

# 2009 SL Service Provider Conference Call Minutes

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**UNIVERSAL SERVICE ADMINISTRATIVE COMPANY**

**Schools and Libraries Service Provider Conference Call**

**January 7, 2009**

**AGENDA**

- Funding Commitments for FY2008 and FY2007
- FY2009 FCC Form 470 Deadline
- FY2009 Window Close
- FY2009 FCC Form 471 Certification Deadline
- Invoicing Update
- Other
- General Questions Received by Email

**MINUTES**

**1. Funding Commitments for FY2008 and FY2007**

For FY2008, USAC is currently denying Priority 2 funding requests at 85 percent and below and funding approved requests at 88 percent and above. Here is a list of the current funding commitments issued since the last call:

<b>Wave</b>	<b>FCDL Date</b>	<b>Amount</b>
031	12/10/08	\$123.9 M
032	12/18/08	\$44.6 M
033	01/05/09	\$61.5 M
034	01/06/09	\$9.0 M

For FY2007, USAC is denying Priority 2 funding requests at 80 percent and below and funding approved requests at 81 percent and above. Here is a list of the current funding commitments issued since the last call:

<b>Wave</b>	<b>FCDL Date</b>	<b>Amount</b>
071	12/05/08	\$4.6 M
072	12/16/08	\$3.9 M

**2. FY2009 FCC Form 470 Deadline**

January 15 is the last day an applicant can post an FCC Form 470 for FY2009 to the USAC website and still have time to meet the 28-day waiting period before filing an FCC Form 471 on the last day of the filing window. However, the applicant must also comply with all applicable

state and local procurement rules and regulations, which may mean that the Form 470 would have to be posted earlier in order to meet those requirements.

### **3. FY2009 Window Close**

The FY2009 FCC Form 471 application filing window will close at 11:59 PM ET on Thursday, February 12, 2009. To be considered as within the window:

- Paper filers: USAC must receive the paper form or the applicant must postmark the paper form on or before the deadline.
- Online filers: The "Submit" button must be clicked on or before the deadline.

### **4. FY2009 FCC Form 471 Certification Deadline**

If an applicant filing an FCC Form 471 online meets the window filing deadline but does not certify the form, USAC will notify the applicant by letter and give the applicant 20 days from the date on the letter to certify the form. FCC Forms 471 not certified by this extended deadline will not be considered as filed within the window.

### **5. Invoicing Update**

Payments for the month of December totaled \$143,203.373.09 against requests for \$177.5M. In total, 7,173 invoices were processed for 1,365 service providers. This represented 28,052 lines in December with 93 percent being completed within 30 days.

There are 1,196 lines in process as of December 31.

- **January 28 Invoicing Deadline**

FRNs that feature non-recurring costs and a delivery/installation deadline of September 30, 2008 have an invoicing deadline of January 28, 2009.

You should:

- Submit SPI Forms for these services as soon as possible.
- Encourage your customers to submit any outstanding BEAR Forms for these services as soon as possible using our Online BEAR system.

If you file early and your invoice is rejected, you may still have time to correct the error and re-file your invoice before the deadline.

Carefully read any request for information from your invoice reviewer. If your response is incomplete, your reviewer may take action based on the information received, which can lead to denial of the invoice. If this occurs, you can submit another invoice once you have collected all the requested information.

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

**Q1:** When will the conference call minutes from August – November 2008 calls be posted at [www.usac.org](http://www.usac.org)? Thanks, and happy holidays!

**A1:** The November call minutes are posted. The others will be posted as soon as they become available.

Please Note: The 2008 list of conference calls will be moved to the call archive in the near future. To access the archive, click on the Archived Conference Calls link that appears on every webpage that features a call agenda or call minutes.

**UNIVERSAL SERVICE ADMINISTRATIVE COMPANY**

**Schools and Libraries Service Provider Conference Call**

**February 4, 2009**

**AGENDA**

- Funding Commitments for FY2008 and FY2007
- FY2009 Filing Window Deadline
- Suggestions for Spring 2009 Service Provider Training
- Invoicing Update
- Invoicing Tips
- General Questions Received by Email

**MINUTES**

**1. Funding Commitments for FY2008 and FY2007**

For FY2008, USAC is currently denying Priority 2 funding requests at 85 percent and below and funding approved requests at 88 percent and above. Here is a list of the current funding commitments issued since the last call:

<b>Wave</b>	<b>FCDL Date</b>	<b>Amount</b>
035	01/22/09	\$22.9 M
036	01/22/09	\$50.4 M
037	01/27/09	\$7.2 M
038	02/03/09	\$25.7 M

For FY2007, USAC is denying Priority 2 funding requests at 80 percent and below and funding approved requests at 81 percent and above. Here is a list of the current funding commitments issued since the last call:

<b>Wave</b>	<b>FCDL Date</b>	<b>Amount</b>
073	01/13/09	\$886 Thousand
074	01/21/09	\$278 Thousand
075	01/28/09	\$3 Thousand
076	02/04/09	\$803 Thousand

**2. FY2009 Filing Window Deadline**

The FY2009 filing window will close at 11:59 PM ET on Thursday, February 12. FCC Forms 471 received or postmarked after that date will be considered out-of-window. Out-of-window

applications are considered for funding only if there are funds left over after considering all in-window applications.

### **3. Suggestions for Spring 2009 Service Provider Training**

As in past years, USAC plans to conduct two one-day training sessions for service providers, one in the eastern half of the country and one in the western half. Generally the timeframe for this training is late April – early May. This training is specifically targeted to service providers.

If you have suggestions for dates, topics, or specific materials you would like us to cover, please submit them as you would [Submit a Question](#) for this call. (See below.)

### **4. Invoicing Update**

Payments for the month of January totaled \$155,955,937.94 against requests for \$195.2M. In total, 7,572 invoices were processed for 1,490 service providers. This represented 32,919 lines in January with 96 percent being completed within 30 days.

There are 1,014 lines in process as of February 1.

### **5. Invoicing Tips**

Service providers often ask for confirmation that their invoices or other submissions have been received. We have initiated an auto-response email message for any email submissions sent to reviewers to save time for both you and the reviewers.

Remember that if documents requested by USAC are not returned in a timely manner, the invoice associated with those documents may be rejected. The system may also reject invoices automatically if the invoice contains clerical errors.

If the amounts rejected were for approved eligible services delivered in eligible timeframes to eligible entities, you can simply resubmit your invoice. If, however, the invoice was modified or rejected for specific reasons that you disagree with, you can file an appeal.

If you resubmit an invoice and a service certification is required, then you should use the new service certification instead of resubmitting an older one. Note that service certifications are issued by invoice (SPI Form or BEAR Form), not for the customer bill.

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

**Q1:** For Funding Year 2009, will the SL be evaluating the eligibility of Video on Demand Servers based on the feature set of the specific product, such as eligible CODEC, eligible transport of video information, ineligible video storage, ineligible archiving, or has the SL made a conclusion that Video on Demand servers are per se ineligible?

**A1:** Video on Demand (VOD) servers are considered ineligible unless a cost allocation is provided to separate out the eligible and ineligible components. The codec can be eligible but any other component that deals with the VOD or retrieval of the VOD is not eligible.

**Q2:** The SL News Brief of January 16 indicates that "VoIP service can be eligible as Priority One Telecommunications Services or Internet Access as long as it is provided by an eligible telecom provider." The Eligible Services Lists for the past three years have used identical language that does not include this requirement, so this information is not likely to be known by all applicants and service providers. What processes will USAC use if a VoIP funding request is received using a service provider who has not filed an FCC Form 499 at the time of review? For example, will the service provider be provided the opportunity to file an FCC Form 499-A/Q, or will the funding request be denied?

**A2:** To provide telecommunications services or Interconnected Voice over Internet Protocol (VoIP), a service provider must take the following actions with USAC:

- File an FCC Form 499-A. USAC will review the form and – once the form has been successfully processed – issue a Filer 499 ID to the service provider.
- File a revision to the existing FCC Form 498 either online or on paper to add the FCC Forms 499-A/Q Filer ID to the FCC Form 498.

If USAC's system shows that the service provider is currently not eligible to provide telecommunications service or interconnected VoIP (in other words, if the Form 498 does not feature a FCC Forms 499-A/Q ID), the following actions will occur:

- The Program Integrity Assurance (PIA) reviewer will inform the applicant that our system does not currently show the service provider as eligible to provide the service.
- The applicant will have a choice either to (1) ask the service provider to file the appropriate paperwork with USAC or (2) indicate a service provider that is eligible to provide the service.
- USAC will hold the application for a reasonable amount of time if the service provider is in the process of establishing eligibility to provide the service.

**Q3:** One of the diagrams concerning interconnected VoIP that was provided in the SL News Brief of January 16 showed that there could be a Priority One component at a site that had more than a single demarcation per service. Yet one of the diagrams in the On-premise Priority One Equipment document on the SL website appears to indicate that the Priority One equipment can only have a single demarcation per service. Please clarify when there can be only a single demarcation per service and when there can be multiple demarcations.

**A3:** Multiple demarcations can occur if a router is performing different functions. In this situation, each type of service can have its own demarcation. For instance, a service provider that provides voice, video, and data can have all three services terminate into a single router, thus creating three points of demarcation. Remember, however, that each network (voice, video, and data) must be able to run independently from the leased router, and the other on-premise conditions must be met.

A multiple demarcation may also occur with a gateway which is considered a single piece of basic terminating equipment.

**Q4:** Why is the SL issuing fundamental eligibility information not contained in the Eligible Services List and not previously known to constituents less than two weeks before the window closes when most bidding has already occurred?

**A4:** The basic guidance in the January 16, 2009 SL News Brief is consistent with program guidance already issued. This News Brief provided more detailed answers to questions arising in the applicant community from service providers' responses to FCC Forms 470 and RFPs.

**Q5:** A question about intranet web hosting: The SL News Brief of January 30 indicates that intranet web hosting is not an eligible web hosting service. USAC sought a change to this in its proposed FY2009 ESL submitted to the FCC. Many comments were filed in response to the FCC's Public Notice on this issue, indicating significant difficulty with defining what is meant by this term and questioning the basis for a finding of ineligibility. In response to these and other comments, the FCC released a final Eligible Services List on November 21, indicating that they "decline to adopt any of the changes to the ESL proposed by USAC. As such, the funding year 2009 ESL we release today is the same as the funding year 2008 ESL." What authority is USAC relying on to make this proposed change even though the FCC did not adopt it?

**A5:** USAC has consistently treated intranet web hosting as an ineligible service. The proposed language change in the draft FY2009 Eligible Services List was simply to clarify the existing situation, not to indicate a proposed change in the eligibility of the service.

## UNIVERSAL SERVICE ADMINISTRATIVE COMPANY

### Schools and Libraries Service Provider Conference Call

March 4, 2009

#### AGENDA

- Funding Commitments for FY2008 and FY2007
- FY2009 RAL Corrections
- Suggestions for Spring 2009 Service Provider Training
- Invoicing Update
- FCC Form 473, Service Provider Annual Certification Form
- Other
- General Questions Received by Email

#### MINUTES

##### 1. Funding Commitments for FY2008 and FY2007

For FY2008, USAC is currently denying Priority 2 funding requests at 86 percent and below and funding approved requests at 88 percent and above. Here is a list of the current funding commitments issued since the last call:

Wave	FCDL Date	Amount
039	02/11/09	\$28.9 M
040	03/04/09	\$0.0 M
041	03/03/09	\$122.8 M

For FY2007, USAC is denying Priority 2 funding requests at 80 percent and below and funding approved requests at 81 percent and above. Here is a list of the current funding commitments issued since the last call:

Wave	FCDL Date	Amount
077	02/12/09	\$0.9 M
078	02/25/09	\$6.9 M

##### 2. FY2009 RAL Corrections

For the last few years, applicants have been able to request corrections to certain fields on their timely certified Forms 471 through the Receipt Acknowledgment Letter (RAL) correction process. This involves making a copy of the RAL and marking the changes to the right of the incorrect information. In some cases – for example, changes to the recipients of service on a Block 4 worksheet – the applicants must print out a copy of the worksheet from the 471 Display function on the USAC website and mark up the worksheet.

Because you receive a copy of the RAL, you may notice that information on the RAL – and therefore the Form 471 – is incorrect. Although only applicants can request corrections, it would be a good idea to inform applicants of any incorrect information that you notice.

### **3. Suggestions for Spring 2009 Service Provider Training**

As in past years, USAC plans to conduct two one-day training sessions for service providers, one in the eastern half of the country and one in the western half. Generally the timeframe for this training is early May. This training is specifically targeted to service providers.

If you have suggestions for dates, topics, or specific materials you would like us to cover, please submit them as you would [Submit a Question](#) for this call. (See below.)

### **4. Invoicing Update**

Payments for the month of February totaled \$122,300,093.57 against requests for \$166.8M. In total, 7,440 invoices were processed for 1,355 service providers. This represented 28,176 lines in February with 97 percent being completed within 30 days.

There are 731 lines in process as of March 4.

- **Service Certifications**

After an invoice is submitted, USAC may request a service certification to allow the applicant to verify that services have been delivered. The service certification must be completed by the applicant.

Each service certification sent by USAC for completion is tied to a specific invoice. Service providers should not:

- Use a previously signed or completed service certification from an earlier invoice.
- Submit a service certification before filing of a SPI Form 474.
- Prepare and submit their own version of a service certification.

### **5. FCC Form 473, Service Provider Annual Certification Form**

Make sure you have submitted an FCC Form 473 for FY2009. USAC will not pay an invoice (BEAR FCC Form 472 or SPI FCC Form 474) for services for a funding year unless an FCC Form 473 is on file for that funding year.

### **6. Other**

We are working on the FY2009 Demand Estimate. After we have submitted it to the Federal Communications Commission (FCC), we will post it on our website and announce it in that week's Schools and Libraries News Brief.

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

**Q1:** I see that my question from the December 3rd call has finally been answered and I want to say thank you for your well thought out and complete answer. While this confirmed my thoughts on this subject, something you stated brought up another question.

You stated that "If the applicant includes the DO in an FRN featuring the three 90 percent schools and the DO - and the FRN is filed with a 90 percent discount rate - the discount may be adjusted during PIA review."

Can you elaborate on how the discount may be adjusted? I am sure it would not be adjusted down to the 82 percent discount level, but I am not sure how you would adjust it or why. If the products/services at the DO are going to be cost allocated anyway, why would you need to reduce the discount level as well since the district would only be seeking discounts on the products or services going to the applied for sites and would be paying 100 percent of the products or services going to the other sites? If you reduced the discount as well for the whole FRN, wouldn't the district end up being penalized twice (once in the Cost Allocation and again in the reduced discount)?

Again thank you for your clarification on this matter.

**A1:** PIA will adjust the non-matrix discount reported for the District Office if that discount does not agree with the weighted average discount calculated for the School District as a whole.

**UNIVERSAL SERVICE ADMINISTRATIVE COMPANY**

**Schools and Libraries Service Provider Conference Call**

**April 1, 2009**

**AGENDA**

- Funding Commitments for FY2008 and FY2007
- FY2009 RAL Corrections
- Spring 2009 Service Provider Training
- Invoicing Update
- Service Providers and BEAR Forms
- Other

**MINUTES**

**1. Funding Commitments for FY2008 and FY2007**

For FY2008, USAC is currently denying Priority 2 funding requests at 86 percent and below and funding approved requests at 88 percent and above. Here is a list of the current funding commitments issued since the last call:

<b>Wave</b>	<b>FCDL Date</b>	<b>Amount</b>
042	03/10/09	\$36.8 M
043	03/17/09	\$10.3 M
044	03/24/09	\$11.2 M
045	03/31/09	\$13.2 M

For FY2007, USAC is denying Priority 2 funding requests at 80 percent and below and funding approved requests at 81 percent and above. Here is a list of the current funding commitments issued since the last call:

<b>Wave</b>	<b>FCDL Date</b>	<b>Amount</b>
079	03/11/09	\$401 Thousand

**2. FY2009 RAL Corrections**

For the last few years, applicants have been able to request corrections to certain fields on their timely certified FCC Forms 471 through the Receipt Acknowledgment Letter (RAL) correction process. This involves making a copy of the RAL and marking the changes to the right of the incorrect information. In some cases – for example, changes to the recipients of service on a Block 4 worksheet – the applicants must print out a copy of the worksheet from the FCC Form 471 Display function on the USAC website and mark up the worksheet.

Because you receive a copy of the RAL, you may notice that information on the RAL – and therefore the Form 471 – is incorrect. Although only applicants can request corrections, it would be a good idea to inform applicants of any incorrect information that you notice.

### **3. Spring 2009 Service Provider Training**

USAC plans to hold spring service provider training on the following dates and locations:

- Tuesday, May 5 Tampa, FL
- Tuesday, May 12 Phoenix, AZ

We expect to post a training announcement on the USAC website shortly which will contain hotel information and an online registration form.

We continue to welcome suggestions for topics or specific materials you would like us to cover in the training. You can submit your suggestions as you would [Submit a Question](#) for this call. (See below.)

### **4. Invoicing Update**

Payments for the month of March totaled \$131,239,141.52 against requests for \$170.2M. In total, 8,939 invoices were processed for 1,524 service providers. This represented 41,908 lines in March with 98 percent being completed within 30 days.

There are 1,054 lines in process as of April 1.

### **5. Service Providers and BEAR Forms**

If an applicant pays the full cost of services and then files a Billed Entity Applicant Reimbursement (BEAR) FCC Form 472 seeking reimbursement of the discount amount, the service provider has 20 days from the receipt of the funds from USAC to pass those funds on to the applicant. Service providers are reminded that it is not acceptable to simply credit those funds to the applicant's account unless the applicant has agreed to that arrangement.

USAC issues a BEAR Notification Letter about two weeks before the BEAR reimbursement payment is issued in order to give the service provider time to locate the correct applicant address for remitting the funds. The 20-day clock starts on the day that the funds are actually received by the service provider. Service providers should also review the certifications on the BEAR Form and the Service Provider Annual Certification (SPAC) FCC Form 473 to verify that they are complying with program rules.

### **6. Other**

The FY2009 Demand Estimate has been posted to the USAC website.

**UNIVERSAL SERVICE ADMINISTRATIVE COMPANY**

**Schools and Libraries Service Provider Conference Call**

**May 6, 2009**

**AGENDA**

- Funding Commitments for FY2009, FY2008, and FY2007
- FY2009 FCC Forms 486
- Spring 2009 Service Provider Training
- Invoicing Update
- General Questions Received by Email

**MINUTES**

**1. Funding Commitments for FY2009, FY2008, and FY2007**

For FY2009, USAC is currently issuing commitments for Priority 1 services at all discount levels. Here is a list of the current funding commitments issued since the last call:

<b>Wave</b>	<b>FCDL Date</b>	<b>Amount</b>
001	04/28/09	\$134.4 M
002	05/05/09	\$ 37.4 M

For FY2008, USAC is currently denying Priority 2 funding requests at 86 percent and below and funding approved requests at 88 percent and above. Here is a list of the current funding commitments issued since the last call:

<b>Wave</b>	<b>FCDL Date</b>	<b>Amount</b>
046	04/07/09	\$13.3 M
047	04/14/09	\$17.5 M
048	04/22/09	\$3.3 M
049	04/29/09	\$16.0 M
050	05/06/09	\$6.9 M

For FY2007, USAC is currently denying Priority 2 funding requests at 80 percent and below and funding approved requests at 81 percent and above. Here is a list of the current funding commitments issued since the last call:

<b>Wave</b>	<b>FCDL Date</b>	<b>Amount</b>
080	05/14/09	\$6.1 M

## **2. FY2009 FCC Forms 486**

Applicants that have received funding commitments for FY2009 can file FCC Forms 486 early if they can meet all of these requirements:

- USAC must have issued a positive funding commitment for a Funding Request Number (FRN).
- The applicant must have confirmed with the service provider that services will start in July of the funding year.
- The applicant can accurately make all of the certifications on the Form 486.
- The applicant files the FCC Form 486 on or before July 31 of the funding year.

Early filing gives service providers useful information in advance of the funding year, for example, the approved discount that applicants can receive on their bills. You can encourage applicants to file early if they meet the early filing requirements, and also be on the lookout for FCC Form 486 Notification Letters from USAC.

## **3. Spring 2009 Service Provider Training**

The first service provider training session in Tampa on May 5 was well attended. We received much useful feedback through the attendee evaluation forms and we will incorporate that feedback into our ongoing outreach efforts and future training sessions.

We are looking forward to our second session in Phoenix May 12.

## **4. Invoicing Update**

Payments for the month of April totaled \$169,329,347.59 against requests for \$198.3M. In total, 8,850 invoices were processed for 1,470 service providers. This represented 36,122 lines in April with 97.2 percent being completed within 30 days.

There were 682 lines in process as of May 1.

- **Invoicing for FY2008 Recurring Services**

Recurring services for FY2008 must be delivered by June 30, 2009. If you have not been filing invoices and receiving payments during the year, you should prepare to complete your invoicing within the next two or three months. Remember that USAC receives a large volume of invoices in October because the deadline for filing invoices is October 28, 2009.

To speed the processing of your invoices, be sure to do the following:

- File your FY2008 FCC Form 473 or make sure that USAC has successfully processed the Form 473 you already filed.
- Check to see that your customers have filed their FCC Forms 486 and you have received your FCC Form 486 Notification Letters.

- Verify that you have an E-Cert email for retrieving your login information in order to process BEAR Forms online.

Login to the E-Cert system to search for any online BEARs awaiting your approval. Note: As of May 1 there were 3,359 applicants awaiting action from 1,930 service providers.

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

**Q1:** Why has the Eligible Products Database been changed so that the Description field for some of the records has been truncated? According to Client Services Bureau, the Description field is now limited to only 80 characters, rather than 255 characters as indicated on the USAC website. But only some Descriptions have been truncated, without any notice to manufacturer participants or the public. The current situation seems inequitable, looks unprofessional, and appears to sacrifice the ability for USAC and the public to understand product details that affect eligibility. Thanks....

**A1:** Thank you for bringing this issue to our attention. We may not be able to address it quickly because of other competing priorities, but we will look into it.

**UNIVERSAL SERVICE ADMINISTRATIVE COMPANY**

**Schools and Libraries Service Provider Conference Call**

**June 3, 2009**

**AGENDA**

- Funding Commitments for FY2009 and FY2008
- FY2009 FCC Forms 486
- FY2010 FCC Forms 470
- Invoicing Update
- Other
- General Questions Received by Email

**MINUTES**

**1. Funding Commitments for FY2009 and FY2008**

For FY2009, USAC is currently funding Priority 1 funding requests at all discount levels. Here is a list of the current funding commitments issued since the last call:

<b>Wave</b>	<b>FCDL Date</b>	<b>Amount</b>
003	05/12/09	\$75.9 M
004	05/19/09	\$36.5 M
005	05/27/09	\$32.1 M
006	06/02/09	\$33.9 M

For FY2008, USAC is currently denying Priority 2 funding requests at 86 percent and below and funding approved requests at 88 percent and above. Here is a list of the current funding commitments issued since the last call:

<b>Wave</b>	<b>FCDL Date</b>	<b>Amount</b>
051	05/13/09	\$11.0 M
052	05/20/09	\$5.2 M
053	05/27/09	\$2.2 M
054	06/03/09	\$8.9 M

As a reminder, USAC is no longer running regular funding waves for FY2007. However, USAC is issuing occasional funding waves as applications become ready for funding. USAC will issue the first of these occasional waves (Wave 80A) tomorrow.

## **2. FY2009 FCC Forms 486**

Applicants can post Forms 486 before services start for a funding year if USAC has issued a Funding Commitment Decision Letter (FCDL) with a positive funding commitment and the applicants meet certain other requirements. Filing FCC Form 486 early will give service providers more notice that applicants will be starting service in July and may be requesting discounts on customer bills.

Because some FCC Forms 486 undergo additional review by USAC, you should watch for your electronic or paper copy of the FCC Form 486 Notification Letter to verify that USAC has successfully processed an FCC Form 486.

## **3. FY2010 FCC Forms 470**

Applicants can also post FCC Forms 470 for FY2010. While most applicants wait until the filing window opens in November to post FCC Forms 470, applicants with long procurement cycles or other reasons for starting early may be posting FCC Forms 470 now. You can use the [Search Posted FCC Forms 470 tool](#) or the [FCC Form 470 Download Reports tool](#) to review these forms.

## **4. Invoicing Update**

Payments for the month of May totaled \$137,645,390.95 against requests for \$160M. In total, 7,005 invoices were processed for 1,264 service providers. This represented 30,011 lines in May with 97.5 percent being completed within 30 days.

There were 633 lines in process as of June 1.

We are closing in on the end of Funding Year 2008 delivery of recurring services. You should be working on completing your invoicing for those services.

Make sure that contract expiration dates have been updated if necessary for any qualified non-recurring services that will be delivered after the original contract expiration date. Remember that non-recurring services can be delivered until September 30 – and that deadline can be extended – so if services will be delivered after the current contract expiration date, the applicant must adjust that date by filing a Form 500 before USAC will pay invoices for those services.

Please note that July 1 starts the FY2009 service delivery period. Be sure to indicate the correct funding year on any invoices you submit.

- FY2008 FRNs generally cover recurring services provided from July 1, 2008 through June 30, 2009.
- FY2009 FRNs generally cover recurring services provider from July 1, 2009 through June 30, 2010.

One of the most frequent reasons invoices are rejected is that they feature the wrong funding year associated with the FRN. Also, be sure not to use previous year FRNs when submitting invoices for current funding year services.

We also suggest that you identify a contact person at your customer's site so that he or she can be available should any questions arise during invoice review.

## **5. Other**

The FCC has released Public Notice [DA 09-1233](#) establishing the comment and reply comment periods for the draft FY2010 Eligible Services List. Comments are due on or before June 23 and reply comments are due on or before June 30. For information on how to file comments with the FCC, refer to the Public Notice.

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

**Q1:** An applicant would like to receive distance learning classes from a local community college for their high school AP program. If the applicant purchases a circuit from an eligible telecommunication carrier to connect from the school to the college, would the cost of the circuit be eligible?

**A1:** In general, the circuit described would be eligible assuming that it falls under the definition of educational purposes and the request was in compliance with program rules in all other respects. For example, the purpose of the connection would be solely to allow the high school, as the billed entity, to access content from the university for the benefit of the students at the high school.

Note that a cost allocation would have to be performed if the circuit was also used for purposes that did not fall under the educational purposes definition. Note also that the final FY2010 Eligible Services List has not yet been issued and some eligibility conditions may change in the final version of the list.

**Q2:** Many Houston area school districts are considering moving their Network Operating Center to a "safe site" (such as an underground bunker owned by a third party) to prevent future flooding problems (which were incurred during hurricane Ike and caused hundreds of thousands of dollars in damage). If the applicant purchases a circuit from an eligible telecommunication carrier to connect from the school to the off-site NOC, would the cost of the circuit be eligible?

**A2:** In general, the circuit described would be eligible assuming that it falls under the definition of educational purposes and the request was in compliance with program rules in all other respects. The offsite NOC must be the network hub, not a disaster recovery site or duplicative backup location. USAC would treat the offsite NOC as a Non-Instructional Facility (NIF), which means that PIA review would ask the same questions about the NOC that would be asked about a NIF to determine eligibility.

Note that a cost allocation would have to be performed if the circuit was also used for purposes that did not fall under the educational purposes definition. Note also that the final FY2010 Eligible Services List has not yet been issued and some eligibility conditions may change in the final version of the list.

**Q3:** I think I heard it mentioned at the Tampa SP Training that if it was necessary to go in and "dust" the connections each month on a piece of equipment to ensure the equipment continued to operate properly that this would be considered eligible under Basic Maintenance? I understand that "dusting" was used as an example, and that this would refer to any necessary type of "Preventative Maintenance" that was needed to ensure a trouble free connection. Did I hear this correctly in that "Preventative Maintenance" is eligible and that we could set up a regular schedule for doing this under eligible Basic Maintenance? Thanks in advance for this clarification.

**A3:** The FCC's Third Report and Order ([FCC 03-323](#), released December 23, 2003), states:

Basic maintenance services are "necessary" if, but for the maintenance at issue, the connection would not function and serve its intended purpose with the degree of reliability ordinarily provided in the marketplace to entities receiving such services without e-rate discounts.

To the extent that "preventative maintenance" is necessary to allow the E-rate eligible equipment to function as stated above, then the "preventative maintenance" may be eligible. Generally, we will see "preventative maintenance" in situations where there is a harsh climate, e.g., a desert environment, or where the manufacturer's literature on the equipment recommends certain maintenance tasks be performed in order for the equipment to perform reliably.

Remember also that applicants applying for "preventative maintenance" must be able to demonstrate its cost-effectiveness. PIA will ask additional questions if a funding request includes "preventative maintenance" that appears to be over and above the definition of basic maintenance or appears not to be cost-effective.

**UNIVERSAL SERVICE ADMINISTRATIVE COMPANY**

**Schools and Libraries Service Provider Conference Call**

**July 1, 2009**

**AGENDA**

- Funding Commitments for FY2009 and FY2008
- Fall Applicant Training Registration
- FY2009 FCC Forms 486 and FY2010 FCC Forms 470
- Invoicing Update
- Other
- General Questions Received by Email

**MINUTES**

**1. Funding Commitments for FY2009 and FY2008**

For FY2009, USAC is currently funding Priority 1 funding requests at all discount levels. Here is a list of the current funding commitments issued since the last call:

<b>Wave</b>	<b>FCDL Date</b>	<b>Amount</b>
007	06/09/09	\$32.1 M
008	06/16/09	\$34.1 M
009	06/23/09	\$34.9 M
010	06/30/09	\$101.9 M

For FY2008, USAC is currently denying Priority 2 funding requests at 86 percent and below and funding approved requests at 88 percent and above. Here is a list of the current funding commitments issued since the last call:

<b>Wave</b>	<b>FCDL Date</b>	<b>Amount</b>
055	06/10/09	\$2.5 M
056	06/15/09	\$34.8 M
057	06/24/09	\$4.0 M
058	07/01/09	\$0.8 M

**2. Fall Applicant Training Registration**

USAC plans to hold eight one-day applicant training sessions this fall. Information on six of the eight sessions has been posted to the USAC website, with the other two (Newark and Houston) to follow shortly.

Service providers are welcome to attend these sessions, but remember that they are applicant-focused.

### **3. FY2009 FCC Forms 486 and FY2010 FCC Forms 470**

This is a reminder that applicants are currently posting forms that may be of interest to you.

- **FCC Forms 486 for FY2009**

Applicants can post Forms 486 for the funding year that starts today if USAC has issued a Funding Commitment Decision Letter (FCDL) with a positive funding commitment. If USAC issued the FCDL in April, May, or June, applicants may have already posted a Form 486 early – that is, before services started – if they were eligible to do so. Now that services can start for FY2009, more FCC Forms 486 will be filed.

Because some FCC Forms 486 undergo additional review by USAC, you should watch for your electronic or paper copy of the FCC Form 486 Notification Letter to verify that USAC has successfully processed an FCC Form 486.

- **FCC Forms 470 for FY2010**

Applicants can also post FCC Forms 470 for FY2010. While most applicants wait until the filing window opens in November to post FCC Forms 470, applicants with long procurement cycles or other reasons for starting early may be posting FCC Forms 470 now. You can use the [Search Posted FCC Forms 470 tool](#) or the [FCC Form 470 Download Reports tool](#) to review these forms.

### **4. Invoicing Update**

Payments for the month of June totaled \$130,016,311.42 against requests for \$168M. In total, 7,389 invoices were processed for 1,305 service providers. This represented 38,558 lines in June with 98.7 percent being completed within 30 days.

There were 590 lines in process as of June 29.

- **Reminders for FY2008 Recurring Services**

June 30, 2009 was the last day to receive FY2008 recurring services. (Remember that USAC cannot grant service delivery extension requests for recurring services.) The invoicing deadline for these recurring services is October 28, 2009.

If a Funding Request Number (FRN) features an incorrect SPIN or you provided service to a customer who cited the wrong SPIN on an FRN, then the applicant should file a corrective SPIN change. Corrective SPIN change requests should be filed as soon as possible, keeping in mind the appropriate invoicing deadline (October 28 after the funding year for recurring services and January 28 after the funding year for non-recurring services).

## **5. Reminder for FCC Form 486**

If FY2009 services start July 1 and USAC issued an FCDL on or before July 1 for those services, then October 29, 2009 is the deadline for the applicant to submit an FCC Form 486. As noted above, you should wait for your electronic or paper copy of the FCC Form 486 Notification Letter to verify that a Form 486 was successfully processed.

## **6. Other**

If the call minutes for a particular call are not yet posted to the website, we will post the minutes as soon as we have the answers to the questions asked through Submit a Question in advance of the call.

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

**Q1:** If a customer leases hardware over multiple years why are we asked the same 8 questions over and over? Is there a way to incorporate these questions into the FCC Form 471 to save the reviewer, applicant and service provider time during review? How can we avoid these questions when we are not leasing equipment?

**A1:** An applicant may lease hardware under a multi-year contract yet still receive the eight on-premise Priority 1 equipment questions from PIA each year because USAC does not know if circumstances at the applicant site have changed. For example, some or all of the leased hardware may have been replaced – or the applicant's LAN may have been redesigned or reconfigured – with or without the knowledge of the service provider.

Applicants can submit information in their Item 21 attachments to clarify their situation so that PIA does not need to ask the eight questions after the first year of a multi-year contract.

- If the equipment and network design have not changed since the last funding year, the Item 21 attachment should include a statement to that effect. The applicant should also reference the prior year's Form 471 application and FRN and state that the answers given during the review of that year's application still apply.
- If the equipment and/or network design have changed since the last funding year, the Item 21 attachment should include the make and model number of the old and new equipment, any changes to the network design, and the answers to the eight questions.

Applicants generally receive the eight questions (1) if there is an indication of on-premise equipment in the funding request, (2) if equipment is listed in the Item 21 attachment, or (3) if there appears to be conflicting information. The applicant can always speak to the PIA reviewer to find out why these questions are being asked. If the applicant is in fact NOT leasing equipment, then the applicant should contact PIA to clarify the information that led to the impression that on-premise Priority 1 equipment was included in the request.

## UNIVERSAL SERVICE ADMINISTRATIVE COMPANY

### Schools and Libraries Service Provider Conference Call

August 5, 2009

#### AGENDA

- USAC IT Infrastructure Upgrade and Move
- Funding Commitments for FY2009 and FY2008 and Rollover
- Fall Applicant Training Registration
- Equipment Transfers and Two-in-Five Status
- Invoicing Update
- Other
- General Questions Received by Email

#### MINUTES

##### 1. USAC IT Infrastructure Upgrade and Move

Due to an upgrade and move of a major segment of USAC's IT infrastructure, there will be a period in late August and early September where applicants and service providers will not be able to file most forms online or use many of the search functions. For example, applicants will not be able to post new FCC Forms 470 or 486 online, and service providers and applicants will not be able to submit invoices online or check the status of FCC Forms 471.

Although USAC's internal data entry systems will be down as well, USAC will continue to accept paper forms. While USAC will be unable to process these forms during the infrastructure upgrade and move, the postmark date of the paper forms will be preserved.

This move and upgrade are necessary because our systems, as all systems, need to be upgraded periodically to maintain the reliability and capacity to serve our customers in the best possible manner.

We have scheduled this work so as to minimize the inconvenience to you, to avoid program deadlines, and to have this project completed well before the start of the FY2010 window opening. In addition, this upgrade will allow us to bring more innovative solutions to the application process in the future as well as to reduce the amount of paper we get and send to you.

As we determine the exact dates that the system will be unavailable, we will provide more information through a variety of channels, such as the newsletter, website, and other targeted vehicles. Please stay tuned for more information in the very near future. Our goal is to make sure that the impact to you is minimal and the benefits to you are maximized.

## 2. Funding Commitments for FY2009 and FY2008 and Rollover

For FY2009, USAC is currently funding Priority 1 funding requests at all discount levels. Here is a list of the current funding commitments issued since the last call:

Wave	FCDL Date	Amount
011	7/7/2009	\$36.8 M
012	7/14/2009	\$13.1 M
013	7/21/2009	\$30.6 M
014	7/28/2009	\$23.9 M
015	8/4/2009	\$17.3 M

**Rollover:** In FCC Order [DA 09-1734](#), released July 31, 2009, the FCC directed USAC to carry forward \$900 million in unused funds from funding years 1999 and 2001 through 2007 to increase disbursements to schools and libraries for FY2009. We will make an announcement in the Schools and Libraries News Brief in advance of the first wave for FY2009 that will include Priority 2 commitments.

For FY2008, USAC is currently denying Priority 2 funding requests at 86 percent and below and funding approved requests at 88 percent and above. Here is a list of the current funding commitments issued since the last call:

Wave	FCDL Date	Amount
059	7/8/2009	\$24.8.M
060	7/15/2009	\$3.7 Thousand
061	7/22/2009	\$3.4 M
062	7/29/2009	\$7.2 M
063	8/3/2009	\$21.7 Thousand

## 3. Fall Applicant Training Registration

USAC will hold eight one-day applicant training sessions this fall. Information on seven of the eight sessions has been posted to the USAC website, with Houston to follow shortly. There is still space to register for Orlando, Portland, and Newark. Service providers are welcome to attend these sessions; just remember that they are applicant-focused.

## 4. Equipment Transfers and Two-in-Five Status

We have been getting some questions about how an entity's status under the Two-in-Five Rule is affected when equipment purchased with E-Rate funds is transferred.

Equipment transfers. There are two situations under which equipment purchased with E-Rate funds can be transferred:

- Equipment can be transferred to another eligible entity three years or more after the date of purchase.

- Equipment from an entity that is closing can be transferred to another eligible entity. If the transfer occurs less than three years after the date of purchase, USAC must be notified of the transfer.

**The Two-in-Five Rule** – This rule states that, starting with FY2005, an eligible entity cannot receive funding for Internal Connections more than two out of any five consecutive funding years. The status under the Two-in-Five Rule is specific to each recipient of service. For example, a school district that applied for and received Internal Connections funding for one of its schools would only have used a year under Two-in-Five for that one school; the Two-in-Five status of the other schools in the school district would not be affected. You can use the Two-in-Five tool to find the status of an entity.

**Equipment transfers and Two-in-Five Status** – The status of an entity does not change if equipment is transferred. In other words, the Two-in-Five status remains with the original entity and is not transferred with the equipment to the receiving entity.

## **5. Invoicing Update**

Payments for the month of July totaled \$165,687,360.91 against requests for \$196.8M. In total, 10,728 invoices were processed for 1,552 service providers. This represented 39,845 lines in July with 98.3 percent being completed within 30 days.

There were 1,217 lines in process as of August 3.

- **Online BEAR**

Some service providers have not yet approved BEAR Forms that were submitted online by their customers. To approve online BEAR Forms, log in to the E-file System on the USAC website and choose the online BEAR option. If you cannot log in to the E-File System, call USAC at (888) 641-8722 and choose the option for FCC Form 498.

The last date to submit an invoice for FY2008 recurring services is October 28, 2009. BEAR Forms filed online but not approved online by that date risk rejection. Don't forget that SPI Forms must also be submitted by October 28, 2009.

- **Service Delivery Extensions**

USAC can consider requests for extensions of the September 30 deadline for delivery and installation of non-recurring services if certain conditions are met. For more information, refer to Service Delivery Deadlines and Extension Requests in the Reference Area of the website.

- Service delivery extension requests must be received or postmarked on or before the last date to receive services. For most FY2008 FRNs, this date would be September 30, 2009. Requests received or postmarked after that date will be denied. Timely requests that are approved will receive an extension to September 30, 2010.

- If services have not been delivered by the expiration date on the contract, then the contract must also be extended. (Note that the contract must allow for such an extension.) After a contract extension is negotiated between the applicant and the service provider, the applicant notifies USAC of the new contract expiration date using the FCC Form 500. Filing an FCC Form 500 is only a notification to USAC of the new contract expiration date; it does not extend the existing contract nor does it act as a service delivery extension request.

## 6. Other

Remember that applicants are filing FCC Forms 470 for FY2010 and FCC Forms 486 for FY2009.

- If you are interested in FY2010 FCC Forms 470, you can use the [Search Posted FCC Forms 470 tool](#) or the [FCC Form 470 Download Reports tool](#) to review the forms filed by applicants.
- If you are interested in one or more FY2009 FCC Forms 486, watch for your electronic or paper copy of the FCC Form 486 Notification Letter to verify that USAC has successfully processed the applicant's FCC Form 486.

## 7. General Questions Received by Email

**Q1:** I am in the process of viewing FCC Forms 470 for the 2009 funding year to contact our customers in response to their request for discounts on their bills. I notice that some of the FCC Forms 470 do not have a school contact name because some consultants list their name and contact information in Block 1, number 6a - 6e and again in Block 5, numbers 29 - 31e. Does USAC require a school contact name on the FCC Form 470?

**A1:** Applicants can supply two or three points of contact on an FCC Form 470: the contact person in Item 6, the technical contact person in Item 12, and the authorized person in Items 29-31. In general:

- the contact person is the person that would have the most information about the overall FCC Form 470 request
- the technical contact person (if one is identified) should be able to supply additional technical details or answer specific questions from service providers about the services sought
- the authorized person is the person authorized by the Block 1 entity to sign the form.

Note also that if the applicant has issued or intends to issue a Request For Proposals (RFP), there may be specific contact information and/or procedures contained in that document in addition to the information on the FCC Form 470.

Service providers should use the appropriate contact information for contacting applicants about their requests.

## UNIVERSAL SERVICE ADMINISTRATIVE COMPANY

### Schools and Libraries Service Provider Conference Call

September 2, 2009

#### AGENDA

- Update on USAC IT Infrastructure Upgrade
- Funding Commitments for FY2009 and FY2008 and Rollover
- Fall Applicant Training Registration
- Invoicing Update
- General Questions Received by Email

#### MINUTES

##### 1. Update on USAC IT Infrastructure Upgrade

USAC's IT upgrade started on September 1<sup>st</sup> at 5:00 PM ET. Most of the interactive functions of the website, such as online forms and search tools, will be unavailable until the upgrade is complete. Following is a short list of what will and will not be available during the upgrade:

Available during the upgrade:

- USAC website static pages, such as guidance documents
- FCC Forms 470 posted on or after July 21. Forms filed online before the upgrade started and paper forms received during the upgrade that pass a visual inspection for completeness and correctness – are being posted to an FCC Form 470 Table on the USAC website so that applicants' 28-day clocks will not be affected by the upgrade activities.
- Automated Search of Commitments tool. However, the most recent wave information will not be included in the tool, and numbers in the tool will not change during the upgrade.
- Online FCC Forms 498 and 499-A/Q.
- Submission of paper forms (applicant forms and FCC Forms 473 and 474). However, note that these forms will be held for processing until the upgrade is complete.
- Submission of appeals and requests (e.g., SPIN changes, service substitutions, Good Samaritans) by fax, mail, or email. Again, note that appeals and requests will be held for processing until the upgrade is complete.

Not available during the upgrade:

- Funding waves will not be issued after September 8. (FY2009 Wave 20 and FY2008 Wave 67 will be issued September 8)

- Payment files after September 3. Payment files will not be run again until after the upgrade is complete.
- Online FCC Forms 470, 471, 472, 474, and 486.
- Most website search tools.
- [Submit a Question](#). Note that mail, fax, or email submission methods must be used for appeals and requests because Submit a Question will not be available as a submission option.
- Client Service Bureau (CSB) access to systems. CSB will be able to answer general program questions, but will not be able to data enter paper forms or provide status of forms – except that CSB will be able to confirm receipt of paper forms.

If you have questions about the upgrade, refer to the Frequently Asked Questions about the Upgrade posted on the USAC website or call the Client Service Bureau at (888) 203-8100.

We expect online access to be restored September 14 at 9:00 AM ET. Thank you for your continued patience and understanding.

## 2. Funding Commitments for FY2009 and FY2008 and Rollover

Starting with FY2009 Wave 19, USAC is funding approved Priority 2 (Internal Connections and Basic Maintenance of Internal Connections) funding requests at 85 percent and above. Note that in FCC Order [DA 09-1734](#), released July 31, 2009, the FCC directed USAC to carry forward \$900 million in unused funds from funding years 1999 and 2001 through 2007 to increase disbursements to schools and libraries for FY2009. Here is a list of the current funding commitments issued since the last call (Wave 19 will be issued tomorrow and Wave 20 next week):

Wave	FCDL Date	Amount
016	8/11/2009	\$21.3 M
017	8/18/2009	\$23.0 M
018	8/26/2009	\$16.8 M
019	9/3/2009	\$187.9 M
020	9/8/2009	\$56.3 M

For FY2008, USAC is currently denying Priority 2 funding requests at 86 percent and below and funding approved requests at 88 percent and above. Here is a list of the current funding commitments issued since the last call (Wave 63 will be issued next week):

Wave	FCDL Date	Amount
064	8/12/2009	\$1.9 M
065	8/19/2009	\$106 Thousand
066	8/24/2009	\$106 Thousand
067	9/8/2009	\$4.7 M

### **3. Fall Applicant Training Registration**

USAC will hold eight one-day applicant training sessions this fall. Information on the eight sessions has been posted to the USAC website. There is still space to register for Orlando, Portland, Newark, and Houston.

Service providers are welcome to attend these sessions; just remember that they are applicant-focused.

### **4. Invoicing Update**

Payments for the month of August totaled \$195,678,578.07 against requests for \$239.4M. In total, 11,930 invoices were processed for 1,548 service providers. This represented 34,822 lines in August with 96.4 percent being completed within 30 days.

There were 1,748 lines in process as of September 2.

- **Service Substitutions**

USAC can consider requests for service substitutions if certain conditions are met. These requests must be submitted by the last date to receive services, which for FY2008 non-recurring services is generally September 30, 2009. For more information, refer to Service Substitutions guidance in the Reference Area of the website.

- **Service Delivery Extensions**

USAC can consider requests for extensions of the September 30 deadline for delivery and installation of non-recurring services if certain conditions are met. For more information, refer to Service Delivery Deadlines and Extension Requests in the Reference Area of the website.

- Service delivery extension requests must be received or postmarked on or before the last date to receive services. For most FY2008 FRNs, this date would be September 30, 2009. Requests received or postmarked after that date will be denied. Timely requests that are approved will receive an extension to September 30, 2010.
- If services have not been delivered by the expiration date on the contract, then the contract must also be extended. (Note that the contract must allow for such an extension.) After a contract extension is negotiated between the applicant and the service provider, the applicant notifies USAC of the new contract expiration date using the FCC Form 500. Filing an FCC Form 500 is only a notification to USAC of the new contract expiration date; it does not extend the existing contract nor does it act as a service delivery extension request.

- **Online BEAR**

The last date to submit an invoice for FY2008 recurring services is October 28, 2009. BEAR Forms filed online but not approved online by that date risk rejection. Don't forget that SPI Forms for these services must also be submitted by October 28, 2009.

To approve online BEAR Forms, log in to the E-File System on the USAC website and choose the online BEAR option. If you cannot log in to the E-file System to approve BEAR Forms after the USAC IT upgrade is complete and access has been restored, call us at (888) 641-8722 and the option for FCC Form 498.

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

**Q1:** USAC statements on a previous Service Provider Conference Call have indicated that the Eligible Products Database has had ongoing maintenance problems. These problems are continuing. The database has not been operational at all for the past month or so. This ongoing situation raises questions about whether USAC is taking sufficient responsibility for maintaining this FCC-mandated tool. Can you indicate what steps will be taken to provide adequate customer service in this area, going forward?

**A1:** The Eligible Products Database is again operational. However, the system will not be available during the USAC IT upgrade.

## UNIVERSAL SERVICE ADMINISTRATIVE COMPANY

### Schools and Libraries Service Provider Conference Call

October 7, 2009

#### AGENDA

- Funding Commitments for FY2009 and FY2008
- Update on FCC Form 498
- Upcoming Deadlines
- Invoicing Update
- General Questions Received by Email

#### MINUTES

##### 1. Funding Commitments for FY2009 and FY2008

For FY2009, USAC is currently funding Priority 2 funding requests at 85 percent and above. Here is a list of the current funding commitments issued since the last call:

Wave	FCDL Date	Amount
021	10/1/2009	\$40.3 M
022	10/6/2009	\$14.8 M

For FY2008, USAC is currently denying Priority 2 funding requests at 86 percent and below and funding approved requests at 88 percent and above. Here is a list of the current funding commitments issued since the last call:

Wave	FCDL Date	Amount
068	10/7/2009	\$10.3 M

##### 2. Update on FCC Form 498

The FCC's Wireline Competition Bureau announced September 28 that all federal Universal Service Fund (USF) support payments must be made by electronic funds transfer (see Public Notice [DA 09-2126](#)).

The notice states that recipients of USF support payments shall provide their financial institution information and other relevant information on FCC Form 498, which is being updated to reflect these requirements. USAC encourages all service providers to update their FCC Form 498 information using USAC's E-File System. Once the updated FCC Form 498 is processed, all following support payments will be made electronically.

The Wireline Competition Bureau will issue a further public notice announcing the effective date of the electronic payment requirement. After the effective date, USAC will not make USF support payments to any entity that has not provided financial institution information sufficient to enable payment through electronic funds transfer.

Please note: Service providers in the Schools and Libraries Program that currently use the Billed Entity Applicant Reimbursement (BEAR) FCC Form 472 will continue to receive check payments until further notice even if they provide electronic banking information.

### **3. Upcoming Deadlines**

- October 28, 2009 for FY2008 Invoices for Recurring Services
- October 29, 2009 for FY2009 FCC Forms 486

**FY2008 Invoices for Recurring Services** – October 28 is the deadline for FY2008 invoices (BEAR FCC Form 472 and SPI FCC Form 474) for recurring services. Invoices that have not been filed by that date risk rejection.

If you know that you will miss the deadline to file a SPI Form, you can request an invoice deadline extension. Similarly, if your customer misses the deadline to file a BEAR Form, you or your customer can request an invoice deadline extension. Note that if you fail to approve a BEAR Form by the deadline, that form will be considered late.

**FY2009 FCC Forms 486** – October 29 is the earliest deadline for FY2009 FCC Forms 486. An applicant would be subject to this deadline if:

- USAC issued a Funding Commitment Decision Letter (FCDL) to the applicant with a positive funding commitment on or before July 1, 2009 and
- The service start date for the service is July 1, 2009.

Note the following:

- The deadline applies by Funding Request Number (FRN). For example, if an applicant files an FCC Form 471 with two FRNs and USAC issues an FCDL with a decision on only one FRN, the deadline clock does not start on the second FRN.
- Using the FCDL date and the service start date reported on the FCC Form 471 for the FRN, USAC will issue a Form 486 Urgent Reminder Letter when the FCC Form 486 appears to be late. The applicant has 20 days from the date of the letter to file and certify an FCC Form 486 without penalty.
- If the applicant waits and files a Form 486 after the 20-day deadline specified in the FCC Form 486 Urgent Reminder Letter, USAC will reset the service start date reported on the FCC Form 486 to the date 120 days before the postmark date (certification date if filing online). Discounts will not be provided on services delivered before that date.

#### **4. Invoicing Update**

Payments for the month of September totaled \$112,111,151.53 against requests for \$142.7M. In total, 8,437 invoices were processed for 1,363 service providers. This represented 23,047 lines in September with 96.6 percent being completed within 30 days.

There were 1,925 lines in process as of October 1.

- **Approving BEAR Forms Online**

You can log in to USAC's E-File System and approve BEAR Forms online. If you do not have your login information, you can call us at (888) 641-8722 for assistance. Be sure to choose option 3 (FCC Form 498) from the menu.

- **Service Provider Annual Certification (SPAC) FCC Form 473**

Each year, service providers file a SPAC Form with USAC to certify that they will comply with FCC rules concerning invoicing and documentation. The certifications apply to the entire funding year and a SPAC Form must be on file for a funding year before USAC will pay invoices for that funding year.

To ensure that invoices are not rejected for a missing SPAC Form, service providers should verify that USAC has a SPAC Form on file for each funding year for which they are providing services under E-rate. You can enter your SPIN in the SPIN Contact Search tool, click "Search," and check the right-hand column of the results page to find the funding years for which USAC has a SPAC Form on file. If you have not yet filed your SPAC Form for FY2009, this would be a good time to do that as well.

- **FCC Form 498**

We suggest that you check the information on your Form 498 and file a revision to correct any information that is missing or has changed. In addition to information on company officers and contacts, Form 498 includes the remittance information USAC uses for payments.

You can log in to USAC's E-file System to review the information on your Form 498 and, in certain cases, submit revisions online. If you need assistance, you can call us at (888) 641-8722 for assistance. Be sure to choose option 3 (Form 498) from the menu.

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

**Q1:** Can you tell me if support for viruses is an eligible service under Basic Maintenance? We have a customer who has contracted a computer virus on their servers and is asking for help under their basic maintenance contract. We would consider it completely reasonable that repairing a server after a virus attack would fall under the definition of Basic Maintenance; after all, a server could not be expected to operate reliably whilst infected with a virus. On the other hand, USAC has consistently denied funding for any type of (proactive) anti-virus software or

utilities. Our opinion is that this type of service is consistent with the official rules for Basic Maintenance and as such should be fully eligible.

**A1:** The removal of a computer virus is eligible under Basic Maintenance, assuming that the contract for basic maintenance encompassed that activity. The costs for anti-virus software and utilities, however, continue to be ineligible.

**UNIVERSAL SERVICE ADMINISTRATIVE COMPANY**

**Schools and Libraries Service Provider Conference Call**

**November 4, 2009**

**AGENDA**

- Funding Commitments for FY2009 and FY2008
- Update on New FCC Form 498 and ACH Information
- Invoicing Deadline Extension Requests
- Invoicing Update
- Other
- General Questions Received by Email

**MINUTES**

**1. Funding Commitments for FY2009 and FY2008**

For FY2009, USAC is funding approved Priority 2 (Internal Connections and Basic Maintenance of Internal Connections) funding requests at 85 percent and above. Here is a list of the current funding commitments issued since the last call:

<b>Wave</b>	<b>FCDL Date</b>	<b>Amount</b>
023	10/13/2009	\$71.2 M
024	10/20/2009	\$32.4 M
025	10/27/2009	\$54.9 M
026	11/03/2009	\$28.9 M

For FY2008, USAC is currently denying Priority 2 funding requests at 86 percent and below and funding approved requests at 88 percent and above. Here is a list of the current funding commitments issued since the last call:

<b>Wave</b>	<b>FCDL Date</b>	<b>Amount</b>
068	10/07/2009	\$10.3 M
069	10/14/2009	\$54 Thousand
070	10/21/2009	\$116 Thousand
071	10/28/2009	\$0

**2. Update on New FCC Form 498 and ACH Information**

The FCC's Wireline Competition Bureau announced September 28 that all federal Universal Service Fund (USF) support payments must be made by electronic funds transfer (see Public Notice [DA 09-2126](#)).

The notice states that recipients of USF support payments shall provide their financial institution information and other relevant information on FCC Form 498, which is being updated to reflect these requirements. USAC encourages all service providers to update their Form 498 information using USAC's E-File System. Once the updated Form 498 is processed, all following support payments will be made electronically.

The Wireline Competition Bureau will issue a further public notice announcing the effective date of the electronic payment requirement. After the effective date, USAC will not make USF support payments to any entity that has not provided financial institution information sufficient to enable payment through electronic funds transfer.

Please note: Service providers in the Schools and Libraries Program that currently use the Billed Entity Applicant Reimbursement (BEAR) Form 472 will continue to receive check payments until further notice even if they provide electronic banking information.

### **3. Invoicing Deadline Extension Requests**

In general, the deadline for invoicing USAC for FY2008 recurring services was October 28, 2009. If invoicing has not yet been completed for an FRN for FY2008 recurring services and the invoice deadline has passed, the applicant or service provider must request an extension. Detailed information on invoice deadlines and extension requests can be found in the Invoice Deadlines and Extension Requests document in the Reference Area of the USAC website.

After USAC approves an invoice deadline extension request, the new deadline will be posted on the FRN Extension Table and invoices can be submitted.

Each of the following situations will require an invoice deadline extension request:

- The applicant did not submit its paper BEAR Form by the invoicing deadline.
- The applicant filed its BEAR Form online before the invoicing deadline but the service provider did not approve the BEAR Form on or before the deadline.
- The service provider did not submit its SPI Form (online, electronically, or on paper) on or before the invoicing deadline.

### **4. Invoicing Update**

Payments for the month of October totaled \$308,438,696.15 against requests for \$366.7M. In total, 21,054 invoices were processed for 2,053 service providers. This represented 74,288 lines in October with 96.2% being completed within 30 days.

The volume received, processed, and paid is an all-time record for USAC.

There were 4,069 lines in process as of November 1.

- **Online BEAR**

The last date to submit an invoice for FY2008 recurring services was October 28, 2009. You must have submitted your SPI Forms and/or approved your customer's BEAR Forms by that date to ensure that they are not rejected. If you have missed the deadline, you or your customer should submit an invoice deadline extension request for any FY2008 recurring services FRNs for which invoicing has not been completed.

If you have FY2008 BEAR Forms awaiting your certification, you should first check the [FRN Extension Table](#) to see if USAC has approved an extension of the invoice deadline. If so, you can still approve the BEAR Form for USAC to process.

USAC will soon be initiating an email notification to both the applicant and the service provider if a BEAR Form filed online has still not been approved online by the service provider. After the email has been sent, if the service provider does not approve the BEAR Form, the form will be cancelled by the system. The applicant must then submit a new BEAR Form, and should first check with the service provider to verify that the service provider can approve BEAR Forms online.

## **5. Other**

On November 3, 2009, the FCC issued a Public Notice, [DA 09-2376](#), seeking comment on Broadband Needs in Education. The FCC is requesting comments on various issues related to broadband access in education and the E-rate program. Comments are due to the FCC by November 20, 2009. Reply comments are due by December 11, 2009.

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

**Q1:** With so many bundled services that Service Providers now offer, is it possible for an Applicant to put their Internet Access and Voice service under 1 FRN only or does USAC require 1 FRN for Internet Access Service and a separate FRN for Voice Service?

**A1:** An applicant can apply for both voice service and Internet access from one service provider on a single FRN. At a minimum, the following conditions must be met:

- The service provider must be eligible to provide Telecommunications Services.
- The applicant must post for both Telecommunications Services and Internet Access on its Form 470. (If not, the un-posted service must be cost-allocated out of the Form 471 funding request.)
- The applicant must post for the services as a Telecommunications Service FRN on its Form 471 and clearly describe the services on the associated Item 21 Attachment.

You can refer to page 2 of the FY2009 Eligible Services List for more information.

**Q2:** Funding commitments are later than usual this year. We're in a period of "not enough work" and I need to do some manpower planning. Can you shed any light on timing in general or advise me how to follow up for specific FCC Forms 471?

**A2:** You can check the status of an FCC Form 471 using the FCC Form 471 Application Status tool. You will need the applicant's Billed Entity Number and the Funding Year. If you need more specific status information on an FCC Form 471, you can send an email to the Schools and Libraries Ombudsman Office.

**UNIVERSAL SERVICE ADMINISTRATIVE COMPANY**

**Schools and Libraries Service Provider Conference Call**

**December 2, 2009**

**AGENDA**

- Funding Commitments for FY2009 and FY2008
- Update on New FCC Form 498 and ACH Information
- Service Provider View of Item 21 Attachments
- FY2010 FCC Forms 470
- Invoicing Update

**MINUTES**

**1. Funding Commitments for FY2009 and FY2008**

For FY2009, USAC is denying Priority 2 (Internal Connections and Basic Maintenance of Internal Connections) funding requests at 54 percent and below and funding approved requests at 80 percent and above. Here is a list of the current funding commitments issued since the last call:

<b>Wave</b>	<b>FCDL Date</b>	<b>Amount</b>
027	11/10/2009	\$49.4 M
028	11/17/2009	\$31.0 M
029	11/24/2009	\$134.1 M
030	12/2/2009	\$153.6 M

For FY2008, USAC is currently denying Priority 2 funding requests at 86 percent and below and funding approved requests at 87 percent and above. Here is a list of the current funding commitments issued since the last call:

<b>Wave</b>	<b>FCDL Date</b>	<b>Amount</b>	
072	11/11/2009	\$14.7 M	
073	11/25/2009	\$2.7 M	
074	12/3/2009	\$103.4 M	(This wave includes requests at 87 percent.)

**2. Update on New Form 498 and ACH Information**

The FCC's Wireline Competition Bureau announced September 28 that all federal Universal Service Fund (USF) support payments must be made by electronic funds transfer. For more information, see Public Notice [DA 09-2126](#). The Public Notice includes contact information if you have questions or need further information.

Within the next few months, USAC will begin issuing BEAR payments by electronic funds transfer if banking information has been provided on the FCC Form 498. We will provide more specific information when we are close to begin issuing these electronic BEAR payments.

When we issue an electronic BEAR payment, we will send the service provider an additional email notification from USAC which you can identify by the following (143xxxxxx represents your SPIN):

- Sender email: [disbursements@bcd.universalservice.org](mailto:disbursements@bcd.universalservice.org)
- Sender domain: [bcd.universalservice.org](http://bcd.universalservice.org)
- Subject line: 143xxxxxx- Schools & Libraries BEAR payment notification

You can add this email and/or this domain to your safe senders list to be sure you can receive the notifications.

If you have questions or comments regarding the initiative itself, you can send USAC an [email](#) using the subject line "E-pay Initiative."

### **3. Service Provider View of Item 21 Attachments**

Service providers can now view Item 21 attachments filed by their customers, with the following limitations:

- The Item 21 attachment must have been filed online.
- It must have been filed for FY2009 or a later funding year.
- It must feature your SPIN.

Note that the view is only of the original filing. If any changes are made during USAC reviews, those changes are not reflected in the service provider view of the Item 21 attachment.

For detailed instructions on accessing this information, go to the Latest News posting Service Providers now have access to Item 21 attachments filed online (11/18/09) on the USAC website. Here is a brief summary of the instructions:

- Login to USAC's E-File System.
- Click on "Online Item 21" on the menu on the left-hand side of the screen.
- Choose your search options (SPIN, Funding Year, FRN, Date(s) Submitted, BEN, FCC Form 471 Application Number, State, Service Category).
- From the search results, you can view or download Item 21 attachments or modify your search.

### **4. FY2010 FCC Forms 470**

We expect the FY2010 application filing window to open soon. However, note that applicants have been able to file FCC Forms 470 for FY2010 since April of this year. If you are interested

in bidding on any of the FCC Forms 470 or RFPs put out by applicants, we suggest that you check the [FCC Form 470 Download Reports tool](#) or the [FCC Form 470 Search Posted tool](#).

## **5. Invoicing Update**

Payments for the month of November totaled \$165,339,394.13 against requests for \$238M. In total, 8,870 invoices were processed for 1,524 service providers. This represented 35,959 lines in November with 94 percent being completed within 30 days.

There were 2,261 lines in process as of December 1.

- **Invoicing deadline for non-recurring services**

FRNs featuring non-recurring services with a service delivery deadline of September 30, 2009 have an invoicing deadline of January 28, 2010. Please submit any remaining SPI Forms as soon as possible. This way, if your invoice is rejected, you will still have time to correct and re-file the invoice before the invoicing deadline.

Please encourage your customers to submit any outstanding BEAR Forms using our online BEAR system. Again, submitting now will allow them to correct and re-file BEAR Forms if necessary before the invoicing deadline.