Nevada E-Rate Weekly News	Weekly E-Rate Newsletter Vol. 2, No. 25 June 18, 2018

E-Rate Central News for the Week of June 18, 2018

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Funding Status – FY 2018

FY 2018:

Wave 10 for FY 2018 was released Friday, June 15th for $78.6 million, none for Nevada. Cumulative funding as of Wave 10 is $1.18 billion, including $2.51 million for Nevada. Wave 11 is expected later this week.

USAC should be complimented on the pace of FY 2018 application review. Funding decisions have now been issued on roughly 80% of the filed applications and 50% of the requested dollar amounts. Cumulative funding approved is already four times the FY 2017 approval level as of July 1st last year. Although USAC still has some work to do on larger applications — including fiber special construction requests — it is well on its way to meeting the FCC's E-Rate Modernization Order target of having all "workable" applications completed by September 1st. Applicants with applications currently in summer deferral mode can help the process by reinitiating PIA contact whenever feasible.

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

EPC Modifications:

Last Friday's USAC News Brief, referenced below, mentions two minor changes made to EPC's Form 486 notification system, one enabling state coordinators to access all notifications in their state and one eliminating column headers on the Form 486 CSV file sent to service providers.

E-Rate Updates and Reminders

Upcoming 2018 E-Rate Dates:

June 22 FY 2017 Form 486 deadline for funding committed in Wave 42. Other upcoming Form 486 deadlines include:

Wave 43	06/29/2018
Wave 44	07/02/2018 (hurricane relief wave)
Wave 45	07/06/2018

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.

The first Form 486 deadline for FY 2018 is not until October 29, 2018.

June 20 USAC webinar on Understanding Post-Commitment Actions.

June 30 Last day to file a special construction implementation deadline extension request for FY 2017.

July 2 Reply comment deadline on the FCC's Notice of Proposed Rulemaking ("NPRM") on *Protecting Against National Security Threats to the Communications Supply Chain Through FCC Programs* (see FCC 18-42).

July 23 Deadline for submitting Form 470/471 comments (see Federal Register notice).

Zero-Funded SPIs:

As of last week, the FRN Status Tool ("FST") showed that 25% of the 3,000 funded FRNs for Time Warner Cable ("TWC" – SPIN 143048275) for FY 2017 were set in the Service Provider Invoice ("SPI") mode with disbursements of $0.00. Usually when (a) the invoice mode is set, and (b) zero dollars are shown as disbursed, it means that a BEAR or SPI invoice had been filed and rejected. This situation is different. In particular:

1. TWC filed a series of SPIs for a subset of its own customers explicitly requesting $0.00. Because the invoice mode for these FRNs had been "NOT SET," the filings set the mode to "SPI." Once the mode has been set to "SPI," the USAC invoicing system will not accept BEARs.
2. As a second step, TWC presumably plans to file a second series of SPIs requesting approved discounts on their customers' total eligible charges for FY 2017. Those discounts, when paid by USAC, would then be applied as credits towards their customers' FY 2018 bills.
3. Financially, from the customers' perspective, the results are much the same as if they'd filed BEARs. The customers get the same full-year discounts retroactively, but without actually preparing and submitting BEARs. That's the good "but."
4. The other "but" is that, by default, the customers are getting credits, not cash. This defeats one of the purposes of the change to direct payment BEARs effective July 2016.

5. One other effect — assuming the customers accept the credits (and assuming they retain TWC services) — is that the customers' TWC actual payments for FY 2018 are not constant each month. They begin the year at $0/month while the credits are being applied, then revert to the full monthly undiscounted amount once the credits are fully utilized — a potential source of confusion as the year ends.

It is not immediately clear why some TWC customer accounts are being handled this way, and why others are not. At least in some cases, the treatment does not appear to be at the customers' request. Our recommendation to affected customers who prefer to receive their discounts as cash reimbursements is to request TWC to issue checks for the full credit amount. This would also be a good time to affirmatively request either SPI or BEAR invoicing treatment for FY 2018.

3Q18 Projected Contribution Factor:

The FCC announced (DA 18-613) the proposed Universal Service Fund ("USF") contribution percentage for the third quarter of calendar 2018 — corresponding to the first funding quarter of E-rate's FY 2018. Overall, the contribution factor decreased from 18.4% in 2Q18 to 17.9%. The decrease is largely the result of the roughly $400 million decline in E-rate demand for FY 2018 versus FY 2017. The decrease will give the FCC a little more slack to fund the $171 million increase in the USF's Rural Health Care Program that the Commissioners approved last week.

USAC News Brief Dated June 15 – News Brief News

USAC's Schools and Libraries News Brief of June 15, 2018, provides a few simple instructions for readers of USAC's weekly News Briefs, namely:

- How to search the News Brief archive.
- How to search for News Briefs under EPC's News tab.
- How to subscribe to the News Brief's email distribution list.

Nevada Governor's
Office of Science, Innovation and Technology