



Schools & Libraries Committee

Briefing Book

Thursday, April 20, 2023

11:30 a.m. – 12:30 p.m. Eastern Time

Available for Public Use

USAC Offices

700 12th Street NW, Suite 900

Washington, D.C. 20005

**Universal Service Administrative Company
Schools & Libraries Committee
Quarterly Meeting
Agenda**

**Thursday, April 20, 2023
11:30 a.m. – 12:30 p.m. Eastern Time
USAC Offices
700 12th Street, N.W., Suite 900
Washington, D.C. 20005**

<u>OPEN SESSION</u>		<i>Estimated Duration in Minutes</i>
Chair	a1. Consent Items (each available for discussion upon request): A. Approval of Schools & Libraries Committee Meeting Minutes of January 30, 2023 B. Approval of moving all <i>Executive Session</i> items into <i>Executive Session</i>	5
Craig	a2. Approval of Schools and Libraries Support Mechanism 3 rd Quarter 2023 Programmatic Budget and Demand Projection for the May 2, 2023 FCC Filing	5
Teleshia	i1. Information on One USAC Audit and Assurance Division Schools and Libraries Support Mechanism Beneficiary Audit Report <i>(For Information Only)</i>	–
Craig	i2. E-Rate Business Update <ul style="list-style-type: none"> • 2023Q1 Accomplishments • Funding Year 2023 Filing Window Overview • Fiber Trends • Plans for 2023Q2 • Roadmap • Appendix: Metrics 	20

<u>EXECUTIVE SESSION</u> Confidential – Executive Session Recommended		<i>Estimated Duration in Minutes</i>
Craig Kyle	i3. E-Rate Business Update (Continued) <ul style="list-style-type: none"> • E-Rate Legacy System Consolidation Update 	20

Next Scheduled USAC Schools & Libraries Committee Meeting

**Monday, July 24, 2023
USAC Offices, Washington, D.C.**

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Universal Service Administrative Company
Schools & Libraries Committee Meeting

ACTION ITEM

Consent Items

Action Requested

The Schools & Libraries Committee (Committee) of the USAC Board of Directors (Board) is requested to approve the consent items listed below.

Discussion

The Committee is requested to approve the following items using the consent resolution below:

- A. Approval of Committee meeting minutes of January 30, 2023 (*see Attachment A-1*).
- B. Approval of moving all *Executive Session* items into *Executive Session*:
 - (1) **i3** – E-Rate Business Update (*Continued*). USAC management recommends that this item be discussed in *Executive Session* because it may involve discussion of *specific internal controls or confidential company data* or *internal rules and procedures* concerning the administration of the universal service support mechanisms, where discussion of the matter in open session would result in *disclosure of confidential techniques and procedures* that would compromise program integrity.

Upon request of a Committee member, any one or more of the above items are available for discussion by the Committee.

Recommended USAC Schools & Libraries Committee Action

APPROVAL OF THE FOLLOWING RESOLUTION:

RESOLVED, that the Schools & Libraries Committee of the USAC Board of Directors hereby approves: (1) the Committee meeting minutes of January 30, 2023; and (2) discussion in *Executive Session* of the items noted above.

UNIVERSAL SERVICE ADMINISTRATIVE COMPANY
700 12th Street, N.W., Suite 900
Washington, D.C. 20005

SCHOOLS & LIBRARIES COMMITTEE MEETING
Monday, January 30, 2023

(DRAFT) MINUTES¹

The quarterly meeting of the Schools & Libraries Committee (Committee) of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Monday, January 30, 2023. Per the request of Dr. Dan Domenech, Committee Chair, Julie Tritt Schell, Committee Vice Chair, chaired the meeting. Ms. Schell called the meeting to order at 12:30 p.m. Eastern Time, with a quorum of eight of nine Committee members present (there is one vacancy):

Buzacott, Alan	Mason, Ken
Domenech, Dr. Dan – Chair – <i>by telephone</i>	Schell, Julie Tritt – Vice Chair
Fontana, Brent – <i>by telephone</i>	Sekar, Radha – Chief Executive Officer
Gregory, Amber	Wade, Dr. Joan

Other Board members and officers of the corporation present:

Beyerhelm, Chris – Chief Administrative Officer– *by telephone*
Butler, Stephen – Vice President of Shared Services
Chalk, Indra – Member of the Board
Davis, Craig – Vice President of Schools and Libraries
Delmar, Teleshia – Vice President of Audit and Assurance
Feiss, Geoff – Member of the Board
Freeman, Sarah – Member of the Board *by telephone*
Garber, Michelle – Vice President of Finance and Chief Financial Officer – *by telephone*
Gaither, Victor – Vice President of High Cost – *by telephone*
Gillan, Joe – Member of the Board
Hutchinson, Kyle – Vice President of IT and Chief Information Officer
Sanquist, Christine – Member of the Board
Skrivan, Michael – Member of the Board
Sweeney, Mark – Vice President of Rural Health Care
Waller, Jeff – Member of the Board – *by telephone*

¹ Draft resolutions were presented to the Committee prior to the Committee meeting. Where appropriate, non-substantive changes have been made to the resolutions set forth herein to clarify language, where necessary, or to correct grammatical or spelling errors.

Wein, Olivia – Member of the Board
Wibberly, Dr. Kathy – Member of the Board
Williams, Erin – Vice President, General Counsel, and Assistant Secretary

Others present:

<u>NAME</u>	<u>COMPANY</u>
Benham, Cathy – <i>by telephone</i>	CSM.
Braxton, Carolyn	USAC
Case, Kevin – <i>by telephone</i>	USAC
Claxton, Naomi	USAC
Glisson, Connor – <i>by telephone</i>	USAC
Goode, Vernell	USAC
Havivi, Daniel – <i>by telephone</i>	USAC
Kriete, Debra – <i>by telephone</i>	South Dakota Department of Education
LeNard, David – <i>by telephone</i>	CDW-G
Little, Chris – <i>by telephone</i>	USAC
Morgan, Meredith – <i>by telephone</i>	USAC
Parsons, Laura – <i>by telephone</i>	Maximus
Phillippi, Megan	USAC
Rones, Julie	USAC
Rovetto, Ed	USAC
Schrader, Theresa – <i>by telephone</i>	Broadband Legal Strategies, LLC
Spade, Gina – <i>by telephone</i>	Broadband Legal Strategies, LLC
Tiwari, Tanya – <i>by telephone</i>	Morgan Lewis
Wilson, Carl – <i>by telephone</i>	USAC

OPEN SESSION

All materials from *Open Session* can be found on the [USAC website](#).

- a1. Consent Items.** Ms. Schell presented this item for consideration.
- A.** Approval of Committee meeting minutes of October 24, 2022.
 - B.** Approval of moving all *Executive Session* items into *Executive Session*:
 - (1) **i3** – E-rate Business Update (*Continued, if needed*). USAC management recommended that this item be discussed in *Executive Session* because it may relate to *specific internal controls or confidential company data* and *internal rules and procedures* concerning the administration of the universal service support mechanisms, where discussion of the matter in open session would result in *disclosure of confidential techniques and procedures* that would compromise program integrity.

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- (2) **a4** – Approval of Schools and Libraries Support Mechanism 2023 Annual Programmatic Budget. USAC management recommended that this item be discussed in *Executive Session* because this matter relates to USAC’s *procurement strategy and contract administration*.

On a motion duly made and seconded, and after discussion, the Committee adopted the following resolution:

RESOLVED, that the Schools & Libraries Committee of the USAC Board of Directors hereby approves: (1) the Committee meeting minutes of October 24, 2022; and (2) discussion in *Executive Session* of the items noted above.

- a2. Recommendation for Election of Committee Chair and Vice Chair.** Ms. Schell introduced Dr. Wade. As Chair of the Nominating Committee, Dr. Wade reported on the election recommendations for the Schools and Libraries Committee.

On a motion duly made and seconded, and after discussion, the Committee adopted the following resolution:

RESOLVED, that the USAC Schools and Libraries Committee recommends that the USAC Board of Directors elect **Dr. Dan Domenech** as Chair and **Julie Tritt Schell** as Vice Chair of the Committee. The term for each position begins immediately upon the election to such position by the Board and ends at such time as the Chair or Vice Chair (as the case may be): (i) is replaced by a successor selected by the Board, (ii) resigns from the Committee or the Board, (iii) is removed by resolution of the Board, or (iv) is no longer a member of the Board (whichever comes first).

- a3. Approval of Schools and Libraries Support Mechanism 2nd Quarter 2022 Programmatic Budget and Demand Projection for the January 31, 2023 Federal Communications Commission (FCC) Filing.** Mr. Davis presented this item for consideration. The presentation included a written report on USAC management’s recommendations for the Schools and Libraries Support Mechanism 2nd Quarter 2023 programmatic budget and demand projection for the January 31, 2023 FCC Filing.

On a motion duly made and seconded, and after discussion, the Committee adopted the following resolutions:

RESOLVED, that the USAC Schools & Libraries Committee approves a 2nd Quarter 2023 Schools and Libraries Support Mechanism direct program budget of \$12.80 million; and

RESOLVED FURTHER, that the USAC Schools & Libraries Committee directs USAC staff to submit a collection requirement of \$12.80 million for Schools and Libraries Support Mechanism administrative costs in the required January 31, 2023 filing to the Federal Communications Commission on behalf of the Committee; and

RESOLVED FURTHER, that the USAC Schools & Libraries Committee, having reviewed at its meeting on January 30, 2023 the 2nd Quarter 2023 Schools and Libraries Support Mechanism demand estimate of \$609.15 million, hereby directs USAC staff to proceed with the required January 31, 2023 filing to the Federal Communications Commission on behalf of the Committee. USAC staff may make adjustments if the total variance for the Schools and Libraries Support Mechanism is equal to or less than \$10 million, or may seek approval from the Committee Chair to make adjustments if the total variance is greater than \$10 million, but not more than \$15 million.

- i1. **Information on Two USAC Audit and Assurance Division Schools and Libraries Support Mechanism Beneficiary Audit Reports.** This item was provided for *information purposes only*. Ms. Schell noted that the Schools and Libraries Audit Briefing Book would be made public and posted to the USAC website.
- i2. **E-Rate Business Update.** Mr. Davis presented PowerPoint slides to the Committee covering the following items:
 - 2022 Year in Review
 - Funding Year 2023 Window
 - Plans for Next Quarter
 - Roadmap

At 1:12 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved into ***Executive Session*** for the purpose of discussing confidential items. Only members of the Board and USAC staff were present.

EXECUTIVE SESSION

- i3. **E-Rate Business Update (Continued).** Mr. Hutchinson presented PowerPoint slides to the Committee for discussion covering the following topic:
 - E-Rate Legacy System Consolidation
- a4. **Approval of Schools and Libraries Support Mechanism 2023 Annual Programmatic Budget.** Mr. Davis presented this item to the Committee for consideration. The presentation included a written report on the Schools and Libraries Support Mechanism annual budget.

On a motion duly made and seconded, and after discussion, the Committee adopted the following resolution:

RESOLVED, that the Schools and Libraries Committee approves a 2023 annual programmatic budget for the Schools and Libraries Support Mechanism of \$40.58 million.

OPEN SESSION

At 1:27 p.m. Eastern Time, the Committee moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Ms. Schell reported that, in *Executive Session*, the Committee discussed item i3 and took action on item a4.

On a motion duly made and seconded, the Committee adjourned at 1:28 p.m. Eastern Time.

/s/ Erin Williams
Assistant Secretary

**Universal Service Administrative Company
Schools & Libraries Committee Meeting**

ACTION ITEM

**Approval of Schools and Libraries Support Mechanism
3rd Quarter 2023 Programmatic Budget and
Demand Projection for May 2, 2023, FCC Filing**

Action Requested

The Schools & Libraries Committee (Committee) of the USAC Board of Directors (Board) is requested to approve the 3rd Quarter 2023 (3Q2023) programmatic budget and demand projection for the Schools and Libraries Support Mechanism for submission to the Federal Communications Commission (FCC) in USAC's May 2, 2023, quarterly filing.

Discussion

On a quarterly basis, USAC is required to submit to the FCC each program's budget¹ and projected demand for the upcoming quarter.²

Funding Requirement

USAC estimates the 3Q2023 funding requirement for the Schools and Libraries Support Mechanism as follows:

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¹ See 47 C.F.R. § 54.715(c).

² See 47 C.F.R. § 54.709(a)(3).

Table A. Program Funding Requirement

<i>(in millions)</i>	2Q2023	Increase/ (Decrease)	3Q2023	Notes
Steady State:				
Program Funding Requirement	\$593.30	(\$65.20)	\$528.10	See Note 1 and Table B
New Requirements:				
N/A	0.00	0.00	0.00	
Total Program Funding Requirement	\$593.30	(\$65.20)	\$528.10	
Prior Period Adjustments (difference between projections and actuals):				
Billings	(\$1.39)	6.59	5.20	
Interest Income	(0.03)	0.01	(0.02)	
Bad Debt Expense	(5.89)	(0.22)	(6.11)	
Total Prior Period Adjustments	(\$7.31)	\$6.38	(\$0.93)	
USAC Administrative Expenses	\$23.16	(\$3.50)	\$19.66	See Table C
Total Funding Requirement	\$609.15	(\$62.32)	\$546.83	

Note 1: The Program Funding Requirement represents one quarter of the total funding requirement for Funding Year 2023 of \$2,712.39 million, less \$600.00 million carried forward to meet demand for Funding Year 2023. See Table B below for additional detail.

Note 2: Table B is an annual schedule that is updated once a year for the April Board meeting.

Table B. Funding Year 2023 Program Funding Requirement and Roll Forward

<i>(in millions)</i>	Fund Year 2023
Total Requested (In Window)	\$2,944.01
Decrease for Denials/Cancellations (based on 5 yr average)	(319.58)
Increase for Out of Window Apps (based on 5 yr average)	87.96
Estimated Demand	\$2,712.39
Less Roll Forward	
Available Funds from Prior Fund Year	\$2,958.49
Disbursements	(\$2,171.18)
Reserved Funds, Net Change	
a. Pending Applications to Process	\$358.42
b. Unliquidated Obligations (ULOs)	(\$561.52)
c. Appeals Reserve - USAC Appeals	\$10.89
d. Appeals Reserve - FCC Appeals	(\$1.57)
e. Unpaid Invoices	\$6.47
Total Roll Forward	\$600.00
Funding Year 2023 Collection Requirement	\$2,112.39

Based on the projected burn rate, USAC estimates the following 3Q2023 programmatic budget:

Table C. Quarterly Programmatic Budget

<i>(in millions)</i>	2Q2023 Budget	Increase/ (Decrease)	3Q2023 Budget	Notes
Direct Program Costs				
Employee Expenses	\$2.01	(\$0.01)	\$2.00	
Professional Services	7.05	(3.17)	3.88	
General & Administrative	0.00	0.00	0.00	See Note 3
Total Direct Program Costs	\$9.06	(\$3.18)	\$5.88	
Direct Assigned Costs				
Employee Expenses	\$0.73	\$0.00	\$0.73	
Professional Services	2.35	(0.01)	2.34	
General & Administrative	0.66	0.00	0.66	See Note 3
Total Direct Assigned Costs	\$3.74	(\$0.01)	\$3.73	
Total Direct Program & Direct Assigned Costs	\$12.80	(\$3.19)	\$9.61	
Common Allocated Costs	\$10.36	(\$0.31)	\$10.05	
Total Programmatic Budget	\$23.16	(\$3.50)	\$19.66	

Note 3: General & Administrative expenses include computer support & maintenance and meetings & conferences.

A comparison of actual expenditures to the budget for the three months ending March 31, 2023, is provided in **Attachment 1**.

Recommendation

USAC management recommends that the Committee approve the 3Q2023 budget and projection of demand as proposed.

Recommended Schools & Libraries Committee Actions

APPROVAL OF THE FOLLOWING RESOLUTIONS:

RESOLVED, that the USAC Schools & Libraries Committee approves a 3rd Quarter 2023 Schools and Libraries Support Mechanism direct program budget of \$9.61 million and

RESOLVED FURTHER, that the USAC Schools & Libraries Committee directs USAC staff to submit a collection requirement of \$9.61 million for Schools and Libraries Support Mechanism administrative costs in the required May 2, 2023 filing to the Federal Communications Commission on behalf of the Committee; and

RESOLVED FURTHER, that the USAC Schools & Libraries Committee, having reviewed at its meeting on April 20, 2023 the 3rd Quarter 2023 Schools and Libraries Support Mechanism demand estimate of \$546.83 million, hereby directs USAC staff to proceed with the required May 2, 2023 filing to the Federal Communications Commission on behalf of the Committee. USAC staff may make adjustments if the total variance for the Schools and Libraries Support Mechanism is equal to or less than \$10 million, or may seek approval from the Committee Chair to make adjustments if the total variance is greater than \$10 million, but not more than \$25 million.

ATTACHMENT 1

Schools and Libraries Administrative Costs and Headcount
Comparison of Actual Expenditures and Headcount to the Budget for the
Three Months Ending March 31, 2023

<i>(\$ in millions)</i>	FTE Actual	FTE Budget	FTE Variance	YTD Actual	YTD Budget	Variance
Direct Program Costs						
Employee Expenses	60	63	3	\$1.97	\$2.01	\$0.04
Professional Services (Note 4)				2.72	3.16	0.44
General & Administrative (Note 5)				0.00	0.00	0.00
Total Direct Program Costs				\$4.69	\$5.17	\$0.48
Direct Assigned Costs						
Employee Expenses	19	17	(2)	\$0.73	\$0.73	\$0.00
Professional Services (Note 4)				2.18	2.34	0.16
General & Administrative (Note 5)				0.69	0.66	(0.03)
Total Direct Assigned Costs				\$3.60	\$3.73	\$0.13
Total Direct Program & Direct Assigned Costs	79	80	1	\$8.29	\$8.90	\$0.61
Common Allocated Costs (Note 6)				\$8.78	\$10.22	\$1.44
Total Programmatic Budget				\$17.07	\$19.12	\$2.05

Note 4: Direct Program Professional Services include business process outsourcing (BPO) and Project Management Office (PMO) contracts. Direct Assigned Professional Services include E-Rate Productivity Center (EPC) operations & maintenance, beneficiary & contributor audit program audits, and IT contract labor.

Note 5: General & Administrative expenses include computer support & maintenance, printing & postage, and meetings & conferences.

Note 6: Common costs include costs not directly attributable to a program and are allocated based on the Cost Allocation Methodology, which allocates costs based 50% on direct program costs in the prior year and 50% on program demand in the prior year. Actual common allocated costs reflect a reduction for costs allocated to the appropriated programs.

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Schools and Libraries Committee

E-Rate Business Update

Open Session

April 20, 2023



Agenda

- Accomplishments
- Funding Year (FY) 2023 Filing Window Overview
- Fiber Trends
- Plans for Next Quarter
- Roadmap
- Appendix A: Program Metrics
- Appendix B: Glossary of Terms

Accomplishments

- Successfully closed the FY2023 application filing window on March 28 (opened January 18, 2023).
 - 34,430 applications received.
 - \$2,944 million (\$2.944 billion) requested.

Application Type	FY2022 Received	FY2022 Dollars Requested (millions)	FY2023 Received	FY2023 Dollars Requested (millions)
C1 Applications	22,602	\$1,642	22,603	\$1,658
C2 Applications	12,247	\$1,511	11,827	\$1,286
Fiber Applications	976	\$214	1,086	\$303.4
Consortia Applications	1,596	\$364	1,619	\$396

Accomplishments

- Training and Outreach
 - USAC conducted four online “office hours” webinars for FY2023 in 1Q2023, covering eligible services, competitive bidding, service provider selection, and the FCC Form 471. The webinars were targeted to attendees ranging from beginners to experienced participants and allows participants to ask E-Rate subject matter experts questions.
 - USAC sent four E-Rate News Briefs in 1Q2023 including a special edition for the opening of the FCC Form 471 application filing window to inform applicants and service providers of the latest information about eligible services, filing deadlines, and how to apply.
- Authorized disbursements of \$535.6 million for all funding years in 1Q2023 compared with \$504.5 million in 1Q2022.
 - Average days to process invoice lines increased by 3.8 percent, from 20.9 days in 2022 to 21.7 days in 1Q2023.

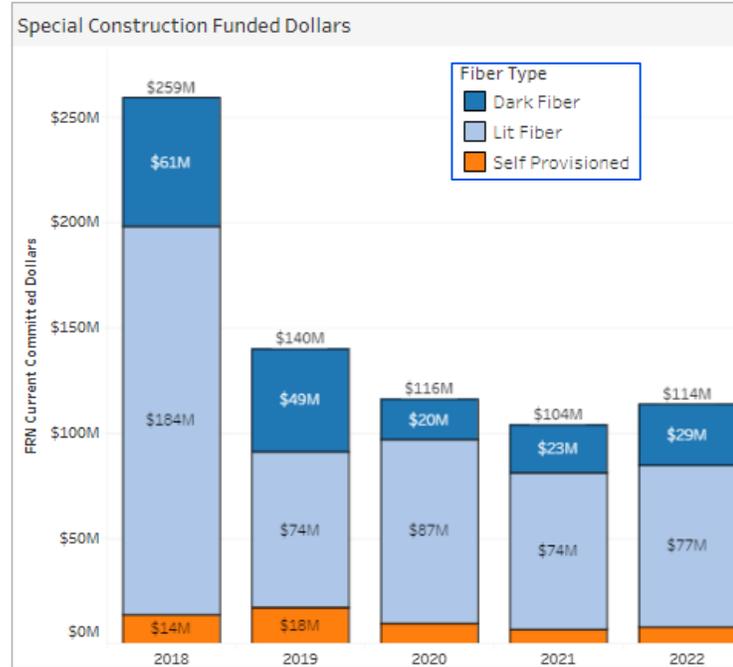
Funding Year (FY) 2023 Filing Window Overview

- Requested dollars decreased by 6.7% compared to FY2022 at window close.
 - Category One (C1) requests and dollars requested remained steady.
 - FY2023 – 22,603 requests for \$1.66 billion
 - FY2022 – 22,602 requests for \$1.64 billion
 - Category Two (C2) requests fell by 3.4%, and demand decreased by 14.9%.
 - Several large states requested less funding in year three of the five-year C2 budget cycle (e.g., CA -43%; FL -45%).
- Median cost for 1 Gbps service fell by 12.6% from \$1.35 per megabit in FY2022 compared with \$1.18 per megabit in FY2023.

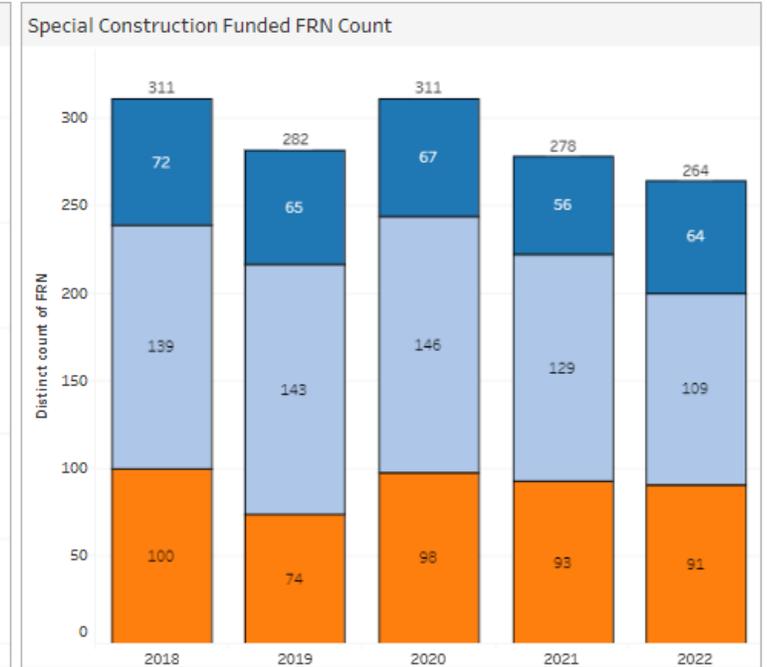
	FY2022	FY2023	% Change
Requested Dollars (billions)	\$ 3.15	\$ 2.94	-6.7%
Applications Submitted	34,849	34,430	-1.2%
Funding Requests	54,491	53,027	-2.7%
Billed Entities	20,884	20,931	0.2%
Recipients of Service	131,662	131,851	0.14%

Fiber Trends

- Fiber-funded dollars have remained steady over the past four funding years (\$119 million average per year).
 - Dark fiber – Avg. 24% of funded dollars.
 - Lit fiber – Avg. 68% of funded dollars.
 - Self-provisioned fiber – Avg. 8% of funded dollars.
- Cost per megabit per month declined 66% over five years.

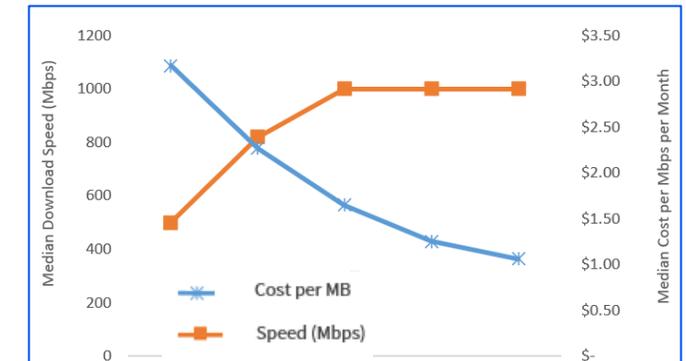


Fiber Type	2018	2019	2020	2021	2022
Dark Fiber	\$61M	\$49M	\$20M	\$23M	\$29M
Lit Fiber	\$184M	\$74M	\$87M	\$74M	\$77M
Self Provisioned	\$14M	\$18M	\$10M	\$7M	\$8M
Grand Total	\$259M	\$140M	\$116M	\$104M	\$114M



Fiber Type	2018	2019	2020	2021	2022
Dark Fiber	72	65	67	56	64
Lit Fiber	139	143	146	129	109
Self Provisioned	100	74	98	93	91
Grand Total	311	282	311	278	264

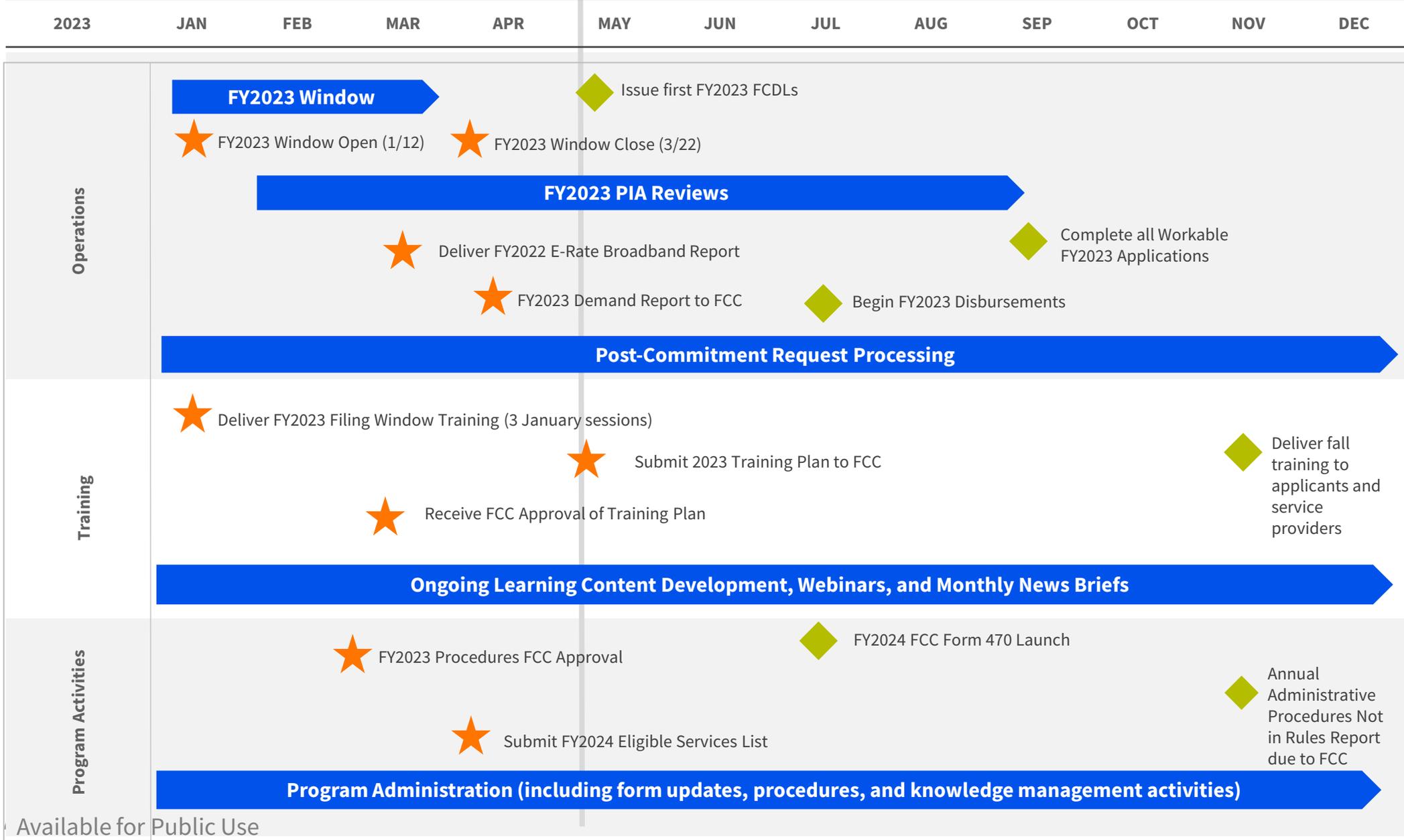
Funding Year	2018	2019	2020	2021	2022
Median Cost per Mbps per Month	\$ 3.17	\$ 2.27	\$ 1.65	\$ 1.25	\$ 1.06
Median Download Speed (Mbps)	500	820	1,000	1,000	1,000



Plans for Next Quarter

- Execute SL Legacy System Consolidation project plan to successfully manage invoicing in EPC in 2023.
- Continue processing prior-year applications, appeals, commitment adjustments, and other program transactions.
- Continue to drive down processing holds and aged customer service cases with focused effort to collaborate across teams.
- 2Q2023 Training
 - Deliver targeted outreach and training on the SL Legacy System Consolidation status, key dates, training opportunities, and resources needed to inform all stakeholders.
 - Deliver E-Rate training sessions including Service Provider Selection and the FCC Form 471, Competitive Bidding (FCC Form 470), and the FY2023 Eligible Services List, among others.

Roadmap



Milestone Legend

- At Risk
- On Track
- Completed

Appendix A: Program Metrics

E-Rate Pre-Commitment (Data through March 31, 2023)

		Q1	Q2	Q3	Q4	Total	
Requested	2023	Demand	34,430				34,430
		Requested Dollars	\$2,944,006,26				\$2,944,006,26
		Avg. Days Outstanding					
	2022	Demand	35,191	571	2	2	35,766
		Requested Dollars	\$3,169,497,779	\$40,847,13	\$38,390	\$289,164	\$3,210,672,468
		Avg. Days Outstanding	394	352	223	148	393
Committed	2022	Reviewed Apps.	32,534	1,966	873	35,373	
		Reviewed Dollars		\$2,062,972,599	\$668,813,140	\$331,705,640	\$3,063,491,37

Appendix A: Program Metrics (Continued)

E-Rate Post-Commitment (Data through March 31, 2023)

			Q1	Q2	Q3	Q4	Total
Submitted	2023	Invoice Counts	67,494	41			67,535
		Invoice Dollars	\$630,160,061	\$101,983			\$630,262,044
	2022	Invoice Counts	72,512	68,731	75,274	65,071	281,588
		Invoice Dollars	\$603,170,262	\$506,042,308	\$730,788,764	\$618,965,548	\$2,458,966,882
Disbursed	2023	Invoice Counts	61,869				61,869
		Invoice Dollars	\$445,813,984				\$445,813,984
	2022	Invoice Counts	71,398	67,240	70,459	71,497	280,594
		Invoice Dollars	\$532,816,948	\$423,482,897	\$556,230,088	\$578,626,632	\$2,091,156,565

Appendix B: Glossary of Terms

Term	Definition
BEAR	Billed Entity Applicant Reimbursement (FCC Form 472)
BMIC	Basic Maintenance of Internal Connections
BPO	Business Process Outsourcing
C1	Category One services (Data transmission and Internet access services)
C2	Category Two services (Internal connections, BMIC, MIBS)
EPC	E-Rate Productivity Center
FCDL	Funding Commitment Decision Letter
FRN	Funding Request Number

Appendix B: Glossary of Terms (Continued)

Term	Definition
FY	Funding Year
IC	Internal Connections
MIBS	Managed Internet Broadband Services
SPAC	Service Provider Annual Certification (FCC Form 473)
SPI	Service Provider Invoice (FCC Form 474)
SPIN	Service Provider Identification Number
UAT	User Acceptance Testing



**Universal Service
Administrative Co.**