

**Schools and Libraries Service Provider Conference Call – November 13, 2013**

**AGENDA**

1. Funding Commitments for FY2013, FY2012, FY2011, and FY2010
2. Update on FY2014 Eligible Services List
3. Invoicing Update
4. Other
5. General Questions Received by Email

**MINUTES**

**1. Funding Commitments for FY2013, FY2012, and FY2011**

For FY2013, USAC is funding approved Priority 1 (Telecommunications Services and Internet Access) requests at all discount levels. Here is a list of the regular funding waves issued since the last call:

| Wave | FCDL Date  | Amount    |
|------|------------|-----------|
| 021  | 10/7/2013  | \$ 67.9 M |
| 022  | 10/16/2013 | \$101.0 M |
| 023  | 10/23/2013 | \$ 49.0 M |
| 024  | 10/30/2013 | \$ 71.2 M |
| 025  | 11/6/2013  | \$ 58.7 M |
| 026  | 11/14/2013 | \$ 41.5 M |

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 regular funding waves issued since the last call:

| Wave | FCDL Date  | Amount   |
|------|------------|----------|
| 063  | 10/10/2013 | \$ 688 T |
| 064  | 10/17/2013 | \$ 1.4 M |
| 065  | 10/24/2013 | \$29.1 M |
| 066  | 10/31/2013 | \$ 811 T |
| 067  | 11/7/2013  | \$ 928 T |

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 regular funding waves issued since the last call:

| Wave | FCDL Date  | Amount   |
|------|------------|----------|
| 103  | 10/25/2013 | \$ 3.3 M |

## 2. Update on FY2014 Eligible Services List

On October 22, the FCC issued Public Notice [DA 13-2037](#) releasing the [FY2014 Eligible Services List](#) (ESL). The ESL clarifies the different eligibility criteria for lit and dark fiber, explains that certain components of web hosting service are not eligible as stand-alone services, and provides some miscellaneous clarifications.

## 3. Invoicing Update

Payments for the month of October totaled \$292,686,216.74 against requests for \$350 M. In total, 20,878 invoices were processed for 2,878 service providers. This represented 61,156 lines in October with 95 percent being completed within 30 days.

There were 3,083 lines in process as of November 13.

### Invoice rejections

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

- The entire commitment amount was already paid.
- Payments cannot be released due to an issue with the service provider's FCC Form 498.
- The billed date was before the FCC Form 486 service start date.
- The billed date was outside of the funding year.
- There is no FCC Form 486 on file.

### Invoice reminders

**FY2012 recurring services.** Applicants and service providers have an automatic one-year extension – to June 30, 2014 – to submit invoices for FY2012 recurring services. However, we encourage you to complete your invoicing process for these services as soon as possible.

**Extension requests.** If you are filing a request to extend an invoicing deadline or a service delivery deadline – please include a short explanation of the reason for your request. If there is no explanation other than “circumstances beyond the service provider’s control” we may need to ask for additional information which may in turn delay our response to your request.

FCC Form 498 information. If you submitted updates to your FCC Form 498, please verify that your updates were accepted. If there are data entry errors or inconsistencies in the updates you submitted, your SPIN may show as “Not Registered” until those error shave been corrected. This is especially important with your electronic banking information, as we cannot process electronic payments if your information is incorrect.

#### 4. **Other**

The FY2014 application filing window dates have been announced. The window will open on January 9, 2014 at noon EST and close March 26, 2014 at 11:59 PM EDT.

#### 5. **General Questions Received by Email**

**Q1.** At the Applicant Training Session in DC last week the question was posed “If an applicant requesting only POTS service receives a bid for VoIP service, does the applicant have to evaluate that bid?” USAC indicated that the answer was “under advisement” pending further guidance. Does USAC have an official position on this now? How can an applicant, who does not have the technical expertise nor the network to run VoIP be required to evaluate (and possibly select) a bid for VoIP when all they want is POTS?

**A1.** Yes. Applicants who specify POTS on their FCC Forms 470 must also consider bid responses that propose VoIP solutions. Applicants cannot disqualify VoIP bids solely because they don’t want to evaluate them.

- Service providers proposing VoIP solutions can assist applicants by providing information on any additional costs – eligible and ineligible – that applicants moving to a VoIP service would incur. This will allow applicants to evaluate these bids consistently with any other bids received.
- Applicants must evaluate bids using the cost of the eligible products and services as the factor weighted most highly. However, they can also consider other factors – such as ineligible costs, additional required training, and so on – as long as those factors are weighted less heavily than eligible costs.

**Q2.** Experiencing errors on the Entity Search Tool. If you try and search by name, zip, or entity. The Error reads: Only one search criteria value can be entered. I only search with one value - Web page states "or". The only section that works is the state - which is very time consuming when searching for many entities. I have tried using another computer same results. I reported it to USAC several times, by phone and email. Is anyone else experiencing this same problem? See attached screen prints. Thank you.

**A2.** This occurs with the most recent versions of Internet Explorer. We will review the issue to see if we can put a fix in place. If you are having difficulty, you can:

- Click the “Compatibility View” icon (the document icon with a zigzag line through it that appears to the right of the web address).
- Use an earlier version of Internet Explorer.

- Clear your cache.
- Check to make sure the Entity Type will include your expected search results.
- If you are searching by Entity Name, put a “%” sign after the name.
- Verify that you only have provided or selected a single search criterion each time you do a new search.

**Q3.** The Eligible Services List indicates that an eligible Wide Area Network must have at least one of its connection points at an eligible location. However, the proposed revision for FCC Form 471 regarding “last mile” connections appears to indicate that this requirement does not apply for state networks and consortia. Are state networks and consortia provided wider eligibility for WANs than other applicants such as large school districts? If so, please indicate the rule or Order that confirms this. Thanks.

**A3.** No, state networks and consortia are not provided wider eligibility for WANs.

**Q4.** Nov 1, 2013 USAC released the quarterly report indicating that there is 400 Million that can be rolled over for the 2013 P2 funding. Can you confirm that these funds will be used for P2 and when any funding commitments will be released?

**A4.** USAC is required to report each quarter on the amount of unused funding from prior funding years that is potentially available for rollover. However, we do not have any decision on rollover for FY2013.

**Q5.** If an applicant files a Form 471 for BNM in FY2012 with the option to volunteer extend up to 5 years - decides to not file for BNM in FY2013 - and then for FY2014 wants to file for BNM again - can they file a Form 471 using the volunteer option for the contract that was signed in FY 2012 - or do they have to file a Form 470 and rebid? In other words, does the applicant have the option to extend this original contract over the 5-year extension period if they skip a year not filing for BNM anytime over the term of the 5 years?

**A5.** In the example provided, the applicant can apply for discounts in the third year of a contract that includes voluntary extensions as long as those extension options have been exercised according to the terms of the contract. The applicant is not required to apply for receive funding every year that a contract is in effect, but would have to bear the full cost of the contract in any year when funding was not received (whether applied for or not).

**Q6.** Does E-rate pay for a school website?

**A6.** E-rate will pay for some of the costs associated with web hosting for a school website. USAC staff work with service providers that offer web hosting to identify eligible and ineligible features of their products and arrive at a reasonable cost allocation. For specific information on web hosting, refer to the [FY2014 Eligible Services List](#).

**Q7.** Two times last year, during the March and December calls, USAC confirmed website information that a service provider could provide neutral program assistance to applicants in the development of their technology plans. But a slide at recent applicant training indicates that this is a violation. Which is it? How are we supposed to comply with E-rate rules if experts in Washington disagree about what they are?

**A7.** In past service provider training sessions, we have said, “If applicants ask you for assistance in writing a technology plan, refer them to existing sources of information: USAC’s website, a state department of education or state library, public websites, or other applicants. Either offer no advice or NEUTRAL technical advice.”

Service providers cannot take actions that unfairly influence the competitive bidding process. Although they can provide neutral technical assistance to applicants, we strongly encourage service providers to avoid providing such assistance – especially because if a problem arises, the service provider may be asked to demonstrate that the actions taken were indeed “neutral,” that they were limited to “assistance,” and that they would not have unfairly influenced the competitive bidding process.

**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.