

# **E-rate Program Overview**

2021 Applicant and Service Provider Training

November 16, 2021



Universal Service  
Administrative Co.

# DISCLAIMER

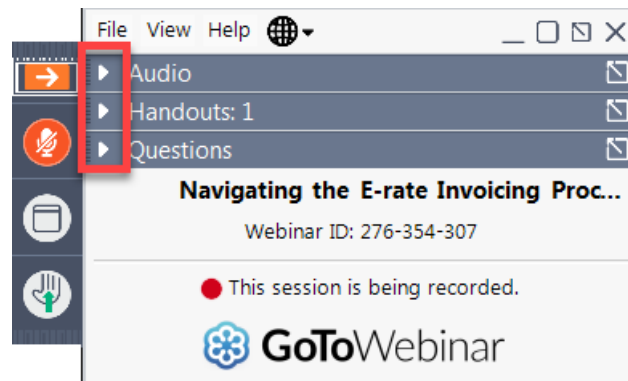
To accommodate all attendees, real-time closed captions will be present during this presentation. This is a new feature we are testing out to improve webinar accessibility for all. We understand it is a significant change and appreciate your patience. We apologize in advance for any transcription errors or distractions. Thank you for your support.

# Housekeeping – Webinar Panel

- The webinar panel is located on the right-hand side of the screen.
- Open the panel by clicking the orange arrow.

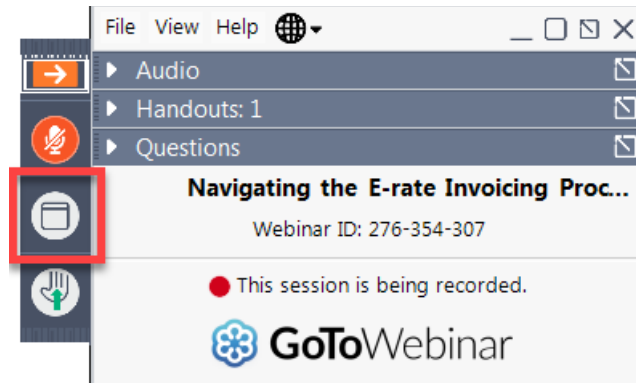


- Use the white arrows to open the sections in the panel.

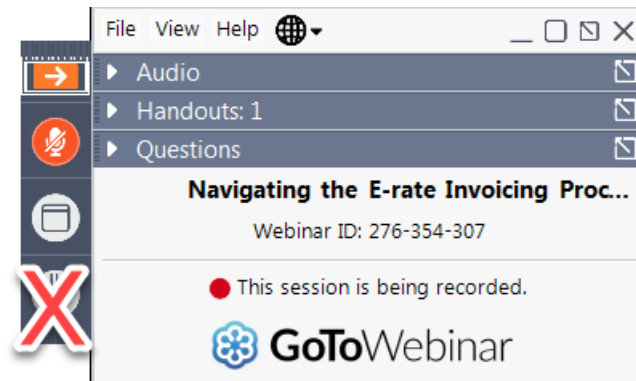


# Housekeeping – Webinar Panel

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

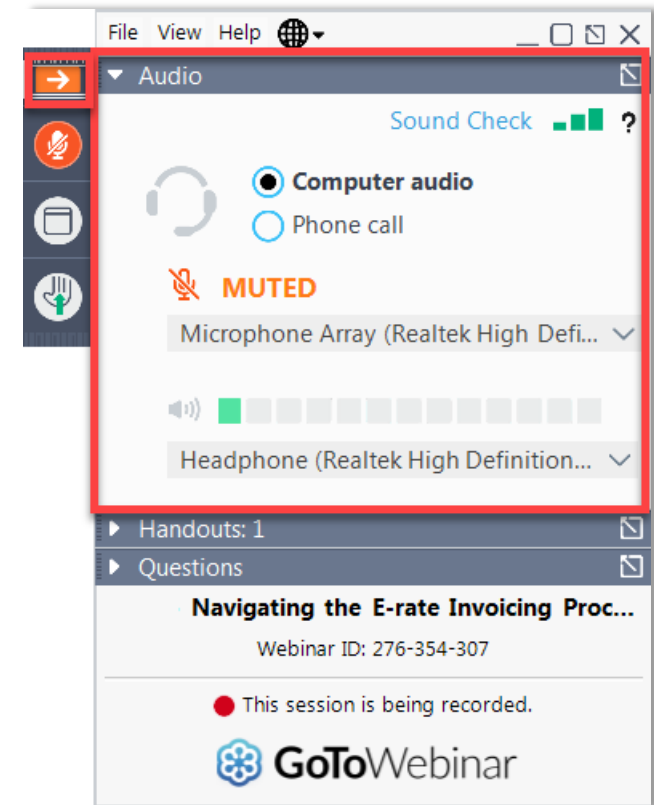


- We are not using the hand raise function.



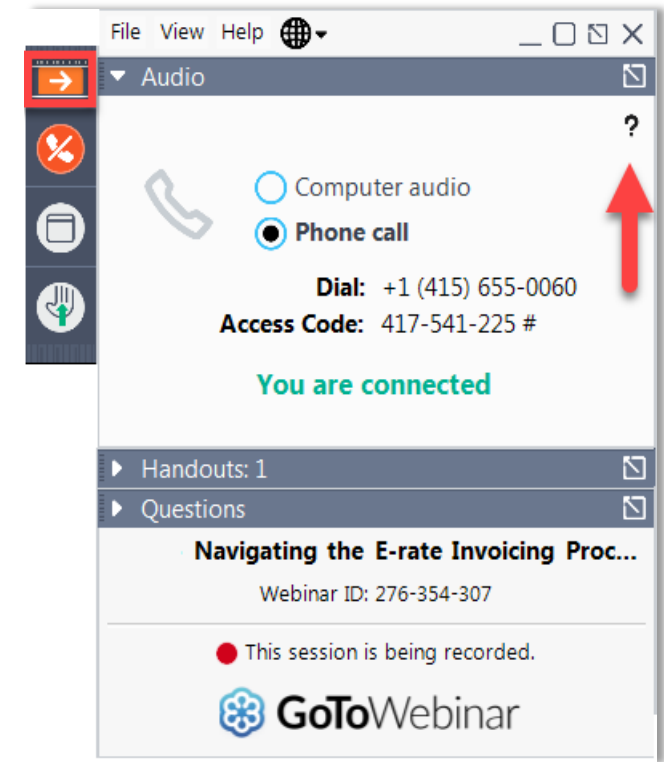
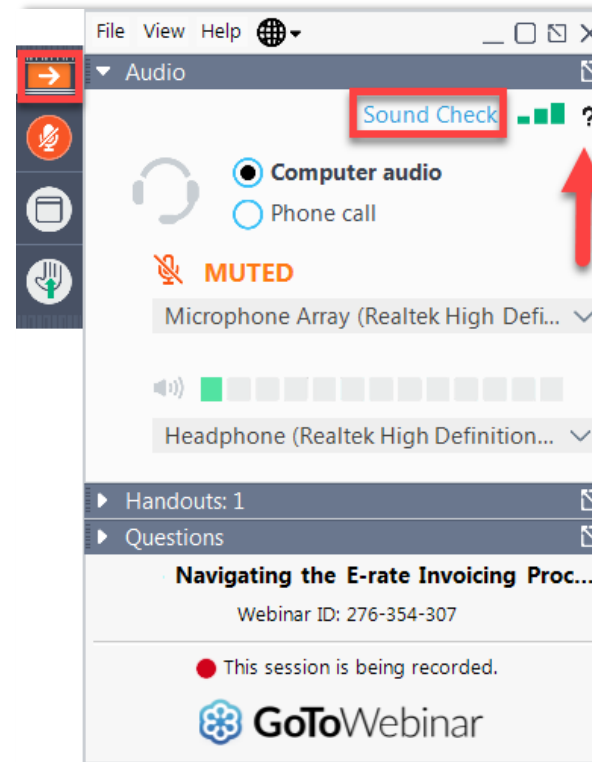
# Housekeeping – Audio

- Use the “Audio” section of your control panel to select an audio source.
- Choose one of the audio options:
  - Your computer's audio
  - Call in using an access code and audio PIN.
- The audience will remain on mute.



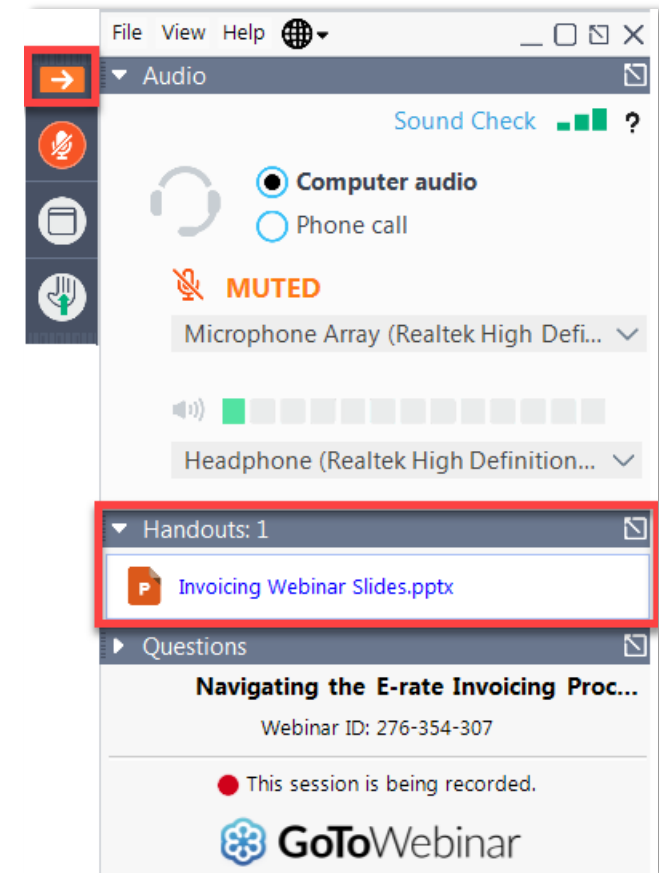
# Housekeeping – Technical Issues

- Use the “Sound Check” link and click question mark icon for audio help.
- Exit webinar and click the check system requirements link in the event confirmation email to determine whether your computer meets the requirements to see and hear the webinar.
- If issues persist, call 833-851-8340 to troubleshoot with GoToWebinar.



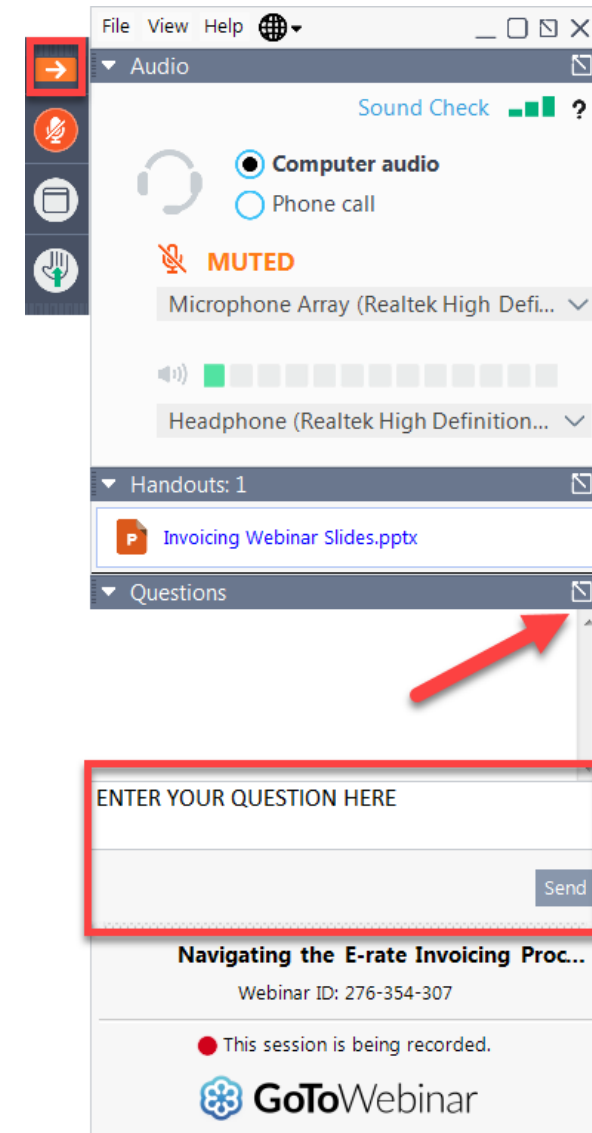
# Housekeeping – Resources

- 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.





# Client Service Bureau (CSB)



**Call us at (888) 203-8100**

Monday – Friday 8 a.m. to 8 p.m. ET



**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 the Team



**Catherine Willis**

Senior Director | E-rate program



**Nkeshi Free**

Communications Specialist | E-rate program

# Agenda

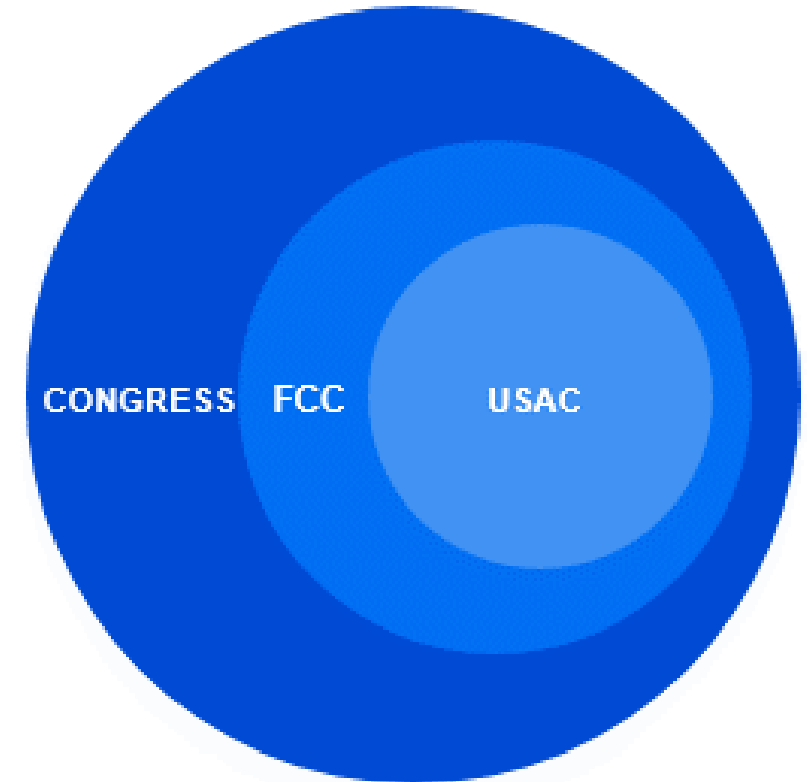
- USAC Mission Statement
- Overview
- Application Process: Applicant Steps
- Application Process: Service Provider Steps
- Basic Concepts
- Resources
- Q&A

# Mission Statement

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

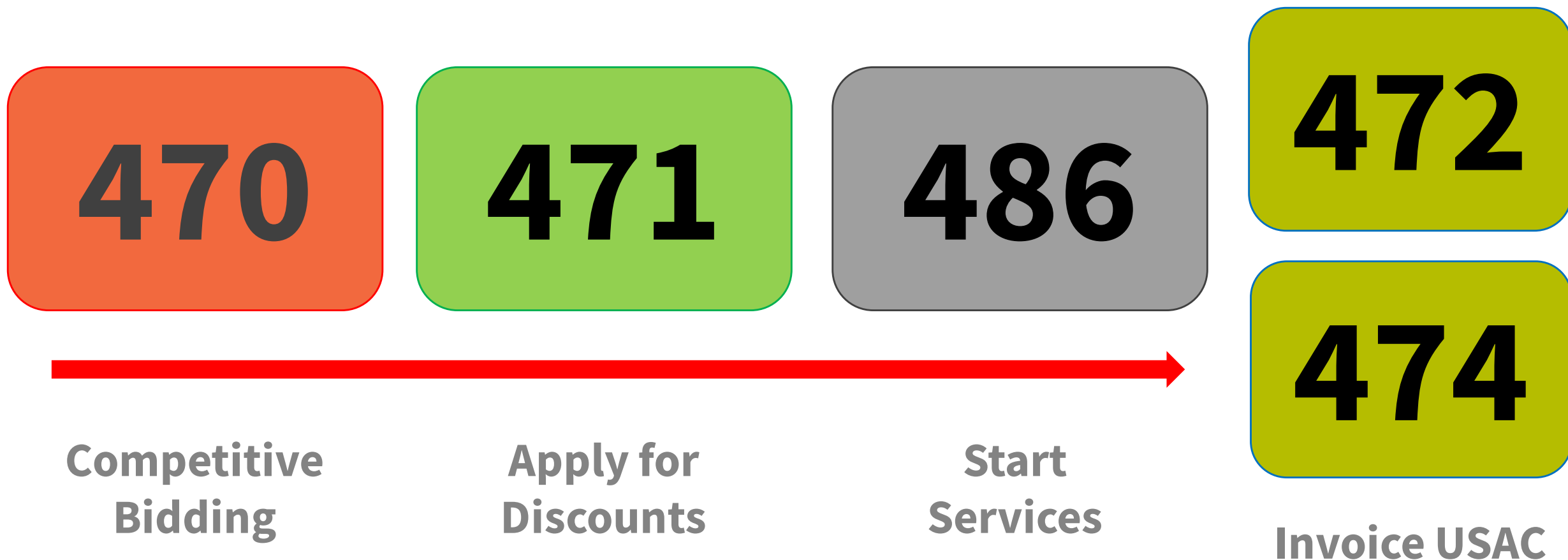
# Overview: Who Makes the Rules?

- Congress enacted the Telecommunications Act of 1996, which directed the Federal Communications Commission (FCC) to establish the E-rate program and other programs.
- The FCC sets rules and policies for the program and gives direction to the Universal Service Administrative Company (USAC).
- 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

## Description of Services Requested and Certification Form

- 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.

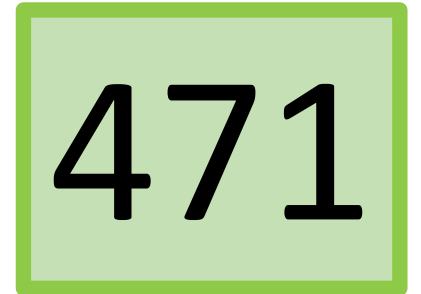
An orange square with a thick orange border containing the number 470 in a large, black, sans-serif font.



# Apply for Discounts

## Description of Services Requested and Certification Form


- Provide information about your requests (discount level, costs of services, service providers).
- Answer USAC review questions.
- Receive your Funding Commitment Decision Letter (FCDL).



# Start Services

## Receipt of Service Confirmation and Children's Internet Protection Act Certification Form (CIPA)

- Tell USAC when your services have started. Services should start before the deadline noted in your FCDL.
  - Late submission of the FCC Form 486 can impact your commitment.
- Verify your Children's Internet Protection Act (CIPA) compliance.
- Answer USAC review questions.



486

# Invoice USAC

## Billed Entity Applicant Reimbursement (BEAR) Form


- Pay your customer bill (the bill from your service provider) in full and maintain documentation associated with your FCC Form 472 (BEAR Form). The Commission records retention period is 10 years.
- Bill for approved services delivered to the approved Recipient(s) of Service (ROS) at quantities and rates not to exceed what was listed on the FCC Form 471.
- Answer any USAC review questions.
- Certify and update the FCC Form 498 to provide your banking information and backup documents to the FCC for review.

A blue square containing the number 472 in a large, black, sans-serif font.

# Invoice USAC

## Service Provider Information (SPI Form)

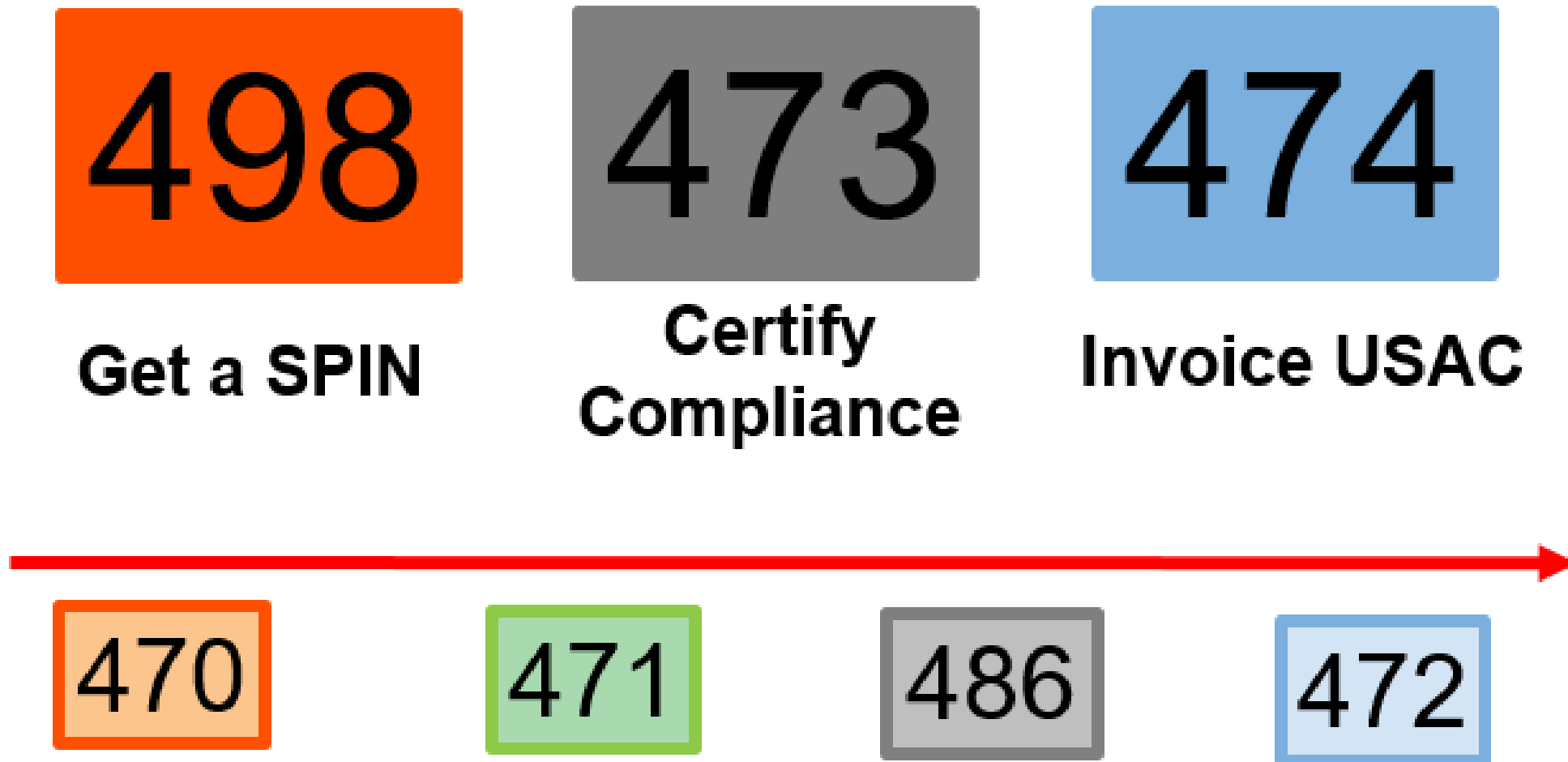
- Pay your non-discounted share of costs on the customer bill (the bill from your service provider).
- Your service provider will invoice USAC for the discount amount using the FCC Form 474 (SPI Form).
- Answer any USAC review questions.



474

# **Application Process: Service Provider Steps**

## What is the Service Provider Process?



# Obtain a Service Provider Identification Number (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.

An orange square with the number 498 in a large, dark gray font.

# Applicant Competitive Bidding

- Service providers review Applicant's FCC Form 470 (Description of Services Requested and Certification Form) that opens the required Competitive Bidding process.
- 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.



470



# Applicants Apply for Discounts

- Review the Receipt Acknowledgment Letter (RAL) for accuracy.
- Assist applicants with review questions as needed (network diagrams, technical information).
- Review USAC's funding commitment decision.



471

# Certify Compliance with Rules

- File your FCC Form 473 (Service Provider Annual Certification (SPAC) Form) to certify compliance with program rules.
- Start the delivery and installation of funded services.
- Verify that your customers have filed FCC Form 486.



473

# Invoice USAC (Service Provider Invoice (SPI) Form)

- Bill your customers for their share of the cost of approved services.
- Check the commitment information (services, discount level, costs) before filing an FCC Form 474 (SPI Form).
- Bill for approved services delivered to the ROS at quantities and rates not to exceed what was approved on the FCC Form 471.
- Maintain documentation associated with your SPI Form.
- Answer any USAC review questions.



474

# Basic Concepts

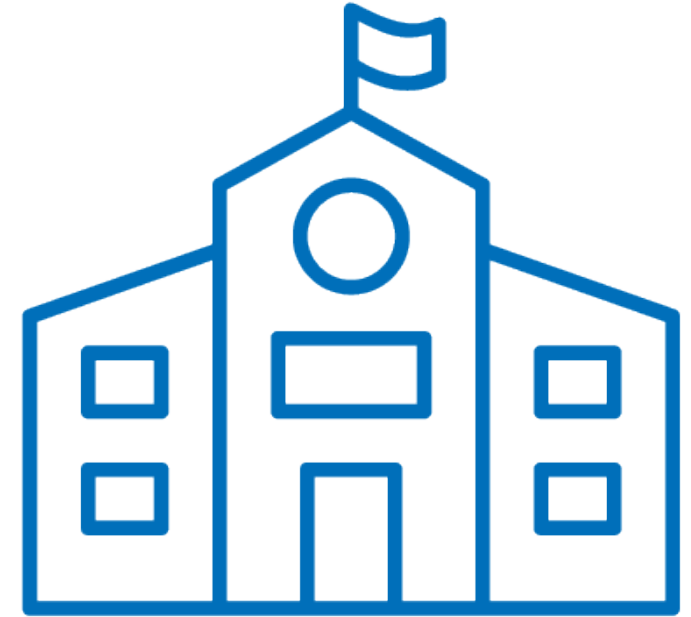
# Basic Concepts

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

# **Eligibility: Applicant Entities**

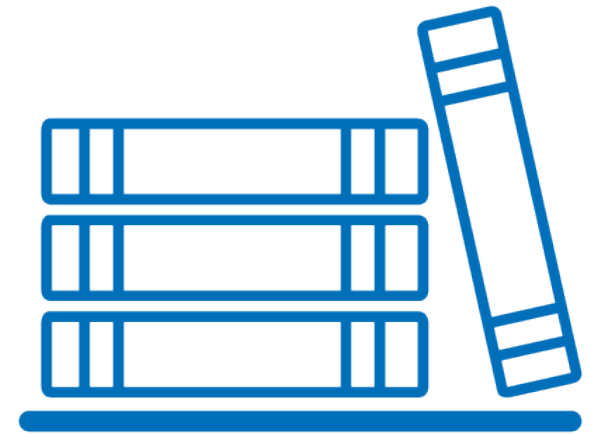
## Eligibility - School

- 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 Library Services Technology Act (LSTA).
- The FCC currently has a Notice of Proposed Rulemaking (FCC 21-107) to update the definition of library in the Commission's rules to provide clarify regarding the eligibility of Tribal libraries and promote increased participation of underrepresented Tribal libraries in the E-rate program.
- Budget must be separate from any schools.
- Cannot operate as a for-profit business.





# 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 and equipment 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).

- Data Transmission
- 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 (IC)
  - Basic Maintenance of Internal Connections (BMIC)
  - Managed Internal Broadband Services (MIBS)

# Eligibility - Services

Examples of Category Two (C2) services:

- Routers and switches
- Cabling, wireless access points
- Basic maintenance of eligible internal connections (BMIC)
- Managed internal broadband services (managed Wi-Fi)



# Eligibility - Services

- **Category One (C1)** services are not capped by a budget but must be 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 Funding Year 2021, the budget is calculated at the school district or library system level.

# Eligibility – Eligible Purposes

- Activities primarily for educational purposes that occur on school property.
- Activities related to providing library services to individuals that occur on library property.

\*Activities that are of campus or not school or library property are generally not considered eligible for discounts.



# Funding Year

# 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.
  - FY2022 starts on July 1, 2022 and ends on June 30, 2023.



# 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

- **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

# 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

# Applicant 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.

# Service Provider Identifying Numbers- SPINs

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

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



# Consultant 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 both:

- 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

<b>Income</b> Measured by percentage of students eligible for NSLP	<b>Urban Status Discount Rate</b>	<b>Rural Status Discount Rate</b>
<b>Less than 1%</b>	20	25
<b>1% to 19%</b>	40	50
<b>20% to 34%</b>	50	60
<b>35% to 49%</b>	60	70
<b>50% to 74 %</b>	80	80
<b>75% to 100%</b>	90 for C1, 85 for C2	90 for C1, 85 for C2

# **Funding Request Number (FRN)**

# Funding Request Number (FRN)

## Applying for discounts

- Applicants list the equipment and/or services and identify the costs for those equipment and/or services on the FCC Form 471.
- Each of these funding requests is assigned a number – an FRN.
- There can be one or multiple FRNs on an FCC Form 471.

# Funding Request Number (FRN)

- FRNs are specific to:
  - Recipient(s) of Service (ROS)
  - 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 types of equipment and/or services, as long as the equipment and/or services have all the above in common.



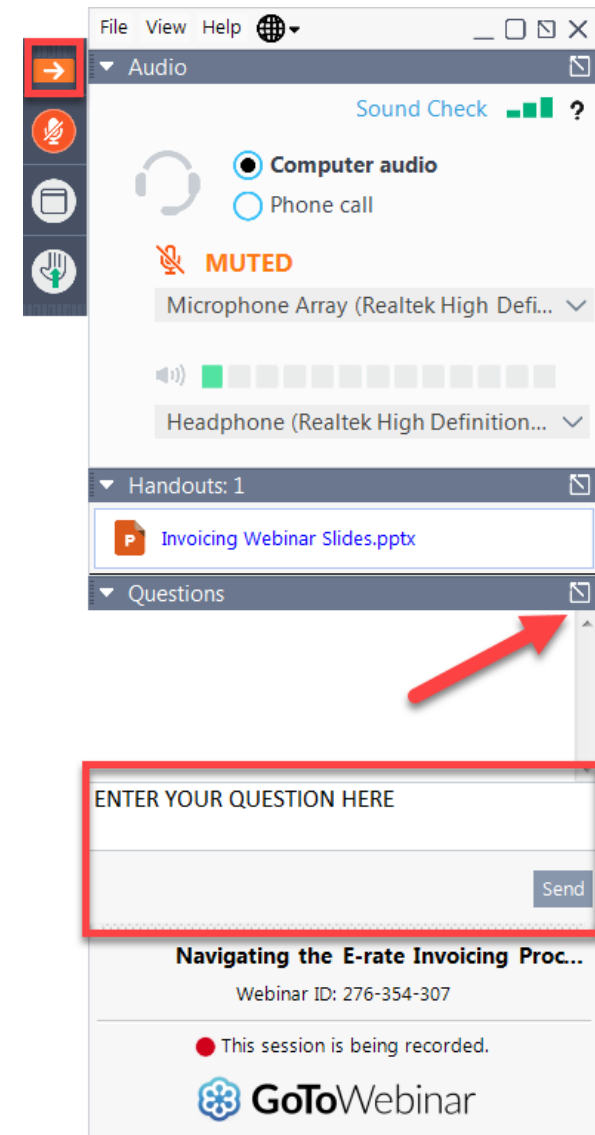
# Resources

# Resources

- [E-rate webinars](#)
- [Video tutorials](#)
- [E-learning modules](#)
- [Subscribe to the SL News Brief](#)
- [E-rate Program Applicant Document Retention List](#)

# Housekeeping – Q&A

- Use the “Questions” box in your webinar control panel to submit your question in writing.
  - Click the box with the arrow above the questions box to expand it.
  - Ask questions related to webinar content.





# Questions?

# Client Service Bureau (CSB)



**Call us at (888) 203-8100**

Monday – Friday 8 a.m. to 8 p.m. ET



**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.



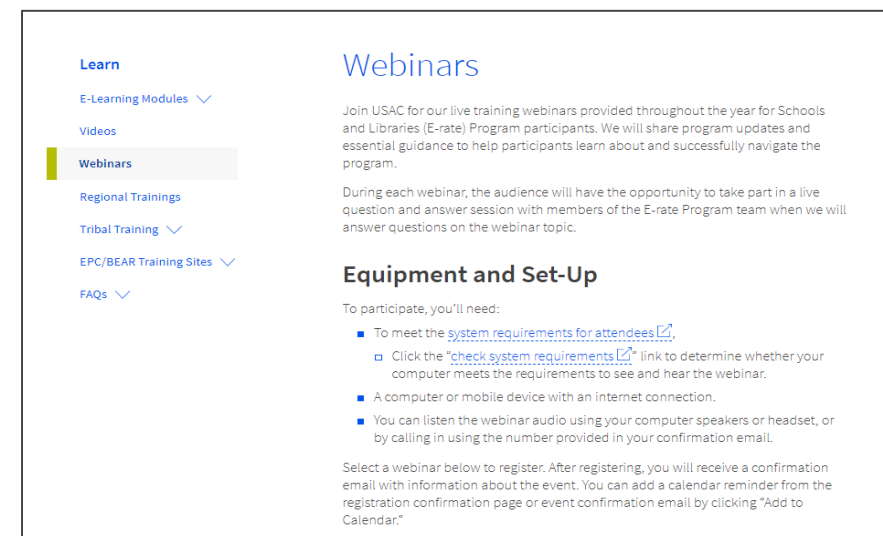
# Upcoming Webinars

**Our next webinar is on:  
November 16 at 3 p.m. ET**

## E-rate Pre-Commitment Process

**Recommended for:** Applicants and service providers

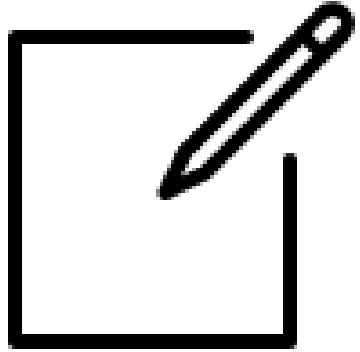
**E-rate Experience Level:** Beginner



The screenshot shows a web page with a left sidebar and a main content area. The sidebar has a 'Learn' header and a list of links: 'E-Learning Modules', 'Videos', 'Webinars' (highlighted with a yellow bar), 'Regional Trainings', 'Tribal Training', 'EPC/BEAR Training Sites', and 'FAQs'. The main content area has a 'Webinars' header. Below it, a paragraph states: 'Join USAC for our live training webinars provided throughout the year for Schools and Libraries (E-rate) Program participants. We will share program updates and essential guidance to help participants learn about and successfully navigate the program.' Another paragraph follows: 'During each webinar, the audience will have the opportunity to take part in a live question and answer session with members of the E-rate Program team when we will answer questions on the webinar topic.' Below this is a section titled 'Equipment and Set-Up' with the text 'To participate, you'll need:'. This is followed by a bulleted list: '■ To meet the [system requirements for attendees](#),', '■ Click the "[check system requirements](#)" link to determine whether your computer meets the requirements to see and hear the webinar.', '■ A computer or mobile device with an internet connection.', and '■ You can listen the webinar audio using your computer speakers or headset, or by calling in using the number provided in your confirmation email.' At the bottom, a paragraph reads: 'Select a webinar below to register. After registering, you will receive a confirmation email with information about the event. You can add a calendar reminder from the registration confirmation page or event confirmation email by clicking "Add to Calendar."'

Go to the E-rate [Webinars](#) page for additional information.

# Take Our Survey



- We want to hear about your webinar experience.
- Expect an email from USAC E-rate Outreach Team [invites@mailersurveygizmo.com](mailto:invites@mailersurveygizmo.com) with a unique survey link in 1-2 business days.
- We appreciate your feedback!

**Thank You!**





**Universal Service**  
Administrative Co.