

**Schools and Libraries Service Provider Conference Call – January 9, 2013**

**AGENDA**

1. Funding Commitments for FY2012, FY2011, and FY2010
2. FY2013 Filing Window Update
3. Update on New FCC Form 470 Download Tool
4. Invoicing Update
5. Other
6. General Questions Received by Email

**MINUTES**

**1. Funding Commitments for FY2012, FY2011, and FY2010**

For FY2012, USAC is funding approved Priority 2 (Internal Connections and Basic Maintenance) requests at 90 percent and denying for cap at 89 percent and below. Here is a list of the current funding commitments issued since the last call:

Wave	FCDL Date	Amount
022	12/18/2012	\$31.3 M
023	12/26/2012	\$25.6 M
024	1/3/2013	\$52.0 M
025	1/9/2013	\$ 8.3 M

For FY2011, USAC is funding approved Priority 2 requests at 88 percent and above and denying for cap at 87 percent and below. Here is a list of the current funding commitments issued since the last call:

Wave	FCDL Date	Amount
073	12/19/2012	\$ 3.2 M
074	12/27/2012	\$ 5.6 M
075	1/10/2013	\$ 5.3 M

For FY2010, USAC is funding approved Priority 2 requests at all discount levels. Here is a list of the current funding commitments issued since the last call:

Wave	FCDL Date	Amount
106	12/27/2012	\$ 1.7 M

## 2. **FY2013 Filing Window Update**

The FCC Form 471 application filing window for FY2013 opened at noon EST on Wednesday, December 12, 2012 and will close at 11:59 pm EDT on Thursday, March 14, 2013.

FCC Forms 470 must be posted to the USAC website on or before February 14, 2013, for applicants to be able to wait the required 28 days, select a service provider, sign a contract (if applicable), and submit and certify their FCC Forms 471 by the close of the filing window. Applicants filing on paper are encouraged to submit their forms in time for USAC to RECEIVE them by February 7. This allows USAC to reach out to the applicant for any necessary information or corrections in time for the form to be posted to the website by the deadline.

REMINDER: Starting with FY2013, applicants filing FCC Forms 470 can list Priority 1 services in EITHER Telecommunications Services OR Internet Access. If you provide Priority 1 services, be sure to check postings in both of these categories of service, not just the category of service that will be featured on the FCC Form 471.

## 3. **Update on New FCC Form 470 Download Tool**

You can access the [new Form 470 download tool](#) from the link at the top of the main page of the [old tool](#). Service providers who want to use the old tool should bookmark it, as we will at some point change the link on the [Search Tools](#) page to the new tool.

We will decommission the old tool after the FY2013 filing window closes.

## 4. **Invoicing Update**

Payments for the month of December totaled \$121,347,834.34 against requests for \$163.7M. In total, 9,511 invoices were processed for 1,358 service providers. This represented 27,085 lines in December with 95 percent being completed within 30 days.

There were 964 lines in process as of January 8.

## Invoice rejections

In the past month, the most common reasons for invoices being rejected were:

- The invoice is or appears to be a duplicate.
- This SPIN/FRN combination is not in our database.
- The entire commitment amount was already paid.
- This FCC Form 471/FRN combination is not in our database.
- There is no FCC Form 486 on file.

**The FY2011 recurring services invoice deadline has been extended.** Applicants and service providers have until January 28, 2013 to submit invoices for FY2011 recurring services. The invoice deadline has been extended for everyone, not just for those affected by Superstorm Sandy. January 28 remains the invoice deadline for FY2011 non-recurring services.

## BEAR Form Reminders

- Encourage your customers to submit BEAR Forms online.
- Log in to the [E-File System](#) to review any online BEAR Forms filed by your customers. If you need help accessing the system, call (888) 641-8722 and choose the "Form 498" option.
- Some service providers are not receiving email notifications for BEAR payment electronic transfers. We are working on the problem and hope to have it fixed soon.
- Remember that remittance statements and BEAR Notification Letters are issued first, followed in about two weeks by BEAR payment electronic transfer email notifications. The former should be used to prepare reimbursements to applicants, as the emails are simply notifications that the funds already approved will be transferred to your bank.

## 5. Other

We expect to announce the May service provider training sessions on the next call. Please watch the website and read the SL News Brief for an announcement.

## 6. General Questions Received by Email

**Q1.** Could you please clarify the rules for when the service provider is supplying the router that is needed for Internet Access. Assuming that the router is needed for Internet access and does not affect the internal network, are the following P1, P2 or not eligible. For B & C please provide a response based on the Service Provider retains ownership and the Entity retains ownership.

- (A) The router is owned and managed by the Service Provider and there is a separate fee associated. The router will remain the property of the service provider.
- (B) There is a one-time fee for the router provided by the service provider.
- (C) There is one time "setup" fee for the router provided by the service provider

**A1.** To be considered as part of a Priority 1 funding request, a router owned by the service provider must meet **all** of the eligibility conditions described in the [On-premise Priority 1 Equipment](#) website guidance. We refer to the entire group of eligibility conditions collectively as the “Tennessee test.” Specifically:

- (A) The router in this situation can be eligible as Priority 1 if it meets the “Tennessee test.”
- (B) The router in this situation can be eligible as Priority 1 if it meets the “Tennessee test” and it is owned by the service provider. If it is owned by the applicant, it is considered Priority 2 Internal Connections.
- (C) Same answer as (B).

**Q2.** USAC’s Free Services Advisory has been modified to say “A cost allocation is not required when the free product or service is available to the public or a class of subscribers broader than just E-rate recipients.” However, our understanding is that USAC is not approving funding requests that are consistent with this policy except in the case of cell phones. Rightly or wrongly, many E-rate constituents believe that they can rely on official program information. Could you please clarify the current process, and also consider making the website information fully consistent with that process?

**A2.** Here is the complete text added to the Free Services Advisory:

A cost allocation is not required when the free product or service is available to the public or a class of subscribers broader than just E-rate recipients. For example, many cell phones are free or available at discounted prices with the purchase of a two-year service contract. Applicants are free to take advantage of these deals without cost allocation, but cannot accept other equipment with service arrangements that are not otherwise available to some segment of the public or class of users.

This text comes from a footnote in the FCC Order [DA 10-2355](#). We do not yet have clarification on free products or services other than cell phones, and we will share any additional guidance when we receive it.

**Q3.** Have not received transaction notification of pending deposits since the end of November. This is the email that gives the transaction ID and the date the deposit will be. I used to receive it a day before the deposit (ACH) hit our bank. Was told last week that there was an issue with the system. Any update on this? We have multi spins and have already spoken to cust svc and ruled out a 498 issue.

**A3.** We are aware of the problem and hope to have it resolved soon. You should call:

- the Client Service Bureau at (888) 203-8100 for BEAR Notification Letter copies and similar information
- USAC Billing, Collections, and Disbursements at (888) 641-8722 for remittance information.

**REMINDER:** Please send your questions for the next Service Provider Conference Call by following the instructions outlined on the [Conference Call webpage](#) of the USAC website.

Also, please watch the [USAC website](#) for other program updates.