

- Funding Status – FY 2019 and FY 2020
- COVID-19 E-Rate Update
 - FCC’s “Keep Americans Connected Pledge”
 - Temporary Waiver of E-Rate Gift Rules
 - Other FCC and Congressional Actions
 - Additional Resources
- E-Rate Updates and Reminders
 - Upcoming E-Rate Dates
 - USAC’s Form 498 Remittance Contact Emails
 - Reply Comments on Suspensions and Debarments
 - FCC Commissioner O’Reilly Nominated for New Term
- USAC News Brief Dated March 20 – Gift Rules, Form 470s, and FCC Supply Chain Order

Funding Status – FY 2019 and FY 2020

FY 2019:

USAC released Wave 51 for FY 2019 on Thursday, March 19th. Funding totaled \$1.28 million, none for North Carolina. Cumulative commitments through March 19th are \$2.23 billion including \$76.0 million for North Carolina.

FY 2020:

The **Form 471 application deadline for FY 2020 has been extended until 11:59 p.m. EDT on Wednesday, April 29th ([DA 20-273](#))**. PIA reviews are currently underway. As of last Friday, over 7,900 applications had already been designated as “Wave Ready.”

COVID-19 E-Rate Update

We hope everyone reading this newsletter is safe, healthy, and will stay that way. We are now operating in a truly extraordinary environment with most schools and libraries closed for at least two weeks — and realistically for a much longer period.

As discussed in [last week’s newsletter](#), schools in particular are scrambling to provide remote learning opportunities for their students. Initiatives include loaning mobile hotspots and computing devices to needy students, boosting Internet bandwidth, and funding, procuring and implementing LMS (Learning Management System) software. One constant question is how much of these initiatives are, or could be made, E-rate eligible? The immediate answer, without E-rate rule changes or waivers, is “very little.” But a lot is being done to change that answer. Various factors at work are discussed below.

FCC's "Keep Americans Connected Pledge":

Two weeks ago, FCC Chairman Pai announced the launch of the [Keep Americans Connected Pledge](#) in which he personally asked broadband and telephone service providers for a 60-day voluntarily agreement to:

1. Not terminate service to residential or small business customers because of their inability to pay their bills due to the disruptions caused by the coronavirus pandemic;
2. Waive any late fees that residential or small business customers incur because of their economic circumstances related to the coronavirus pandemic; and
3. Open their Wi-Fi hotspots to any American who needs them.

This effort has already borne fruit. Last week Chairman Pai reported that many companies (see [initial list](#)) had gone "above and beyond," for example, to increase speeds, lift data caps, and/or offer 60 days of free Internet service to low-income customers and students.

Temporary Waiver of E-Rate Gift Rules:

Concerns that schools and libraries soliciting and/or accepting free or reduced-priced hardware and/or services would run afoul of the FCC's E-rate gift rules were alleviated last week when the FCC, acting on its own motion, waived the gift rules (for both the E-rate and the Rural Health Care ("RHC") programs). Acceptable gifts "could include but are not limited to free upgrades to connections, connected devices, equipment, and...other services that support remote learning for students and teachers who will be taking classes at and providing instruction from home as a result of COVID-19." The FCC's waiver ([DA 20-290](#)) will remain in effect through September 30, 2020, with the FCC indicating that it will "monitor the situation and assess the need for continued relief after this date."

Three important points should be noted:

1. Footnote #41 clarifies that: "To the extent service providers are willing to offer free or reduced-cost Internet access service directly to families with school-aged children, rather than to eligible E-Rate schools and libraries on behalf of students, we find no need to waive our gift rules, which only apply to eligible entities and service providers participating in or seeking to participate in the E-Rate program."
2. The FCC reminds E-rate applicants of "their obligation to comply with state and local procurement rules" that may also have gift restrictions.
3. The Order does require E-rate participants "to retain records documenting the services, equipment, or other things of value that they receive pursuant to the waivers described above and consistent with the document retention periods applicable to each program."

Other FCC and Congressional Actions:

Other actions, broadly intended to provide additional funding or more flexible rules are being proposed at both the FCC and Congressional levels, some designed to provide temporary, but immediate, relief — others of a longer-term nature. One expansive set of recommendations was

submitted to the FCC last week by the Schools, Health & Libraries Broadband Coalition (“SHLB”). The [SHLB letter](#), addressing both E-rate and RHC requirements, included the following school and library recommendations:

1. Clarify that schools and libraries can allow their Wi-Fi networks to be shared with the community without losing E-rate funding.
2. Allow schools, libraries and healthcare providers to increase their broadband capacity immediately.
3. Waive the E-rate and RHC gift rules. (This has already been done — see above.)
4. Extend E-rate deadlines for FY 2019 and FY 2020 (e.g., invoicing, special construction ,and service delivery deadlines).
5. Encourage ISPs to expand affordable broadband offerings to low-income people.
6. Encourage broadband providers to open their Wi-Fi routers for use by any residential users.
7. Make emergency funding available for hotspot lending programs.
8. Grant pending petitions to permit school broadband expansion to homes.
9. Provide supplemental funding for Wireless Internet Service Providers (“WISPs”) to more quickly deploy wireless Internet services in unserved areas.
10. Establish a COVID-19 working group to include anchor institutions (including schools and libraries), public interest groups, and the industry to work through these ideas.
11. Longer-term suggestions:
 - a. Work with the U.S. Department of Education and the Institute of Museum and Library Services (“IMLS”) to implement a trial voucher program to provide affordable home broadband access.
 - b. Open a window for rural schools and educational organizations to obtain rural EBS licenses.
 - c. Expedite approval of new technical rules to promote the use and availability of TV White Spaces.

Additional Resources:

E-Rate Central has prepared the following two Technology Guides that readers may find useful in the current environment:

- [Document Certification Using Adobe Acrobat Reader](#): With many school and library E-rate officials now working from home, often without printing and/or scanning capability, it is important to understand how to electronically sign and certify contracts and other important E-rate documents needed to support FY 2020 Form 471 applications. This Guide provides illustrated instructions for adding electronic signatures such as the following to PDF documents.

[Insert Customer Name]	
Signature: 	John Doe <small>Digitally signed by John Doe Date: 2020.03.20 14:39:10 -0400'</small>
Printed Name:	
Title:	
Date:	

- [Remote Learning Resources](#): This Guide discusses the work schools must do to provide (a) Internet access at home for students and staff, (b) computing devices to access educational content and systems, and (c) software to support remote communications, collaboration, and education. The Guide also provides links to the most popular remote learning tools.

E-Rate Updates and Reminders

Upcoming E-Rate Dates:

- March 26 Form 486 deadline for FY 2019 funding committed in Wave 35. 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:
- | | |
|---------|------------|
| Wave 36 | 04/03/2020 |
| Wave 37 | 04/10/2020 |
- April 29 Extended closing date of the FY 2020 Form 471 application window (11:59 p.m. EDT). Note that with the new extended Form 471 deadline, the last possible date to file an effective Form 470 for FY 2020 is April 1st.

USAC's Form 498 Remittance Contact Emails:

Last Friday, a number of E-rate applicants received emails from USAC indicating that they may need (or want) to update their Form 498 Remittance Contact. The emails referenced USAC's [News Brief of August 23, 2019](#), discussing a system bug in the applicant version of the online Form 498. As a result of that problem, subsequently corrected, USAC has noticed that many applicant Form 470s are listing the same individuals as both General Financial Contacts and Remittance Contacts. Often this duplication is inadvertent. An applicant wishing to update the Remittance Contact must log into its Form 498, update the entry, and re-certify the form.

Reply Comments on Suspensions and Debarments:

By last Monday's deadline, only two sets of reply comments had been received on the FCC's Notice of Proposed Rulemaking ("NPRM") regarding new rules on suspensions and debarments ([FCC 19-120](#)). Surprisingly, although the proposed new rules deal broadly with all Universal Service Fund ("USF") programs, as well as two other FCC programs, the only two reply comments represented E-rate interests. Both supported and expanded upon initial comments previously filed jointly by the Schools, Health & Libraries Broadband Coalition ("SHLB") and the

State E-Rate Coordinators' Alliance ("SECA"). (See our [newsletter of February 17th](#) for a summary of initial comments.) The following outlines summarize these reply comments:

[E-Rate Management Professionals Association \("E-mpa"\)](#)

1. Necessary clarifications
 - a. Types of triggering events
 - b. Reporting requirements
 - c. Types of different response levels
 - d. Treatment of incorrect advice
2. Targeting suspensions and debarments
 - a. Need for consistency across constituent types
 - b. Treatment of corporate entities versus individuals
3. Due process issues
 - a. Problems with the current policy of *de facto* suspensions
 - b. Ability to challenge adverse findings

[Funds For Learning LLC](#)

1. Eliminate USAC's *de facto* suspension process
2. Make suspensions and debarments the exclusive responsibility of the FCC
3. Avoid harm to innocent third parties
 - a. Rejection of an application from a "primary tier" participant should not be automatic
 - b. Participants should have an option to receive uninterrupted support from a suspended or debarred entity or to transition to a new provider
4. Formal suspension and debarment procedures should be used sparingly and be limited to egregious or serious misconduct

FCC Commissioner O'Reilly Nominated for New Term:

President Trump re-nominated Commissioner Michael O'Reilly for a new term and he is expected to be easily confirmed by the Senate. Commissioner O'Reilly has been generally supportive of the E-rate program. Although he voted against the E-Rate Modernization Orders in 2014 and has been an outspoken critic of E-rate fiber overbuilding in rural areas, he was one of the two Commissioners expressing support in the most recent Category 2 Order for considering the inclusion of network security features and products within the Eligible Services List.

USAC News Brief Dated March 20 – Gift Rules, Form 470s, and FCC Supply Chain Order

[USAC's Schools and Libraries News Brief of March 20, 2020](#), addresses the following three topics:

1. Waiver of the FCC's E-rate gift rules through September 30, 2020 (see discussion above).

2. Extension of the permissible FY 2020 Form 470 filing period through April 1st as a result of the Form 471 application deadline having been extended to April 29, 2020.
3. Brief summary, pending additional USAC guidance, of the FCC “[Supply Chain Order](#)” prohibiting E-rate funding for the purchase of equipment or services provided by companies deemed threats to national security, specifically Huawei Technologies Company and ZTE Corporation.

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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