E-rate Program Overview

2020 Applicant and Service Provider Training

November 4, 2020
HOUSEKEEPING – WEBINAR PANEL

• The webinar panel is located on the right-hand side of the screen.
• Open the panel by clicking the orange arrow.
• Use the white arrows to open the sections in the panel.
HOUSEKEEPING – WEBINAR PANEL

- You can use the panel to view the presentation in full screen or window mode.

- We are not using the hand raise function.
HOUSEKEEPING – AUDIO

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HOUSEKEEPING – RESOURCES

• The **slide deck** is available when you click the arrow to expand the “**Handouts**” tab.

• A recording of this webinar will be available after the event via the registration link.
HOUSEKEEPING – Q&A

• There will be a live Q&A session focused on today’s topics.

• Tips for submitting questions:
  • Use the “Questions” box in your webinar control panel anytime during the presentation.
  • Click the box with the arrow above the questions box to expand it and see all written answers.
  • Write in full sentences.
  • Ask one question at a time.
  • Ask questions related to webinar content.
Create a customer service case in the E-rate Productivity Center (EPC):

1. Log in to EPC.
2. Select the Contact Us link from the upper right menu on your landing page.
MEET OUR TEAM

John Noran
Senior Manager
E-rate Program

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Content Writer
Shared Services
AGENDA

1. USAC Mission Statement and Overview
2. Application Process-Applicant Steps
3. Application Process-Service Provider Steps
4. Basic Concepts
5. Q&A
Mission Statement

Help ensure that schools and libraries can obtain high-speed internet access and telecommunications at affordable rates, and keep students and library patrons connected to broadband by providing a discount on eligible services.
Overview

WHO MAKES THE RULES?

- Congress wrote the Telecommunications Act of 1996, which directed the Federal Communications Commission (FCC) to establish the E-rate Program and other programs.

- The FCC issues orders that set rules and policies for the program and gives direction to the Universal Service Administrative Company (USAC) through orders.

- USAC is responsible for the day-to-day administration of the E-rate Program.
Application Process
Applicant Steps
What is the Applicant Process?

- Competitive Bidding
- Apply for Discounts
- Start Services
- Invoice USAC
Competitive Bidding

- Run an open and fair competitive bidding process.

- Wait 28 days before choosing a service provider.

- Evaluate bids using the price of the eligible services as the primary factor.
Apply for Discounts

- Provide information about your requests (discount level, costs of services, service providers).

- Answer USAC review questions.

- Receive your funding commitment decision.
Start Services

- Tell USAC your services have started.

- Verify your CIPA* compliance.
  - * CIPA = Children’s Internet Protection Act

- Answer USAC review questions.
Invoice USAC (BEAR Form)

- Certify FCC Form 498 to provide your banking information – and backup documents – to USAC for review.

- Pay your customer bill (the bill from your service provider) in full.

- Answer any USAC review questions.
Invoice USAC (SPI Form)

- Pay your discounted customer bill (the bill from your service provider).

- Your service provider will invoice USAC for the discount amount.

- Answer any USAC review questions.
Application Process
Service Provider Steps
What is the Service Provider Process?

- Get a SPIN
- Certify Compliance
- Invoice USAC
Get A SPIN

- Register with USAC and provide information on contacts and the services you provide.

- Information from your FCC Form 498 is used to populate information in your portal (E-rate Productivity Center or EPC).

- Keep this information current.
Applicant Competitive Bidding

- Review posted FCC Forms 470, Requests for Proposal (RFPs), and RFP documents on the USAC website and respond to requests for services.

- Ask the applicant questions if you need clarification.

- Competitive bidding process must be open and fair.
Applicants Apply for Discounts

- Review the Receipt Acknowledgment Letter for accuracy.

- Assist applicants with review questions as needed (network diagrams, technical information).

- Review USAC’s funding commitment decision.
Certify Compliance with Rules

- File your FCC Form 473 (SPAC Form) to certify that you will follow program rules.

- Start the delivery and installation of funded services.

- Verify that your customers have filed FCC Form 486.
Invoice USAC (SPI Form)

- Bill your customers for their share of the cost of approved services.

- Check the commitment information (services, discount level, costs) before filing a SPI Form.

- Answer any USAC review questions.
Basic Concepts
BASIC CONCEPTS

- Eligibility – Entities, Services, Locations
- Funding Year
- Filing Window
- Identifying Numbers (BEN, SPIN, CRN)
- Discounts
- Funding Request Numbers (FRNs)
Eligibility - Applicant Entities
ELIGIBILITY - School

- Must provide elementary and/or secondary education, as determined under state law
- Cannot have an endowment exceeding $50 million
- Cannot operate as a for-profit business
ELIGIBILITY – Libraries

- Must be eligible for assistance from their state library agency under LSTA*

- Budget must be separate from any schools.

- Cannot operate as a for-profit business

*LSTA = Library Services Technology Act
ELIGIBILITY – Non-instructional Facilities (NIFs)

- Non-instructional facilities (NIFs) are eligible for discounts on some services.

- NIFs are:
  - School buildings that don’t have classrooms.
  - Library buildings that don’t have public areas.
**ELIGIBILITY - Consortia**

- Schools and libraries can join together to form consortia.

- Consortia are not themselves eligible for discounts, but they can run competitive bid processes and/or apply for discounts on behalf of their members.
Eligibility - Services
ELIGIBILITY- Eligible Services List (ESL)

- Each year, the FCC issues a list of services that are eligible for the upcoming funding year.
ELIGIBILITY - Services

Category One includes services from the service provider to the schools and/or libraries (demarcation point).

- One service type –
  - Data Transmission and/or Internet Access
ELIGIBILITY - Services

Examples of **Category One (C1)** services:

- Leased lit or dark fiber
- Wireless services (e.g. microwave)
- Satellite service
- T-1, T-3, etc.
- DSL
ELIGIBILITY - Services

**Category Two** includes services and equipment needed for broadband connectivity within schools and libraries.

- Three service types –
  - Internal Connections
  - Basic Maintenance of Internal Connections
  - Managed Internal Broadband Services
ELIGIBILITY - Services

Examples of Category Two (C2) services:

- Routers & switches
- Cabling, wireless access points
- Basic maintenance of eligible internal connections managed internal broadband services (managed Wi-Fi)
ELIGIBILITY - Services

Category One (C1) services are not limited in cost as long as they are cost-effective.

Category Two (C2) services are limited by a pre-discount budget

- Budget period is five years.
- Budget is calculated based on number of students (schools) or square footage (libraries).
- Beginning in FY2021, budget is calculated at the school district or library system level.
ELIGIBILITY – Eligible Purposes

- Activities related to education that occur on school property.

- Activities related to providing library services to individuals that occur on library property.

*Activities that are not on school or library property are generally not considered eligible for discounts.*
Funding Year
A Funding Year (FY) starts on July 1 and ends the following June 30.

- For example, FY2021 starts on July 1, 2021, and ends on June 30, 2022.
FUNDING YEAR

Timing of program activities:

- Competitive bidding and applying for discounts happen before the funding year starts.
FUNDING YEAR

Timing of program activities:

- Services generally start at the beginning of the funding year.
FUNDING YEAR

Timing of program activities:

- Invoicing can occur during the funding year and is generally completed after the funding year ends.
FUNDING YEAR – Delivery and installation of services

- **Recurring services** (e.g., monthly internet access) must be delivered during the funding year.

- **Non-recurring services** (e.g., equipment installations) can generally be installed through September 30 following the close of the funding year.
  - The September 30 deadline can sometimes be extended, either automatically or by request.
  - Delivery and installation can sometimes start before the funding year.
FILING WINDOW

All FCC Forms 471 are filed during a specific period of time – the FCC Form 471 application filing window.

- The filing window generally opens in mid-January and closes in mid-March in advance of the start of the funding year.

*Applications (FCC Forms 471) filed outside of the filing window are not considered for funding.
Identifying Numbers
IDENTIFYING NUMBERS - BENs

Each applicant entity is assigned an “entity number” in the system.

- Each entity that receives and pays bills is assigned a Billed Entity Number (BEN).
  - For example: independent schools, school districts, independent libraries, library systems, consortia, educational service agencies.
- Schools in a school district, libraries in a library system, and NIFs also have entity numbers.
IDENTIFYING NUMBERS - SPINs

A Service Provider Identification Number (SPIN) is assigned to providers participating in E-rate.

- Service providers may have more than one SPIN due to:
  - Different business units or service areas.
  - Mergers and acquisitions.
IDENTIFYING NUMBERS - CRNs

Each consulting firm is assigned a Consultant Registration Number (CRN) in the system.

- A consultant may be a single individual or a consulting firm with multiple employees.
Discounts
DISCOUNTS – Overview

Discounts depend on two pieces of information:

- The level of poverty as defined by the percentage students who qualify for the National School Lunch Program (NSLP) in the school district.
- The urban or rural status of the school district or library system.
**DISCOUNTS – Calculations**

- School districts use:
  - The percentage of students eligible for NSLP and
  - Urban/rural status.

- Library systems use:
  - The percentage of students eligible for NSLP in the school district where the main branch of the library is located and
  - Urban/rural status.

- Consortia use a simple average of their members’ discounts.
# Discount Matrix

<table>
<thead>
<tr>
<th>Income</th>
<th>Discount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measured by percentage of students eligible for NSLP</td>
<td>Urban</td>
</tr>
<tr>
<td>Less than 1%</td>
<td>20</td>
</tr>
<tr>
<td>1% to 19%</td>
<td>40</td>
</tr>
<tr>
<td>20% to 34%</td>
<td>50</td>
</tr>
<tr>
<td>35% to 49%</td>
<td>60</td>
</tr>
<tr>
<td>50% to 74%</td>
<td>80</td>
</tr>
<tr>
<td>75% to 100%</td>
<td>90 for C1, 85 for C2</td>
</tr>
</tbody>
</table>
Funding Request Number (FRN)
FUNDING REQUEST NUMBER (FRN)

Applying for discounts

- Applicants list the services and identify the costs for those services on the FCC Form 471.
- Each of these funding requests is assigned a number – an FRN.
- There can be one or many FRNs on an FCC Form 471.
FUNDING REQUEST NUMBER (FRN)

FRNs are specific to:

- A category of service
- A service type
- An FCC Form 470
- A service provider (SPIN)
- A contract, if you have one

An FRN can have one or many services, as long as the services have all the above in common.
HOUSEKEEPING – Q&A

- **Review for the Q&A session**
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Q&A SESSION

SUBMIT YOUR QUESTIONS DURING THE LIVE WEBINAR
CLIENT SERVICE BUREAU (CSB)

Call us at (888) 203-8100
Monday – Friday 8:00 a.m. to 8:00 p.m. ET

Create a customer service case in EPC:

1. Log in to EPC.
2. Select the Contact Us link from the upper right menu on your landing page.
UPCOMING WEBINARS

Go to the E-rate Webinars page for additional information.

Our next webinar is:
November 4 at 3:00 p.m. EST

EPC Demo

Recommended for: Applicants and service providers
E-rate Experience Level: Beginner
WEBINAR SURVEY

We would like your feedback on today’s webinar. Please fill out the pop-up survey after the webinar ends or use the link emailed to you after the event.
Thank You!