

2012 SL Monthly Conference Call Minutes

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Schools and Libraries Service Provider Conference Call: January, 4 2012

AGENDA

1. Funding Commitments for FY2011 and FY2010
 2. Update on FCC Form 498 Filer ID Validation
 3. Update on FY2012 Application Filing Window
 4. Next Call Date Changed to February 8, 2012
 5. Invoicing Update
 6. Other
 7. General Questions Received by Email
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MINUTES

1. Funding Commitments for FY201 and FY2010

For FY2011, USAC is funding approved Priority 2 (Internal Connections and Basic Maintenance) requests at 90 percent. Here is a list of the current funding commitments issued since the last call:

Wave	FCDL Date	Amount
026	12/13/2011	\$29.8 M
027	12/28/2011	\$65.0 M
028	1/4/2012	\$31.8 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
078	12/14/2011	\$4.2 M
079	12/29/2011	\$24.3 M
080	1/5/2012	\$7.7 M

2. Update on FCC Form 498 Filer ID Validation

USAC is updating the identity management software for the E-File System. After the update occurs, it will be necessary for all user passwords to be reset.

Starting this Friday, January 6, 2012, USAC will send email notifications to the Company Office and General Contact on record for each SPIN informing them that we have issued each of them

a temporary password. They will be required to log into the system with the temporary password and change that password.

After the Company Officer and General Contact have reset their passwords, their delegated users will then be able to reset their passwords.

These temporary passwords will expire after 30 days. Any temporary passwords issued after that time will expire in three days (72 hours).

We expect this software update to result in a greater network speed and a better overall user experience.

If you have any problems or questions, please call us at (888) 641-8722 and choose option 2 or option 3.

3. Update on FY2012 Application Filing Window

The FY2012 FCC Form 471 application filing window dates have been set.

- The filing window will open at noon on Monday, January 9, 2012.
- The filing window will close at 11:59 PM ET on Tuesday, March 20, 2012.

The last day to post an FCC Form 470 to the USAC website and still be able to complete an FCC Form 471 before the filing window closes will be Tuesday, February 21. Note that this is a posting deadline, not a postmark deadline.

4. Next Call Date Changed to February 8, 2012

The date for the February 2012 service provider conference call has been moved from February 1 to February 8. The time, call-in number, and passcode will remain the same. Please make a note of this change.

5. Invoicing Update

Payments for the month of December totaled \$188,138,770.99 against requests for \$244.6M. In total, 9,777 invoices were processed for 1,521 service providers. This represented 35,014 lines in December with 94 percent being completed within 30 days.

There were 2,979 lines in process as of January 4, 2012.

- **Invoice deadlines and extension requests**

The last date to submit an invoice for FY2010 non-recurring services is January 30, 2012. If you submit an invoice now and your invoice is rejected, you will still have time to correct the error

and resubmit before the deadline. If you miss the deadline, you will have to request an invoice deadline extension before you can resubmit your invoice.

Last quarter we processed more than 20,000 extension requests. During that same period, we also received over 10,000 duplicate requests, which caused unnecessary delays. Remember that we respond to these requests via email, so please check your email before submitting a new request. You can also check the FRN Extension Table to see if your deadline has been extended.

- **Additional verification step for certain invoices**

You may notice that in some cases we are asking for copies of customer bills after we have already paid your invoice. This is an attempt on our part to verify the accuracy of our payment after the fact instead of holding your payment in anticipation of a response. If you receive such a request for documentation, please respond promptly.

6. Other

We hope that the new look and feel of the call agendas is useful. Note that there is now a link on the agenda that you can use to add the call dates for calendar year 2012 to your Outlook calendar. Remember, however, that individual call dates may change. We will try to send out a reminder email in advance of any change with a new link so you can add the changed call date to your calendar.

7. General Questions Received by Email

Q1: Internet Access service providers maintain an infrastructure and processes for high reliability. This includes features such as filters, firewalls, backups, and other data protection measures. If the daily backup of the entire system includes backup of e-mail files, is any of this considered to be ineligible archiving?

A1: E-rate discounts can be provided for features such as those mentioned above if the features are provided as a base component of the eligible service. However, if any of these features would otherwise be priced separately, the service provider must give the applicant an appropriate cost allocation so that the applicant can remove the cost of the ineligible, separately priced feature(s) from the funding request.

Note, however, that you cannot avoid providing a cost allocation by bundling these features only for your E-rate customers if you offer these features under separate pricing to other customers.

Schools and Libraries Service Provider Conference Call: February 8, 2012

AGENDA

1. Funding Commitments for FY2011 and FY2010
 2. Follow-up on E-File User Passwords
 3. Update on FY2012 Application Filing Window
 4. Update on "Under Review" FRN Status in FCDLs Invoicing Update
 5. General Questions Received by Email
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MINUTES

1. Funding Commitments for FY2011 and FY2010

For FY2011, USAC is funding approved Priority 2 (Internal Connections and Basic Maintenance) requests at 90 percent. Here is a list of the current funding commitments issued since the last call:

Wave	FCDL Date	Amount
029	1/10/2012	\$24.7 M
030	1/18/2012	\$50.8 M
031	1/24/2012	\$43.9 M
032	1/31/2012	\$70.5 M
033	2/7/2012	\$109.5 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
081	1/11/2012	\$10.3 M
082	1/19/2012	\$1.9 M
083	1/25/2012	\$14.8 M
084	2/1/2012	\$7.3 M

2. Follow-up on E-File User Passwords

USAC completed the update of the identity management software for the E-file System as announced on the January service provider call.

Current passwords were replaced with temporary passwords. Those temporary passwords expired on February 7. If you still need to reset your password, you can click on "Forgot

Password" on the website, and you will be issued a new temporary password that will expire after 72 hours.

The Company Officer and the General Contact can reset the passwords of any authorized users they created.

If you have any problems or questions, please call us at (888) 641-8722 and choose option 2 or option 3.

3. Update on FY2012 Application Filing Window

The dates to keep in mind that relate to the FY2012 FCC Form 471 application filing window are:

- The filing window opened at noon on Monday, January 9, 2012.
- We suggest to applicants filing FCC Forms 470 on paper that they send those forms in time for USAC to receive them by Tuesday, February 14, 2012.
- The last day to post an FCC Form 470 to the USAC website and still be able to wait the required 28 days and submit an FCC Form 471 on the last day of the window is Tuesday, February 21, 2012.
- The filing window will close at 11:59 PM ET on Tuesday, March 20, 2012.

4. Update on "Under Review" FRN Status in FCDLs

USAC can sometimes make a commitment decision on some of the FRNs on a specific FCC Form 471 but not others. (This does not include situations where applicants have mixed Priority 1 and Priority 2 requests on the same FCC Form 471.) In these cases, we can issue FCDLs with commitment decisions for the FRNs that have completed review and mark the other FRNs as "Under Review."

Under Review FRNs will show the following fields as blank in the Funding Commitment Report section of the FCDL:

- Number of months of recurring service
- Annual pre-discount amount for eligible recurring charges
- Annual pre-discount amount for eligible non-recurring charges
- Pre-discount amount
- Discount percentage
- Funding commitment decision
- Funding commitment decision explanation
- In addition, the wave number for an FRN in Under Review status will be "0" (zero) in the service provider version of the FCDL.

USAC will continue to review the FRNs marked as Under Review. When USAC is able to issue a funding decision for these FRNs, USAC will issue an additional FCDL.

5. Invoicing Update

Payments for the month of January totaled \$149,929,049.44 against requests for \$200.1M. In total, 9,894 invoices were processed for 1,466 service providers. This represented 34,691 lines in January with 98 percent being completed within 30 days.

There were 1,023 lines in process as of February 3.

- **Invoice deadlines and extension requests**

The last date to submit an invoice for FY2010 non-recurring services was January 30, 2012.

- If you missed the deadline, you must request an invoice deadline extension before you can resubmit your SPI Form.
- If you did not approve a BEAR Form by the deadline, the applicant must request an extension before he or she can resubmit the BEAR Form.

You should submit your request for an extension as soon as possible and in any event no later than 120 days after the original invoicing deadline.

- **Service delivery deadlines and extension requests**

Requests to extend the deadline for delivery and receipt of non-recurring services must be submitted on or before the last day to deliver those services. If that deadline was September 30, 2011, it is too late to submit a request to USAC (see Order FCC 01-195).

If the last day to deliver these services has not passed and you would like to request an extension, you can follow the instructions on the Service Delivery Deadlines and Extension Requests guidance document on this website. Note that applicants cannot simply request an extension by submitting a Form 500.

6. General Questions Received by Email

Q1: How do the rules define a month-to-month service? Does the service have to have a separate bill each month? Is the applicant allowed to cancel at any time? Are there other limitations or qualifications beyond this?

A1: A “month-to-month service” is not specifically defined in program rules.

On the FCC Form 471, applicants must indicate that services are contracted, tariffed, or month-to-month.

- Contracted services are services delivered under a contract, even if those services are provided under tariff or billed monthly.
- Tariffed services are generally services provided by telecommunications providers under one or more tariffs. (Tariffs are lists of charges for specific services submitted to a public service commission or public utility commission.)
- Month-to-month services are services that are not provided under a contract or tariff. They are generally (but not specifically required to be) billed monthly.

An applicant can cancel a service provided on a month-to-month basis, although there may be specific requirements or penalties imposed by the service provider for doing so. However, to change to a new service provider and continue to receive E-rate discounts on that service, the applicant must meet certain requirements under the E-rate program. Starting with FY2011, those requirements – which are described in the Operational SPIN Change guidance document – became more stringent.

Schools and Libraries Service Provider Conference Call: March 7, 2012

AGENDA

1. Funding Commitments for FY2011 and FY2010
 2. Registration Opens for Spring Service Provider Training
 3. Update on Payment Quality Assurance (PQA) Program Other
 4. Invoicing Update
 5. Other
 6. General Questions Received by Email
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MINUTES

1. Funding Commitments for FY2011 and FY2010

For FY2011, USAC is funding approved Priority 2 (Internal Connections and Basic Maintenance) requests at 90 percent. Here is a list of the current funding commitments issued since the last call:

Wave	FCDL Date	Amount
034	2/14/2012	\$25.8 M
035	2/21/2012	\$33.1 M
036	2/28/2012	\$29.6 M
037	3/6/2012	\$37.9 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
085	2/15/2012	\$14.9 M
086	2/22/2012	\$12.2 M
087	2/29/2012	\$11.0 M
088	3/7/2012	\$5.9 M

2. Registration Opens for Spring Service Provider Training

Each year, USAC conducts two training sessions in the spring targeted for service providers and eight training sessions in the fall targeted for applicants. The two spring 2012 service provider trainings will be held on the following dates and locations:

- Thursday, May 10 at the Renaissance Concourse Atlanta Airport Hotel, Atlanta, Georgia.
- Tuesday, May 15 at the Westin Los Angeles Airport Hotel, Los Angeles, California.

To register for the training and to find information on hotel reservations, refer to the Training Sessions and Presentations page on the USAC website.

3. Update on Payment Quality Assurance (PQA) Program

Payment Quality Assurance (PQA) is a program that helps measure applicant compliance with the Improper Payments Information Act (IPIA). Each month, the PQA group at USAC selects 60 line items at random from submitted invoices (BEAR FCC Forms 472 and SPI FCC Forms 474), and each applicant associated with a line item is required to provide documentation showing that the payment for that particular line item was made properly.

For example, if a line item for Internal Connections on a SPI Form is selected, the applicant may be required to provide the following:

- Evidence of eligibility to participate in the E-rate Program.
- A copy of the technology plan approval letter.
- A copy of the contract specified in the Form 471.
- A service provider bill to the applicant for the non-discount amount dated on or before the date the SPI Form was submitted.
- Proof that the applicant paid that service provider bill within 90 days.

While PQA focuses solely on applicants, PQA staff may request documentation that the applicant cannot locate but that the service provider may have. (For instance, in the example above, the service provider may have a copy of the contract or evidence that the applicant paid its bill within 90 days.)

The letter sent to the applicant by the PQA group at USAC has contact information in case there are any questions.

4. Invoicing Update

Payments for the month of February totaled \$146,975,935.32 against requests for \$190.7M. In total, 10,973 invoices were processed for 1,449 service providers. This represented 34,585 lines in February with 99 percent being completed within 30 days.

There were 925 lines in process as of March 6.

- **Invoice reminders**

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

- The entire commitment amount was already paid.
- The invoice is or appears to be a duplicate.

- The applicant has not filed an FCC Form 486.
- The FCC Form 471 application number cited on the invoice is not consistent with the cited SPIN and/or FRN.
- Updates to the FCC Form 498 must be completed before the invoice can be paid.

If an invoice is rejected, in most cases you can just identify and correct your mistake and submit a new invoice. If you don't understand the reason for rejection, you can call the Client Service Bureau at (888) 203-8100 and ask for assistance. Note that you can also appeal USAC's decision either to USAC or to the FCC.

However, if the invoice deadline has passed, you must first request an invoice deadline extension. After USAC has approved your request, you can submit your new invoice.

5. Other

Starting with FY2011 FRNs, applicants have additional requirements for changing the service provider on an FRN (an operational SPIN change).

In addition to the requirements in place before FY2011, applicants must now also verify that:

- there is a legitimate reason to change providers (e.g., breach of contract or the service provider is unable to perform the requested service); and
- the newly selected service provider received the next highest point value in the original bid evaluation. If the applicant did not receive multiple bids, the applicant must submit a statement explaining that it received only one or no bids.

6. General Questions Received by Email

Q1: An applicant on their FCC Form 470 form specified that they were looking for multi-year contracts and/or contracts with "voluntary renewals for up to three consecutive 1 year periods." The contract that was awarded does not contain any renewal language. May the applicant voluntarily extend the contract after the first year to coincide with the requested renewal term on the FCC Form 470, or would the applicant have to rebid those services for the next funding year?

A1: The services would have to be rebid. If the contract had contained renewal language or a provision for extension(s), the contract could have been renewed or extended.

Q2: Does the FCC's Marana decision (DA 12-196, released 2-15-12) establish new policy that service provider assistance for a school preparing its technology plan is "in violation of program requirements" (paragraph 12) or is this finding based more narrowly on the specific facts of the case? Currently the USAC website states that "Service providers may offer technical assistance on the development of a technology plan, so long as that assistance can be interpreted as

neutral...” (“Proper Service Provider Assistance to Applicants” Has there been a change in the ability to provide neutral program assistance?)

A2: There has not been a change in program guidance. In general, appeal decisions should be read as specific to the appellants and to the facts presented.

Q3: Can the service provider move network equipment from a eligible school that is closing to a new school that is eligible under Basic Maintenance?

A3: We would need detailed information about a particular situation before we could provide answers to questions related to costs associated with such a move.

Schools and Libraries Service Provider Conference Call: April 4, 2012

AGENDA

1. Funding Commitments for FY2011 and FY2010
 2. Registration Update for Spring Service Provider Training
 3. Update on Payment Quality Assurance (PQA) Program Reviews
 4. Invoicing Update
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MINUTES

1. Funding Commitments for FY2011 and FY2010

For FY2011, USAC is funding approved Priority 2 (Internal Connections and Basic Maintenance) requests at 90 percent and denying for cap at 79 percent and below. Here is a list of the current funding commitments issued since the last call:

Wave	FCDL Date	Amount
038	3/13/2012	\$39.8 M
039	3/20/2012	\$42.5 M
040	3/27/2012	\$47.2 M
041	4/3/2012	\$60.0 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
089	3/14/2012	\$23.4 M
090	3/21/2012	\$2.2 M
091	3/28/2012	\$2.9 M
092	4/4/2012	\$3.7 M

2. Registration Update for Spring Service Provider Training

The Atlanta training session is full; we have started a waiting list and will process registrations from the waiting list as we receive cancellations. There is still room in Los Angeles.

Here are the dates and locations for the training sessions:

- Thursday, May 10 at the Renaissance Concourse Atlanta Airport Hotel, Atlanta, Georgia.
- Tuesday, May 15 at the Westin Los Angeles Airport Hotel, Los Angeles, California.

To register for the training and to find information on hotel reservations, refer to the Training Sessions and Presentations page on the USAC website.

If you are unable to attend training, please cancel your registration by emailing USAC to open a space for someone else.

3. Update on Program Integrity Assurance (PIA) Reviews

The Program Integrity Assurance (PIA) group at USAC reviews FCC Forms 471 for eligibility and for compliance with program rules. If PIA has questions that applicants are unable to answer, they may turn to service providers for assistance.

Service providers are encouraged to assist applicants with PIA questions about their funding requests. For example, PIA may request information – e.g., cost allocations between eligible and ineligible components, network diagrams, copies of contracts, information on the calculation of Basic Maintenance requests – which the service provider may be better equipped than the applicant to answer. Service providers can also assist applicants with Item 21 attachments.

Generally PIA reviewers will ask applicants to send them the information directly. If for some reason you contact PIA directly (i.e., without the applicant), please make sure to copy the applicant on any information you provide to PIA.

4. Invoicing Update

Payments for the month of March totaled \$164,050,097.34 against requests for \$200.9M. In total, 11,397 invoices were processed for 1,579 service providers. This represented 46,743 lines in March with 99 percent being completed within 30 days.

There were 709 lines in process as of April 2.

- **Invoice rejections**

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

- The invoice is or appears to be a duplicate.
- The entire commitment amount was already paid.
- The billed date was outside of the funding year.
- The applicant has not filed a Form 486.
- The invoice was canceled at the request of the submitter.

- **SPIN changes**

In certain situations, applicants and service providers can request a change of the Service Provider Identification Number (SPIN) featured on a Funding Request Number (FRN). A SPIN change may either be a corrective SPIN change or an operational SPIN change.

- A corrective SPIN change is a notification to USAC that the SPIN associated with an FRN is not correct. This occurs when (1) either the applicant or USAC made a data entry error or (2) a change occurred that was not initiated by the applicant.
- An operational SPIN change is a request to change the service provider associated with an FRN as a result of a deliberate decision by the applicant.

- **Corrective SPIN changes**

Generally corrective SPIN changes fall into the following categories:

- **Data entry errors** – Errors may occur when the applicant files a form online or USAC enters data from a paper form. For example, an applicant may transpose digits of a SPIN (resulting in a valid SPIN belonging to a different service provider) or choose the wrong SPIN for a service provider that has more than one SPIN.
- **Mergers and acquisitions** – In these cases, the original service provider has merged with, or been acquired by, another company and the SPIN indicated on the FRN has changed as a result.
- **Other** – There may be other instances when a change occurs that was not initiated by the applicant. The requestor should provide a brief explanation of the circumstances requiring the SPIN change.

- **Operational SPIN changes**

The FCC permits operational SPIN changes when:

- the SPIN change is allowed under the applicant's state and local procurement rules;
- the SPIN change is allowable under the terms of any contract between the applicant and its original service provider;
- the applicant has notified its original service provider of its intent to change service providers;
- there is a legitimate reason to change providers (e.g., breach of contract or the service provider is unable to perform the requested service); and
- the newly selected service provider received the next highest point value in the original bid evaluation. If the applicant did not receive multiple bids, the applicant must submit a statement explaining that it received only one or no bids.

The last two requirements are new, beginning with FRNs for Funding Year 2011. Changing service providers because the services are available at a lower cost from another provider or

because an applicant now wishes to do business with a service provider that did not originally participate in the competitive bidding process are not considered legitimate reasons for change, and requests citing such reasons will be denied.

Schools and Libraries Service Provider Conference Call: May 2, 2012

AGENDA

1. Funding Commitments for FY2011 and FY2010
2. Update on Spring Service Provider Training
3. Update on New USAC Website
4. Invoicing Update
5. Other
6. General Questions Received by Email

Q1: Has there been a determination (yet) on Priority 2 funding for 2011? Why are schools waiting longer in the year to determine the funding threshold? I am estimated - Looks like about 95 percent Priority 1 funding has been committed, based on a comparison to 2010. Yet only 1/3 of total services have been committed? Will funding drop below 90 percent? I get this question from at least one school every week. Please advise.

MINUTES

1. Funding Commitments for FY2011 and FY2010

For FY2011, USAC is funding approved Priority 2 (Internal Connections and Basic Maintenance) requests at 90 percent and denying for cap at 79 percent and below. Here is a list of the current funding commitments issued since the last call:

Wave	FCDL Date	Amount
042	4/11/2012	\$52.0 M
043	4/17/2012	\$ 8.2 M
044	4/24/2012	\$10.2 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
093	4/11/2012	\$ 9.0 M
094	4/18/2012	\$ 5.5 M

2. Update on Spring Service Provider Training

Both training sessions are now closed.

To find information on hotel reservations (note that the deadline for receiving the conference rate has passed), refer to the Training Sessions and Presentations page on the USAC website.

If you are unable to attend training, please cancel your registration by emailing USAC to open a space for someone else.

3. Update on New USAC Website

A few weeks ago, USAC updated the look and feel of its website. The Apply Online functions, the Search Tools, and the Reference Area are more or less unchanged. However, the applicant and service provider steps have been simplified, with links added to guidance materials as appropriate.

There are links on the main page to short demonstrations of the website to show you how the new website functions. If you have comments on the website, you can click on the Website Feedback link in the lower right-hand corner of each web page. If you cannot find a document you have used in the past, you can email USAC and request assistance.

4. Invoicing Update

Payments for the month of April totaled \$183,961,018.43 against requests for \$221.1M. In total, 11,380 invoices were processed for 1,562 service providers. This represented 43,930 lines in April with 98 percent being completed within 30 days.

There were 820 lines in process as of May 1.

Invoice rejections

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

- The entire commitment amount was already paid.
- The invoice is or appears to be a duplicate.
- The discount was not correct.
- The billed/shipped date was after the invoice date.
- The billed date was outside of the funding year.

Invoice reminders

- If you have not already done so, file your FCC Form 473, Service Provider Annual Certification (SPAC) Form for FY2011. We cannot process invoices for a funding year unless a SPAC Form is on file for that funding year.

- June 30, 2012 is the last day to deliver recurring services for FY2011. You should be collecting all of the information you need in order to complete your invoicing for these services.
- Be sure the information on file from your FCC Form 498 is correct. Applicants may need to contact you for your approval of their BEAR Forms or for other invoicing issues. Remember that updated electronic banking information must be on file with USAC because we no longer issue paper checks.

5. Other

The Demand Estimate for FY2012 has been posted to the USAC website.

6. General Questions Received by Email

Q1: Has there been a determination (yet) on Priority Two funding for 2011? Why are schools waiting longer in the year to determine the funding threshold? I am estimated - Looks like about 95 percent P1 funding has been committed, based on a comparison to 2010. Yet only 1/3 of total services has been committed? Will funding drop below 90 percent? I get this question from at least one school every week. Please advise.

A1: In general, the process of issuing of funding waves for a funding year proceeds as follows:

- Before the first wave can be issued for a funding year, USAC must verify that funding is sufficient to cover Priority 1 requests for that funding year. Then USAC asks for approval from both the USAC Board and the Federal Communications Commission to start running Priority 1 waves.
- After receiving the necessary approvals, USAC starts running weekly waves that contain Priority 1 commitments only.
- USAC continues to analyze available funding, and at some point – usually several months after the first wave – USAC asks for approval from both the USAC Board and the FCC to start issuing Priority 2 commitments at 90%.
- USAC continues to analyze available funds, and will make recommendations on denying commitments below a certain discount percentage and lowering the threshold at which commitments can be made. Often these recommendations would only move a funding or denial threshold one discount percentage at a time.
- Eventually, the process reaches a point where funding is not sufficient to funds Priority 2 requests below a specific discount level.

For FY2011, USAC is still making funding commitments for Priority 2 services at 90 percent and denying for cap at 79 percent and below. The process explained above is continuing, and as USAC receives approvals to change one or both of those discount levels, the SL News Briefs and the Search Commitments tool will reflect those changes.

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.

Schools and Libraries Service Provider Conference Call – June 6, 2012

AGENDA

1. Funding Commitments for FY2011 and FY2010
2. Next Call Date Changed to July 11, 2012
3. Recap of May Service Provider Training Sessions
4. Invoicing Update
5. Other
6. General Questions Received by Email

Q1: At recent Service Provider training, USAC presented information about Lowest Corresponding Price (slides 21 thru 32 at http://www.usac.org/_res/documents/sl/training/2012/Program-Compliance.pdf), and indicated that these requirements applied to all service providers.

- Some services by their nature are provided based on the unique needs of individual applicants, yet USAC's slide 25 indicates that this cannot be done. Please cite the FCC rule or precedent that supports that position.
- The slides indicate that pricing provided in the past three years is assumed to be part of the lowest corresponding price but that higher prices can be "requested." How is this done? Can the FCC efficiently process the requests that would be required for price changes of thousands of products and services from all service providers?
- Does the FCC have the legal authority to impose what appears to be a price freeze on non-rate-regulated services?

MINUTES

1. Funding Commitments for FY2011 and FY2010

For FY2011, USAC is funding approved Priority 2 (Internal Connections and Basic Maintenance) requests at 90 percent and denying for cap at 79 percent and below. Here is a list of the current funding commitments issued since the last call:

Wave	FCDL Date	Amount
045	5/16/2012	\$20.0 M
046	5/22/2012	\$2.7 M
047	6/5/2012	\$33.9 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
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095	5/30/2012	\$ 0.3 M
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2. Next Call Date Changed to July 11, 2012

Due to the July 4 holiday, next month's call has been rescheduled for the following week. The call-in number and passcode remain the same.

3. Recap of May Service Provider Training Sessions

For those of you that were unable to join us, we conducted two service provider training sessions last month – one on May 10 in Atlanta and another May 15 in Los Angeles. We had 217 attendees in Atlanta and 172 in Los Angeles.

The training sessions were well received. We collected some very helpful feedback on the issue of funding FY2012 P2 at 90 percent, which we have forwarded on for discussion. Thanks to all that attended.

4. Invoicing Update

Payments for the month of May totaled \$185,298,723.42 against requests for \$229.4M. In total, 13,102 invoices were processed for 1,535 service providers. This represented 45,303 lines in May with 98 percent being completed within 30 days.

There were 821 lines in process as of June 4.

Invoice rejections

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

- The entire commitment amount was already paid.
- The discount was not correct.
- The service provider has not filed an FCC Form 473 for the appropriate funding year.
- The billed date was outside of the funding year.
- The invoice is or appears to be a duplicate.

Invoice reminders

- June 30, 2012 is the last day to deliver recurring services for FY2011. You should be collecting all of the information you need in order to complete your invoicing for these services.
- If you have not already done so, file your FCC Form 473, Service Provider Annual Certification (SPAC) Form for FY2011. We cannot process invoices for a funding year unless a SPAC Form is on file for that funding year.

- Remember to talk to your customers about choosing either BEAR Forms or SPI Forms as their reimbursement method. Generally these conversations should occur at the beginning of the funding year, but even now applicants may be contacting service providers because they thought they were receiving discounted bills for FY2011.

5. Other

No items.

6. General Questions Received by Email

Q1: At recent Service Provider training, USAC presented information about Lowest Corresponding Price (slides 21 thru 32 at http://www.usac.org/_res/documents/sl/training/2012/Program-Compliance.pdf), and indicated that these requirements applied to all service providers.

- a. Some services by their nature are provided based on the unique needs of individual applicants, yet USAC's slide 25 indicates that this cannot be done. Please cite the FCC rule or precedent that supports that position.
- b. The slides indicate that pricing provided in the past three years is assumed to be part of the lowest corresponding price but that higher prices can be "requested." How is this done? Can the FCC efficiently process the requests that would be required for price changes of thousands of products and services from all service providers?
- c. Does the FCC have the legal authority to impose what appears to be a price freeze on non-rate-regulated services?

A1: Questions that are not answered by the information on the service provider training slides should be directed to the Federal Communications Commission.

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.

Schools and Libraries Service Provider Conference Call – July 11, 2012

AGENDA

1. Funding Commitments for FY2012, FY2011, and FY2010
2. Update on Fall Applicant Training
3. Invoicing Update
4. Other
5. General Questions Received by Email

Q1: An applicant posted a 470 without a corresponding RFP. The relevant purchasing rules do not require one for this applicant. If the applicant receives a question from a potential service provider, does the applicant have to answer it? If so, wouldn't that answer be a "secret" in the bidding process? If the applicant posts the question and answer on the applicant's web site, would that document be considered an RFP by USAC?

MINUTES

1. Funding Commitments for FY2012, FY2011, and FY2010

For FY2012, USAC is funding approved Priority 1 (Telecommunications Services and Internet Access) requests at all discount levels. Here is a list of the current funding commitments issued since the last call:

Wave	FCDL Date	Amount
001	7/10/2012	\$646.1 M
002	7/11/2012	\$ 62.2 M

For FY2011, USAC is funding approved Priority 2 (Internal Connections and Basic Maintenance) requests at 89 percent and denying for cap at 80 percent and below. Here is a list of the current funding commitments issued since the last call:

Wave	FCDL Date	Amount
048	6/12/2012	\$ 6.4 M
049	6/19/2012	\$20.1 M
050	6/26/2012	\$ 5.7 M
051	7/5/2012	\$13.1 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
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096	6/13/2012	\$ 3.1 M
097	6/20/2012	\$ 0.6 M

2. Update on Fall Applicant Training

USAC offers two groups of training sessions each year – generally, two sessions for service providers in May and eight sessions for applicants in October and November. Service providers are welcome to attend the applicant sessions, but they should keep in mind that the information provided is targeted to applicants.

If you register for a training session and your plans change, please cancel your registration with USAC to make room for someone else.

For questions, cancellations, or any other issues related to the applicant training sessions, you can email USAC.

3. Invoicing Update

Payments for the month of June totaled \$187,162,454.31 against requests for \$245.7M. In total, 11,408 invoices were processed for 1,629 service providers. This represented 68,648 lines in June with 99 percent being completed within 30 days.

There were 1,034 lines in process as of July 11.

Invoice rejections

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

- Services were delivered and billed after the contract expiration date.
- The entire commitment amount was already paid.
- The billed date was outside of the funding year.
- Services were billed before they were delivered.
- The service provider has not filed an FCC Form 473 for the appropriate funding year.

Invoice reminders

- June 30, 2012 was the last day to deliver recurring services for FY2011. You should be collecting all of the information you need in order to complete your invoicing for these services.
- If you have not already done so, file your FCC Form 473, Service Provider Annual Certification (SPAC) Form for FY2011. USAC cannot process invoices for a funding year unless a SPAC Form is on file for that funding year. Note that you can file your SPAC Form for FY2012 now as well. To verify that USAC has successfully

processed your form, go to Search for SPIN information on this website, enter your SPIN, and review the "SPAC Filed" column of the search results for a list of all funding years for which USAC has successfully processed a SPAC Form for your SPIN.

- Applicants must file an FCC Form 486, Receipt of Service Confirmation Form, before USAC can pay invoices. USAC will issue you a Form 486 Notification Letter after an FCC Form 486 has been successfully processed. Also, the Data Retrieval Tool will feature a date in the "486 SSD" field for an FRN if USAC has successfully processed this form.
- Remember to talk to your customers about choosing either BEAR Forms or SPI Forms as their method of receiving discounts. Generally these conversations should occur at the beginning of the funding year, but even now applicants may be contacting service providers because they thought they were receiving discounted bills for FY2011.

4. Other

The Service Provider Conference Call web page has been updated to explain how to submit questions for the call.

If you need to return funds to USAC, be sure to clearly indicate the FRN(s) and amount(s) that should be credited.

5. General Questions Received by Email

Q1: An applicant posted a 470 without a corresponding RFP. The relevant purchasing rules do not require one for this applicant. If the applicant receives a question from a potential service provider, does the applicant have to answer it? If so, wouldn't that answer be a "secret" in the bidding process? If the applicant posts the question and answer on the applicant's web site, would that document be considered an RFP by USAC?

A1: If an applicant intends to post an FCC Form 470 to the USAC website without issuing a Request for Proposals (RFP) or similar document, the applicant should provide information on the FCC Form 470 that is sufficient for service providers to understand the scope, location, and any other requirements of the project or services being sought.

If a service provider asks pertinent questions in order to gain the specific information needed to prepare a responsive bid, the applicant must answer those questions. One possible way for an applicant to accomplish this is to post all questions received by potential bidders on a website together with the applicant's responses.

Answers posted on a website in response to service provider questions do not in and of themselves constitute an RFP. However, if the answers to the questions begin to approach

the complexity and level of detail that would seem appropriate for an RFP, USAC may have additional clarification questions for the applicant during application review.

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.

Schools and Libraries Service Provider Conference Call – August 1, 2012

AGENDA

1. Funding Commitments for FY2012, FY2011, and FY2010
2. Update on Download 470 Information Tool
3. Invoicing Update
4. Other
5. General Questions Received by Email

No questions received.

MINUTES

1. Funding Commitments for FY2012, FY2011, and FY2010

For FY2012, USAC is funding approved Priority 1 (Telecommunications Services and Internet Access) requests at all discount levels. Here is a list of the current funding commitments issued since the last call:

Wave	FCDL Date	Amount
003	7/17/2012	\$25.9 M
004	7/24/2012	\$51.8 M
005	7/31/2012	\$78.1 M

For FY2011, USAC is funding approved Priority 2 (Internal Connections and Basic Maintenance) requests at 89 percent and denying for cap at 80 percent and below. Here is a list of the current funding commitments issued since the last call:

Wave	FCDL Date	Amount
052	7/18/2012	\$ 8.8 M
053	7/25/2012	\$36.3 M
054	8/1/2012	\$ 4.0 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
098	7/16/2012	\$13.8 M

2. Update on Download 470 Information Tool

We are currently performing maintenance on the Download 470 Information tool. If you want to review FCC Forms 470 posted to this website, please use the View a 470 tool.

Also, we are working on a plan for an updated search tool to replace the current Download 470 Information tool. We expect that this tool would allow you to narrow your search for information from posted FCC Forms 470 based on criteria you select. The following are potential search criteria:

- Current funding year or upcoming funding year
- One or more states
- One or more categories of service
- One or more application types
- Posting date(s)
- Cumulative (all posted forms)

3. Invoicing Update

Payments for the month of July totaled \$200,288,121.15 against requests for \$260.8M. In total, 13,323 invoices were processed for 1,702 service providers. This represented 45,276 lines in July with 96 percent being completed within 30 days.

There were 1,267 lines in process as of July 31.

Invoice rejections

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

- The billed date was outside of the funding year.
- The entire commitment amount was already paid.
- The invoice is or appears to be a duplicate.
- The service provider has started but not certified a revision to the FCC Form 498.
- The service provider has not filed an FCC Form 473 for the appropriate funding year.

Invoice reminders

June 30, 2012 was the last day to deliver recurring services for FY2011. You should be working to complete your invoicing for these services.

In general, September 30, 2012 is the last day to deliver and install non-recurring services for FY2011. If this deadline has not been extended and additional time is needed to complete delivery and installation:

- You or the applicant must file a service delivery deadline extension request on or before September 30. USAC cannot approve requests filed after the last day to receive service.
- If the current contract expires before services will be delivered and installed but the contract can be extended, work with the applicant to extend the contract. The applicant must then file an FCC Form 500 to report the new contract expiration date to USAC.

If you only need to request additional time to submit an invoice, you can file an invoice deadline extension request. If you have questions about a deadline, you can use the Deadlines Tool on this website to calculate the deadlines for program forms and actions.

4. **Other**

The Federal Communications Commission (FCC) and the USAC Board have reviewed and approved USAC's proposed funding thresholds for FY2012 and FY2011 Priority 2 (P2) funding requests. The FCC and the USAC Board have approved USAC to take the following actions:

- Set the final funding threshold for approved FY2012 P2 funding requests at 90 percent. P2 funding requests at 89 percent and below will be denied for lack of funds.
- Set the final funding threshold for approved FY2011 P2 funding requests at 88 percent. P2 funding requests at 87 percent and below will be denied for lack of funds.

USAC will target issuing commitments and denials using these thresholds next week.

5. **General Questions Received by Email**

No questions received.

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.

Schools and Libraries Service Provider Conference Call – September 5, 2012

AGENDA

1. Funding Commitments for FY2012, FY2011, and FY2010
2. Update on Fall Applicant Training
3. Invoicing Update
4. Other
5. General Questions Received by Email

No questions received.

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
006	8/13/2012	\$81.1 M
007	8/21/2012	\$51.9 M
008	8/28/2012	\$39.1 M
009	9/5/2012	\$33.0 M

For FY2011, USAC is funding approved Priority 2 requests at 88 percent 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
055	8/8/2012	\$29.8 M
056	8/15/2012	\$11.5 M
057	8/22/2012	\$ 7.0 M
058	8/29/2012	\$ 0.3 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
099	8/23/2012	\$ 3.9 M
100	9/4/2012	\$ 0.1 M

2. Update on Fall Applicant Training

Although this training is based on information applicants will need for the coming application cycle, service providers are welcome to attend.

If you are going to attend a training session, note that the deadlines for reserving a hotel room at the conference rate are fast approaching. Watch the SL News Brief for more information.

If you registered and are not attending, please email USAC to cancel your registration so that someone from the waiting list can attend.

3. Invoicing Update

Payments for the month of August totaled \$249,927,029.10 against requests for \$298.6M. In total, 16,418 invoices were processed for 1,706 service providers. This represented 46,079 lines in August with 97 percent being completed within 30 days.

There were 962 lines in process as of September 4.

Reminders about Service Delivery Deadlines and Extension Requests

In general, September 30, 2012 is the last day service providers can deliver and install non-recurring services for FY2011.

If USAC issued a Funding Commitment Decision Letter (FCDL), service substitution approval, or operational SPIN change approval on or after March 1, 2012, this deadline is automatically extended for an additional year (i.e., to September 30, 2013).

If service providers need more time to complete the delivery and installation of non-recurring services that are due on September 30, 2012, they should work with applicants to complete any necessary steps to do so, which may include the following:

- Filing a service delivery deadline extension request on or before September 30, 2012. USAC cannot process requests that are received or postmarked after this date.
- Extending the contract, if necessary, and if the provisions of the contract allow for an extension.
- If the contract is extended, asking the applicant to file an FCC Form 500 to notify USAC of the extended contract expiration date. USAC will not pay for work performed after the contract expiration date on file.
- NOTE: An approved service delivery extension will automatically extend the invoice deadline. However, if you need additional time to invoice USAC, you or the applicant

can file an invoice deadline extension request. This request should be filed no later than 120 days after the last date to invoice.

4. **Other**

No items.

5. **General Questions Received by Email**

No questions received.

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.

Schools and Libraries Service Provider Conference Call – October 3, 2012

AGENDA

1. Funding Commitments for FY2012, FY2011, and FY2010
 2. FCC Form 498 Update
 3. Update on Fall Applicant Training
 4. Update on New FCC Form 470 Download Tool
 5. Invoicing Update
 6. FY2013 ESL Order
 7. Other – Next conference call is **November 14, 2012**
 8. General Questions Received by Email
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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
010	9/11/2012	\$27.9 M
011	9/18/2012	\$50.2 M
012	9/25/2012	\$48.8 M
013	10/2/2012	\$86.6 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
059	9/6/2012	\$ 3.1 M
060	9/12/2012	\$ 2.0 M
061	9/19/2012	\$ 5.0 M
062	9/26/2012	\$ 6.9 M
063	10/3/2012	\$27.2 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
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101	9/24/2012	\$ 0.7 M
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2. **FCC Form 498 Update**

Proposed revisions to the FCC Form 498 are now with the Office of Management and Budget. We expect a revised form to be available around November 1.

Some of the proposed revisions are:

- Service providers can designate an alternative bank account for BEAR payments.
- Service providers can cease participation in one or more USF programs without having to deactivate their current SPIN and request a new one.
- A service provider's FCC Registration Number must be linked to all affiliated SPINs.

3. **Update on Fall Applicant Training**

The applicant training in DC was very successful. If you are attending one of the other training sessions, be sure to print out the training materials in advance from the USAC website.

Although these training sessions cover information applicants will need for the coming application cycle, service providers are welcome to attend.

Note that some of the individual training session pages on the USAC website include alternate hotel information if the room block for the conference hotel is full.

If you registered for a session but are not able to attend, please email USAC to cancel your registration so that we can admit someone from the waiting list.

4. **Update on New FCC Form 470 Download Tool**

We are hard at work on the new FCC Form Download Tool we discussed on the August 1 call. The new tool should be available in the next several weeks. You will be able to search for FCC Forms 470 posted within a certain date range, for one or more states, one or more categories of service, and/or one or more types of applications. We intend to keep the old tool available for about a month to assist users with the transition.

5. Invoicing Update

Payments for the month of September totaled \$206,645,505.59 against requests for \$255.9M. In total, 15,548 invoices were processed for 1,698 service providers. This represented 41,104 lines in September with 96 percent being completed within 30 days.

There were 1,258 lines in process as of October 3.

Invoice rejections

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

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

Reminders

FCC Forms 486 for FY2012. Applicants should already be filing their FCC Forms 486 for FY2012. Although the earliest deadline for filing this form is November 7, 2012 (120 days after July 10, the date of the first FY2012 wave), and although USAC will issue reminder letters to applicants for forms that appear to be late, you can encourage your customers to file these forms promptly.

Invoice line item rejections. If an invoice line item has been rejected, you can find more detail about the reason for the rejection by referring to the list of Invoice Error Codes on this website. You can also Submit a Question (choose "Invoicing-General Inquiries" from the Topic Menu) or call the Client Service Bureau at 1-888-203-8100 for assistance.

Electronic payment information. USAC must make all payments by electronic transfer. If the banking information on your FCC Form 498 is invalid, we will hold payments until the information has been corrected. You can log in to the E-File System to review your information and make any necessary changes. If you don't know how to log in, call the USAC Operations Center at 1-888-641-8722 and choose the "FCC Form 498" option for assistance.

6. FY2013 ESL Order

The Eligible Services List for FY2013 has been released. The format of the list has changed, but there are no changes to eligibility of services.

NOTE: Starting with FY2013, applicants can post for Priority 1 services on their FCC Forms 470 in EITHER the Telecommunications Services or the Internet Access category of service. Service providers that provide Priority 1 services are advised to review postings in both categories of service from this point forward.

7. Other – Next conference call is November 14, 2012

USAC staff will be conducting the final applicant training in Los Angeles on November 7, the day our November call would normally be scheduled. Consequently, we are moving the date for November's call to the following Wednesday.

8. General Questions Received by Email

Q1. I have seen some literature from a manufacturer recently that described a "pass thru gateway" located on a customer premise as an eligible component of a P1 Interconnected VoIP solution. The gateway appeared to have call switching functionality in that when the gateway was disconnected from the connection to the carrier network the gateway switched a call made from a handset to an analog line. Can you please ask Eric (or a member of his team) to define the term "pass thru gateway." Also, can he describe how any gateway in any configuration located on a customer premise would be eligible for funding if it performs any call switching while disconnected from the carrier network? Thanks!!

A1. A gateway is a network device that acts as an entrance to another network. Gateways are often used to connect two otherwise incompatible networks. As they relate to interconnected VoIP solutions, gateways configured for fail-over capability are not eligible for E-rate discounts.

Q2. We received the following request from our applicant regarding our P1 telco/WAN network equipment: "Kindly provide the following information as needed for conducting program audits and meeting reporting and accountability requirements regarding funding and service delivery. (1) IP address of all radios and all core routers at the back bone and site locations (2) SNMP data (username, password) to gain read-only access to those devices." Certainly we want to be in compliance for audits and reporting, but this violates fundamental network security practices. We provide WAN utilization statistics monthly. Must we also provide our applicant with the IP addresses and login to our network equipment? Is this a common practice for large carriers such as AT&T to provide this network login information to their E-rate customers? Your guidance is much appreciated.

A2. USAC auditors do not customarily request this kind of information.

Q3. I have a client that applied for both P1 and P2 on the same 471 application for FY2011. On the 471 application they have applied for discount at 85%. Is there a timeline for final decisions on the cut off on P2 for FY2011?

A3. The review process takes longer for some applications than for others. In some cases, we don't need more information from the applicant but must perform other procedures before we can make a decision. You can always call the Client Service Bureau if you have a question about the status of a specific application.

Q4. Can you provide status on the electronic file notifications, i.e. 486 NL Timeline and recovery file plan. Thank you.

A4. Due to a computer glitch, service providers did not in some cases receive the same information as applicants on the Form 486 Notification Letters and electronic notifications (e-notifications) issued by USAC. On September 25, USAC sent emails to the affected applicants and service providers informing them that the Form 486 Notification Letters and e-notifications affected by this glitch would be reissued. The reissued e-notifications started going out September 26, and the re-issued letters were printed and mailed October 2. If you have questions, you can call the Client Service Bureau at 1-888-203-8100.

Q5. Assume prior to submitting a Form 470 the applicant seeks information from a variety of sources, including the service provider community. One service provider tells the applicant "Our system of switches and routers are ideal for you. They are cost effective, highly reliable, have an excellent warranty, and include automatic compression techniques for improved performance." If the applicant independently decides that warranty and reliability are important factors, are they precluded from including them in their bid evaluation criteria because that would be viewed as undue influence from a service provider?

A5. An applicant can decide independently which factors should be used to evaluate bids, as long as the price of the eligible products and services is weighted more heavily than any other single factor. However, a service provider should not coach or otherwise try to influence applicants to select specific evaluation criteria.

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.

Schools and Libraries Service Provider Conference Call – November 14, 2012

AGENDA

1. Funding Commitments for FY2012, FY2011, and FY2010
 2. FY2013 Filing Window
 3. Fall Applicant Training Completed
 4. Invoicing Update
 5. Other – Next conference call is **December 12, 2012**
 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
014	10/9/2012	\$60.8 M
015	10/16/2012	\$35.2 M
016	10/23/2012	\$25.1 M
017	10/30/2012	\$55.5 M
018	11/13/2012	\$50.3 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
064	10/10/2012	\$24.0 M
065	10/17/2012	\$ 4.7 M
066	10/24/2012	\$ 4.9 M
067	10/31/2012	\$11.4 M
068	11/7/2012	\$ 4.3 M
069	11/14/2012	\$19.3 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
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102	10/15/2012	\$ 3.2 M
103	11/15/2012	\$ 3.8 M

2. **FY2013 Filing Window**

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

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. **Fall Applicant Training Completed**

USAC held the last of the eight fall applicant training sessions in Los Angeles, California, on November 6. All eight sessions were well attended and well received.

We are still planning to hold two service provider trainings in May 2013. We will announce more details as soon as we have them.

4. **Invoicing Update**

Payments for the month of October totaled \$279,060,273.44 against requests for \$355.9 million. In total, 22,097 invoices were processed for 2,087 service providers. This represented 58,630 lines in October with 97 percent being completed within 30 days.

There were 2,423 lines in process as of November 13.

Invoice rejections

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

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

Reminder: 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.

5. Other – Next conference call is December 12, 2012

The next service provider call has been rescheduled for December 12, 2012. Going forward we expect to return to the first Wednesday of each month.

6. General Questions Received by Email

Q1. How can I determine the services for which an applicant location is eligible based on the entity number? My applicant has a location which we need to verify is eligible to receive Year 13-2010 internal connections services. The location has an entity number, but I don't know if it is for P1 services only or also covers P2 equipment installation for that funding year. Thank you.

A1. We are working out some issues with the View Two-in-Five status tool. When these issues are successfully addressed, you will be able to search by entity number(s), SPIN(s), FCC Form 471 application number(s), or FRN(s) to determine Two-in-Five status of individual entities.

Q2. Many service providers allow sales personnel discretion in what prices to offer customers. For example, management might inform salespeople that they can offer discounts that range from 10 to 20 percent on Gamma brand routers and switches. The higher the discount, the lower the employee commission, so each salesperson is able to offer the discount that they believe is appropriate for the situation. Although the discounts would benefit all customers, including E-rate applicants, is this pricing discretion a potential violation of the Lowest Corresponding Price rules?

A2. Questions relating to Lowest Corresponding Price should be addressed to the Federal Communications Commission. We expect to forward this specific question.

Q3. To increase market share, a service provider offers a 15% discount on its Gridiron PBX through all of 2012. USAC's training slides about Lowest Corresponding Price appear to indicate that this price must be honored for three years after this time. And then if that price is honored in 2013, it must be honored for three years after that. And so on. The slide indicates that this requirement is a "rebuttable presumption." How does a service provider obtain permission to raise its prices? Do USAC and the FCC have the legal authority to impose price controls on E-rate service providers?

A3. Questions relating to Lowest Corresponding Price should be addressed to the Federal Communications Commission. We expect to forward this specific question.

Q4. Is it possible to add an additional search criterion for SPIN Contact Search - by area code (phone)? Example 580%. In case a school would like to search for local or area vendors? Thanks.

A4. Thank you for your suggestion - we will review it and see what is possible within the existing system. Please keep in mind, though, that the area code of the service provider's E-rate contact person may not be helpful in determining the service provider's service area.

Q5. TWO OF FIVE RULE TOOL. It seems this tool is not updating. Is this based on FCDLs or FORM 486 filed? I have had several schools receive funding in 2011 but still shows pending funding approval. Or does this tool just need an update generated? Please advise.

A5. The status for an entity that appears in the View Two-in-Five Status tool is calculated using positive commitment(s) for that entity in funding years looking back and forward for five years. Commitments can occur through a Funding Commitment Decision Letter (original commitment) or a Revised Funding Commitment Decision Letter (successful appeal or FCC remand). As noted above, we hope to have the tool working correctly again shortly.

Q6. Should a reimbursement check be mailed to the attention of the "contact" person listed in Block 1 Item #4 of the Form 472? In some instances this person is the consultant for the entity and not employed at that entity (school).

A6. You should discuss this issue with your customer(s) and come to a mutually acceptable solution.

Q7. Can you please fix the error in the FORM 470 search tool for FY 2011-2012. According to client services: the website line - you have to remove the FY8 (in the web line) and hit enter. See attached screen prints. Can the programming dept - just fix this glitch?

A7. The work to correct this problem has been completed, but a related issue must be solved before we can put the fix in place. We hope to have this done shortly.

Q8. Will hurricane damage on the east coast - have any impact on funding waves and reviews? Please advise.

Q8. Application review, invoice review, and the issuance of funding waves were slowed but not stopped during the early part of the week when Superstorm Sandy hit. All of these activities have returned to normal.

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.

Schools and Libraries Service Provider Conference Call – December 12, 2012

AGENDA

1. Funding Commitments for FY2012, FY2011, and FY2010
 2. FY2013 Filing Window Open
 3. Revised FCC Form 498 Available
 4. New FCC Form 470 Download Tool Available
 5. Invoicing Update
 6. Other
 7. General Questions Received by Email
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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
019	11/29/2012	\$50.3 M
020	12/4/2012	\$15.9 M
021	12/11/2012	\$32.2 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
070	11/28/2012	\$14.2 M
071	12/5/2012	\$ 8.8 M
072	12/12/2012	\$15.1 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
104	12/5/2012	\$ 8.9 M
105	12/13/2012	\$27.6 M

2. **FY2013 Filing Window Open**

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.

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. **Revised FCC Form 498 Available**

Beginning November 26, 2012, all service providers must use the new FCC Form 498 when applying for a new SPIN (Service Provider Identification Number) or when making changes to contact or remittance information on an existing SPIN.

USAC has posted the new FCC Form 498 and instructions on its website. Forms from prior years will not be accepted; service providers who submit an outdated form will receive notice from USAC that the form could not be processed. E-File users will automatically see the newest version of the form upon log in, and their information will pre-populate.

Features of the new FCC Form 498 include:

- an additional field in Block 3 for a company's Federal Registration Number;
- a column for the Study Area Code Company Name in Block 8;
- the ability for a carrier to designate an alternate bank account for the payment of BEAR funds in Block 11;
- a box in Block 1 and a supplemental information sheet to allow respondents to include information about affiliates;
- an update to the Principal Communications Types in Block 14 to include additional business types as listed on the FCC Form 499-A;
- a box after every program on the form that will allow service providers to cease participation in the associated program without having to deactivate the entire SPIN.

USAC also has a training module on its website to help service providers understand the features of the new form. Service providers can get to it from our website by clicking on “Service Providers” on the USAC page, then “Trainings and Outreach,” then “Online Learning Library.” The training module is listed under “FCC Form 498.”

You can contact USAC Customer Operations at (888) 641-8722 with any questions about the new FCC Form 498.

4. New FCC Form 470 Download Tool Available

USAC has created a new tool to allow users to download information from FCC Forms 470 posted to the USAC website.

For now, you can access the new tool from the top of the main page of the old tool. You will be able to access the old tool until the close of the FY2013 application window, but note that the link on the Search Tools page may be redirected to the new tool before the window closes.

5. Invoicing Update

Payments for the month of November totaled \$125,818,809.84 against requests for \$166.1M. In total, 10,756 invoices were processed for 1,552 service providers. This represented 33,296 lines in November with 96 percent being completed within 30 days.

There were 1,410 lines in process as of December 10.

Invoice rejections

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

- Payments cannot be released due to an issue with the service provider’s FCC Form 498.
- The entire commitment amount was already paid.
- There is no FCC Form 486 on file.
- The invoice is or appears to be a duplicate.
- The billed date was later than the invoice date.

Invoice documentation

Service providers filing SPI Forms should be prepared to submit service certifications, customer bills, and other requested documentation. Since most schools will be on winter break, service providers should plan accordingly.

FY2013 SPAC Forms

Service providers can now file the FCC Form 473, Service Provider Annual Certification (SPAC) Form for FY2013. This form must be filed annually, and invoices will not be paid for a funding year if this form has not been filed. We suggest that you file the form now to avoid delays in processing FY2013 invoices.

Automatic invoice deadline extension for FY2011 recurring services

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.

Reduced payment processing schedule for late December and early January

Only one payment will be processed for the week of December 24 and for the week of December 31. For those weeks, payments will be processed on Thursday, December 27, 2012 and Thursday, January 3, 2013.

6. Other

No items.

7. General Questions Received by Email

Q1. I have submitted 6 corrective SPIN changes; dealing with AT&T - the person that submitted the FORM 471 incorrect SPIN because AT&T has multiple SPINS. The oldest request was submitted on 5/4/2012. Some requests were SPIN splits; which may take longer but 6 months is longer than expected. Please advise....if there is someone I can work with to clean up - so we can complete BEAR forms by the Jan deadline. Thank you.

A1. Starting with FY2011, the FCC established additional requirements for operational SPIN changes. This increased the processing time for these requests – in many cases, due to additional outreach USAC had to conduct to verify that the additional requirements had been met. Consequently, SPIN changes of all types took longer to process than usual.

The SPIN change backlog has since been cleared. If you have questions about a SPIN change in process, you can call the Client Service Bureau at (888) 203-8100 for more information.

Q2. On the March Service Provider call, USAC confirmed that service providers can offer technical assistance in the development of an applicant's technology plan "so long as that assistance can be interpreted as neutral." However the document stating this ("Proper Service Provider Assistance to Applicants") has been removed from the USAC website, and the November 9 News Brief states that "service providers should not...assist in the writing of a technology plan." Has there been a change in the long-standing policy that service providers can provide neutral program assistance to applicants? Why was the document removed from the USAC website?

A2. Thanks for the information. Some website guidance documents were not reformatted and migrated over to the new website before it went live in April 2012. We will check on the status of this particular document.

Note that the full text of the sentence in the original document was as follows:

Service providers may offer technical assistance on the development of a technology plan, so long as that assistance can be interpreted as neutral and in no way as having an undue influence on the applicant's ability to conduct a fair and open competition for the necessary technology, services, and products.

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.