

- Funding Status – FY 2021
- Pending ECF Questions
- E-Rate Updates and Reminders
 - Upcoming E-Rate Dates
 - Basic Maintenance FAQ
 - Equipment Funding for Low-Income Deaf-Blind Individuals
- USAC News Brief Dated June 4 – June 30th Special Construction Deadline Reminder

Funding Status – FY 2021

Wave 8 for FY 2021 was released on Thursday, June 3rd, for a total of \$37.8 million including \$3.21 million for 16 North Carolina applicants. Cumulative commitments are \$1.24 billion including \$41.7 million for North Carolina. Nationwide, USAC has now funded 73% of the FY 2021 applications representing 42% of the requested funding.

Pending ECF Questions

It is amazing what the FCC accomplished in 60 days. On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 establishing the Emergency Connectivity Fund (“ECF”) and giving the FCC 60 days to establish rules for the new \$7.1 billion E-rate-like program to support remote learning for schools and libraries. Right on target, the FCC delivered a Report and Order ([FCC 21-58](#)) on May 11, 2021 — a herculean effort of 91 pages.

Complete as the ECF Order was — at least as far as laying out the basic structure of the ECF program — schools and libraries just beginning to plan for the initial application window are confronting a host of detailed questions that USAC and/or the FCC will hopefully answer shortly. To understand the breadth and importance of these questions, we suggest that potential ECF applicants carefully read the following two recent FCC filings requesting clarification:

State E-Rate Coordinators’ Alliance (“[SECA](#)”)

Schools, Health & Libraries Broadband Coalition (“[SHLB](#)”)

The most important issues we see being raised, particularly relating to schools with long-established 1:1 programs, concern the definition of “unmet need.” The FCC has made it pretty clear that the purpose of ECF is not to fund a “refresh” of existing devices. Paragraph 81 of the Order states:

To ensure that funding is focused on unmet need, we will require schools to certify...that they are only seeking support for eligible equipment provided to students and staff who would otherwise lack access to connected devices sufficient to engage in remote learning.

Footnote 229 goes on to clarify:

We recognize that many school districts operate 1:1 device initiatives and may provide devices to all students regardless of need. In light of the admittedly substantial, but still limited funding...we do not think it is appropriate to support the purchase of devices or services for students that already have access to an adequate device.

The two key words in these statements are “sufficient” and “adequate.” The SECA filing, for example, asks:

If a district-owned device has already been assigned to a student that needs the device for remote online learning, but the device is no longer sufficient, can the district receive ECF money to purchase a new connected device? [Emphasis added]

Similarly, although the FCC has indicated that ECF will not support devices to be held in “reserve,” it would be logical to assume that devices that break (as is common, particularly for devices used at home) would need to be replaced, presumably with ones purchased in advance based on a projected replacement schedule. This too needs to be clarified by the FCC.

Until these “unmet need” and other issues are clarified, it will be difficult for any potential ECF applicant to develop a practical application strategy, much less to estimate the total expected demand in any ECF filing window.

For the benefit of schools and libraries considering ECF filings in the first application window covering 2021-2022 purchases — pending additional guidance from the FCC or USAC — we offer the following planning suggestions. We believe that this approach is consistent with the Order as we read it and within the spirit of the pandemic relief in the underlying American Recovery Act. To be conservative, we are focusing on the “Emergency Connectivity” aspect of the Order, not on a potentially longer-term solution to the “Homework Gap.”

- Review the steps taken by the school or library during the initial 16 months of the pandemic (March 1, 2020 to June 30, 2021) to address the device and internet service needs of students, staff, and patrons. In particular:
 - What equipment (laptops, tablets, hotspots, modems, routers, etc.) were purchased for off-campus use?
 - What proportion of pre-COVID or even new off-campus equipment needed to be replaced, permanently or temporarily, during the 16-month period?
 - What off-campus internet services were newly provided for needy users?
 - What additional equipment and services would have been provided had sufficient funding been available?
 - How were both the “met” and “unmet” needs of students, staff, and patrons determined during this period?

- Note that documentation of these needs will be important, not only to serve as a basis for the first ECF window, but as a basis for seeking retroactive funding in a subsequent ECF window.
- Given the experience gained during the first 16 months of the pandemic, and assuming the availability of ECF funding, what are the equivalent needs for the 2021-2022 period to be covered by the initial ECF window? In particular:
 - What equipment and services will be needed for new users? Schools, for example, will have to meet the needs of incoming students at the lowest grade plus enrollment changes at the higher grades.
 - What level of existing off-campus equipment will need to be replaced based on past experience (see above)?

We suspect that this approach will need to be modified as more information on the details of the ECF program are forthcoming from USAC and the FCC, but the suggestions above should provide a reasonable approach to initial application planning.

E-Rate Updates and Reminders

Upcoming E-Rate Dates:

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|---------|--|---------|------------|---------|------------|---------|------------|---------|------------|
| June 11 | Form 486 deadline for FY 2020 covering funding committed in Wave 42. More generally, the Form 486 deadline is 120 days from the FCDL date or the service start date (typically July 1 st), whichever is later. Upcoming Form 486 deadlines are: <table border="0" style="margin-left: 40px;"> <tr> <td>Wave 43</td> <td>06/18/2021</td> </tr> <tr> <td>Wave 44</td> <td>06/25/2021</td> </tr> <tr> <td>Wave 45</td> <td>07/02/2021</td> </tr> <tr> <td>Wave 46</td> <td>07/09/2021</td> </tr> </table> | Wave 43 | 06/18/2021 | Wave 44 | 06/25/2021 | Wave 45 | 07/02/2021 | Wave 46 | 07/09/2021 |
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| Wave 44 | 06/25/2021 | | | | | | | | |
| Wave 45 | 07/02/2021 | | | | | | | | |
| Wave 46 | 07/09/2021 | | | | | | | | |
| June 21 | Due date for comments on Comcast’s FCC gift rule waiver request to provide its Lift Zone initiative to establish remote learning centers in seven selected library systems (see Comcast waiver request and FCC comment notice DA 21-597). Reply comments are due July 6 th . | | | | | | | | |

Basic Maintenance FAQ:

In order to speed the processing of invoices for Basic Maintenance of Internal Connections (“BMIC”), USAC will often reach out to applicants with approved BMIC FRNs before invoices are actually filed. When used, these pre-invoice reviews typically request additional BMIC documentation such as contracts, detailed bills, or quotes that were not included in the initial applications and PIA reviews. In support of these pre-invoice reviews, USAC has recently begun

providing the applicants with a [BMIC FAQ document](#) that addresses the complexity of maintenance eligibility. The document asks and answers the following questions:

1. What is the purpose of the BMIC review?
2. Can I avoid a BMIC review?
3. What documentation is needed for a BMIC FRN review?
4. What if I have not submitted an invoice, do I still need to submit documentation?
5. What services are eligible under BMIC?
6. I am applying for discounts on a license. What service type should I indicate for licenses eligible under BMIC?
7. How do I get reimbursed for BMIC services?
8. What are common errors to watch for?
9. Will I still have to submit invoices? Short answer: “Yes.”
10. How do I bill for a contract that is for maintenance over several years?
11. Why are basic maintenance services considered recurring services if they are billed annually?
12. What information should be included on a customer bill for BMIC?
13. I have a fixed-price with my service provider for basic maintenance. How can we invoice for an hourly rate and hours worked?

Equipment Funding for Low-Income Deaf-Blind Individuals:

The National Deaf-Blind Equipment Distribution Program (“NDBEDP”), also called “iCanConnect,” provides up to \$10 million annually to support local programs that distribute equipment to eligible low-income individuals to enable access to telecommunications, internet access, and other advanced communications services. Funding, based largely on population, is allocated to certified programs within each state. Last week, the FCC released allocations for the 2021-2022 fiscal year ([DA 21-653](#)). The allocations include \$247,555 for the North Carolina Division of Services for the Deaf and the Hard of Hearing. Please note that this is not an E-rate program, but it does provide a potentially useful source of specialized funding for individuals seeking connected devices.

USAC News Brief Dated June 4 – June 30th Special Construction Deadline Reminder

[USAC’s Schools and Libraries News Brief of June 4, 2021](#), reminds applicants funded for special construction projects in FY 2020 that the operational deadline for those systems is this coming

June 30th. Applicants who cannot complete their projects by the end of this month due to unavoidable delays and/or late funding approvals may request an additional year. Requests for a deadline extension must be made this month.

USAC's News Brief also notes that the FY 2022 Form 470 will be deployed on July 1st. Any uncertified FY 2021 Form 470s in the EPC system at that time will be deleted.

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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