

## E-Rate Central News for the Week of April 16, 2018

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### Funding Status – FY 2018 and FY 2017

#### *FY 2018:*

The FY 2018 Form 471 Application Window is closed. Based on data in USAC’s [FRN Status Tool](#), the total demand for FY 2018 is approximately \$2.77 billion. PIA application review is well underway. The first funding wave for FY 2018 is expected later this month.

#### *FY 2017:*

Wave 51 for FY 2017 was released Friday, April 13<sup>th</sup>, for a total of \$3.22 million, none for Nevada.

Cumulative national funding through Wave 51 is \$2.26 billion, including \$7.3 million for Nevada.

Wave 52 is expected to be released Friday, April 20<sup>th</sup>.

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

#### *Continued Developments on Form 470 Menu Options:*

A flurry of recent *ex parte* comments have urged the FCC to (a) revise the Form 470 pulldown menu for Category 1 services in FY 2019, and (b) hold applicants harmless for resulting menu errors on FY 2018 Form 470s. As noted in our [newsletter of March 26<sup>th</sup>](#), the comments started with a filing by the Ohio Information Technology Centers (“[Ohio ITCs](#)”). Widespread and high-powered support continues to be provided by such organizations as:

- American Library Association (“[ALA](#)”)
- EducationSuperHighway (“[ESH](#)”)
- Schools, Health & Libraries Broadband Coalition (“[SHLB](#)”)

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

[E-Rate Central's comments](#) filed last week supported the SHLB and SECA positions, but also encouraged the FCC to better align the Form 470 menu options with the listing of products and services in the Eligible Services List (“ESL”) for both Category 1 and Category 2.

Revisions to the Form 470 and/or the ESL will become important to applicants as they begin their procurement cycles for FY 2019 later this year. Of more immediate concern for applicants is how USAC will treat this year's Category 1 funding requests not perfectly aligned with the revised menu options and belated guidance for the FY 2018 Form 470.

The most problematic situation may be faced by applicants who had selected “Internet Access & Transport Bundled” on their Form 470s, as they had done in past years, and subsequently requested funding for bundled Internet and fiber-based transport services on their Form 471s. According to USAC's revised Form 470 guidance for FY 2018, such fiber-based Internet services should have been specified under the Form 470 “Leased Lit Fiber” option — a confusing option that doesn't mention Internet at all. Indeed, it wasn't until last December that USAC's guidance “clarified” that “Leased Lit Fiber” implicitly includes Internet service. The “hold harmless” provision proposed by the filings referenced above is aimed at making sure that applicants like these are not denied funding in FY 2018 because their Form 470 requests for bundled Internet specified “Internet Access & Transport Bundled,” not “Leased Lit Fiber.”

#### *USF Funds Transfer to the U.S. Treasury:*

Later this month, USAC is scheduled to transfer all funds associated with the Universal Service Fund (“USF”) programs, including E-rate, from its current commercial bank to the U.S. Treasury. The transfer is taking place at the behest of the General Accounting Office (“GAO”) and the Office of Management & Budget (“OMB”). Post-transfer, USAC's collection and disbursement processes will remain largely unchanged (see [summary](#) on the USAC website).

From an E-rate perspective, the following points should be noted:

- Applicants will continue to file BEAR reimbursement requests through the legacy BEAR system and to receive payments electronically. Because payments will be coming from the U.S. Treasury, rather than Bank of America, some applicants may have to change the permitted “originator” codes at their own banks to accept payment.
- USAC will be updating instructions for the return of funds (if necessary).
- The change is unlikely to clarify the long-standing controversy as to whether E-rate discounts are “federal funds.” The FCC has been careful to state that the entity holding USF funds has no effect on the Fund's status as a “permanent, indefinite appropriation” and that, as such, the Fund is not subject to the annual Congressional appropriations process.

## E-Rate Updates and Reminders

### *Upcoming 2018 E-Rate Dates:*

April 18	USAC webinar on <a href="#">Understanding PIA Review</a> .						
April 23	FY 2017 Form 486 deadline for funding committed in Wave 30. Other upcoming Form 486 deadlines include: <table><tr><td>Wave 31</td><td>04/30/2018</td></tr><tr><td>Wave 32</td><td>05/04/2018</td></tr><tr><td>Wave 33</td><td>05/07/2018</td></tr></table>	Wave 31	04/30/2018	Wave 32	05/04/2018	Wave 33	05/07/2018
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Wave 32	05/04/2018						
Wave 33	05/07/2018						

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.

### **USAC News Brief Dated April 13 – Selective Review Overview**

[USAC’s Schools and Libraries News Brief of April 13, 2018](#), reviews USAC’s selective review process, an additional and more detailed component of application review often focusing on an applicant’s competitive bid evaluation process. The News Brief summarizes the following basic steps:

1. USAC issues questions in the form of a Selective Review Information Request (“SRIR”).
2. PIA confirms that the applicant has received the SRIR.
3. Applicant responds to the SRIR questions through EPC.
4. If additional time is needed to respond to the questions, which may be extensive, an extension can be requested.

Last week’s News Brief also discusses the web page set up to permit program participants to share their Technical system ideas with USAC, and notifies applicants of an upcoming change in PIA reviewer email addresses.

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*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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