

## E-Rate Central News for the Week of March 5, 2018

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## Funding Status – FY 2018 and FY 2017

### *FY 2018:*

The FY 2018 Form 471 Application Window opened Thursday morning, January 11, 2018. The Window will close Thursday, March 22, 2018 at 11:59 p.m. EDT. PIA review is underway for filed applications.

### *FY 2017:*

Wave 43 for FY 2017 was released Thursday, March 1<sup>st</sup>, for a total of \$14.2 million – none for Nevada. Wave 44 for hurricane relief applicants was released on Friday, March 2<sup>nd</sup>, for \$168 thousand.

Cumulative national funding through Wave 44 is \$2.21 billion, including \$7.3 million for Nevada.

USAC is scheduled to release Wave 45 on Thursday, March 8<sup>th</sup>.

## Updates on USAC’s E-Rate Productivity Center and Legacy System

### *FY 2018 Inflation Adjustment and Category 2 Budget Tools:*

As discussed in last week’s [newsletter of February 26<sup>th</sup>](#), the FCC announced a 1.8% inflation adjustment for FY 2018 E-rate funding. By our calculations, yet to be confirmed by USAC, the FY 2018 Category 2 budget factors are shown in the table below.

Inflation-Adjusted Category 2 Budget Caps (Pre-Discount)									
	FY 2015 (base year)		FY 2016 (1.0% increase)		FY 2017 (1.3% increase)		FY 2018 (1.8% increase)		
Schools	\$ 150.00	per student	\$ 151.50	per student	\$ 153.47	per student	\$ 156.23	per student	
Non-urban libraries	\$ 2.30	per sq.ft.	\$ 2.32	per sq.ft.	\$ 2.35	per sq.ft.	\$ 2.40	per sq.ft.	
Urban libraries	\$ 5.00	per sq.ft.	\$ 5.05	per sq.ft.	\$ 5.12	per sq.ft.	\$ 5.21	per sq.ft.	
Minimum	\$9,200.00		\$9,292.00		\$9,412.80		\$9,582.23		

Note: The factors shown above are calculated compounding inflation adjustments from FY 2015, then rounded to the nearest penny (as per FCC guidance in FY 2017).

Currently, neither of USAC’s Category 2 budget tools are accurate. In particular:

- The EPC budget tool, available only to authorized applicant users, has been updated for FY 2018 inflation. Unfortunately, the individual entity factors have not been rounded to the nearest penny as per the FCC’s guidance last year and shown in the above table. As an example, the per-student factor for schools is roughly \$156.231951 rather than \$156.23. This is a small difference — over-inflating the budget for a 1000-student school by just under two dollars — but is a potential headache for applicants applying for funding at their maximum FY 2018 caps. Additionally, the EPC budget tool does not account for any Category 2 funding committed in FY 2015 which can mislead applicants into thinking more funds are available than what is actually remaining in their Category 2 budgets.
- The non-EPC [Category Two Budget Tool](#) has not yet been updated for FY 2018 inflation and still uses the FY 2017 budget factors (e.g., \$153.47 per student). On the plus side, the non-EPC tool does include FY 2015 funding.

Conclusion: USAC’s Category 2 budget tools must be used with a careful understanding of their differences and limitations.

*[HTTPS Upgrade for USAC Website:](#)*

USAC completed the conversion of its website to Hypertext Transfer Protocol Secure (“HTTPS”) last Friday. HTTPS technology is designed to prevent intruders from tampering with communications between users and the website during online sessions. The website upgrade should be virtually transparent to users. If anything, users may experience improved page loading times. Users who had bookmarked specific USAC pages with “http” prefixes will have their page requests automatically rerouted to the equivalent pages with “https” prefixes. For additional information, see last Friday’s USAC News Brief referenced below.

**E-Rate Updates and Reminders**

*[FCC IDER Decision:](#)*

The FCC issued a special order ([DA 18-188](#)) providing applicants (and service providers) with additional invoicing deadline extensions for FY 2016 recurring service FRNs. The FCC initiated this action on its own motion in recognition of the many USAC delays in (a) approving Form

486s, or (b) processing and approving post commitment changes (e.g., SPIN changes and service substitutions). These delays prevented invoices from being filed by the original deadline of October 30, 2017.

With approvals still pending, many applicants filed 120-day Invoice Deadline Extension Requests (“IDERs”). Under current FCC rules, USAC granted these IDERs automatically thereby extending the invoice deadlines to February 27, 2018. Unfortunately, this extended deadline is also proving unreachable in cases of recent or still pending approvals, and USAC was otherwise barred from issuing further extensions. To its credit, the FCC stepped into the void. It has given USAC the authority to process these invoices beyond February 27<sup>th</sup> for up to an additional 120-days following the issuance of the delayed Form 486 approvals or Revised Funding Commitment Decision Letters (“RFCDLs”).

*Upcoming 2018 E-Rate Dates:*

March 3                    FY 2017 Form 486 deadline for funding committed in Wave 23. Other upcoming Form 486 deadlines include:

Wave 24	03/12/2018
Wave 25	03/19/2018
Wave 26	03/22/2018
Wave 27	04/02/2018

Applicants missing these (or earlier) deadlines should watch carefully for “Form 486 Urgent Reminder Letters” in EPC. The Reminders will afford applicants with 15-day extensions to submit their Form 486s without penalty.

March 22                FY 2018 Form 471 Application Window closes at 11:59 p.m. EDT.

*FCC Decision Watch:*

The FCC issued its monthly set of “streamlined,” precedent-based decisions ([DA 18-175](#)). Applicants facing similar problems as addressed in these decisions may garner useful information by carefully reading the additional FCC explanations found in the footnotes. The original appeals and waiver requests can be found online in the FCC’s [Search for Filings](#).

In summary, last week’s FCC decisions:

1. Dismissed:
  - a. One Request for Review and one Petition for Reconsideration deemed moot because the invoicing records indicated that the applicants had been fully compensated.
  - b. One Petition for Reconsideration for failing to provide any arguments not already fully considered by the FCC.

- c. One Petition for Reconsideration rejecting the applicant’s argument that it could not file a sufficient petition unless the Bureau provided a more detailed explanation of the original appeal denial.
2. Granted:
    - a. One Request for Review of a late-filed Form 486 due to extenuating circumstances involving the termination of two employees.
    - b. Three Requests for Waiver involving Ministerial and/or Clerical (“M&C”) errors.
  3. Denied:
    - a. One Request for Review in which the FCC reiterated that its recommendation that investigations be completed within five years was “a policy preference and not an absolute bar to recovery.”
    - b. Seven Requests for Waiver for invoice deadline extensions.
    - c. Three Requests for Waiver of late-filed Form 471 applications submitted more than two weeks late.
    - d. One Request for Waiver for a late-filed SPIN Change request (required to be filed by the associated invoice deadline).
    - e. Two Requests for Waiver or Review for unjustified service implementation delays.
    - f. Two Requests for Waiver not filed within the 60-day appeal and waiver deadline.

**USAC News Brief Dated March 2 – Reminders for FY 2018 Form 471 Filers**

[USAC’s Schools and Libraries News Brief of March 2, 2018](#), provides the following reminders for applicants filing Form 471s for FY 2018:

- The voice phase down is almost complete. E-rate discounts on voice telephone services, including cellular, has been dropping by 20% per year. For FY 2018, only the highest discount applicants will receive 10% discounts on voice services.
- A library system must designate one location as its main branch to calculate the library system’s discount rate.
- Service types featured on a Form 471 must be consistent with the service types used on the associated Form 470(s).
- Applicants cannot update their entity profiles during the Application Window. Use the RAL modification process to link new entities.
- Retain all program documentation.

*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 the SLD, FCC, or OSIT.*

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