

- Funding Status – FY 2021 and FY 2020
- FCC Previews ECF Rules
- EBB Launches May 12th
- E-Rate Updates and Reminders
 - Upcoming E-Rate Dates
 - FCC Streamlined Decisions
- USAC News Brief Dated April 30 – Filing Early Form 486s

Funding Status – FY 2021 and FY 2020

FY 2021:

Wave 3 for FY 2021 was released on Thursday, April 29th, for a total of \$134 million including \$3.81 million for 26 North Carolina applicants. \$188 thousand for New Mexico. \$2.89 million for 71 New York applicants. \$18.3 million for Texas. \$2.27 million for E-Rate Central clients. Cumulative commitments are \$878 million including \$29.1 million for North Carolina. \$5.16 million for New Mexico. \$28.0 million for New York. \$61.3 million for Texas. \$26.8 million for E-Rate Central clients. Nationwide, USAC has now funded 59% of the FY 2021 applications representing 29% of the requested funding.

FY 2020:

No new funding wave for FY 2020 was released last week. Cumulative commitments are \$2.32 billion including \$73.2 million for North Carolina. \$26.1 million for New Mexico. \$136 million for New York. \$213 million for Texas. \$90.2 million for E-Rate Central clients. Nationwide, USAC has now funded 98% of the FY 2020 applications representing 86% of the requested funding. New FY 2020 funding is clearly slowing down. Henceforth, we will be reporting FY 2020 funding only for newsworthy purposes.

FCC Previews ECF Rules

Last Friday, the FCC took the unusual move of releasing a [draft](#) of the new rules for the Emergency Connectivity Fund (“ECF”). Although final rules are due to be issued May 10th, the release of the draft version gives interested parties the opportunity to make ex parte presentations through Wednesday, May 5, 2021 at 6:00 p.m. EDT.

More importantly, the release of the draft ECF rules — unlikely to be changed dramatically in final form — gives potential ECF applicants a head start in planning for what is expected to be a fast paced implementation process.

Broadly, as outlined in the accompanying fact sheet, the ECF Report and Order, when formally released, will:

- Establish the necessary rules and policies governing the Emergency Connectivity Fund Program.
- Set performance goals and metrics to measure the Commission's and USAC's success in efficiently and effectively administering the Emergency Connectivity Fund Program.
- Adopt rules for eligible equipment and services; service locations; eligible uses; and reasonable support amounts for funding provided through the Emergency Connectivity Fund Program.
- Streamline and simplify the processes eligible schools and libraries use to apply for and receive reimbursements through the Emergency Connectivity Fund Program.
- Designate USAC as the administrator of the Emergency Connectivity Fund Program.
- Adopt procedures to protect the limited funding from waste, fraud, and abuse, including asset and service inventories; document retention requirements; prohibition on gifts; certifications, including compliance with the Children's Internet Protection Act; audits; and treatment of equipment after the emergency period.
- Delegate authority to oversee and administer the Fund to the Office of the Managing Director and the Wireline Competition Bureau.

The first critical takeaway from the draft is the FCC's plan to open an initial 45-day application window as soon as practical this summer. This first application window is to provide retroactive funding for off-campus products and services purchased — but not already funded by other federal COVID-relief programs — by schools and libraries for the period July 1, 2020, through April 30, 2021. Applicants seeking retroactive funding may want to begin organizing invoices for such purchases now.

Although we will provide a more detailed analysis of the ECF program once the final rules are released next Monday, the following points covered in the draft should be noted:

- At least one more application window is planned to cover eligible expenditures for the period May 1, 2021, through June 30, 2022.
- If funding is exhausted during any application window, remaining funds will be allotted to the highest discount applicants.
- Appendix B (pp. 82-84) of the draft outlines the Eligible Services List for ECF. It focuses on specific equipment and internet services for individual students, school staff, and library patrons who had not previously had access to devices or internet service. Equipment to extend a school or library network off-campus will not be funded unless it can be demonstrated that no commercially-available internet is available in the area. Wireless service for school buses and bookmobiles, however, is supported.
- Off-campus use of school and library on-campus internet services will still require cost allocation for basic E-rate purposes.

- Expenditures are to be capped at \$400 per connected device and \$250 per hotspot. USAC will develop expenditure guidelines for internet service (expected to be in the range of \$10-\$25 per month for bulk subscriptions) and for modems and routers.
- Competitive bidding rules will not be applied, but applicants must certify compliance with state and local procurement rules.
- Invoicing will be via the BEAR process only. Applicants who have been using the SPI method only should make sure they have BEAR PINs and have filed Form 498s. Applicants will also be required to be registered in the federal [SAM system](#).
- CIPA will apply to school- or library-purchased laptops and tablet computers. Applicants may want to update their internet safety policies to reflect off-campus device usage and internet services.
- New certifications will be required including an assertion that ECF funding is not being sought for “equipment and services that have been purchased and reimbursed with other [pandemic-relief] funding.”
- FCC gift rules under ECF have been suspended until June 30, 2022.
- Strict documentation retention, including device inventories, will be required.

ECF will be an exciting program providing much needed funding during these difficult pandemic times. But it won’t necessarily be easy. We’ll all be learning as we go.

EBB Launches May 12th

The Emergency Broadband Benefit (“EBB”) program, which will provide COVID-related discounts on internet service for low income families, will begin the enrollment process on May 12th. As discussed in the FCC’s program launch notice ([DA 21-493](#)), participating internet service providers (“ISPs”) can begin enrolling eligible households into the program as of this date. Simultaneously, households can check their eligibility and contact participating ISPs using the consumer portal available at www.GetEmergencyBroadband.org. Households already participating in the FCC’s Lifeline program will find that enrollment in the EBB program is fairly simple. Households not participating in Lifeline may find proving eligibility, either through USAC’s online or paper form systems, to be more complicated. A more detailed discussion of the household enrollment process was provided last week in an EBB webinar for consumers and outreach partners (see [transcript](#)).

Schools and libraries already subscribing to residential internet services for their needy students or patrons should contact their ISPs to see if they are participating in EBB and what arrangements can be made to apply EBB discounts to existing services. For additional information, see our [EBB strategy memos for schools and libraries](#).

E-Rate Updates and Reminders

Upcoming E-Rate Dates:

May 5 USAC webinars on its new invoicing dataset.

Date and Time	Topic
May 5, 2021 11:00 a.m. EDT	E-Rate Invoicing Dataset and Tool Demo
May 5, 2021 2:00 p.m. EDT	Customizing the E-Rate Invoicing Dataset

May 7 Form 486 deadline for FY 2020 covering funding committed in Wave 37. 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 Form 486 deadlines are:

Wave 38	05/14/2021
Wave 39	05/21/2021
Wave 40	05/28/2021

May 10 Legislative deadline for the FCC to promulgate regulations for the Emergency Connectivity Fund (“ECF”). As discussed above, the FCC released a draft version of the proposed rules on April 30th.

May 12 “Launch date” for the Emergency Broadband Benefit (“EBB”) program. See FCC announcement ([DA 21-493](#)) and discussion above.

FCC Streamlined Decisions:

The FCC issued another set of “streamlined” precedent-based decisions ([DA 21-473](#)) last week. As with past streamlined decisions, applicants facing similar problems as those 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](#) under Docket 02-6.

In April’s streamlined decisions, the FCC:

1. Dismissed as moot one Request for Waiver for which the applicant had already been fully compensated for the funding it had requested.
2. Granted:
 - a. 448 Requests for Waiver of late-filed Form 471 applications received within 14 days of the close of the FY 2021 window. This is equivalent to 1.25% of all in-window applications (with more waivers likely to be approved in next month’s streamlined decisions).
 - b. Ten Requests for Review and/or Waiver for ministerial and/or clerical errors.
 - c. Six Requests for Waiver of the invoice deadline for late USAC decisions.
 - d. One Request for Review of an a USAC invoice calculation error.

3. Denied:
 - a. One Request for Review for an ineligible entity.
 - b. One Request for Review of a Form 470 that did not seek bids for the types of services later requested.
 - c. Three Requests for Waiver seeking invoice deadline extensions.

USAC News Brief Dated April 30 – Filing Early Form 486s

[USAC's Schools and Libraries News Brief of April 30, 2021](#) discusses the opportunity applicants have to file Form 486s on approved FY 2021 applications prior to July 1, 2021. Normally, Form 486s are filed on services that have started. But a special certification is available for those applicants whose applications have already been approved and whose services for FY 2021 will begin in July. This is particularly advantageous for applicants seeking discounted billing since early USAC approval of their Form 486s will make it easier for their suppliers to adjust their accounts receivable systems accordingly. For other applicants, early Form 486 filings simply lets them checkoff another required step in the E-rate process.

Friday's News Brief includes the following reminders on early Form 486s:

- Filers must certify that they have the authority to file Form 486s.
- Applicants must have received positive funding commitments.
- Certifications must include the appropriate status of CIPA compliance.
- FY 2021 services listed on the Form 486s must start on or before July 31, 2021.

The News Brief also highlights a USAC supply chain “office hours” session on May 26th designed specifically for service providers. The session will deal with the certifications that suppliers will have to make with regard to national security threats.

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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