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Funding Status – FY 2018 and FY 2019

FY 2018:

USAC issued Wave 30 on Friday, November 2nd. Cumulative funding as of Wave 30 is \$1.89 billion, including \$70.1 million for North Carolina.

FY 2019:

The FY 2019 administrative window (permitting applicants to update their EPC entity profiles) is open and will remain open until roughly January 7th. Thereafter, EPC entity profiles will be locked for the duration of the Form 471 application window (estimated to be January 10th – March 20th).

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

Form 470 RFP Upload Tips:

Our [newsletter of October 8th](#) provided several tips for overcoming the “RFP Document Updates Not Permitted At This Time” error. Here’s one more:

- Revise the RFP filename to remove any special characters. EPC limits RFP filenames to letters, numerals, spaces, and underscores (“_”). Note that USAC’s [Form 470 User Guide](#) provides an example of a valid filename — “RFP_SD Network Equipment” — but does not specifically address the ban of special characters.

E-Rate Updates and Reminders

Upcoming E-Rate Dates:

November 5 Form 486 deadline for FY 2018 funding committed in Wave 13. More generally, the Form 486 deadline is 120 days from the FCDL date or the service start date (typically July 1st), whichever is later. Upcoming FY 2018 Form 486 deadlines in November include:

Wave 14	11/12/2018
Wave 15	11/19/2018
Wave 16	11/26/2018

Note: Applicants missing any Form 486 deadline should watch carefully for “Form 486 Urgent Reminder Letters” in their EPC News Feed. These Reminder Letters afford applicants 15-day extensions to submit their Form 486s without penalty (see last week’s USAC News Brief references below).

November 13 [USAC E-rate Tribal training](#) workshop in Omaha, NE. Tribal registrants for this half-day session will have the option of attending the regular USAC training beginning that afternoon (see below). Full-day Tribal workshops will also be held November 28th in Spokane, WA, and November 30th in Farmington, NM.

November 13-14 Next in the [series of two-day USAC annual fall training](#) workshops in Omaha, NE.

November 20 USAC webinar on [Updating Applicant Profiles](#) in EPC.

FCC Decision Watch:

The FCC issued another set of “streamlined,” precedent-based decisions ([DA 18-1100](#)). 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 appeal and waiver requests can be found online in the FCC’s [Search for Filings](#).

In last week’s decisions, the FCC:

1. Dismissed:
 - a. One Request for Waiver deemed an appeal that should have been first submitted to USAC.
 - b. Eighteen Requests for Review and/or Waiver deemed moot for which USAC had already taken the actions requested or for which the applicants had already been fully compensated.
 - c. Two Petitions for Reconsideration, generally for failure to identify reasons warranting review.

2. Granted:

- a. Five Requests for Review and/or Waiver (by one applicant) seeking relief from the 28-day competitive bidding rule which was missed by 1-3 days.
- b. One Request for Review and/or Waiver for the failure to fully consider all bids, but for which the petitioner selected the least expensive “responsive” bid.
- c. One Request for Waiver granting the applicant additional time to respond to USAC’s request for information.
- d. One Petition for Reconsideration of the filing deadline for an appeal submitted “within a reasonable period of time after receiving actual notice of USAC’s adverse decision.”
- e. One Request for Waiver for an invoice deadline extension request — an unusual approval based on an incorrect SPIN.
- f. Seven Requests for Waiver for ministerial and/or clerical errors on Form 471 applications, a mistaken FRN cancellation, or service substitution.
- g. Four Requests for Review and/or Waiver of the 60-day appeal- or waiver-filing deadline, three filed “only a few days late” and one deemed to have been timely-filed with USAC.
- h. One Request for Review for a late-filed service substitution, complying with the substitution requirements, and with a “reasonable” explanation for missing the deadline.
- i. One Request for Review for a timely filed invoice “overlooked” by USAC.
- j. One Request for Review for a timely filed invoice deadline extension, denied by USAC because the applicant had not supplied the specific FRN, but for which the FCC found that the applicant had included “enough specificity for USAC to determine what the filer wanted.” Most significantly, as indicated in Footnote #18, the FCC noted “that while the burden of timely and accurately filing rests with the applicant, USAC retains an obligation to conduct a reasonable inquiry into the filings and materials that USAC itself has in its possession when making its determinations.”
- k. One Request for Waiver of an invoice deadline while waiting for USAC to provide a Form 498 ID or BEAR PIN.
- l. One Request for Waiver of the FCC appeal/waiver deadline submitted “only a few days late.”
- m. Three Requests for Waiver of service delivery deadlines “because of time limitations imposed by late-issued funding commitments.”
- n. One Request for Waiver of the special construction delivery deadline for reasons beyond the service provider’s and applicant’s control (including “inclement weather, permitting delays, and delayed funding disbursements”).

3. Partially granted:

- a. One of fifty-five Requests for Waiver of the invoice deadline; the one approval was based on a pending Form 498.

4. Denied:

- a. Six Requests for Waiver of invoice deadline extensions.
- b. Twelve Requests for Waiver for applications filed more than two weeks after the close of the FY 2018 window and/or failing to provide “special circumstances” justifying waivers.
- c. One Request for Waiver for lack of proof that the service provider and monthly rate had been selected prior to filing of the applicant’s Form 471.
- d. Eleven Requests for Review and/or Waiver for untimely-filed waivers or appeals.

Ex Parte FCC Filings on Special Construction Amortization:

As discussed in our [newsletter of June 25th](#), one of the major uncertainties for FY 2019 is the reinstatement of an FCC rule, suspended for the four-year period FY 2015 – FY 2018, requiring E-rate discounts on large special construction projects (\$500,000 or more) to be amortized over a period of at least three years. Amortizing such costs obviously places a greater financial strain on applicants and/or service providers — a problem further compounded in states offering matching funding for a limited number of years.

Various parties have recently asked the FCC to eliminate, or to at least reinstate the suspension of, the amortization requirement. Last week, following an earlier meeting with FCC staff, the [Schools, Health & Libraries Broadband \(“SHLB”\) Coalition](#) filed an *Ex Parte* letter with the FCC summarizing the arguments opposing the reinstatement of amortization. The SHLB letter builds upon and expands a similar *Ex Parte* letter from the [Illinois Department of Innovation and Technology](#).

The original requirement to amortize E-rate funding for large projects traces back to the FCC’s 2000 *Brooklyn Public Library* decision ([FCC 00-354](#)) in a period of lower E-rate funding. The E-Rate Modernization Orders of 2014, which focused on broadband deployment and increased E-rate funding, included the temporary suspension of the amortization requirement. Given the continued demand and funding availability for broadband networks, we would hope the FCC will eliminate or further suspend amortization.

Until there is clarification on the amortization requirement for FY 2019, applicants seeking bids on special construction projects expected to exceed \$500,000 may wish to request two distinct price quotes, i.e., with and without amortization.

USAC Files Proposed Administrative Procedures for FY 2019:

Last week, as a part of the annual process to begin a new application cycle, USAC filed an updated set of [Administrative Procedures](#) with the FCC. The filing, which must be approved by the FCC before USAC can begin issuing funding commitments for FY 2019, sets forth the “administrative procedures used to reach Schools and Libraries program funding decisions that are not explicitly stated or codified in a Commission rule or regulation.” As such, the procedures are worth reviewing.

Although there are no effective changes to the Administrative Procedures as written, the PIA process as experienced by applicants is likely to be significantly different in 2019. As discussed in our [newsletter of October 22nd](#), responsibility for most PIA application and invoice reviews, for many years handled under contract by Solix (in New Jersey), will be transferred to MAXIMUS Federal Services (in Maryland and Texas) effective January 1st. Despite USAC's new Program Management Office ("PMO") established (with the assistance of Deloitte Consulting) to handle the transition, the initial months of the process are likely to be challenging for all involved.

USAC News Brief Dated November 2 – Change-of-Type Entity Profile Updates

[USAC's Schools and Libraries News Brief of November 2, 2018](#), provided updated entity profile guidance to applicants experiencing entity type changes (e.g., from "school" to "district," or from "library" to "library system"). USAC had previously asked such applicants to hold off making any changes to their EPC entity profiles until USAC had itself updated EPC with the corrected entity types. The News Brief indicated that USAC completed those updates last week, and that applicants are now free — indeed encouraged — to review their entity profiles and to make any additional changes that occurred after USAC's review of their FY 2018 applications.

USAC's News Brief also discussed:

- Registration for this fall's Tribal training (see above).
- The necessity of filing FCC waiver requests by any applicants missing the October 29th invoice or IDER deadlines.
- Advice to applicants, missing the initial October 29th (or later — see above) FY 2018 Form 486 deadlines, to file as soon as possible and to watch their EPC News Feed for Form 486 Urgent Reminder "Letters."

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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