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## Funding Status – FY 2020 and FY 2021

### *FY 2020:*

Wave 47 for FY 2020 was released on Thursday, March 18<sup>th</sup>, for a total of \$6.12 million, none for North Carolina applicants. Cumulative commitments are \$2.28 billion including \$73.3 million for North Carolina. Nationwide, USAC has now funded 97% of the FY 2020 applications representing 84% of the requested funding.

### *FY 2021:*

The [Emergency Connectivity Fund](#) (“ECF”), Sec. 7402 of the recently signed \$1.9 trillion American Rescue Plan Act of 2021 (see our [newsletter of March 15<sup>th</sup>](#)) is on an FCC fast-track with rules to be promulgated no later than May 10<sup>th</sup>. Last week, the FCC issued a Public Notice ([DA 21-317](#)) with a request for comments due April 5<sup>th</sup> and reply comments due April 23<sup>rd</sup>. The requested comments cover the following topics:

1. Funds distribution: What rules should the FCC adopt to distribute funding most efficiently and effectively (more on this later)?
2. Program goals and assessment: Should the FCC adopt “specific broadband adoption goals for students, school staff, and library patrons?” What assessment data is available to establish a baseline against which to measure the impact of ECF?
3. Applicant eligibility: Are there any entities besides traditional E-rate applicants that should be eligible for ECF funding? What restrictions, if any, should be placed on off-campus locations?
4. Product and service eligibility: The Public Notice defines Wi-Fi hotspots, modems and/or routers, connected devices, and advanced telecom and information services as eligible. What other products or services need to be made eligible? Do connected devices need to support video conferencing or be accessible to persons with disabilities? Is it correct to exclude mobile phones, dark fiber, and self-provisioned networks? Must equipment and services be used primarily for “educational purposes?” Should funding for eligible products and services be retroactive?  
Ideally, schools and libraries might like to fund facilities providing broader off-campus services — e.g., LTE networks — that could provide post-pandemic residential services, hopefully without requiring cost-allocations of on-campus internet services.

5. Should the FCC require competitive bidding and, if so, to what degree? How would the FCC determine the “reasonable” cost of products and services?
6. The FCC proposes to leverage the use of current E-rate forms to process ECF applications. “Do commenters agree or have any concerns with this approach?”
7. How should the FCC prioritize funding if total requests exceed the program’s \$7 billion cap? In that event, the FCC proposes to “issue funding decision letters starting with the schools and libraries eligible for the highest discount percentage,” much as it had last done with limited Priority 2 funding. What are the advantages or disadvantages of alternative mechanisms?
8. How should invoicing be handled? The FCC is proposing that only the BEAR reimbursement process be used, eliminating service provider discounted billing (i.e., the SPI process).
9. How should eligible ECF-funded equipment be treated after the COVID-19 emergency period?
10. What is the applicability of the Children’s Internet Protection Act (“CIPA”) to ECF-funded products and services? If CIPA compliance is required, should “a CIPA certification made in the traditional E-Rate Program suffice?”
11. How can the FCC best ensure the integrity of ECF, protecting the fund against waste, fraud, and abuse? The FCC proposes to adopt the same document retention requirements of the current E-rate program. Should service providers be required to “report and validate usage of the supported services?” How should existing E-rate gift rules be applied for ECF purposes?
12. How may the FCC “impose administrative forfeitures and other penalties on program participants found to be in violation of the program rules and requirements?”
13. Finally, the FCC seeks comment on the costs and benefits of the approaches we have proposed for oversight and administration of the Emergency Connectivity Fund.”

Given that reimbursements are to be at the 100% level, the following request for comment on funding caps is particularly important:

If the Commission were to establish any funding cap, we seek comment on whether and how a cap could assist the Commission in targeting the Emergency Connectivity Fund support to those students, school staff, and library patrons that are most in need and how to determine which students, school staff, and library patrons have the greatest need.

This issue arises in part from language in the original legislation that “...any reimbursement of a school or library for the costs associated with any eligible equipment may not exceed an amount that the Commission determines, with respect to the request by the school or library, is reasonable.” That could mean only that the cost of any equipment or service must be reasonable in the same sense that E-rate has always required equipment and services to be cost-effective.

However, when read in light of funding cap language quoted above, it could mean that the total amount of reimbursement to any school or library of all equipment and services requested must be reasonable. Under that interpretation, (a) a big school could request more than a small school, (b) a poor school could request more than a richer school and/or (c), a rural school could request more than an urban school. That would lead to a form of ECF budgets for all applicants could provide a measure of NSLP and rural/urban equality. Although there is no specific request for comments

on applicant budgets in the FCC’s Public Notice, we expect that a number of parties will suggest this approach.

## E-Rate Updates and Reminders

### *Upcoming E-Rate Dates:*

- March 22 “Non-ETC Provider Application & Alternative Eligibility Verification” filing deadline for ISPs seeking to participate in the EBB program. Applications will be accepted from non-ETCs after this deadline but may not be processed by late April when the program is slated to start.
- March 25** The FY 2021 Form 471 application window will close at 11:59 p.m. EDT.
- March 25 Form 486 deadline for FY 2020 covering funding committed in Wave 31. 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. Upcoming Form 486 deadlines are:
- |         |            |
|---------|------------|
| Wave 32 | 04/02/2021 |
| Wave 33 | 04/09/2021 |
| Wave 34 | 04/16/2021 |
- April 5 Deadline for filing initial comments on the FCC Emergency Connectivity Fund (“ECF”) (see article above on [DA 21-317](#)). Reply comments are April 23<sup>rd</sup>.
- May 10 Legislative deadline for the FCC to promulgate regulations for E-rate funding under the Emergency Connectivity Fund (see article above).

## USAC News Brief Dated March 19 – Last Minute Form 471 Filing Tips

With the FY 2021 application window closing this coming Thursday, [USAC’s Schools and Libraries News Brief of March 19, 2021](#), provides tips on the following topics:

- Saving and returning to an incomplete Form 471. Hint: Use “SAVE & CONTINUE,” not “SAVE AND SHARE.”
- Reviewing the Form 471 walkthrough videos in the [Videos](#) section of the USAC website.
- Tracking your Category Two (C2) budget.
- Certifying your Form 471.
- Correcting information on your Form 471 after it is certified.
- Certifying a Form 471 after March 25, 2021.
- Contacting the Client Service Bureau (“CSB”).

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

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