC. This is the beginning of what in the past has been known as the “Administrative Window.” Once USAC begins accepting FY 2018 applications, entity profiles will be locked for the duration of the Filing Window.

Upcoming 2017 E-Rate Dates:

December 11 Form 486 deadline for FY 2017 funding committed in Wave 11. Upcoming FY 2017 Form 486 deadlines include:

Wave 12	12/18/2017
Wave 13	12/26/2017
Wave 14	01/02/2018

Applicants missing these (or earlier) deadlines should watch carefully for “Form 486 Urgent Reminder Letters” in EPC. The Reminders will afford applicants with 15-day extensions to submit their Form 486s without penalty.

December 13 USAC [webinar](#) reviewing this fall’s training sessions (see below).

December 13 Second FY 2017 Emergency Hurricane Application Window (opened November 13th) closes. For additional information, see USAC’s [Summary of the Orders and Important Deadlines](#).

FCC Decision Watch – Fiber Deadline Waiver:

The FCC issued a waiver and fiber implementation deadline extension last week ([DA 17-1179](#)) to a tribal consortium in New Mexico. The waiver may provide a useful precedent for a few applicants who missed the extension request deadline for fiber projects funded in FY 2016, but could signal problems for others.

The second E-rate Modernization Order ([FCC 14-189](#)) requires that applicants seeking discounts on special construction charges for fiber networks light all the links in those networks by the end of the funding year. Unlike other one-time charges, governed by service delivery deadlines of September 30th, special construction work must be completed by June 30th. The FCC has authorized USAC to approve deadline extensions for one additional year, but requires that those extension requests be filed by the original June 30th deadline. Specifically, applicants approved for special construction in FY 2016, the first funding year to which these provisions applied,

were to have lit their fibers — or have requested extensions — by June 30, 2017. Unlike service delivery deadlines for other non-recurring charges, the fiber rules do not provide for automatic extensions for funding commitments issued on or after March 1st of the funding year.¹

In this particular case, the applicant was not funded for FY 2016 until June 30th, and did not file an extension request until July 13th. USAC deemed that request late and denied it. The applicant filed an FCC Request for Waiver eleven days later.

In granting this Waiver, the FCC showed some leniency — much as it has done historically for late-filed Form 471s (but not for late-filed invoice deadline extension requests). The waiver contains a strong warning, however, that the FCC “would be hard pressed to conclude that an applicant acted in good faith to seek an extension of the deadline if the extension request were filed more than several weeks late.”

Barring extraordinary circumstances, other applicants who missed the June 30th extension request deadline by more than 2-3 weeks are likely to be denied FCC waivers — and may need to reapply in a subsequent year.

USAC Fall E-Rate Training:

USAC’s annual fall training sessions were held this year in Charlotte, Minneapolis, Portland, and Washington DC. Presentation slides for the most recent training are available [online](#). Other useful instructional videos and webinar recordings may be found in USAC’s [Online Learning Library](#).

USAC will hold a live webinar at 3:00 p.m. EST on Wednesday, December 13th, to review the highlights of this fall’s four training sessions. Advanced [registration](#) is recommended.

¹ To compound the special construction extension request deadline problem, the original section of the Form 500 dealing with both types of service delivery deadline extensions read as follows:

I want to request more time to get the services delivered and/or installed. ?

All service delivery requests must be submitted on or before September 30 following the close of the funding year for non-recurring services including special construction for fiber and self-provisioned networks.

This section has since been updated to read:

I want to request more time to get the services delivered and/or installed. * [\(More Info\)](#)

Complete if you are requesting an extension of the deadline for delivery and installation of non-recurring services or to complete Category One special construction and light the new fiber. For most non-recurring services, you must submit this request to USAC on or before the September 30 following the close of the funding year. For an extension of the deadline to complete Category One special construction and light the associated fiber, you must submit this request to USAC on or before the June 30 of the funding year. This action will NOT increase funding.

USAC News Brief Dated December 8 – Applicant Tasks for December

[USAC's Schools and Libraries News Brief of December 8, 2017](#), suggests the following three tasks applicants may want to undertake before yearend:

1. Update your organization's EPC profile information as needed. Remember that the current Administrative Window is expected to close in mid-January when the Form 471 Application Window opens. At this point, EPC entity data will be locked for the duration of the Form 471 Window.
2. Prepare your RFP and/or RFP documents.
3. Start (and hopefully file) your Form 470.

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. Please include your name, organization, telephone, and e-mail address.

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