Schools and Libraries Service Provider Webinar – November 11, 2015

AGENDA

1. Funding Commitments for FY2015 and FY2014
2. FCC Form 498 Renewal
3. Invoicing Update
4. Other
5. General Questions Received by Email

MINUTES

1. **Funding Commitments for FY2015 and FY2014**

   For FY2015, USAC is funding all approved requests at all discount levels. Here is a list of the regular funding waves issued since the last call:

Wave	FCDL Date	Amount
020	10/8/2015	$ 35.7 M
021	10/16/2015	$ 50.0 M
022	10/22/2015	$ 63.4 M
023	10/29/2015	$ 76.0 M
024	11/5/2015	$ 49.0 M

   For FY2014, USAC is funding approved Priority 1 (Telecommunications Services and Internet Access) requests at all discount levels and denying for cap all Priority 2 (Internal Connections and Basic Maintenance) requests. Here is a list of the regular funding waves issued since the last call:

Wave	FCDL Date	Amount
068	10/19/2015	$ 662 T
069	11/3/2015	$ 3.5 M

2. **FCC Form 498 Renewal**

   The revised FCC Form 498 is currently being reviewed by the Office of Management and Budget. This form is being revised so that applicants can provide banking information to USAC. Applicants who complete this form successfully will be able to receive direct (i.e., not through the service provider) BEAR payments starting July 1, 2016.

3. **Invoicing Update**

Payments for the month of October totaled $304,147,711.28 against requests for $394M. In total, 24,829 invoices were processed for 2,352 service providers. This represented 72,132 lines in October with 95 percent being completed within 30 days.

There were 3,605 lines in process as of November 11.

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.
- The invoice was submitted after the deadline.
- The invoice is or appears to be a duplicate.
- The service provider has not filed an FCC Form 473 for the appropriate funding year.

Invoice reminders

Invoice deadlines and invoice extensions for FY2014. The invoice deadline for FY2014 non-recurring services is January 28, 2016. You may request and receive a single 120-day extension of this deadline if you request the extension on or before January 28. However, we strongly encourage you to complete your invoicing as early as possible so that an extension is not necessary.

If your customers are filing Billed Entity Applicant Reimbursement (BEAR) FCC Forms 472 for FY2014 non-recurring services, you must approve those forms on or before the January 28 deadline for them to be considered as timely filed.

Service Provider Annual Certification (SPAC) FCC Form 473. Make sure you have filed a SPAC Form for FY2014 and FY2015 if you have provided services for those funding years. Remember that we must have a Service Provider Annual Certification (SPAC) Form 473 on file for a funding year before we can pay an invoice – BEAR or SPI – for that funding year. If you have not yet filed this form, please do so as soon as possible.

Direct BEAR payment process. The direct BEAR payment process– which is scheduled to start July 1, 2016 – will allow applicants to submit BEAR Forms to USAC and receive reimbursements directly from USAC without first being approved by or passed through

the service provider. As mentioned earlier, a revised version of the FCC Form 498 – one that allows both applicants and service providers to provide electronic banking information – has been sent to the Office of Management and Budget for approval.

- We expect that the applicant interface for the revised FCC Form 498 will be available in the E-rate Productivity Center (EPC) starting in January 2016. The FCC Form 498 must be completed by the applicant before USAC can remit BEAR payments directly to the applicant. (For now, service providers will continue to file the FCC Form 498 through the E-file System.)
- After the direct BEAR payment process is in place and functioning correctly, service providers will no longer be required to review and approve BEAR Forms. However, applicants may need service provider assistance in understanding which services on their customer bills are not eligible for discounts so that applicants do not seek reimbursement for those services on the BEAR Form.
- Applicants who want to receive discounted bills from their service providers will not be required to complete an FCC Form 498.

We will continue to provide information on the direct BEAR payment process as it becomes available.

4. **Other**

Please continue to use Submit a Question to submit questions for the service provider webinar. Questions that come to USAC through other means may not be located in time to be included in the agenda.

Also, questions about applicant issues are not included in the service provider webinar agenda unless the answers to those questions would be helpful or germane to service providers.

5. **General Questions Received by Email**

Q1. If an applicant is applying for the purchase of a router that pushes the Internet signal out to all of its buildings, including schools and non-instructional facilities (NIFs), does the purchase of that router require cost allocation on the FCC Form 471 for NIF usage?

A1. No, it does not.

Q2. Are Managed Internal Broadband Services contracts allowed to include buyout clauses for the applicant?

A2. We are taking this question under advisement and will provide an answer when we have additional guidance.

Q3. Will USAC be bringing over history into the new EPC system and how far back will it go?

A3. USAC is planning to bring over enough data from FCC Forms 470 for the last ten funding years to allow applicants to cite most establishing FCC Forms 470 on FY2016 and future funding requests. However, users may not be able to view these FCC Forms 470 in EPC.

Other relevant data from previous funding years will be brought over as needed.

Q4. Modulating Electronics for existing dark fiber are newly eligible for E-rate support as a Category One service. What option from the FCC Form 470 drop down menu should we select when posting? If we select either "Dark Fiber" or "Other," the system requires an RFP. Since service providers rarely read the Narrative section, selecting either of these options is misleading to service providers who search by category.

A4. Applicants should select "Other" and enter the necessary information in the Narrative section. We have consistently given service providers the guidance to search for these requests in this section. If the form requires an RFP, the applicant can attach a statement providing more detail on the modulating electronics that are being sought.

Q5. We have a building shared by two schools. One of the two schools has no Category Two (C2) budget left and the other one has $13K left for FY2016. If the school wanted equipment for the building that has budget money left, can the district apply for equipment there and pay out of pocket for the school with no C2 budget left? If so, how would the school indicate on the FCC Form 471 that the equipment is being shared between both buildings?

A5. Yes, the district can pay out of pocket for the school with no Category Two budget left. The FCC Form 471 funding request should include the following:

- The full cost of the equipment in the "Total One-time Cost" field.
- The amount paid out-of-pocket for the school with no Category Two budget in the "Total One-time Ineligible Cost" field.
- An explanation of the situation, including eligible and ineligible costs and how they are apportioned between the schools in the funding request Narrative section.

Q6. If an applicant is purchasing a cloud-based wireless controller and access points and has to pay an annual license fee for the access points, is this fee considered Internal Connections or it is Basic Maintenance? If the applicant signs a five-year agreement, can all funding be requested in the first year?

A6. USAC can pay for all five years of the "annual" license fee in the first year for wireless access points. However, basic maintenance or support licenses for wireless access points (e.g., break/fix or telephone-based support) are considered basic maintenance and eligible only one year at a time.

Q7. Can USAC include a check box for the preferred invoicing method - SPI or BEAR - on each FRN on the FCC Form 471 and 486?

A7. We will take a look at the feasibility of this request. In the past, these checkboxes were available on the FCC Form 470 to facilitate communication between applicants and potential service providers.

Q8. We are a service provider that has maintenance agreements with several schools. What, if any assistance or suggestions can we provide to our customers prior to the day they file an FCC Form 470?

A8. You can provide a summary of the work you have performed. You cannot provide specs or proposed language for an RFP or for entries on the FCC Form 470.

Q9. If an applicant has a pre-existing dark fiber multi-year contract that is effective in 2016, does the applicant have to put a request for lit fiber on an FY2016 FCC Form 470 and compare the bids received against the pre-existing dark fiber contract? Is there a requirement to do a 10-year cost comparison between dark and lit fiber?

A9. No, you do not have to perform a cost comparison for lit fiber if you have an existing dark-fiber contract.

Q10. Please explain why posting for both lit and dark fiber is not "duplicative in nature," as stated in a recent SL News Brief.

A10. It is a program requirement to demonstrate that, if a dark fiber service is chosen, it is more cost effective than a lit fiber service. The FCC Form 470 posting requirement is to provide evidence for the cost comparison.

An example of seeking services that are "duplicative in nature" is posting for two circuits, one for Internet traffic and a second as a backup circuit in case the main Internet access circuit fails.

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

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