

E-Rate Central News for the Week of September 30, 2019

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Funding Status – FY 2019

USAC released Wave 26 for FY 2019 on Thursday, September 26th. Funding totaled \$45.3 million including \$101.5 thousand for Nevada. Cumulative commitments through September 26th are \$1.77 billion including \$7 million for Nevada.

E-Rate Updates and Reminders

Upcoming E-Rate Dates:

- September 30** Last day to receive non-recurring services for FY 2018 and/or the deadline for requesting a one-year extension of the delivery and installation of such services.
- October 2 Remaining USAC 2019 fall applicant/ tribal training sessions (see USAC’s – November 21, [2019 Training](#) webpage for a schedule of the sessions).
- October 28 Invoice deadline for FY 2018 recurring services. Note: For applicants and service providers unable to submit invoices by this date, October 28th is also the deadline for filing 120-day Invoice Deadline Extension Requests (“IDERs”).
- October 28 Due date for nominations of six positions on the USAC Board of Directors (see [DA 19-835](#)) including the slot reserved for a library representative and one of the two slots reserved for school representatives.
- October 29 First Form 486 deadline for FY 2019, covering funding committed in Waves 1-10. More generally, the Form 486 deadline is 120 days from the FCDL date or the service start date (typically July 1st), whichever is later. The upcoming Form 486 deadlines are:

Waves 1-10	10/29/2019
Wave 11	11/04/2019
Wave 12	11/08/2019
Wave 13	11/15/2019

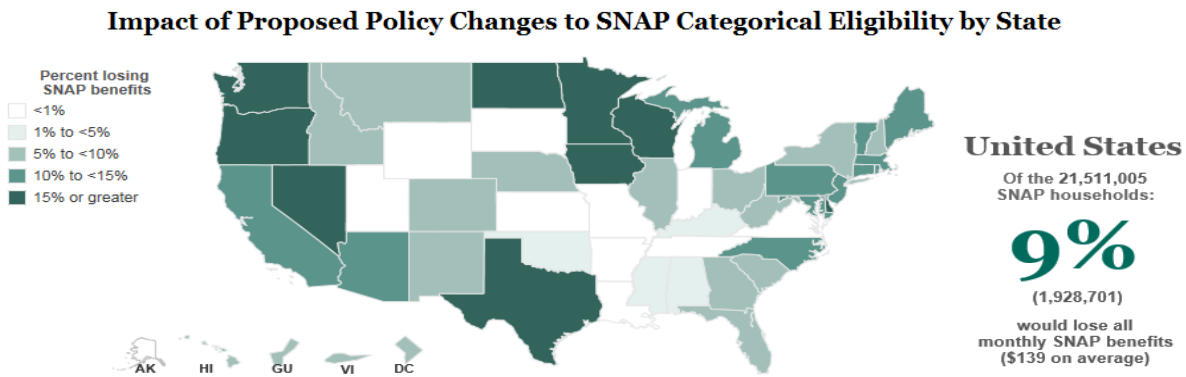
October 31

Proposed deadline to update the business type for existing Form 498s. (See our [newsletter of August 19th](#).)

Public Resistance to USDA’s Proposed SNAP Eligibility Rule Changes:

Last Monday, September 23rd, was the deadline for submitting comments to the U.S. Department of Agriculture (“USDA”) concerning a proposed rule that would limit the automatic eligibility of individuals and families, currently receiving Temporary Assistance for Needy Families (“TANF”) from automatically qualifying for the Supplemental Nutrition Assistance Program (“SNAP”), more commonly known as the food stamp program. The *New York Times* noted that the USDA was flooded with more than 75,000 comments opposing the rule change.

As noted in our [newsletter of August 5th](#), the E-rate significance of the proposed change is that a reduction in SNAP eligibility, affecting an estimated 9% of SNAP households nationally, would over time adversely affect E-rate discounts in most states by reducing school CEP percentages. An initial analysis we conducted in New York estimated that 1% of schools currently using CEP would no longer be eligible for CEP-based discounts, and that 3% of the schools remaining eligible for CEP would lose 10% in discounts. A study by [Mathematica](#), as shown in the map below, suggests potentially higher losses in many other states.



USDA has indicated that it will review all comments and “consider potential changes from the proposal in crafting the final rule.” The USDA does “not currently have a projected completion date.” Fortunately, because CEP eligibility is determined on a four-year cycle, an adverse SNAP decision by USDA would not immediately impact many E-rate applicants.

A Reasoned Response to an Unusual Request:

As reported in our newsletter of September 2nd, FCC Commissioner Michael O’Reilly recently sent a letter to the superintendent of Cochise County School District in Arizona aggressively questioning an E-rate consortium’s request for funding to construct a countywide fiber WAN. Commissioner O’Reilly has long been an outspoken opponent of the use of E-rate funds to “overbuild” existing rural fiber networks of local telephone companies that had been funded in part by other Universal Service Fund programs. What made Commissioner O’Reilly’s [August 26th letter](#) unusual is that it was addressed to the member of a consortium whose FY 2019 application was still pending at USAC — perhaps in an indirect attempt to slow USAC’s review of the application or, more broadly, to discourage similar requests for FY 2020.

[Cochise County’s response](#) to Commissioner O’Reilly’s inquiry, dated September 19th, is a well-reasoned, point-by-point, explanation of their consortium’s objectives, competitive bidding procedures, and the failure of their local carrier to even respond to the consortium’s bid. The response carefully explains the scope and requirements of the proposed new county network, the inadequacies of existing facilities, and the extensive 145-day procurement process carefully designed to comply with — indeed exceed — all E-rate rules. It also provides detailed answers to the eight specific questions posed by Commissioner O’Reilly.

If Cochise’s response does not fully satisfy Commissioner O’Reilly, it should at least provide a model explanation for other applicants faced with a similar FCC “overbuilding” concerns.

USAC News Brief Dated September 27 – Upcoming Invoice Deadline Reminders

[USAC’s Schools and Libraries News Brief of September 27, 2019](#), includes the following reminders for applicants and service providers regarding the October 28th invoice deadline for FY 2018 recurring services:

1. Applicants and service providers should review the list of prerequisites for filing invoices and make sure all of them are in place (see [last week’s News Brief](#)).
2. Applicants and service providers who have approved Form 498s should review the information on their forms for accuracy.
3. Applicants who intend to file BEAR Forms but do not have approved Form 498s on file with USAC should complete and certify their Form 498s as soon as possible.
4. Applicants who intend to file BEAR Forms but do not have Personal Identification Numbers (“PINs”) should request them as soon as possible.
5. Applicants and service providers should request invoice deadline extensions if they feel they may not be ready to complete the process of invoicing USAC for their FY 2018 recurring services by the deadline.

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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