

## E-rate Program

### Introduction to E-rate for FY 2014

May 8, 2014 – Tampa  
May 13, 2014 - Los Angeles

The presentations below for the May 2014 service provider training sessions are about the current E-rate Program and are relevant to FY2014. The Federal Communications Commission is considering a major modernization to the program which could affect the program rules, procedures, process, and forms.

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## FY 2014 Overview

- Common questions about E-rate
- File an FCC Form 498/SPIN and general contact information
- Technology plans for P2 services
- Competitive bidding process - applicants post an FCC Form 470
- Applicants file an FCC Form 471/request services
- File an FCC Form 473/annual certification
- Application review/ funding commitments
- Services start – applicants file an FCC Form 486
- Invoice USAC – FCC Form 472 or FCC Form 474

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## Common Questions

- What is a funding year?
  - A funding year (FY) runs from July 1 to the following June 30.
    - FY2014 runs from July 1, 2014 to June 30, 2015.
  - Recurring services (e.g., monthly telephone services and Internet) must be delivered by June 30.
  - Non-recurring services (e.g., equipment and installations) must be delivered and installed by the September 30 following the funding year, and this deadline can be extended.

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## Common Questions

- Who can apply?
  - Eligible schools and school districts
  - Eligible libraries and library consortia
  - Consortia of eligible entities (e.g., regional consortia, statewide networks)

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## Common Questions

- How much money is available?
  - \$2.25 billion funding cap for each funding year, indexed to inflation starting with FY 2010.
    - Over \$2.41 billion available for FY 2014 after indexing.
  - FCC can roll over unused funds from prior funding years.

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## Common Questions

- What services are eligible for FY 2014?
  - Priority one (P1) – funded first
    - Telecommunications services
    - Telecommunications
    - Internet Access
  - Priority two (P2) – funding starts with neediest applicants (90% discount level first, then 89%, etc.)
    - Internal connections
    - Basic maintenance of internal connections (BMIC)

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## Common Questions

- How large are the discounts?
  - Discounts range from 20 – 90% of the cost of eligible services
  - Discounts are based on:
    - Percentage of students eligible for the National School Lunch Program (NSLP) and
    - Urban or rural status of entity

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## Common Questions

- How long should records be retained?
  - Keep all records pertaining to the application process for at least five years after the last date to receive service.
  - Some examples of documents to retain:
    - Contracts
    - Copies of filed FCC forms, letters and other communications from USAC
    - Customer bills/bill information
    - Filed requests (e.g., appeals, service substitutions, global SPIN changes)

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## Request/Update SPIN

- [FCC Form 498](#) – Service Provider Identification Number (SPIN) and General Contact Information Form
  - Original must be filed on paper.
  - Revisions can be done online.
    - Can be submitted by company officer or general contact
    - Must be certified by company officer
  - Helpline: 1-888-641-8722

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## Request/Update SPIN

- Why is an FCC Form 498 important to you?
  - Establishes user IDs and passwords for online updates, submissions, access, etc.
    - Company officer and general contact can set up additional users and their level of access.
  - Populates [SPIN Contact Search](#) database that applicants use to contact you and find your SPIN.
  - Provides electronic remittance information USAC uses to pay invoices.

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## Request/Update SPIN




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## Eligible Services List

- [Eligible Services List \(ESL\)](#) process
  - USAC sends draft ESL to FCC each year.
  - FCC issues a Public Notice with draft ESL.
    - Comment period
    - Reply comment period
  - FCC reviews comments and reply comments.
  - FCC issues a final list for the upcoming funding year (no changes made to the ESL during the funding year).

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## Eligible Services List

- Why is the ESL process important to you?
  - Descriptions of eligible services are set for the funding year once the final ESL is issued.
  - You have an opportunity to provide input in advance of the final ESL.
  - Suggesting replacement or additional language that is considered and/or adopted may help both you and your customers with eligible service determinations.

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## Applicant Technology Plans

- Why is applicant technology planning important to you?
  - P2 services must be covered by approved technology plans written by applicants.
    - Funding may be denied or forms rejected if the applicant does not meet the technology plan requirements.
  - Denials or rejections may occur:
    - during the review of an application or an invoice
    - as a result of an audit

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## Applicant Technology Plans

- If applicants ask you for assistance in writing a technology plan or for advice:
  - Refer them to existing sources of information
    - USAC website
    - State department of education or state library
    - Public websites
    - Other applicants

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## Competitive Bidding

- Applicants post an FCC Form 470 and may issue an RFP to open a competitive bidding process.
  - Process must be open and fair.
  - Applicants must wait at least 28 days after the later of the FCC Form 470 or RFP posting before selecting a service provider, signing a contract (if applicable), and filing the [FCC Form 471](#).
  - Applicant must choose the most cost-effective solution with the price of the eligible products and services as the primary factor in the evaluation.

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## Competitive Bidding

- Service providers can:
  - Review posted FCC Forms 470 and/or download summary information.
  - Respond to FCC Forms 470/RFPs.
  - Review and follow applicant requirements and local and state procurement rules.
    - Pay attention to any specific requirements, including reasons for bid disqualification.

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## Competitive Bidding

- Service providers **MUST NOT**:
  - Prepare, sign, post or file an FCC Form 470.
  - Design the evaluation process.
  - Participate in the review/evaluation of bids.
  - Provide free services, kickbacks, gifts, or other inducements to ensure bid selection.
  - Bundle eligible and ineligible costs to hide the ineligible costs.

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## Competitive Bidding – Tips

- Do not assist or help the applicant in any way during the competitive bidding process.
  - This prohibition includes providing clerical or data entry assistance.
- If applicants ask you for assistance:
  - Refer them to existing sources of information.

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## FCC Form 471 (Applicants)

- After applicants choose a service provider, they file the FCC Form 471.
- Application filing window
  - A period of about 75 days when FCC Forms 471 are filed for the upcoming funding year.
- Each chosen service provider can assist the applicant with completing much of the information required for the FCC Form 471.

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## FCC Form 471 (Applicants)

- The applicant and each service provider featured on a funding request on the FCC Form 471 will receive a copy of the [Receipt Acknowledgment Letter \(RAL\)](#), which summarizes the information on the form.
  - The applicant can use the RAL to make corrections to the FCC Form 471.
  - Service providers can review the RAL and notify the applicant of any incorrect information.

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## Item 21 Attachments

- Service providers can assist applicants with the FCC Form 471, especially with the description of services filed with the form (the Item 21 Attachment).
- This assistance can include information on:
  - Cost allocations
  - Equipment locations
  - Product and service descriptions
  - Schedule of installations
  - Network diagrams

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## FCC Form 471 – Tips

- Keep your FCC Form 498 contact information updated.
- Offer assistance to applicants with product and service descriptions as part of the FCC Form 471 application process.
- Ask for a copy of the final Item 21 Attachment submitted to USAC.
- Applicants choose the invoicing method – [FCC Form 474 \(SPI\)](#) or [FCC Form 472 \(BEAR\)](#).
- Review the [FCC Form 471 Receipt Acknowledgment Letter \(RAL\)](#) and notify applicant of errors.

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## Application Review

- Applicants undergo review of their FCC Form(s) 471 by Program Integrity Assurance (PIA).
  - Service providers can assist with:
    - Specific questions on products and services, eligible uses, network/configuration questions.
  - Service providers cannot assist with:
    - Questions on the technology planning or competitive bidding processes.

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## Application Review – Tips

- Offer to help applicants with technical questions on products and services.
- Offer to help with cost allocations.
- Remember that the ultimate responsibility for the application review rests with the applicant.
  - If for some reason you talk to PIA without the applicant, communicate your response to the applicant.

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## Funding Commitments

- After USAC reaches a funding decision, both the applicant and the service provider receive a [Funding Commitment Decision Letter \(FCDL\)](#).
  - “Funded”: fully funded or funded with reductions (for example, after ineligible products or services have been removed)
  - “Not funded”: denied in total or denied for threshold (if no funding is available for P2 requests at that discount level)

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## Funding Commitments – Tips

- Review [Funding Commitment Decision Letter \(FCDL\)](#) details for each applicant.
- Help applicants prepare for start of services.
  - Do you need details from the applicant?
  - Does the applicant need details from you?
- If funding is reduced or denied, you or the applicant can consider filing an appeal of the USAC decision with USAC or the FCC.

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## Annual Certification

- [FCC Form 473](#) – Service Provider Annual Certification (SPAC) Form
  - Must be filed for each funding year you provide services under E-rate.
  - In general, this form can be filed for the upcoming funding year after the filing window opens.
  - Must be on file with USAC before an invoice will be paid for that funding year.
  - Contains certifications of compliance with E-rate program rules.

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## Annual Certification - Tips

- If you plan to participate in the E-rate program in the upcoming funding year, file the FCC Form 473 early so you don't forget.
- Read the certifications carefully and be sure you can certify truthfully.
- Check the [SPIN Contact Search](#) tool to verify that we have received and processed your form (funding year shows in SPAC column if an FCC Form 473 is on file for that year).

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## Start Service

- Applicant files [FCC Form 486](#) to indicate:
  - Service Start Date(s)
  - Status of technology plan, if required
  - Status under the Children's Internet Protection Act (CIPA)
- FCC Form 486 must be successfully processed – which includes passing any USAC reviews – before USAC will pay invoices for an FRN.

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## Start Service – Tips

- Encourage applicants to file an FCC Form 486 early if they are eligible.
- Notify applicants if services have started and no FCC Form 486 has been filed.
- If you are concerned, ask applicants about the status of their technology plans and compliance with CIPA.
- Reach an understanding about the definition of the service start date for each FRN.

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## Invoicing

- Two invoicing methods chosen by the applicant:
  - [FCC Form 474 \(SPI Form\)](#) is filed by service provider after billing applicant for non-discount share; USAC reimburses the service provider.
  - [FCC Form 472 \(BEAR Form\)](#) is filed by applicant with service provider’s approval after applicant has paid for service in full.
    - USAC sends funds to the service provider who then reimburses the applicant within 20 business days.
- First invoice for an FRN sets the invoicing method for that FRN.

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## SPI Forms – Tips

- Bill the applicant for the non-discount share.
  - Program rules require the applicant to pay the non-discount share.
  - The expectation is that the applicant will pay your bill within 90 days.
- Respond promptly to USAC requests.
  - Service checks
  - Other documentation

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## BEAR Forms – Tips

- Bill the applicant for the full cost of the eligible products and services.
- Remind the applicant to pay your bill in full before submitting a BEAR Form.
- Remind the applicant not to wait until the last minute to file a BEAR Form.
- Review the BEAR Form before you approve it.
- Pass a BEAR reimbursement to the applicant no later than 20 days after you receive it.

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## Resources

- USAC home page – [www.usac.org](http://www.usac.org)
  - [Service Providers](#) (FCC Form 498 and payments)
  - [Schools & Libraries](#) (program guidance)
    - [Trainings and Outreach](#)
      - [Service Provider Conference Calls](#)
      - [Schools and Libraries News Briefs](#)
    - [Search Tools](#)
    - [Latest News](#)

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## Questions?

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