

## E-Rate Central News for the Week of January 29, 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. As of last week, early filers were already reporting the beginning of PIA reviews.

### *FY 2017:*

Wave 37 for FY 2017 was released Friday, January 26<sup>th</sup>, for a total of \$11.1 million – none for Nevada.

Cumulative national funding through Wave 37 is \$2.13 billion, including \$7.3 million for Nevada.

Wave 38 is expected to be released Friday, February 2<sup>nd</sup>.

## SHLB Recommends Improvements to FCC/USAC Fiber Procedures

The Schools, Health & Libraries Broadband Coalition (“SHLB”) filed an important *ex parte* letter with the FCC last week discussing the problems applicants are encountering obtaining E-rate discounts for lit, dark, and self-provisioned fiber networks, particularly for special construction charges. The [SHLB letter](#) notes that more than half of the special construction applications in FY 2016 were denied or withdrawn, and that a sizeable number of applications for FY 2017 are still in review. The letter called for:

1. Greater clarification of the standard of review of special construction funding requests.

2. Clarification regarding the cost-based information required from vendors.
3. A streamlined procedure for the protection of such proprietary cost information provided from carriers.
4. Modification to the PIA review process, particularly:
  - a. A presumption that the installation of 12-strand fiber optic cabling is the most cost-effective means of deploying fiber for applicants requiring fewer than 12 strands.
  - b. An exemption from detailed leased lit fiber comparisons for dark or self-provisioned fiber connections between buildings on the same campus.
5. The availability of USAC subject matter experts for consultation with applicants from project inception through application submission.
6. Greater flexibility on the June 30<sup>th</sup> fiber construction deadline.
7. More timely review of post-commitment fiber modifications.

Applicants and service providers who have encountered similar issues with USAC fiber reviews are encouraged to file supporting comments with the FCC.

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

### *Reminder on Category 2 Budget Tools:*

USAC's systems include two separate tools for tracking Category 2 entity budgets. Each has its advantages and disadvantages. Specifically:

- USAC's new [Category Two Budget Tool](#), found in the [Tools](#) section of the USAC website, is the most complete (see our [newsletter of January 15<sup>th</sup>](#)). It is available for anyone to use and now shows entity funding commitments from FY 2015 through FY 2017.
- The EPC budget tool is available only to authorized applicant personnel on an entity-by-entity basis. Most annoyingly, it does not show commitments for FY 2015. This is a major drawback. The EPC tool's only advantage is that it does show requested, but still pending, Category 2 funding for FY 2017.

The lack of FY 2015 data in the EPC budget tool is a particular problem for applicants who had entities funded for Category 2 in that funding year. As shown in the following example for an entity funded in FY 2015, the EPC tool shows no committed funding (although it does include a reminder, which we've highlighted in yellow, that the FRN data starts in FY 2016).

Records / Applicant Entities  
# [REDACTED]

Summary Customer Service Modifications Additional Information **Category Two Budget** Contracts FCC Forms News Related Actions

### Category Two Budget Status

**Note:** The category two budget calculation reflects FRN data starting in FY 2016

BEN Name	BEN Number	C2 Budget Amount	C2 Committed Amount	Remaining Balance	Pending C2 Requested Amount
[REDACTED]	[REDACTED]	\$91,621.29	\$0.00	\$91,621.29	\$0.00

[SHOW ALLOCATION BREAKDOWN](#)

The non-EPC budget tool does show this entity's FY 2015 funding, providing details down to the line item level. As with the EPC tool, all budgets are exhibited as pre-discount amounts.

### Category 2 Budget Status

Understanding the search results (more...)

Funding Year **2017** ▾

Entity # [REDACTED] Entity Name [REDACTED]

FY	C2 Budget	Approved Pre-Discount	Remaining Balance
FY2017	\$91,621.59	\$104,524.50	\$0

Application #1022280 BEN [REDACTED]

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FRN	Line Item	Requested Pre-discount	Approved Pre-discount	FRN Commitment Status
2774323	1	\$95,604.60	\$95,604.60	Committed - full
2774323	2	\$8,667.45	\$8,667.45	Committed - full
2774323	3	\$252.45	\$252.45	Committed - full

Note that this display defaults to a "2017" view. In this mode, the only way to really identify this funding as FY 2015 is by the application and FRN numbers. Another key point to understand is that the "C2 Budget" shown is based on the current \$153.47 per student level and on the current number of students. In this example, the number of students has dropped since FY 2015, so it appears that the entity was funded for an amount greater than its current budget cap. To see what the budget was in FY 2015 (at \$150.00 per student), reset the funding year using the pulldown menu in the upper right-hand corner.

Understanding the search results (more...)

Funding Year **2015** ▾

Entity # [REDACTED] Entity Name [REDACTED]

FY	C2 Budget	Approved Pre-Discount	Remaining Balance
FY2015	\$104,550.00	\$104,524.50	\$25.50

Question of the Week:

To see if everyone is paying attention, we will occasionally ask a “Question of the Week,” and challenge readers for an answer. Here are this week’s questions:

Look carefully at the two FY 2017 C2 budget amounts shown in the examples above. EPC shows a budget of \$91,621.29 whereas the non-EPC budget is shown as \$91,621.59 — a difference of 30 cents.

Questions: Why the difference? Which amount is right?

Answers right or wrong can be emailed to [question@e-ratecentral.com](mailto:question@e-ratecentral.com). The correct answer — and formal credit to the first correct responder — will appear in next week’s newsletter.

**E-Rate Updates and Reminders**

*Upcoming 2018 E-Rate Dates:*

January 29      FY 2017 Form 486 deadline for funding committed in Wave 18. Upcoming Form 486 deadlines include:

Wave 19	02/05/2018
Wave 20	02/09/2018
Wave 21	02/20/2018
Wave 22	02/26/2018

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.

January 29      Invoice deadline for FY 2016 non-recurring services (also the deadline for filing a one-time Invoice Deadline Extension Request).

February 22      Technically, the last day to file a Form 470 for use with a Form 471 application for FY 2018. Whenever possible, Form 470s should be filed well before this date. If a Form 470 is filed on this date, the 28-day posting requirement is not over until March 22<sup>nd</sup>. On that day, an applicant using that last day Form 470 would have to select vendors, sign contracts, and complete the Form 471, all on the last day of the Application Window — never a good filing strategy!

February 26      Extended invoice deadline for FY 2016 recurring services for extensions requested and granted of the original October 30, 2017, deadline.

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

### *E-Rate Update by Commissioner Rosenworcel:*

FCC Commissioner Jessica Rosenworcel delivered a [short talk](#) last week before the National Coalition in Education and Training nicely summarizing the achievements of E-rate and the need to do more, particularly to help solve the Homework Gap.

### *New FBI E-Rate Action:*

*The Dallas Morning News* [reported](#) that the FBI is charging the CEO of a Dallas charter school and the owner of a local engineering company with conspiracy to commit mail and wire fraud. The charges allegedly stem from a payment to the school's CEO in connection with a \$478,200 E-rate contract. This is another, relatively isolated, example of the wheels of E-rate justice moving slowly, but relentlessly. Funding for the contract at issue was approved and initially disbursed for FY 2011. Although the applicant was funded for other services through FY 2014, subsequent requests have been stalled. FY 2015 funding was denied as the result of an outstanding Red Light condition, presumably as the result of a COMAD and repayment demand of the FY 2011 funding. Applications for FY 2016 and FY 2017 remain pending.

### *Burger King and Net Neutrality:*

The FCC's recent action to do away with "net neutrality" rules, although not directly an E-rate issue, remains a broadly controversial issue. Those favoring net neutrality are concerned that the demise of the FCC net neutrality rules will unfairly favor certain Internet content providers willing and able to pay premium prices for higher-speed priority access.

A [humorous video](#) released last week by Burger King purports to explain net neutrality as if the same pricing principles for its own Whoppers had been repealed.

## **USAC News Brief Dated January 26 – Competitive Bidding Reminders**

[USAC's Schools and Libraries News Brief of January 26, 2018](#), provides the following reminders concerning the Form 470 and competitive bidding process:

- The competitive bidding process must be open and fair,
- All RFPs and other RFP-related documents must be attached (i.e., uploaded) to the Form 470.
- Applicants must wait at least 28 days after the Form 470 is certified to select vendors, sign contracts, and submit a Form 471.
- "Cardinal" changes require posting a new Form 470 and restarting the 28-day bidding period.

Last Friday's News Brief also discusses the improved call-routing menu provided for applicants and service providers calling USAC's special Form 498 and invoicing helpline (888-641-8722).

Note that USAC's Client Service Bureau ("CSB") helpline (888-203-8100) remains the primary source of call-in E-rate information.

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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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