

- Funding Status – FY 2018 and FY 2019
- Final ESL for FY 2019
- Updates on USAC’s E-Rate Productivity Center and Legacy System
  - Form 470 Category 1 Service Options
- E-Rate Updates and Reminders
  - Upcoming E-Rate Dates
- USAC News Brief Dated November 16 – Miscellaneous

## Funding Status – FY 2018 and FY 2019

### *FY 2018:*

USAC issued Wave 32 on Friday, November 16<sup>th</sup>. Cumulative funding as of Wave 32 is \$1.91 billion.

### *FY 2019:*

The FY 2019 administrative window is open and will remain open until at least January 7<sup>th</sup>. EPC entity profiles will be locked for the duration of the Form 471 application window (expected to open mid-January). For additional information on the administrative window, see the USAC webinar titled [Updating Applicant Profiles](#) in EPC to be held November 20<sup>th</sup>.

## Final ESL for FY 2019

The FCC has finally issued the Eligible Services List (“ESL”) for FY 2019 ([DA 18-1173](#)). With additional clarifications, the final ESL is fundamentally unchanged from the draft version released for comment in June (and, for that matter, from the FY 2018 ESL). As has been the case in most previous ESL proceedings, the FCC again rejected requests to add additional eligible services. The five minor revisions and/or clarifications include:

1. The listing for “Eligible Voice Services,” for which discounts were phased out as of FY 2018, was removed. An additional note clarifies that dedicated voice channels on ISDN circuits — as opposed to dynamically-assigned voice channels — are not eligible.
2. A confusing note was eliminated to clarify that Category 1 network equipment necessary to make broadband service “functional” is eligible even if leased or rented from the service provider. A footnote indicates that lease or rental fees are also eligible within Category 2.
3. The FCC reaffirmed that “redundant” Category 1 services are ineligible.

4. Category 2 services were reorganized to more closely match the associated pull-down menu options on the Form 470. Nothing similar was done to address the confusion on Category 1 Form 470 menu options discussed in the article below.
5. A parenthetical note was added to clarify that “applicants should request software in the same category as the associated service being obtained or installed.” Importantly, a footnote warns that software “upgrades and patches” (i.e., not included with the original service) are considered basic maintenance.

One additional aspect of the revised ESL is the timing of its release. Unless FCC rules are specifically waived, which the FCC has apparently not chosen to do, the opening of the Form 471 application window for FY 2019 will occur no earlier than January 15, 2019 (60-days after the ESL’s release). This would be five days after the January 10<sup>th</sup> target date previously proposed by USAC.

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

### *Form 470 Category 1 Service Options:*

A review of the growing number of Form 470s for FY 2019 indicates that there is still confusion, particularly among smaller applicants seeking only Internet services, as to the proper choice of pull-down options. As discussed in our [newsletter of July 2<sup>nd</sup>](#), the Form 470 for FY 2019 included short parenthetical comments to some of the Internet and transport options, and did add a separate section entitled “Information on How to Seek Bids for Different Services,” but did not change the basic menu options that are causing applicant confusion.

The most glaring problem we’re seeing on some existing Form 470s is for applicants seeking only:

#### **Internet Access: ISP Service Only (No Transport Circuit Included)**

Used properly, this option is typically appropriate only for larger applicants already connected to a broadband network and contracting separately for high-speed Internet capacity. Smaller applicants, often receiving Internet via cable modem service, need to be applying for both Internet and transport services.

To further confuse Form 470 filers, applicants also need to realize that such bundled services may or may not be delivered by fiber. The two options, which can be used independently or in combination (often the safe choice), are:

- “Internet Access and Transport Bundled (Non-Fiber)” if not fiber-based services; or
- “Lease Lit Fiber” for fiber circuits with or without bundled Internet services.

Form 471 applications seeking discounts on services not properly requested in associated Form 470s are likely to be denied. Applicants who have already filed Form 470s for FY 2019 are encouraged to review the service options chosen — and refile if necessary.

The following table, developed by EducationSuperHighway, provides additional clarification on Form 470 Category 1 service options.

## Funding Year 19 – Category 1 Service Options

CATEGORY 1 SERVICE OPTION NAME	SIMPLE DEFINITION
Leased Lit Fiber (with or without Internet Access)	Fiber only point-to-point circuit connecting two Applicant facilities without Internet service <b>or</b> point-to-point circuit connecting Applicant facility with Internet service
Leased Lit Fiber and Leased Dark Fiber	Fiber only. Fully managed service connecting two Applicant facilities with no Internet service <b>or</b> dark fiber connecting two Applicant facilities
Internet Access and Transport Bundled (Non-Fiber)	Non-fiber only. Fully managed service connecting Applicant facility with the Internet
Internet Access. ISP Service Only (No Transport Circuit included)	Commodity Internet bandwidth only — no point-to-point transport service
Self-Provisioning and Services Provided Over Third Party Networks	Comparing Applicant construction and operation of its own fiber or wireless service with a fully managed service over any transport medium
Transport Only – No ISP Service Included (Non-Fiber)	Non-fiber only. Point-to-point service connecting Applicant facilities
Network Equipment	Equipment required to provision an external connection
Maintenance and Operations	Break-fix service for leased dark or self-provisioned fiber
Cellular Data Plan/Air Card Service	Mobile data service (must be only available service)
Other	General category for all other services

Source: ESH

The Form 470 Category 1 service option tips provided in our July newsletter are worth repeating.

1. If unsure of the transmission media of services to be requested, include all fiber, non-fiber, and Internet options.
2. Include a clear textual description of the services you are seeking in the “Narrative.”
3. Consider creating a Customer Service Case, including your “Narrative” text, seeking specific USAC guidance on the proper Form 470 option choices. Adherence to such USAC advice, if provided in writing, may be useful in any future appeal proceeding.

## E-Rate Updates and Reminders

### *Upcoming E-Rate Dates:*

November 19 Form 486 deadline for FY 2018 funding committed in Wave 15. More generally, the Form 486 deadline is 120 days from the FCDL date or the service start date (typically July 1<sup>st</sup>), whichever is later. Other FY 2018 Form 486 deadlines this year are:

Wave 16	11/26/2018
Wave 17	12/03/2018
Wave 18	12/10/2018
Wave 19	12/17/2018
Wave 20	12/24/2018
Wave 21	12/31/2018

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

November 28-29 Next in the [series of two-day USAC annual fall training](#) workshops in Atlanta, GA. Full-day Tribal workshops will also be held November 28<sup>th</sup> in Spokane, WA, and November 30<sup>th</sup> in Farmington, NM.

## USAC News Brief Dated November 16 – Miscellaneous

[USAC's Schools and Libraries News Brief of November 16, 2018](#), touches briefly on the following topics:

- FCC's release of the Eligible Services List for FY 2019 (see article above).
- Minor EPC deployment news.
- November 20<sup>th</sup> beginner-level webinar on EPC entity profile updates.
- Last call for USAC training registrations.

---

*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](mailto:join-ncerate@lists.dpi.state.nc.us). Please include your name, organization, telephone, and e-mail address.*

*In compliance with federal law, the NC Department of Public Instruction administers all state-operated educational programs, employment activities and admissions without discrimination because of race, religion, national or ethnic origin, color, age, military service, disability, or gender, except where exemption is appropriate and allowed by law.*