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Funding Status – FY 2019 and FY 2020

FY 2019:

USAC released Wave 43 for FY 2019 on Thursday, January 23rd. Funding totaled \$34.7 million including \$747 thousand for one North Carolina district. Cumulative commitments through January 23rd are \$2.15 billion including \$76.1 million for North Carolina.

FY 2020:

The Form 471 application window for FY 2020 opened on Wednesday, January 15th, and will close at 11:59 p.m. EDT on Wednesday, March 25th. Early applicants are reporting that PIA reviews have already begun.

Category 2 Petitions for Reconsideration

The FCC's new Category 2 Order ([FCC 19-117](#)), released in early December, established the basic Category 2 budgeting rules for the FY 2020 transition year and for the ongoing 5-year budget cycles beginning with FY 2021 (see our [newsletter of December 9th](#)). Although the Order addressed all the main Category 2 issues, it raised several questions about more narrowly defined situations. Addressing these questions, two petitions for reconsideration and/or clarification were filed last week and should be noted:

- The [State E-Rate Coordinators' Alliance \("SECA"\) petition](#) asks the FCC to reconsider the requirement to allocate out of funding requests the use of any Category 2 equipment used by standalone Non-Instructional Facilities ("NIFs"). SECA argues that:
 1. Standalone NIFs serve a vital educational purpose.
 - a. The FCC has already determined that all activities occurring on school and library property (including inside NIFs) meet the definition of educational purpose.
 - b. Centralized data centers (often NIFs) conserve E-rate funds.

- c. Larger schools and libraries with NIFs, as opposed to smaller schools and libraries with integrated administrative offices, are disadvantaged by a requirement to allocate out a portion of their shared equipment.
- 2. With a cap on districtwide and systemwide Category 2 budgets, there is no discernible impact on E-rate funding demand from eliminating the cost allocation requirement.
- 3. The allocation requirement imposes significant administrative burdens and complexity on applicants, service providers, and USAC.
- The [Infinity Communications & Consulting \(“Infinity”\) petition](#) asks the FCC to reconsider or clarify its decision to base Category 2 student counts on “full time” students only. Infinity notes that many specialized schools such as trade schools or career centers — sometime a separate arm of a large school district or commonly operated by a multi-district educational service agency — have no full-time students at all. Such situations represent a significant segment of the educational landscape seemingly ignored in the FCC’s decision.

We encourage other parties with similar concerns to support the SECA and Infinity petitions and to press the FCC to release a revised Notice of Proposed Rulemaking (“NPRM”) to address these and other needed modifications of the Category 2 Order.

E-Rate Updates and Reminders

Upcoming E-Rate Dates:

- January 28** Invoice deadline — or deadline for requesting a 120-day extension — for FY 2018 non-recurring services.
- January 29 First of USAC’s four webinars covering the FY 2020 application process. The complete schedule, with registration and training material links, is included in last Friday’s [USAC News Brief](#).
- January 31 Form 486 deadline for FY 2019 funding committed in Wave 27. More generally, the Form 486 deadline is 120 days from the FCDL date, or the service start date (typically July 1st), whichever is later. Other upcoming Form 486 deadlines are:

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| Wave 28 | 02/07/2020 |
| Wave 29 | 02/14/2020 |
| Wave 30 | 02/21/2020 |
- February 3 Due date for submitting comments to the FCC’s Notice of Proposed Rulemaking (“NPRM”) regarding national security threats ([FCC 19-121](#)). Reply comments are due March 3rd.
- February 13 Due date for submitting comments to the FCC’s Notice of Proposed Rulemaking (“NPRM”) regarding new rules on suspensions and debarments ([FCC 19-120](#)). Reply comments are due March 16th.

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| February 25 | Extended invoice deadline for FY 2018 recurring services. |
| February 26 | Last day to file a Form 470 to meet the minimum 28-day posting requirement prior to the close of the FY 2020 Form 471 application window. |
| March 25 | Close of the Form 471 application window for FY 2020 at 11:59 p.m. EDT. |

EducationSuperHighway Transition:

[EducationSuperHighway](#) (“ESH”), a nonprofit established in 2012 with the goal of promoting upgraded Internet access in every public school, believes that it has largely — but not entirely — accomplished its mission and is planning to sunset this coming August. As a way of extending its mission, however, ESH has selected Connected Nation to continue its state and district advocacy work and to maintain its free “Connect K-12” data analytics platform being developed with support from Funds For Learning. [Connected Nation](#) is also a nonprofit which has been developing tools and resources to help states and communities, particularly in rural areas, to fill broadband and digital technology gaps. Connected Nation’s [announcement](#) of the partnership is available online.

USAC News Brief Dated January 24 – Category 1 Services Drop-Down Reference Table

[USAC’s Schools and Libraries News Brief of January 24, 2020](#), reminds applicants filing Category 1 Form 470s to carefully review the drop-down menu options for the services requested. As an aid to selecting the proper services, the News Brief refers applicants to its [FCC Form 470 Category One Services Drop-Down Reference Table](#).

The Form 470 option list, which has not been revised for FY 2020, has been a source of applicant confusion for several years. The two most common errors we see in posted Form 470s are:

- Selecting “Internet Access: ISP Service Only (No Transport Circuit Included)” when an applicant’s Internet access is clearly being delivered over a coaxial or fiber cable transport circuit being provided as an integral part of the service
- Failing to develop and upload an RFP on requests for specific services for which the rules explicitly require additional information. As noted in the Reference Table these services are:
 - Leased dark fiber
 - Self-provisioned fiber
 - Network equipment
 - Maintenance of leased dark fiber or self-provisioned networks
 - Cellular data plan/air card service
 - Other

Last week’s News Brief also notes that USAC is undergoing its yearly “agreed-upon-procedures” audit and that the firm performing the review will be emailing random applicants and service providers with requests to confirm account balances reported by USAC on specific FRNs as of:

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 USAC, the 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.

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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